

STERLING BANCORP
Form 10-Q
November 09, 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 September 30, 2007

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 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. (Check one):

Large Accelerated Filer

Accelerated Filer

Non-Accelerated Filer

Edgar Filing: STERLING BANCORP - Form 10-Q

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

As of October 31, 2007 there were 17,804,947 shares of common stock,
\$1.00 par value, outstanding.

STERLING BANCORP

	<u>Page</u>
PART I FINANCIAL INFORMATION	
Item 1.	Financial Statements
	<u>Consolidated Financial Statements (Unaudited)</u> 3
	<u>Notes to Consolidated Financial Statements</u> 8
Item 2.	<u>Management's Discussion and Analysis of Financial Condition and Results of Operations</u>
	<u>Overview</u> 13
	<u>Income Statement Analysis</u> 14
	<u>Balance Sheet Analysis</u> 19
	<u>Capital</u> 24
	<u>Recently Issued Accounting Pronouncements</u> 25
	<u>Cautionary Statement Regarding Forward-Looking Statements</u> 25
	<u>Average Balance Sheets</u> 26
	<u>Rate/Volume Analysis</u> 28
	<u>Regulatory Capital and Ratios</u> 30
Item 3.	<u>Quantitative and Qualitative Disclosures About Market Risk</u>
	<u>Asset/Liability Management</u> 31
	<u>Interest Rate Sensitivity</u> 36
Item 4.	<u>Controls and Procedures</u> 37
<u>PART II OTHER INFORMATION</u>	
Item 2.	<u>Unregistered Sales of Equity Securities and Use of Proceeds</u> 38
Item 6.	<u>Exhibits</u> 39
	<u>SIGNATURES</u> 40
	<u>EXHIBIT INDEX</u>
Exhibit 11	<u>Statement Re: Computation of Per Share Earnings</u> 42
Exhibit 31.1	<u>Certification of the CEO pursuant to Exchange Act Rule 13a-14(a)</u> 43
Exhibit 31.2	<u>Certification of the CFO pursuant to Exchange Act Rule 13a-14(a)</u> 44
Exhibit 32.1	<u>Certification of the CEO required by Section 1350 of Chapter 63 of Title 18 of the U.S. Code</u> 45
Exhibit 32.2	<u>Certification of the CFO required by Section 1350 of Chapter 63 of Title 18 of the U.S. Code</u> 46

Edgar Filing: STERLING BANCORP - Form 10-Q

STERLING BANCORP AND SUBSIDIARIES
Consolidated Balance Sheets
(Unaudited)

	September 30, 2007	December 31, 2006
ASSETS		
Cash and due from banks	\$ 49,547,009	\$ 50,058,593
Interest-bearing deposits with other banks	3,014,475	1,261,187
Federal funds sold	—	20,000,000
Securities available for sale (at estimated fair value; pledged: \$77,231,475 in 2007 and \$90,583,854 in 2006)	215,426,488	148,420,887
Securities held to maturity (pledged: \$188,776,122 in 2007 and \$199,997,912 in 2006) (estimated fair value: \$386,393,154 in 2007 and \$411,650,690 in 2006)	393,501,270	420,903,430
Total investment securities	608,927,758	569,324,317
Loans held for sale	32,895,991	33,319,789
Loans held in portfolio, net of unearned discounts	1,178,197,584	1,112,601,620
Less allowance for loan losses	15,038,912	16,287,974
Loans, net	1,163,158,672	1,096,313,646
Customers' liability under acceptances	128,851	98,399
Goodwill	22,900,912	22,862,051
Premises and equipment, net	11,434,937	11,323,649
Other real estate	1,826,035	2,242,419
Accrued interest receivable	6,974,825	5,844,868
Bank owned life insurance	28,766,799	27,949,160
Other assets	51,163,055	43,696,511
Total assets from continuing operations	1,980,739,319	1,884,294,589
Assets - discontinued operations	—	1,662,697
	\$ 1,980,739,319	\$ 1,885,957,286
LIABILITIES AND SHAREHOLDERS' EQUITY		
Deposits		
Demand deposits	\$ 490,194,816	\$ 546,442,704
Savings, NOW and money market deposits	542,466,423	447,600,898
Time deposits	534,176,014	527,986,821
Total deposits	1,566,837,253	1,522,030,423
Securities sold under agreements to repurchase - customers	62,563,685	52,802,796
Federal funds purchased	44,200,000	—
Commercial paper	28,571,010	27,561,567
Short-term borrowings - FHLB	25,000,000	—
Short-term borrowings - other	303,185	3,411,630
Long-term borrowings - FHLB	10,000,000	20,000,000
Long-term borrowings - subordinated debentures	25,774,000	25,774,000

Edgar Filing: STERLING BANCORP - Form 10-Q

	September 30, 2007	December 31, 2006
Total borrowings	196,411,880	129,549,993
Acceptances outstanding	128,851	98,399
Accrued expenses and other liabilities	97,426,678	101,679,342
Liabilities - discontinued operations	—	336,358
Total liabilities	1,860,804,662	1,753,694,515
Shareholders' equity		
Common stock, \$1 par value. Authorized 50,000,000 shares; issued 21,262,170 and 21,177,084 shares, respectively	21,262,170	21,177,084
Capital surplus	168,682,564	167,960,063
Retained earnings	16,730,599	16,693,987
Accumulated other comprehensive loss, net of tax	(10,937,606)	(11,842,908)
	195,737,727	193,988,226
Less		
Common shares in treasury at cost, 3,459,302 and 2,572,368 shares, respectively	75,803,070	61,725,455
Total shareholders' equity	119,934,657	132,262,771
	\$ 1,980,739,319	\$ 1,885,957,286

See Notes to Consolidated Financial Statements.

Edgar Filing: STERLING BANCORP - Form 10-Q

STERLING BANCORP AND SUBSIDIARIES
 Consolidated Statements of Operations
 (Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2007	2006	2007	2006
INTEREST INCOME				
Loans	\$ 24,148,041	\$ 22,600,005	\$ 68,996,158	\$ 63,569,045
Investment securities				
Available for sale	2,112,770	1,900,888	5,659,068	6,080,677
Held to maturity	4,730,546	5,231,002	14,298,397	16,526,116
Federal funds sold	227,637	12,865	1,230,283	87,736
Deposits with other banks	23,798	22,477	91,176	73,121
	<u>31,242,792</u>	<u>29,767,237</u>	<u>90,275,082</u>	<u>86,336,695</u>
INTEREST EXPENSE				
Deposits				
Savings, NOW and money market	3,829,336	2,406,401	9,968,301	5,861,780
Time	6,458,001	5,169,986	19,586,914	14,345,659
Securities sold under agreements to repurchase				
- customers	701,653	974,239	2,581,272	2,436,460
- dealers	—	1,113,743	—	—