

FNB CORP/FL/
Form 10-Q
November 09, 2009

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**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, 2009**

**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 001-31940

F.N.B. CORPORATION

(Exact name of registrant as specified in its charter)

Florida

25-1255406

(State or other jurisdiction of incorporation or organization)

(I.R.S. Employer Identification No.)

One F.N.B. Boulevard, Hermitage, PA

16148

(Address of principal executive offices)

(Zip Code)

Registrant's telephone number, including area code: **724-981-6000**

(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 has submitted electronically and posted on its Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§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 No

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 definition of "accelerated filer," "large accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large Accelerated Filer

Accelerated Filer

Non-accelerated Filer

Smaller reporting company

(Do not check if a smaller reporting company)

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

APPLICABLE ONLY TO CORPORATE ISSUERS:

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

Class

Outstanding at October 31, 2009

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Common Stock, \$0.01 Par Value

113,990,095 Shares

F.N.B. CORPORATION
FORM 10-Q
 September 30, 2009
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Table of Contents**F.N.B. CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS**

Dollars in thousands, except par value

	September 30, 2009	December 31, 2008
	(Unaudited)	
Assets		
Cash and due from banks	\$ 225,521	\$ 169,224
Interest bearing deposits with banks	3,293	2,979
Securities available for sale	693,617	482,270
Securities held to maturity (fair value of \$828,692 and \$851,251)	803,761	843,863
Residential mortgage loans held for sale	19,063	10,708
Loans, net of unearned income of \$35,624 and \$33,962	5,837,402	5,820,380
Allowance for loan losses	(105,892)	(104,730)
Net Loans	5,731,510	5,715,650
Premises and equipment, net	118,650	122,599
Goodwill	528,710	528,278
Core deposit and other intangible assets, net	40,868	46,229
Bank owned life insurance	204,098	217,737
Other assets	226,781	225,274
Total Assets	\$ 8,595,872	\$ 8,364,811
Liabilities		
Deposits:		
Non-interest bearing demand	\$ 972,859	\$ 919,539
Savings and NOW	3,072,601	2,816,628
Certificates and other time deposits	2,213,323	2,318,456
Total Deposits	6,258,783	6,054,623
Other liabilities	93,957	92,305
Short-term borrowings	606,406	596,263
Long-term debt	379,257	490,250
Junior subordinated debt owed to unconsolidated subsidiary trusts	204,880	205,386
Total Liabilities	7,543,283	7,438,827
Stockholders Equity		
Common stock \$0.01 par value		
Authorized 500,000,000 shares		
Issued 114,093,130 and 89,726,592 shares	1,137	894
Additional paid-in capital	1,086,378	953,200
Retained earnings	(3,645)	(1,143)
Accumulated other comprehensive loss	(29,529)	(26,505)
Treasury stock 103,035 and 26,440 shares at cost	(1,752)	(462)

Total Stockholders Equity	1,052,589	925,984
Total Liabilities and Stockholders Equity	\$ 8,595,872	\$ 8,364,811

See accompanying Notes to Consolidated Financial Statements

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Table of Contents**F.N.B. CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME**

Dollars in thousands, except per share data

Unaudited

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2009	2008	2009	2008
Interest Income				
Loans, including fees	\$ 81,957	\$ 93,673	\$ 247,871	\$ 260,907
Securities:				
Taxable	12,765	13,281	38,342	36,210
Nontaxable	1,836	1,717	5,264	4,903
Dividends	33	48	120	227
Other	(58)	82	72	376
Total Interest Income	96,533	108,801	291,669	302,623
Interest Expense				
Deposits	20,290	28,379	67,062	84,190
Short-term borrowings	2,072	3,166	6,369	10,197
Long-term debt	4,210	5,231	13,622	15,889
Junior subordinated debt owed to unconsolidated subsidiary trusts	2,417	3,120	7,658	8,920
Total Interest Expense	28,989	39,896	94,711	119,196
Net Interest Income	67,544	68,905	196,958	183,427
Provision for loan losses	16,455	6,514	40,878	21,073
Net Interest Income After Provision for Loan Losses	51,089	62,391	156,080	162,354
Non-Interest Income				
Impairment losses on securities	(14,234)	(25)	(15,866)	(491)
Non-credit related losses on securities not expected to be sold (recognized in other comprehensive income)	10,943		11,632	
Net impairment losses on securities	(3,291)	(25)	(4,234)	(491)
Service charges	14,760	15,002	42,955	40,048
Insurance commissions and fees	3,960	3,959	12,878	12,064
Securities commissions and fees	1,451	2,010	5,247	5,628
Trust fees	2,856	3,215	8,786	9,014
Gain on sale of securities	154	34	498	829
Gain on sale of residential mortgage loans	666	477	2,341	1,458
Bank owned life insurance	1,354	1,796	4,400	4,679
Other	2,052	1,765	7,720	4,628

Total Non-Interest Income	23,962	28,233	80,591	77,857
Non-Interest Expense				
Salaries and employee benefits	31,377	29,707	95,096	87,283
Net occupancy	4,741	4,494	15,518	13,071
Equipment	4,517	4,278	13,288	11,760
Amortization of intangibles	1,732	2,162	5,360	4,454
Outside services	5,819	5,205	17,638	15,326
FDIC insurance	2,613	239	11,201	624
Other	11,522	11,826	31,457	31,770
Total Non-Interest Expense	62,321	57,911	189,558	164,288
Income Before Income Taxes	12,730	32,713	47,113	75,923
Income taxes	2,424	9,208	10,558	21,422
Net Income	10,306	23,505	36,555	54,501
Preferred stock dividends and discount amortization	5,496		8,308	
Net Income Available to Common Stockholders	\$ 4,810	\$ 23,505	\$ 28,247	\$ 54,501

Table of Contents**F.N.B. CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME (continued)**

Dollars in thousands, except per share data

Unaudited

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2009	2008	2009	2008
Net Income per Common Share				
Basic	\$ 0.04	\$ 0.27	\$ 0.29	\$ 0.70
Diluted	0.04	0.27	0.29	0.70
Cash Dividends per Common Share	0.12	0.24	0.36	0.72
See accompanying Notes to Consolidated Financial Statements				

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Table of Contents**F.N.B. CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY**

Dollars in thousands

Unaudited

	Comprehensive Income	Preferred Stock	Common Stock	Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Treasury Stock	Total
Balance at January 1, 2009		\$	\$ 894	\$ 953,200	\$ (1,143)	\$ (26,505)	\$ (462)	\$ 925,984
Net income	\$ 36,555				36,555			36,555
Change in other comprehensive income (loss), net of tax	(3,024)					(3,024)		(3,024)
Comprehensive income	\$ 33,531							
Common stock dividends (\$0.36/share)					(35,312)			(35,312)
Preferred stock dividends and amortization of discount		4,975			(8,308)			(3,333)
Issuance of preferred stock and common stock warrant		95,025		4,723				99,748
Redemption of preferred stock		(100,000)						(100,000)
Issuance of common stock			243	126,924			(1,290)	125,877
Restricted stock compensation				1,689				1,689
Tax expense of stock-based compensation				(158)				(158)
Cumulative effect of applying FSP 115-2 and 124-2					4,563			4,563
Balance at September 30,		\$	\$ 1,137	\$ 1,086,378	\$ (3,645)	\$ (29,529)	\$ (1,752)	\$ 1,052,589

2009**Balance at
January 1,
2008**

		\$ 602	\$ 508,891	\$ 42,426	\$ (6,738)	\$ (824)	\$ 544,357
Net income	\$ 54,501			54,501			54,501
Change in other comprehensive income (loss), net of tax	(14,196)				(14,196)		(14,196)
Comprehensive income	\$ 40,305						
Common stock dividends (\$0.72/share)				(56,718)			(56,718)
Issuance of common stock		291	440,874	(218)		224	441,171
Restricted stock compensation			1,789				1,789
Tax benefit of stock-based compensation			776				776
Initial adjustment to apply EITF 06-04 and 06-10				(606)			(606)
Balance at September 30, 2008		\$ 893	\$ 952,330	\$ 39,385	\$ (20,934)	\$ (600)	\$ 971,074

See accompanying Notes to Consolidated Financial Statements

Table of Contents**F.N.B. CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS**

Dollars in thousands

Unaudited

	Nine Months Ended September 30,	
	2009	2008
Operating Activities		
Net income	\$ 36,555	\$ 54,501
Adjustments to reconcile net income to net cash flows provided by operating activities:		
Depreciation, amortization and accretion	20,106	15,836
Provision for loan losses	40,878	21,073
Deferred taxes	(19,388)	(2,703)
Gain on sale of securities	(498)	(829)
Other-than-temporary impairment losses on securities	4,234	491
Tax expense (benefit) of stock-based compensation	158	(776)
Net change in:		
Interest receivable	2,166	2,314
Interest payable	(2,741)	(137)
Residential mortgage loans held for sale	(8,355)	(1,079)
Trading securities		264,416
Bank owned life insurance	(53)	(3,671)
Other, net	30,964	(16,141)
Net cash flows provided by operating activities	104,026	333,295
Investing Activities		
Net change in:		
Interest bearing deposits with banks	(314)	3,465
Loans	(72,289)	(302,606)
Securities available for sale:		
Purchases	(449,945)	(320,611)
Sales	758	2,521
Maturities	235,469	173,649
Securities held to maturity:		
Purchases	(155,467)	(256,643)
Maturities	194,762	117,525
Purchase of bank owned life insurance	(8)	(22)
Withdrawal/surrender of bank owned life insurance	13,700	
Increase in premises and equipment	(5,758)	(12,588)
Acquisitions, net of cash acquired	47	57,596
Net cash flows used in investing activities	(239,045)	(537,714)

Financing Activities

Net change in:

Non-interest bearing deposits, savings and NOW accounts

309,293