

STERLING BANCORP
Form 10-Q
May 10, 2005

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 **March 31, 2005**
or

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

For the transition period from _____ to _____

Commission File Number: **1-5273-1**

Sterling Bancorp

(Exact name of registrant as specified in its charter)

New York

13-2565216

(State or other jurisdiction of
incorporation or organization)

(I.R.S. Employer
Identification)

650 Fifth Avenue, New York, N.Y.

10019-6108

(Address of principal executive offices)

(Zip Code)

212-757-3300

(Registrant's telephone number, including area code)

N/A

(Former name, former address and former fiscal year, if changed since last report)

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 an accelerated filer as defined in Rule 12b-2 of the Exchange Act,

Yes No

As of April 30, 2005 there were 18,346,597 shares of common stock,
\$1.00 par value, outstanding.

STERLING BANCORP

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STERLING BANCORP AND SUBSIDIARIES
Consolidated Balance Sheets
(Unaudited)

ASSETS	March 31, 2005	December 31, 2004
Cash and due from banks	\$ 66,568,719	\$ 48,842,418
Interest-bearing deposits with other banks	4,088,863	1,329,103
Federal funds sold	35,000,000	
Securities available for sale	136,046,825	169,824,385
Securities available for sale - pledged	83,057,892	63,937,786
Securities held to maturity	329,712,425	323,152,347
Securities held to maturity - pledged	157,738,965	123,305,216
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Total investment securities	706,556,107	680,219,734
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Loans held for sale	26,614,855	37,058,673
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Loans held in portfolio, net of unearned discounts	976,607,955	1,022,286,479
Less allowance for loan losses	16,782,405	16,328,528
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Loans, net	959,825,550	1,005,957,951
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Customers liability under acceptances	807,341	628,965
Excess cost over equity in net assets of the banking subsidiary	21,158,440	21,158,440
Premises and equipment, net	10,726,956	10,674,708
Other real estate	534,382	766,620
Accrued interest receivable	5,987,105	5,604,781
Bank owned life insurance	26,803,160	26,553,145
Other assets	36,580,778	32,317,224
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	\$ 1,901,252,256	\$ 1,871,111,762
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LIABILITIES AND SHAREHOLDERS EQUITY		
Deposits		
Noninterest-bearing deposits	\$ 468,713,500	\$ 511,307,018
Interest-bearing deposits	919,868,989	832,544,097
	<hr/>	<hr/>
Total deposits	1,388,582,489	1,343,851,115
Securities sold under agreements to repurchase - customers	82,980,843	55,934,170
Securities sold under agreements to repurchase - dealers	43,697,000	33,882,000
Federal funds purchased		32,500,000
Commercial paper	38,810,149	25,991,038
Other short-term borrowings	387,130	2,517,375
Acceptances outstanding	807,341	628,965
Accrued expenses and other liabilities	80,705,168	91,329,506
Long-term debt	115,774,000	135,774,000
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Total liabilities	1,751,744,120	1,722,408,169
	<hr/>	<hr/>
Shareholders equity		

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Common stock, \$1 par value. Authorized 50,000,000 shares; issued 19,945,008 and 19,880,521 shares, respectively	19,945,008	19,880,521
Capital surplus	146,263,037	145,310,745
Retained earnings	30,972,751	28,664,568
Accumulated other comprehensive loss, net of tax	(4,263,610)	(1,921,060)
	<u>192,917,186</u>	<u>191,934,774</u>
Less		
Common shares in treasury at cost, 1,652,567 and 1,642,996 shares, respectively	43,189,007	42,939,969
Unearned compensation	220,043	291,212
	<u>43,409,050</u>	<u>43,231,181</u>
Total shareholders equity	<u>149,508,136</u>	<u>148,703,593</u>
	<u>\$ 1,901,252,256</u>	<u>\$ 1,871,111,762</u>

See Notes to Consolidated Financial Statements.

STERLING BANCORP AND SUBSIDIARIES
Consolidated Statements of Income
(Unaudited)

	Three Months Ended March 31,	
	2005	2004
INTEREST INCOME		
Loans	\$ 18,376,415	\$ 15,081,995
Investment securities		
Available for sale	2,501,644	3,691,820
Held to maturity	5,210,223	4,706,408
Federal funds sold	109,861	50,342
Deposits with other banks	6,183	4,109
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Total interest income	26,204,326	23,534,674
	<hr/>	<hr/>
INTEREST EXPENSE		
Deposits	3,451,595	2,473,145
Securities sold under agreements to repurchase	585,647	315,632
Federal funds purchased	20,782	15,890
Commercial paper	160,066	62,762
Other short-term borrowings	5,003	112,194
Long-term debt	1,478,953	1,559,692
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Total interest expense	5,702,046	4,539,315
	<hr/>	<hr/>
Net interest income	20,502,280	18,995,359
Provision for loan losses	2,648,500	2,426,500
	<hr/>	<hr/>
Net interest income after provision for loan losses	17,853,780	16,568,859
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NONINTEREST INCOME		
Factoring income	1,417,314	1,426,869
Mortgage banking income	3,875,847	3,631,391
Service charges on deposit accounts	1,197,024	1,063,343
Trade finance income	420,454	492,807
Trust fees	172,278	181,697
Other service charges and fees	302,260	474,404
Bank owned life insurance income	250,014	233,695
Securities gains	196,680	536,304
Other income	164,329	183,599
	<hr/>	<hr/>
Total noninterest income	7,996,200	8,224,109
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NONINTEREST EXPENSES		
Salaries	8,156,603	7,677,109
Employee benefits	1,750,205	1,926,138
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Total personnel expense	9,906,808	9,603,247
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Occupancy expenses, net	1,314,682	1,229,638
Equipment expenses	764,158	756,154
Advertising and marketing	1,116,323	1,093,460
Professional fees	1,531,179	913,671
Data processing fees	257,510	287,460
Stationery and printing	194,099	266,571
Communications	383,281	406,727
Other expenses	1,508,388	1,392,302
	<u> </u>	<u> </u>
Total noninterest expenses	16,976,428	15,949,230
	<u> </u>	<u> </u>
Income before income taxes	8,873,552	8,843,738
Provision for income taxes	3,106,829	3,636,804
	<u> </u>	<u> </u>
Net income	\$ 5,766,723	\$ 5,206,934
	<u> </u>	<u> </u>
Average number of common shares outstanding		
Basic	18,258,783	18,220,065
Diluted	18,926,688	19,210,918
Earnings per average common share		
Basic	\$ 0.32	\$ 0.29
Diluted	0.30	0.27
Dividends per common share	0.19	0.16

See Notes to Consolidated Financial Statements.

STERLING BANCORP AND SUBSIDIARIES
Consolidated Statements of Comprehensive Income
(Unaudited)

	Three Months Ended March 31,	
	2005	2004
Net Income	\$ 5,766,723	\$ 5,206,934
Other comprehensive income, net of tax:		
Unrealized holding (losses)/gains arising during the period	(1,848,451)	1,427,580
Reclassification adjustment for gains included in net income	(106,404)	(290,141)
Unrealized (losses)/gains supplemental pension	(387,695)	344,110
Comprehensive income	\$ 3,424,173	\$ 6,688,483

See Notes to Consolidated Financial Statements.

STERLING BANCORP AND SUBSIDIARIES
Consolidated Statements of Changes in Shareholders' Equity
(Unaudited)

	Three Months Ended March 31,	
	2005	2004
Preferred Stock		
Balance at January 1	\$	\$ 2,244,320
Conversions of Series D shares		(2,244,320)
Balance at March 31	\$	\$
Common Stock		
Balance at January 1	\$ 19,880,521	\$ 19,275,964
Conversions of preferred shares into common shares		428,304
Common shares issued under stock incentive plan	64,487	83,701
Balance at March 31	\$ 19,945,008	\$ 19,787,969
Capital Surplus		
Balance at January 1	\$ 145,310,745	\$ 141,179,832
Conversions of preferred shares into common shares		1,816,016
Common shares issued under stock incentive plan and related tax benefits	952,292	1,217,712
Balance at March 31	\$ 146,263,037	\$ 144,213,560
Retained Earnings		
Balance at January 1	\$ 28,664,568	\$ 16,166,517
Net Income	5,766,723	5,206,934
Cash dividends paid - common shares	(3,458,540)	(2,918,800)
Balance at March 31	\$ 30,972,751	\$ 18,454,651
Accumulated Other Comprehensive Income		
Balance at January 1	\$ (1,921,060)	\$ (1,131,803)