SCBT FINANCIAL CORP Form 10-Q August 09, 2011
Table of Contents

# **UNITED STATES** SECURITIES AND EXCHANGE COMMISSION

SECURITES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
FORM 10-Q
(Mark One)
<b>x</b> QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the quarterly period ended June 30, 2011
OR
o TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGI

E **ACT OF 1934** 

For the transition period from

to

Commission file number 001-12669

### SCBT FINANCIAL CORPORATION

(Exact name of registrant as specified in its charter)

South Carolina	
(State or other jurisdiction of incorporation)	

**57-0799315** (IRS Employer Identification No.)

520 Gervais Street Columbia, South Carolina (Address of principal executive offices)

**29201** (Zip Code)

(800) 277-2175

(Registrant s telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days. Yes x No o

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate website, if any, every Interactive Data file required to be submitted and posted pursuant to Rule 405 of Regulation S-T (Section 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes o No o

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See the definitions of large accelerated filer, accelerated filer, and smaller reporting company in Rule 12b-2 of the Exchange Act.

Large Accelerated Filer o

Accelerated Filer x

Non-Accelerated Filer o

Smaller Reporting Company o

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes o No x

Indicate the number of shares outstanding of each of issuer s classes of common stock, as of the latest practicable date:

Class
Common Stock, \$2.50 par value

Outstanding as of July 31, 2011 13,995,219

#### **SCBT Financial Corporation and Subsidiary**

#### June 30, 2011 Form 10-Q

#### **INDEX**

		Page
PART I FINANCIAL INFORMATION		
<u>Item 1.</u>	Financial Statements	
	Condensed Consolidated Balance Sheets at June 30, 2011, December 31, 2010 and June 30, 2010	1
	Condensed Consolidated Statements of Income for the Three Months and Six Months Ended June 30, 2011 and 2010	2
	Condensed Consolidated Statements of Changes in Shareholders	3
	Condensed Consolidated Statements of Cash Flows for the Six Months Ended June 30, 2011 and 2010	4
	Notes to Condensed Consolidated Financial Statements	5-43
Item 2.	Management s Discussion and Analysis of Financial Condition and Results of Operations	44-65
Item 3.	Quantitative and Qualitative Disclosures About Market Risk	65
Item 4.	Controls and Procedures	65
PART II OTHER INFORMATION		
Item 1.	Legal Proceedings	65
Item 1A.	Risk Factors	65
Item 2.	<u>Unregistered Sales of Equity Securities and Use of Proceeds</u>	66
Item 3.	Defaults Upon Senior Securities	66
Item 4.	(Removed and Reserved)	66
Item 5.	Other Information	67
Item 6.	<u>Exhibits</u>	68

#### PART I FINANCIAL INFORMATION

#### **Item 1. FINANCIAL STATEMENTS**

#### **SCBT Financial Corporation and Subsidiary**

#### **Condensed Consolidated Balance Sheets**

(Dollars in thousands, except par value)

A CODETO		June 30, 2011 (Unaudited)	December 31, 2010 (Note 1)			June 30, 2010 (Unaudited)
ASSETS Cash and cash equivalents:						
Cash and due from banks	\$	87,319	\$	83,449	\$	72,574
Interest-bearing deposits with banks	Ψ	1,088	Ψ	416	Ψ	182
Federal funds sold and securities purchased under agreements to resell		160,660		153,234		114,269
Total cash and cash equivalents		249,067		237,099		187,025
Investment securities:		_ 1,,,,,,		201,000		107,020
Securities held to maturity						
(fair value of \$19,834, \$20,150 and \$20,584, respectively)		19,100		19,941		20,092
Securities available for sale, at fair value		209,956		197,374		251,644
Other investments		20,427		20,597		22,181
Total investment securities		249,483		237,912		293,917
Loans held for sale		17,956		42,704		22,724
Loans:						
Acquired		367,491		321,038		413,549
Non-acquired		2,405,613		2,296,200		2,227,442
Less allowance for loan losses		(61,875)		(47,512)		(46,167)
Loans, net		2,711,229		2,569,726		2,594,824
FDIC receivable for loss share agreements		299,200		212,103		265,890
Other real estate owned (covered of \$74,591, \$69,317, and \$31,750,						
respectively; and non-covered of \$24,900, \$17,264, and \$9,803,						
respectively)		99,491		86,581		41,553
Premises and equipment, net		90,529		87,381		84,206
Goodwill		62,888		62,888		62,888
Other assets	φ.	60,092	Φ.	58,397	Φ.	65,619
Total assets	\$	3,839,935	\$	3,594,791	\$	3,618,646
I IA DII UDIEC AND CHA DEHOL DEDC EQUIDA						
LIABILITIES AND SHAREHOLDERS EQUITY  Demosits:						
Deposits:	\$	598,112	Ф	484,838	Φ	465,594
Noninterest-bearing Interest-bearing	Ф	2,607,716	Ф	2,519,310	\$	2,546,273
Total deposits		3,205,828		3,004,148		3,011,867
Federal funds purchased and securities sold under agreements to		3,203,626		3,004,146		3,011,007
repurchase		187,550		191,017		177,281
Other borrowings		46,275		46,978		62,557
Other liabilities		29,177		22,691		32,338
Total liabilities		3,468,830		3,264,834		3,284,043
Shareholders equity:		2,102,000		2,221,001		2,23.,310

Preferred stock - \$.01 par value; authorized 10,000,000 shares; no shares issued and outstanding			
Common stock - \$2.50 par value; authorized 40,000,000 shares;			
13,987,686, 12,793,823 and 12,773,855 shares issued and outstanding	34,969	31,985	31,935
Surplus	231,640	198,647	197,305
Retained earnings	105,799	103,117	105,115
Accumulated other comprehensive income (loss)	(1,303)	(3,792)	248
Total shareholders equity	371,105	329,957	334,603
Total liabilities and shareholders equity	\$ 3,839,935 \$	3,594,791 \$	3,618,646

The Accompanying Notes are an Integral Part of the Financial Statements.

#### **SCBT Financial Corporation and Subsidiary**

#### **Condensed Consolidated Statements of Income (unaudited)**

(Dollars in thousands, except per share data)

	Three Months Ended June 30,			Six Months Ended June 30,				
	2011	,	2010	2011	•	,	2010	
Interest income:								
Loans, including fees	\$ 40,994	\$	35,994	\$ 77,	824	\$	70,167	
Investment securities:								
Taxable	1,741		2,740	3,	598		5,254	
Tax-exempt	235		164		450		429	
Federal funds sold and securities purchased under								
agreements to resell	361		214		714		466	
Total interest income	43,331		39,112	82,	586		76,316	
Interest expense:	- )		,	- ,			,	
Deposits	4,661		7,077	10.	378		14,132	
Federal funds purchased and securities sold under	1,000		1,017	,			- 1,	
agreements to repurchase	142		184		302		337	
Other borrowings	527		691		059		2,056	
Total interest expense	5,330		7,952		739		16,525	
Net interest income	38,001		31,160		847		59,791	
Provision for loan losses	4,215		12,509		856		33,287	
Net interest income after provision for loan losses	33,786		18,651		991		26,504	
Noninterest income:	33,700		10,031	55,	//1		20,304	
Gains on acquisitions				5	528		98.081	
Service charges on deposit accounts	5,615		5,582		645		10,105	
Bankcard services income	3,045		2,348		704		4,147	
Trust and investment services income	1,525		1,187		70 <del>4</del> 774		1,971	
			,					
Mortgage banking income	1,125		1,267		988 333		2,111	
Securities gains	10		(675)		333		(( 2(1)	
Other-than-temporary impairment losses	(2.122)		(675)	(2	<b>50</b> ()		(6,261)	
Accretion on FDIC indemnification asset	(3,133)		567		534)		936	
Other	605		752		227		1,559	
Total noninterest income	8,792		11,028	24,	665		112,649	
Noninterest expense:								
Salaries and employee benefits	18,016		15,263		662		29,016	
OREO expense and loan related	2,777		825		310		555	
Net occupancy expense	2,346		1,907		922		4,280	
Information services expense	2,503		2,157		845		4,528	
Furniture and equipment expense	2,181		1,937		139		3,573	
FDIC assessment and other regulatory charges	1,255		1,227	2,	734		2,550	
Merger-related expense	598		964	1,	207		4,872	
Advertising and marketing	289		1,028	1,	198		1,615	
Amortization of intangibles	505		432		951		781	
Professional fees	501		616		934		1,173	
Federal Home Loan Bank advances prepayment fee							3,189	
Other	4,077		2,628	8,	370		5,432	
Total noninterest expense	35,048		28,984	69,	272		61,564	
Earnings:								
Income before provision for income taxes	7,530		695	11,	384		77,589	
Provision for income taxes	2,612		120		950		28,053	

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Net income	\$ 4,918	\$ 575 \$	7,434	\$ 49,536
Earnings per common share:				
Basic	\$ 0.36	\$ 0.05 \$	0.55	\$ 3.93
Diluted	\$ 0.35	\$ 0.05 \$	0.55	\$ 3.90
Dividends per common share	\$ 0.17	\$ 0.17 \$	0.34	\$ 0.34
Weighted-average common shares outstanding:				
Basic	13,805	12,612	13,500	12,599
Diluted	13,886	12,738	13,582	12,713

The Accompanying Notes are an Integral Part of the Financial Statements.

#### **SCBT Financial Corporation and Subsidiary**

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#### Six Months Ended June 30, 2011 and 2010

(Dollars in thousands, except per share data)

	Duofonn	ed Stock	Commo	n Sta	.alz			Retained		ated Other ehensive	
	Shares	Amount	Shares		Amount	5	Surplus	Earnings	•	e (Loss)	Total
Balance, December 31, 2009		\$	12,739,533	\$	31,849	\$	196,437	\$ 59,915	\$	(5,382)\$	282,819
Comprehensive income:											
Net income								49,536	)		49,536
Change in net unrealized gain on											
securities available for sale, net of											
tax										6,153	6,153
Change in unrealized losses on											
derivative financial instruments											
qualifying as cash flow hedges, net											
of tax										(523)	(523)
Total comprehensive income											55,166
Cash dividends declared at \$.34 per											
share								(4,336	<u>(</u> )		(4,336)
Employee stock purchases			5,294		13		129				142
Stock options exercised			11,782		30		196				226
Restricted stock awards			22,698		57		(57)				
Common stock repurchased			(5,452)		(14)		(184)				(198)
Share-based compensation expense							784				784
Balance, June 30, 2010		\$	12,773,855	\$	31,935	\$	197,305	\$ 105,115	\$	248 \$	334,603
Balance, December 31, 2010		\$	12,793,823	\$	31,985	\$	198,647	\$ 103,117	\$	(3,792)\$	329,957
Comprehensive income:											
Net income								7,434	Ļ		7,434
Change in net unrealized gain on											
securities available for sale, net of											
tax										2,557	2,557
Change in unrealized losses on											
derivative financial instruments											
qualifying as cash flow hedges, net											
of tax										(68)	(68)
Total comprehensive income											9,923
Cash dividends declared at \$.34 per											
share								(4,752	2)		(4,752)
Employee stock purchases			5,540		14		161				175
Stock options exercised			11,550		29		184				213
Restricted stock awards			52,680		132		(132)				
Common stock repurchased			(4,939)		(13)		(146)				(159)
Share-based compensation expense			, ,				909				909
Common stock issued in private											
placement offering			1,129,032		2,822		32,017				34,839
Balance, June 30, 2011		\$	13,987,686	\$	34,969	\$	231,640	\$ 105,799	\$	(1,303)\$	371,105
, ,			, , ,		,		,	,		. , , ,	,

The Accompanying Notes are an Integral Part of the Financial Statements.

#### **SCBT Financial Corporation and Subsidiary**

#### Condensed Consolidated Statements of Cash Flows (unaudited)

(Dollars in thousands)

Adjustments to reconcide net income to net cash provided by (used in) operating activities:   Depreciation and amortization   14,856   33,287     Defered income taxes   (105   3,884)     Defered income taxes   (133   3,894)     Defered income taxes   (138   3,894)     Defered income taxes   (138   3,894)     Defered income taxes   (138   3,894)     December 1		Six Months Ended			
Cash flows from operating activities:         7,434         \$ 49,536           Adjustments to reconcile net income to net cash provided by (used in) operating activities:         5,093         4,316           Provision for loan losses         14,856         33,287           Deferred income taxes         (105)         (3,884)           Obther-than-temporary impairment on securities         (333)         (333)           Gain on sale of securities         (333)         (352)         (98,081)           Gain on acquisition         (5,528)         (98,081)         (38,184)		_	2010		
Net income         \$ 7,434         \$ 49,536           Adjustments to reconcile net income to net cash provided by (used in) operating activities:         5,093         4,316           Perceitation and aimortization         5,093         4,316         33,287           Deferred income taxes         (105)         3,884         36         33,287           Claim on sale of securities         (5,528)         (98,081)         36         36,81         36         36         38,81         36         36         38,81         36         36         38,81         36         36         38,81         36         36         38,81         36         38,81         36         38,81         36         38         38         36         38         38         36         38         38         36         38         38         38         36         38 <th>Cash flows from operating activities:</th> <th>2011</th> <th></th> <th>2010</th>	Cash flows from operating activities:	2011		2010	
Adjustments to reconcide net income to net cash provided by (used in) operating activities:   1,993	Net income	\$ 7,434	\$	49,536	
Depreciation and amortization         5,993         4,316           Provision for loan losses         14,856         33,287           Deferred income taxes         (105)         (3,884)           Other-than-temporary impairment on securities         (333)           Gain on sale of securities         (333)           Gain on sale of securities         (98,081)           Share-based compensation expense         909         784           Loss on disposal of premises and equipment         48         36           Federal Home Loan Bank advances prepayment fee         3,834         (918)           Accretion on PDE indemnification asset         (6,526)         2,337           Net amortization of investment securities         689         358           Net change in:         24,747         (5,161)           Loans held for sale         24,747         (5,161)           Accrued interest receivable         1,377         2,379           Prepada assets         2,559         1,835           PDEO Loss share receivable         3,213         4,436           Accrued interest payable         2,682         3,391           Accrued interest payable         2,682         1,313           Accrued interest payable         2,682         1,313	Adjustments to reconcile net income to net cash provided by (used in) operating activities:	ĺ			
Pervision for loan loases         14,856         33,287           Deferred income taxes         (105)         (3,884)           Other-than-temporary impairment on securities         (33)         ————————————————————————————————————		5,093		4,316	
Other-than-temporary impairment on securities         6,261           Gain on sale of securities         (333)           Gain on sale of securities         (90,808)           Gain on aguistition         (5,528)         (98,081)           Share-based compensation expense         909         784           Loss on disposal of premises and equipment         48         36           Federal Home Loan Bank advances prepayment fee         3,189         40,233           Accretion on EDIC indemnification asset         (6,526)         2,337           Net amortization of investment securities         689         358           Net amortization of investment securities         689         358           Net change in:         424,747         (5,161)           Accrued interest receivable         1,377         2,379           Accrued interest receivable         3,213         42,299           Propaid assets         2,559         1,381           Accrued interest payable         2,682         3,391           Accrued increast payable         6,332         136           Accrued increast payable         6,332         136           Accrued increast payable         6,526         5,572         17,136           Vest cash flows from investing activities <td>Provision for loan losses</td> <td>14,856</td> <td></td> <td>33,287</td>	Provision for loan losses	14,856		33,287	
Gain on sale of securities         (333)           Gain on acquisition on acquisition         (5,288)         (98,081)           Khare-based compensation expense         900         784           Loss on disposal of premises and equipment         48         36           Federal Home Loan Bank advances prepayment fee         3,534         (918)           Accretion on PDIC indemnification asses         (6,526)         2,337           Accretion on loans covered under FDIC loss share agreements         (6,80)         358           Net change in:         24,477         (5,161)           Loans held for sale         24,477         (5,161)           Accrued interest receivable         1,377         2,379           Perpaid assets         2,559         1,835           EDIC loss share receivable         (3,21)           Accrued interest payable         (2,682)         (3,931)           Miscellaneous assets and l	Deferred income taxes	(105)		(3,884)	
Gain on acquisition         (5,528)         (98,081)           Share-based compensation expense         909         784           Loss on disposal of premises and equipment         48         36           Federal Home Loan Bank advances prepayment fee         3,189           Accretion on FDIC indeminification asset         3,534         (918)           Accretion on loans covered under FDIC loss share agreements         (6,526)         2,337           Net amortization of investment securities         689         358           Net change in:         3,344         (5,616)           Loans held for sale         24,747         (5,616)           Accrued interest receivable         1,377         2,379           Prepaid assets         2,559         1,835           PEDIC loss share receivable         1,321         24,247           Accrued interest payable         1,321         24,252           Accrued increst payable         1,381         24,923           Accrued interest payable         1,382         1,382           Accrued interest payable <td>Other-than-temporary impairment on securities</td> <td></td> <td></td> <td>6,261</td>	Other-than-temporary impairment on securities			6,261	
Share-based compensation expense         909         78.4           Loss on disposal of premises and equipment         48         36           Federal Home Loan Bank advances prepayment fee         3,189         Accretion on PDIC indemnification asset         3,534         (918)           Accretion on PDIC indemnification asset         689         358         358           Net amortization of investment securities         689         358           Net and the properties of the contraction of investment securities         24,747         (5,161)           Accreted in restrict receivable         1,377         2,379           Prepaid assets         2,559         1,835           PDIC loss share receivable         (3,213)         4,259           Accrued interest payable         (2,682)         (3,931)           Accrued income taxes         1,381         24,929           Miscellancous assets and liabilities         6,332         (136)           Net cash provided by operating activities         50,572         17,136           Cash flows from investing activities         50,572         17,136           Cash flow from maturities and calls of investment securities available for sale         52,282         Proceeds from maturities and calls of investment securities available for sale         40,670         49,083 <t< td=""><td>Gain on sale of securities</td><td>(333)</td><td></td><td></td></t<>	Gain on sale of securities	(333)			
Loss on disposal of premises and equipment         48         36           Federal Home Loan Bank advances prepayment fee         3,834         (918)           Accretion on FDIC indemnification asset         3,534         (918)           Accretion on loans covered under FDIC loss share agreements         (6,526)         2,337           Net amortization of investment securities         689         358           Net candonization of investment securities         808         368           Net candonization of investment securities         24,747         (5,161)           Accrued interest receivable         1,377         2,739           Prepaid assets         2,559         1,835           FDIC loss share receivable         (3,213)         2,759           Accrued interest payable         (2,682)         (3,931)           Accrued interest payable         (2,682)         (3,931)           Accrued interest payable         (2,682)         (3,931)           Accrued interest payable         (3,262)         (3,931)           Accrued interest payable         (3,682)         (3,932)           Accrued interest payable         (3,682)         (3,582)           Accrued interest payable         (3,682)         (3,582)           Accrued interest payable         (2,	Gain on acquisition	(5,528)		(98,081)	
Sederal Home Loan Bank advances prepayment fee   3,189     Accretion on FDIC indemnification asset   3,534   (918)     Accretion on Ioans covered under FDIC loss share agreements   (6,526   2,337     Net amortization of investment securities   80   358     Net change in:	Share-based compensation expense	909		784	
Accretion on FDIC indemnification asset         3,534         (918)           Accretion on loans covered under FDIC loss share agreements         (6,526)         2,337           Net amortization of investment securities         689         358           Net change in:         24,747         (5,161)           Loans held for sale         24,747         (5,161)           Accrued interest receivable         1,377         2,379           Prepaid assets         2,559         1,835           FDIC loss share receivable         (3,213)         4           Accrued interest payable         (2,682)         (3,931)           Accrued income taxes         1,381         24,929           Miscellaneous assets and liabilities         6,332         (136)           Accrued income taxes         1,381         24,929           Miscellaneous assets and liabilities         6,332         (136)           Miscellaneous assets and investment securities         50,572         17,136           Cash flows from investing activities         52,282         Proceeds from sales of investment securities available for sale         52,282         Proceeds from sales of investment securities available for sale         40,670         49,083           Proceeds from maturities and calls of investment securities available for sale         43,	Loss on disposal of premises and equipment	48		36	
Accretion on loans covered under FDIC loss share agreements         (6,526)         2,337           Net amortization of investment securities         689         358           Net change in:         358           Loans held for sale         24,747         (5,161)           Accrued interest receivable         1,377         2,379           Prepaid assets         2,559         1,835           FDIC loss share receivable         (3,213)           Accrued interest payable         (2,682)         (3,931)           Accrued income taxes         1,381         24,929           Miscellaneous assets and liabilities         6,332         (136)           Net cash provided by operating activities         50,572         17,136           Cash flows from investing activities         50,572         17,136           Cash flows from maturities and calls of investment securities available for sale         52,282         Proceeds from maturities and calls of investment securities available for sale         40,670         49,083           Proceeds from maturities and calls of investment securities available for sale         43,568         49,083           Proceeds from maturities and calls of investment securities available for sale         40,670         49,083           Proceeds from maturities and calls of investment securities available for sale <th< td=""><td>Federal Home Loan Bank advances prepayment fee</td><td></td><td></td><td>3,189</td></th<>	Federal Home Loan Bank advances prepayment fee			3,189	
Net amortization of investment securities         689         358           Net change in:         1.577         (5.161)           Locans held for sale         24,747         (5.161)           Accrued interest receivable         1,377         2,379           Prepaid assets         2,559         1,835           FDIC loss share receivable         (3,213)	Accretion on FDIC indemnification asset	3,534		(918)	
Net change in:	Accretion on loans covered under FDIC loss share agreements			2,337	
Loans held for sale         24,747         (5,161)           Accrued interest receivable         1,377         2,379           Prepaid assets         2,559         1,835           PEDIC loss share receivable         (3,213)           Accrued interest payable         (2,682)         (3,931)           Accrued income taxes         1,381         24,929           Miscellaneous assets and liabilities         6,332         (136)           Net cash provided by operating activities         50,572         17,136           Cash flows from investing activities received from sales of investment securities available for sale         52,282           Proceeds from maturities and calls of investment securities available for sale         40,670         49,083           Proceeds from sales of investment securities available for sale         43,568         24,685           Purchases of investment securities available for sale         43,568         24,685           Purchases of other investment securities available for sale         43,568         24,685           Purchases of other investment securities available for sale         (33,396         49           Purchases of other investment securities available for sale         (43,568)         (24,685)           Purchases of premises and equipment         (7,889)         (5,234)           <	Net amortization of investment securities	689		358	
Accrued interest receivable 1,377 2,379 Prepaid assets 2,559 1,835 FDIC loss share receivable (3,213) Accrued interest payable (2,682) (3,931) Accrued interest payable (2,682) (3,931) Accrued income taxes 1,381 24,929 Miscellaneous assets and liabilities 6,332 (136) Net cash provided by operating activities 5,572 17,136 Cash flows from investing activities:  Proceeds from sales of investment securities available for sale 52,282 Proceeds from maturities and calls of investment securities available for sale 40,670 49,083 Proceeds from maturities and calls of investment securities available for sale 40,670 49,083 Proceeds from sales of other investment securities available for sale 40,670 49,083 Proceeds from sales of other investment securities available for sale 40,670 49,083 Proceeds from sales of other investment securities 40,083 (24,685) Purchases of investment securities available for sale 40,588 (24,685) Purchases of other investment securities 40,083 (24,685) Purchases of premises and equipment 50,083 (24,685) Purchases of premises and equipment 70,089 (4,497) Proceeds from sale of premises and equipment 70,089 (4,497) Proceeds from sale of premises and equipment 70,089 (4,497) Proceeds from sale of premises and equipment 70,089 (101,277) Net increase (decrease) in federal funds purchased and securities sold under agreements to repurchase and other short-term borrowings 70,090 (101,277) Net increase (decrease) in federal funds purchased and securities sold under agreements to repurchase and other short-term borrowings 70,090 (101,277) Net increase (decrease) in federal funds purchased and securities sold under agreements to repurchase 40,090 (101,277) Net increase (decrease) in federal funds purchased 40,090 (101,277) Net inc	Net change in:				
Prepaid assets         2,559         1,835           FDIC loss share receivable         (3,213)           Accrued interest payable         (2,682)         (3,931)           Accrued income taxes         1,381         24,929           Miscellaneous assets and liabilities         6,332         (136)           Net cash provided by operating activities         50,572         17,136           Cash fllows from investing activities         Proceeds from sales of investment securities available for sale         52,282           Proceeds from sales of investment securities available for sale         52,282         Proceeds from maturities and calls of investment securities available for sale         40,670         49,083           Proceeds from maturities and calls of investment securities available for sale         43,568         49           Proceeds from sales of other investment securities         43,568         44,685           Purchases of investment securities available for sale         43,568         42,685           Purchases of other investment securities         630         49           Purchases of other investment securities         630         49           Purchases of other investment securities         43,568         (24,685)           Purchases of premises and equipment         7,889         (4,497)           Proceeds from sa					
FDIC loss share receivable (3,213) Accrued interest payable (2,682) (3,931) Accrued increst payable (2,682) (3,931) Accrued income taxes (3,213) (2,929) Miscellaneous assets and liabilities (5,332) (136) Miscellaneous assets and liabilities (50,332) (136) Net cash provided by operating activities (50,572) (17,136) Cash flows from investing activities:  Proceeds from sales of investment securities available for sale (52,282) Proceeds from maturities and calls of investment securities held to maturity (14,45) Proceeds from maturities and calls of investment securities available for sale (14,660) (14,45) Proceeds from maturities and calls of investment securities available for sale (14,568) (24,685) Proceeds from sales of other investment securities (14,568) (24,685) Purchases of investment securities (14,568) (24,685) Purchases of other investment securities (14,568) (24,685) Purchases of premises and equipment (14,568) (22,379) (5,234) Net cash received from acquisition (14,97) Proceeds from sale of premises and equipment (14,97) Proceeds from sale of premises and equipment (14,97) Proceeds from sales of premises and equipment (14,97) Net increase (decrease) in federal funds purchased and securities sold under agreements to repurchase and other short-term borrowings (15,618) (13,992) Repayment of FHLB advances (38,338) (166,027) Common stock issuance (159) (198)		,		,	
Accrued interest payable         (2,682)         (3,931)           Accrued income taxes         1,381         24,929           Miscellaneous assets and liabilities         6,332         (136)           Net cash provided by operating activities         50,572         17,136           Cash flows from investing activities:         ****           Proceeds from sales of investment securities available for sale         52,282           Proceeds from maturities and calls of investment securities held to maturity         840         1,445           Proceeds from maturities and calls of investment securities available for sale         40,670         49,083           Proceeds from sales of other investment securities         3,396         49           Purchases of investment securities available for sale         (43,568)         (24,685)           Purchases of other investment securities         (630)         (24,685)           Purchases of other investment securities         (630)         (5,234)           Net cash received from acquisition         91,281         306,298           Purchases of premises and equipment         7,889         (4,497)           Proceeds from sale of premises and equipment         2         (138,970)         (101,277)           Net cash provided by investing activities         114,005         32,459	Prepaid assets	,		1,835	
Accrued income taxes  Miscellaneous assets and liabilities  Miscellaneous assets and liabilities  Net cash provided by operating activities:  Proceeds from sales of investment securities available for sale  Proceeds from maturities and calls of investment securities held to maturity  Proceeds from maturities and calls of investment securities available for sale  Proceeds from maturities and calls of investment securities available for sale  Proceeds from maturities and calls of investment securities available for sale  Proceeds from sales of other investment securities  Proceeds from sales of other investment securities  Proceeds from sales of other investment securities  Purchases of investment securities  (630)  Net increase in customer loans  (22,379)  (5,234)  Net cash received from acquisition  Proceeds from sale of premises and equipment  (7,889)  Purchases of premises and equipment  Proceeds from sale of premises and equipment  Net cash provided by investing activities  114,005  22,459  Cash flows from financing activities:  Net decrease in deposits  (138,970)  (101,277)  Net increase (decrease) in federal funds purchased and securities sold under agreements to repurchase and other short-term borrowings  (5,618)  13,992  Repayment of FHLB advances  (38,338)  (166,027)  Common stock issuance  (159)  (198)					
Miscellaneous assets and liabilities       6,332       (136)         Net cash provided by operating activities       50,572       17,136         Cash flows from investing activities:       Proceeds from sales of investment securities available for sale       52,282         Proceeds from maturities and calls of investment securities held to maturity       840       1,445         Proceeds from maturities and calls of investment securities available for sale       40,670       49,083         Proceeds from sales of other investment securities       3,396       49         Purchases of investment securities available for sale       (43,568)       (24,685)         Purchases of other investment securities       (630)       (22,379)       (5,234)         Net cash received from acquisition       91,281       306,298         Net cash received from acquisition       91,281       306,298         Purchases of premises and equipment       2       2         Net cash provided by investing activities       114,005       322,459         Cash flows from financing activities       114,005       322,459         Cash flows from financing activities       (138,970)       (101,277)         Net increase (decrease in deposits       (5,618)       13,992         Repayment of FHLB advances       (5,618)       13,	1 7			( / /	
Net cash provided by operating activities         50,572         17,136           Cash flows from investing activities:         Proceeds from sales of investment securities available for sale         52,282           Proceeds from maturities and calls of investment securities held to maturity         840         1,445           Proceeds from maturities and calls of investment securities available for sale         40,670         49,083           Proceeds from sales of other investment securities available for sale         (43,568)         (24,685)           Purchases of investment securities available for sale         (43,568)         (24,685)           Purchases of other investment securities         (630)         (630)           Net increase in customer loans         (22,379)         (5,234)           Net cash received from acquisition         91,281         306,298           Purchases of premises and equipment         (7,889)         (4,497)           Proceeds from sale of premises and equipment         2         (7,889)         (4,497)           Proceeds for maste of premises and equipment         114,005         322,459           Cash flows from financing activities         114,005         322,459           Cash flows from financing activities         (138,970)         (101,277)           Net decrease in deposits         (5,618)         13,992     <					
Cash flows from investing activities:       52,282         Proceeds from sales of investment securities available for sale       52,282         Proceeds from maturities and calls of investment securities available for sale       40,670       49,083         Proceeds from sales of other investment securities available for sale       43,568       (24,685)         Purchases of investment securities available for sale       (43,568)       (24,685)         Purchases of other investment securities       (630)       9         Net increase in customer loans       (22,379)       (5,234)         Net cash received from acquisition       91,281       306,298         Purchases of premises and equipment       7,889       (4,497)         Proceeds from sale of premises and equipment       2         Net cash provided by investing activities       114,005       322,459         Cash flows from financing activities       (138,970)       (101,277)         Net increase (decrease) in federal funds purchased and securities sold under agreements to repurchase and other short-term borrowings       (5,618)       13,992         Repayment of FHLB advances       (38,338)       (166,027)         Common stock issuance       35,014       142         Common stock repurchased       (159)       (198)				\ /	
Proceeds from sales of investment securities available for sale         52,282           Proceeds from maturities and calls of investment securities held to maturity         840         1,445           Proceeds from maturities and calls of investment securities available for sale         40,670         49,083           Proceeds from sales of other investment securities         3,396         49           Purchases of investment securities available for sale         (43,568)         (24,685)           Purchases of other investment securities         (630)         (630)           Net increase in customer loans         (22,379)         (5,234)           Net cash received from acquisition         91,281         306,298           Purchases of premises and equipment         (7,889)         (4,497)           Proceeds from sale of premises and equipment         2         (13,970)         (101,277)           Net cash provided by investing activities         (138,970)         (101,277)           Net cash provided promacular indeposits         (138,970)         (101,277)           Net increase in deposits         (38,389)         (166,027)           Net increase indeposits         (5,618)         13,992           Repayment of FHLB advances         (38,338)         (166,027)           Common stock issuance         35,014         142 <td></td> <td>50,572</td> <td></td> <td>17,136</td>		50,572		17,136	
Proceeds from maturities and calls of investment securities held to maturity         840         1,445           Proceeds from maturities and calls of investment securities available for sale         40,670         49,083           Proceeds from sales of other investment securities         3,396         49           Purchases of investment securities available for sale         (43,568)         (24,685)           Purchases of other investment securities         (630)         (630)           Net increase in customer loans         (22,379)         (5,234)           Net cash received from acquisition         91,281         306,298           Purchases of premises and equipment         2         7           Proceeds from sale of premises and equipment         2         2           Net cash provided by investing activities         114,005         322,459           Cash flows from financing activities         (138,970)         (101,277)           Net decrease in deposits         (138,970)         (101,277)           Net cincrease (decrease) in federal funds purchased and securities sold under agreements to repurchase and other short-term borrowings         (5,618)         13,992           Repayment of FHLB advances         (38,338)         (166,027)           Common stock issuance         35,014         142           Common stock repurchased					
Proceeds from maturities and calls of investment securities available for sale         40,670         49,083           Proceeds from sales of other investment securities         3,396         49           Purchases of investment securities available for sale         (43,568)         (24,685)           Purchases of other investment securities         (630)         (630)           Net increase in customer loans         (22,379)         (5,234)           Net cash received from acquisition         91,281         306,298           Purchases of premises and equipment         2           Proceeds from sale of premises and equipment         2           Net cash provided by investing activities         114,005         322,459           Cash flows from financing activities         (138,970)         (101,277)           Net decrease in deposits         (138,970)         (101,277)           Net cincrease (decrease) in federal funds purchased and securities sold under agreements to repurchase and other short-term borrowings         (5,618)         13,992           Repayment of FHLB advances         (38,338)         (166,027)           Common stock issuance         35,014         142           Common stock repurchased         (159)         (198)		· ·		1 445	
Proceeds from sales of other investment securities         3,396         49           Purchases of investment securities available for sale         (43,568)         (24,685)           Purchases of other investment securities         (630)           Net increase in customer loans         (22,379)         (5,234)           Net cash received from acquisition         91,281         306,298           Purchases of premises and equipment         (7,889)         (4,497)           Proceeds from sale of premises and equipment         2         114,005         322,459           Cash flows from financing activities         (138,970)         (101,277)           Net decrease in deposits         (138,970)         (101,277)           Net increase (decrease) in federal funds purchased and securities sold under agreements to repurchase and other short-term borrowings         (5,618)         13,992           Repayment of FHLB advances         (38,338)         (166,027)           Common stock issuance         35,014         142           Common stock repurchased         (159)         (198)	•			, -	
Purchases of investment securities available for sale       (43,568)       (24,685)         Purchases of other investment securities       (630)         Net increase in customer loans       (22,379)       (5,234)         Net cash received from acquisition       91,281       306,298         Purchases of premises and equipment       (7,889)       (4,497)         Proceeds from sale of premises and equipment       2         Net cash provided by investing activities       114,005       322,459         Cash flows from financing activities:       (138,970)       (101,277)         Net increase (decrease) in federal funds purchased and securities sold under agreements to repurchase and other short-term borrowings       (5,618)       13,992         Repayment of FHLB advances       (38,338)       (166,027)         Common stock issuance       35,014       142         Common stock repurchased       (159)       (198)					
Purchases of other investment securities       (630)         Net increase in customer loans       (22,379)       (5,234)         Net cash received from acquisition       91,281       306,298         Purchases of premises and equipment       (7,889)       (4,497)         Proceeds from sale of premises and equipment       2         Net cash provided by investing activities       114,005       322,459         Cash flows from financing activities:       (138,970)       (101,277)         Net decrease in deposits       (138,970)       (101,277)         Net increase (decrease) in federal funds purchased and securities sold under agreements to repurchase and other short-term borrowings       (5,618)       13,992         Repayment of FHLB advances       (38,338)       (166,027)         Common stock issuance       35,014       142         Common stock repurchased       (159)       (198)		,			
Net increase in customer loans       (22,379)       (5,234)         Net cash received from acquisition       91,281       306,298         Purchases of premises and equipment       (7,889)       (4,497)         Proceeds from sale of premises and equipment       2         Net cash provided by investing activities       114,005       322,459         Cash flows from financing activities:       (138,970)       (101,277)         Net decrease in deposits       (138,970)       (101,277)         Net increase (decrease) in federal funds purchased and securities sold under agreements to repurchase and other short-term borrowings       (5,618)       13,992         Repayment of FHLB advances       (38,338)       (166,027)         Common stock issuance       35,014       142         Common stock repurchased       (159)       (198)				(24,685)	
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Purchases of premises and equipment (7,889) (4,497) Proceeds from sale of premises and equipment 2 Net cash provided by investing activities 114,005 322,459 Cash flows from financing activities: Net decrease in deposits (138,970) (101,277) Net increase (decrease) in federal funds purchased and securities sold under agreements to repurchase and other short-term borrowings (5,618) 13,992 Repayment of FHLB advances (38,338) (166,027) Common stock issuance 35,014 142 Common stock repurchased (159) (198)		. , ,		( / /	
Proceeds from sale of premises and equipment  Net cash provided by investing activities  Cash flows from financing activities:  Net decrease in deposits  Net decrease in deposits  Net decrease in deposits  (138,970)  (101,277)  Net increase (decrease) in federal funds purchased and securities sold under agreements to repurchase and other short-term borrowings  (2)  (138,970)  (101,277)  (101,2		,			
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Cash flows from financing activities:  Net decrease in deposits  Net increase (decrease) in federal funds purchased and securities sold under agreements to repurchase and other short-term borrowings  Repayment of FHLB advances  Common stock issuance  Common stock repurchased  (159)  (101,277)  (1		<del>-</del>		322 450	
Net decrease in deposits (138,970) (101,277) Net increase (decrease) in federal funds purchased and securities sold under agreements to repurchase and other short-term borrowings (5,618) 13,992 Repayment of FHLB advances (38,338) (166,027) Common stock issuance 35,014 142 Common stock repurchased (159) (198)		114,003		322,439	
Net increase (decrease) in federal funds purchased and securities sold under agreements to repurchase and other short-term borrowings (5,618) 13,992 Repayment of FHLB advances (38,338) (166,027) Common stock issuance 35,014 142 Common stock repurchased (159) (198)		(138 970)		(101 277)	
repurchase and other short-term borrowings         (5,618)         13,992           Repayment of FHLB advances         (38,338)         (166,027)           Common stock issuance         35,014         142           Common stock repurchased         (159)         (198)	i.	(130,770)		(101,277)	
Repayment of FHLB advances       (38,338)       (166,027)         Common stock issuance       35,014       142         Common stock repurchased       (159)       (198)	The state of the s	(5.618)		13 992	
Common stock issuance         35,014         142           Common stock repurchased         (159)         (198)		( ) /			
Common stock repurchased (159) (198)		` / /		. , ,	
	Dividends paid on common stock	(4,751)		(4,336)	
•	Stock options exercised				

Net cash used in financing activities	(152,609)	(257,478)
Net increase in cash and cash equivalents	11,968	82,117
Cash and cash equivalents at beginning of period	237,099	104,908
Cash and cash equivalents at end of period	\$ 249,067	\$ 187,025

### **Supplemental Disclosures:**