

SCBT FINANCIAL CORP
Form 10-Q
August 08, 2007

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549**

FORM 10-Q

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT
OF 1934

For the quarterly period ended June 30, 2007

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT
OF 1934

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 No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated
filer.

(See definition of "accelerated filer and large accelerated filer in Rule 12b-2 of the Exchange Act.)

Large accelerated filer Accelerated filer Non-accelerated filer

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

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

Class	Outstanding as of July 31, 2007
Common Stock, \$2.50 par value	9,201,078

**SCBT Financial Corporation and Subsidiaries
June 30, 2007 Form 10-Q**

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PART I – FINANCIAL INFORMATION**Item 1. FINANCIAL STATEMENTS****SCBT Financial Corporation and Subsidiaries****Condensed Consolidated Balance Sheets***(Dollars in thousands, except par value)*

	June 30, 2007	December 31, 2006	June 30, 2006
	<i>(Unaudited)</i>	<i>(Note 1)</i>	<i>(Unaudited)</i>
ASSETS			
Cash and cash equivalents:			
Cash and due from banks	\$ 57,595	\$ 45,460	\$ 72,916
Interest-bearing deposits with banks	2,929	2,946	6,877
Federal funds sold and securities purchased under agreements to resell	37,500	30,000	9,500
Total cash and cash equivalents	98,024	78,406	89,293
Investment securities:			
Securities held to maturity (fair value of \$15,685, \$18,271 and \$13,926, respectively)	15,816	18,112	13,820
Securities available for sale, at fair value	208,440	182,113	184,744
Other investments	10,686	10,166	12,475
Total investment securities	234,942	210,391	211,039
Loans held for sale	28,092	23,236	29,602
Loans	1,806,013	1,760,860	1,646,228
Less unearned income	(13)	(30)	(54)
Less allowance for loan losses	(23,369)	(22,668)	(21,214)
Loans, net	1,782,631	1,738,162	1,624,960
Premises and equipment, net	51,182	48,904	47,057
Goodwill	32,313	32,313	32,313
Other assets	47,767	47,001	36,663
Total assets	\$ 2,274,951	\$ 2,178,413	\$ 2,070,927
LIABILITIES AND SHAREHOLDERS' EQUITY			
Deposits:			
Noninterest-bearing	\$ 285,155	\$ 256,717	\$ 275,179
Interest-bearing	1,498,114	1,449,998	1,348,059
Total deposits	1,783,269	1,706,715	1,623,238
Federal funds purchased and securities sold under agreements to repurchase			
	200,989	203,105	140,283
Other borrowings	100,882	90,416	141,723
Other liabilities	19,975	16,289	11,165
Total liabilities	2,105,115	2,016,525	1,916,409
Shareholders' equity:			
Common stock - \$2.50 par value; authorized 40,000,000 shares;			
9,195,057, 8,719,146 and 8,685,774 shares issued and outstanding	22,988	21,798	21,714

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Surplus	108,055	92,099	91,233
Retained earnings	42,846	51,508	44,452
Accumulated other comprehensive loss	(4,053)	(3,517)	(2,881)
Total shareholders' equity	169,836	161,888	154,518
Total liabilities and shareholders' equity	\$ 2,274,951	\$ 2,178,413	\$ 2,070,927

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

1

SCBT Financial Corporation and Subsidiaries
Condensed Consolidated Statements of Income (unaudited)

(Dollars in thousands, except per share data)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2007	2006	2007	2006
Interest income:				
Loans, including fees	\$ 34,125	\$ 29,771	\$ 67,106	\$ 56,944
Investment securities:				
Taxable	2,519	2,141	4,836	3,991
Tax-exempt	314	269	643	562
Federal funds sold and securities				
purchased under agreements to resell	490	161	1,069	657
Deposits with banks	42	47	82	84
Total interest income	37,490	32,389	73,736	62,238
Interest expense:				
Deposits	12,995	9,474	25,487	17,640
Federal funds purchased and securities				
sold under agreements to repurchase	2,240	1,500	4,545	2,983
Other borrowings	1,729	1,855	3,498	3,674
Total interest expense	16,964	12,829	33,530	24,297
Net interest income:				
Net interest income	20,526	19,560	40,206	37,941
Provision for loan losses	800	1,522	1,582	2,668
Net interest income after provision for loan losses	19,726	18,038	38,624	35,273
Noninterest income:				
Service charges on deposit accounts	3,639	3,339	7,043	6,476
Secondary market mortgage fees	1,761	1,429	3,385	2,531
Bankcard services income	1,038	859	2,016	1,638
Trust and investment services income	651	540	1,274	1,017
Securities gains (losses), net	42	--	42	--
Other	665	495	1,322	1,035
Total noninterest income	7,796	6,662	15,082	12,697
Noninterest expense:				
Salaries and employee benefits	11,382	10,012	22,304	19,827
Furniture and equipment expense	1,300	1,170	2,594	2,324
Net occupancy expense	1,237	1,044	2,338	2,060
Advertising and marketing	842	741	1,447	1,435
Professional fees	525	479	1,009	988
Amortization	213	199	426	398
Other	3,619	3,108	7,570	6,088
Total noninterest expense	19,118	16,753	37,688	33,120
Earnings:				
Income before provision for income taxes	8,404	7,947	16,018	14,850
Provision for income taxes	2,833	2,946	5,237	5,063
Net income	\$ 5,571	\$ 5,001	\$ 10,781	\$ 9,787
Earnings per share:				
Basic	\$ 0.61	\$ 0.55	\$ 1.17	\$ 1.07

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Diluted	\$	0.60	\$	0.54	\$	1.17	\$	1.06
Dividends per share	\$	0.17	\$	0.17	\$	0.34	\$	0.34
Weighted-average common shares outstanding:								
Basic		9,190		9,115		9,184		9,109
Diluted		9,220		9,209		9,214		9,208

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

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SCBT Financial Corporation and Subsidiaries
Condensed Consolidated Statements of Changes in Shareholders' Equity (unaudited)
Six Months Ended June 30, 2007 and 2006
(Dollars in thousands, except per share data)

	Common Stock			Accumulated Other Comprehensive		
	Shares	Amount	Surplus	Retained Earnings	Loss	Total
Balance, December 31, 2005	8,644,883	\$ 21,612	\$ 90,481	\$ 37,614	\$ (1,304)	\$ 148,403
Comprehensive income:						
Net income	--	--	--	9,787	--	9,787
Change in net unrealized loss on securities available for sale, net of tax effects	--	--	--	--	(1,577)	(1,577)
Total comprehensive income						8,210
Cash dividends declared at \$.34 per share	--	--	--	(2,949)	--	(2,949)
Stock options exercised	12,910	32	194	--	--	