

MIDSOUTH BANCORP INC
Form 10-Q
May 08, 2009

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

FORM 10-Q

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

For the quarterly period ended March 31, 2009

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 1-11826
MIDSOUTH BANCORP, INC.
(Exact name of registrant as specified in its charter)

Louisiana
(State of other jurisdiction of incorporation or organization)

72-1020809
(I.R.S. Employer Identification No.)

102 Versailles Boulevard, Lafayette, Louisiana 70501
(Address of principal executive offices, including zip code)
(337) 237-8343
(Registrant's telephone number, including area code)

Indicate by checkmark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act 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, a non-accelerated filer, or a small reporting company.

Large accelerated filer Accelerated filer
Non-accelerated filer Small reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act.)

YES NO

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted

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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 NO

As of April 30, 2009, there were 6,788,885 shares of the registrant's Common Stock, par value \$0.10 per share, outstanding.

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MidSouth Bancorp, Inc. and Subsidiaries
Consolidated Statements of Condition
(dollars in thousands)

	March 31, 2009 (unaudited)	December 31, 2008 *
Assets		
Cash and due from banks	\$ 23,464	\$ 24,753
Interest-bearing deposits in other banks	10	33
Federal funds sold	13,507	-
Time deposits in other banks	9,023	9,023
Securities available-for-sale, at fair value (cost of \$209,284 at March 31, 2009 and \$223,372 at December 31, 2008)	212,515	225,944
Securities held-to-maturity (estimated fair value of \$4,814 at March 31, 2009 and \$6,648 at December 31, 2008)	4,677	6,490
Other investments	4,308	4,309
Loans	597,209	608,955
Allowance for loan losses	(7,801)	(7,586)
Loans, net of allowance	589,408	601,369
Bank premises and equipment, net	40,219	40,580
Accrued interest receivable	5,589	5,356
Goodwill and intangibles	9,572	9,605
Cash surrender value of life insurance	4,418	4,378
Other assets	6,381	4,975
Total assets	\$ 923,091	\$ 936,815
Liabilities and Stockholders' Equity		
Liabilities:		
Deposits:		
Non-interest bearing	\$ 198,803	\$ 199,899
Interest bearing	570,625	566,805
Total deposits	769,428	766,704
Borrowings	37,612	75,876
Accrued interest payable	768	1,227
Junior subordinated debentures	15,465	15,465
Other liabilities	6,107	4,499
Total liabilities	829,380	863,771
Stockholders' Equity:		
Series A Preferred stock, no par value; 5,000,000 shares authorized, 20,000 shares issued and outstanding at March 31, 2009 and none at December 31, 2008	19,063	-
Common stock, \$0.10 par value- 10,000,000 shares authorized, 6,788,885 issued and 6,618,220 outstanding at March 31, 2009 and December 31, 2008	679	679
Additional paid-in capital	53,047	52,097
Unearned ESOP shares	(300)	(18)

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Accumulated other comprehensive income	2,133	1,697
Treasury stock – 170,665 shares at March 31, 2009 and December 31, 2008, at cost	(3,544)	(3,544)
Retained earnings	22,633	22,133
Total stockholders' equity	93,711	73,044
Total liabilities and stockholders' equity	\$ 923,091	\$ 936,815

* Derived from audited financial statements.
See notes to unaudited consolidated financial statements.

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MidSouth Bancorp, Inc. and Subsidiaries
 Consolidated Statements of Earnings (unaudited)
 (in thousands, except per share data)

	Three Months Ended March 31,	
	2009	2008
Interest income:		
Loans, including fees	\$ 10,399	\$ 12,006
Securities and other investments:		
Taxable	1,222	960
Nontaxable	1,140	1,041
Federal funds sold	33	305
Total interest income	12,794	14,312
Interest expense:		
Deposits	2,174	4,478
Borrowings	228	228
Junior subordinated debentures	266	332
Total interest expense	2,668	5,038
Net interest income	10,126	9,274
Provision for loan losses	1,000	1,200
Net interest income after provision for loan losses	9,126	8,074
Non-interest income:		
Service charges on deposits	2,387	2,370
ATM and debit card income	755	589
Other charges and fees	388	628
Total non-interest income	3,530	3,587
Non-interest expenses:		
Salaries and employee benefits	5,479	5,178
Occupancy expense	2,335	1,950
Other	3,452	3,165
Total non-interest expenses	11,266	10,293
Income before income taxes	1,390	1,368
Provision for income taxes	157	169
Net earnings	1,233	1,199
Dividends on preferred stock	277	-
Net earnings available to common shareholders	\$ 956	\$ 1,199
Earnings per share:		
Basic	\$ 0.14	\$ 0.18
Diluted	\$ 0.14	\$ 0.18

See notes to unaudited consolidated financial statements.

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MidSouth Bancorp, Inc. and Subsidiaries
Consolidated Statement of Stockholders' Equity (unaudited)
For the Three Months Ended March 31, 2009
(in thousands, except share and per share data)

	Preferred Stock		Common Stock		Additional Paid-in Capital	Unearned ESOP Shares	Accumulated Other Comprehensive Income	Treasury Stock	Retained Earnings	Total
	Shares	Amount	Shares	Amount						
Balance- January 1, 2009	-	-	6,788,885	\$ 679	\$ 52,097	\$ (18)	\$ 1,697	\$ (3,544)	\$ 22,133	\$ 73,044
Net earnings	-	-	-	-	-	-	-	-	1,233	1,233
Net change in unrealized gains (losses) on securities available-for-sale, net of taxes	-	-	-	-	-	-	436	-	-	436
Comprehensive income	-	-	-	-	-	-	-	-	-	1,669
Issuance of Series A cumulative preferred stock and common stock warrants, net of issuance costs of \$46,000	20,000	19,014	-	-	940	-	-	-	-	19,954
Accretion of discount associated with preferred stock	-	49	-	-	-	-	-	-	(49)	-
Dividends on preferred stock at 5%	-	-	-	-	-	-	-	-	(228)	(228)
Dividends on common stock, \$0.07 per share	-	-	-	-	-	-	-	-	(456)	(456)
Tax benefit resulting from exercise of stock options	-	-	-	-	(4)	-	-	-	-	(4)
Increase in ESOP obligation, net of repayments	-	-	-	-	-	(282)	-	-	-	(282)
Stock option expense	-	-	-	-	14	-	-	-	-	14
	20,000	\$ 19,063	6,788,885	\$ 679	\$ 53,047	\$ (300)	\$ 2,133	\$ (3,544)	\$ 22,633	\$ 93,711

Balance- March
31, 2009

See notes to unaudited consolidated financial statements.

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MidSouth Bancorp, Inc. and Subsidiaries
Consolidated Statement of Stockholders' Equity (unaudited)
For the Three Months Ended March 31, 2008
(in thousands, except share and per share data)

	Common Stock		Additional Paid-in Capital	Unearned ESOP Shares	Accumulated Other Comprehensive Income		Treasury Stock	Retained Earnings	Total
	Shares	Amount							
Balance- January 1, 2008	6,722,993	\$ 672	\$ 51,327	\$ (133)	\$ 813	\$ (3,040)	\$ 18,830	\$ 68,469	
Cumulative-effect adjustment resulting from the adoption of EITF 06-04	-	-	-	-	-	-	(115)	(115)	
Net earnings	-	-	-	-	-	-	1,199	1,199	
Comprehensive income:									
Net change in unrealized gain on securities available-for-sale, net of taxes	-	-	-	-	1,081	-	-	1,081	
Comprehensive income								2,281	
Cash dividends on common stock, \$0.07 per share	-	-	-	-	-	-	(457)	(457)	
Exercise of stock options	39,539	4	302	-	-	-	-	306	
Tax benefit resulting from exercise of stock options	-	-	77	-	-	-	-	77	
Purchase of treasury stock	-	-	-	-	-	(287)	-	(287)	
ESOP obligation, net of repayments	-	-	-	31	-	-	-	31	
Excess of market value over book value of ESOP shares released, net adjustment	-	-	11	-	-	-	-	11	
Stock option expense	-	-	17	-	-	-	-	17	
Balance- March 31, 2008	6,762,532	\$ 676	\$ 51,734	\$ (102)	\$ 1,894	\$ (3,327)	\$ 19,457	\$ 70,332	

See notes to unaudited consolidated financial statements.

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MidSouth Bancorp, Inc. and Subsidiaries
Consolidated Statements of Cash Flows (unaudited)
(in thousands)

	For the Three Months Ended March 31,	
	2009	2008
Cash flows from operating activities:		
Net earnings	\$ 1,233	\$ 1,199
Adjustments to reconcile net earnings to net cash provided by operating activities:		
Depreciation and amortization	943	787
Provision for loan losses	1,000	1,200
Provision for deferred taxes	327	