

SECURITIES AND EXCHANGE COMMISSION

FORM 10-Q/A

Quarterly report pursuant to sections 13 or 15(d) [amend]

Filing Date: **1994-01-21** | Period of Report: **1993-09-30**
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FILER

ST PAUL BANCORP INC

CIK: **810578** | IRS No.: **363504665** | State of Incorporation: **DE** | Fiscal Year End: **1231**
Type: **10-Q/A** | Act: **34** | File No.: **000-15580** | Film No.: **94502254**
SIC: **6035** Savings institution, federally chartered

Business Address
*6700 W NORTH AVE
CHICAGO IL 60635
3126225000*

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q/A

(X) Quarterly Report Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934

For the quarterly period ended September 30, 1993

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 0-15580

St. Paul Bancorp, Inc.
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation or organization)

36-3504665
(I.R.S. Employer
Identification No.)

6700 W. North Avenue
Chicago, Illinois
(Address of principal executive offices)

60635
(Zip Code)

(312) 622-5000
(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 twelve months (or 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 X NO

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

Common Stock, \$.01 par value -- 13,123,025 shares, as of October 29, 1993

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ST. PAUL BANCORP, INC.
AND SUBSIDIARIES

This amendment to St. Paul Bancorp Inc.'s Quarterly report on Form 10-Q for the quarter ended September 30, 1993 is being made to amend the Consolidated Statements of Cash Flow with respect to the net increase (decrease) in checking and savings deposits, proceeds from sales of certificates of deposit and payments for maturing certificates of deposit.

FORM 10-Q/A
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ST PAUL BANCORP, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION (UNAUDITED)

<TABLE>
<CAPTION>

Dollars in thousands	September 30 1993	December 31 1992
<S>	<C>	<C>
ASSETS:		
Cash and cash equivalents		
Cash and amounts due from depository institutions	\$ 82,403	\$ 72,940
Federal funds sold	75,000	49,000
Short-term marketable debt securities held for investment, at cost (Market: September 30, 1993-\$186,417; December 31, 1992-\$189,618)	186,433	189,627
Total cash and cash equivalents	343,836	311,567
Marketable debt securities held for investment, at cost (Market: September 30, 1993-\$143,568; December 31, 1992-\$107,367)	141,987	107,732
Mortgage-backed securities held for investment, at cost (Market: September 30, 1993-\$667,209; December 31, 1992-\$654,411)	655,421	643,941
Loans receivable	2,435,423	2,318,879
Less: accumulated provision for loan losses	49,474	48,681
Net loans receivable	2,385,949	2,270,198
Inventory of assets held for sale, at lower of cost or market (Market: September 30, 1993-\$29,389; December 31, 1992-\$19,090)	28,962	19,019
Accrued interest receivable	21,637	22,059
Foreclosed real estate (Net of accumulated provision for losses: September 30, 1993-\$991; December 31, 1992-\$2,403)	23,530	17,945
Real estate held for investment	12,892	10,497
Investment in Federal Home Loan Bank Stock	31,290	30,720
Office properties and equipment	39,999	33,526

Prepaid expenses and other assets	39,068	33,056
TOTAL ASSETS	\$ 3,724,571	\$ 3,500,260
LIABILITIES:		
Deposits	\$ 3,252,019	\$ 2,985,124
FHL Bank advances	52,219	99,501
Other borrowings	56,796	86,907
Advance payments by borrowers for taxes and insurance	8,482	19,467
Other liabilities	20,583	21,920
TOTAL LIABILITIES	3,390,099	3,212,919
COMMITMENTS - Note 3		
STOCKHOLDERS' EQUITY:		
Preferred stock (par value \$.01 per share: authorized-10,000,000 shares; none issued)	--	--
Common stock (par value \$.01 per share: authorized-40,000,000 shares; outstanding at September 30, 1993-13,112,275 shares, outstanding at December 31, 1992-12,172,105 shares)	131	121
Paid-in capital	136,482	115,315
Retained income, substantially restricted	202,010	173,976
Less borrowings by employee stock ownership plan	(4,151)	(2,071)
TOTAL STOCKHOLDERS' EQUITY	334,472	287,341
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 3,724,571	\$ 3,500,260

</TABLE>

See notes to consolidated financial statements.

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ST PAUL BANCORP, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME (UNAUDITED)

<TABLE>

<CAPTION>

Dollars in thousands except per share amounts	Three months ended		Nine months ended	
	1993	1992	1993	1992
<S>	<C>	<C>	<C>	<C>
INTEREST INCOME:				
Loans receivable	\$ 49,456	\$ 51,316	\$ 151,755	\$ 162,350
Mortgage-backed securities	10,371	12,220	32,526	39,101
Marketable debt securities	1,436	960	4,760	1,651
Trading account	24	16	73	60
Federal funds	401	275	974	812
Other short-term investments	2,297	2,441	6,261	8,999
Total interest income	63,985	67,228	196,349	212,973
INTEREST EXPENSE:				
Deposits	30,679	34,612	92,948	113,482
Short-term borrowings	803	3,216	4,420	8,122
Long-term borrowings	1,585	1,710	4,505	8,234
Total interest expense	33,067	39,538	101,873	129,838
Net interest income	30,918	27,690	94,476	83,135
Provision for loan losses	2,500	3,750	9,250	7,625

Net interest income after provision for loan losses	28,418	23,940	85,226	75,510
OTHER INCOME:				
Loan servicing fees	402	919	1,309	2,655
Other fee income	3,978	2,783	10,605	7,351
Net gain on assets sold	464	546	1,374	2,183
Net trading account gain	13	46	58	17
Discount brokerage commissions	1,549	1,267	4,507	3,658
Income from real estate operations	907	569	2,113	1,630
Insurance and annuity commissions	847	951	2,578	2,899
Other	539	112	717	343
Total other income	8,699	7,193	23,261	20,736
GENERAL AND ADMINISTRATIVE EXPENSE:				
Salaries and employee benefits	10,831	9,085	31,792	26,937
Occupancy, equipment and other office expense	4,758	3,899	13,728	11,424
Advertising	1,427	1,216	4,019	3,360
Federal deposit insurance	2,512	1,839	7,001	5,479
Other	1,385	1,672	4,243	4,936
General and administrative expense	20,913	17,711	60,783	52,136
(Income) Loss on foreclosed real estate	318	(508)	989	1,033
Income before income taxes	15,886	13,930	46,715	43,077
Income taxes	4,781	4,894	14,845	15,047
NET INCOME	\$ 11,105	\$ 9,036	\$ 31,870	\$ 28,030
EARNINGS PER SHARE:				
Primary	\$ 0.81	\$ 0.72	\$ 2.36	\$ 2.24
Fully Diluted	0.80	0.72	2.34	2.23
DIVIDENDS PER SHARE				
	\$ 0.10	\$ 0.10	\$ 0.30	\$ 0.30

</TABLE>

See notes to consolidated financial statements.

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ST. PAUL BANCORP, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY (UNAUDITED)

<TABLE>

<CAPTION>

Dollars in thousands, except share data	COMMON STOCK		PAID-IN CAPITAL	RETAINED INCOME	BORROWINGS BY EMPLOYEE STOCK OWNERSHIP PLAN		TOTAL STOCKHOLDERS' EQUITY
	SHARES	AMOUNT					
<S>	<C>	<C>	<C>	<C>	<C>	<C>	
Balance December 31, 1991	12,038,555	\$ 120	\$ 113,428	\$ 141,126	\$ (1,786)	\$	252,888
Issuance of common stock under stock option plan	80,425	1	822	--	--		823

Net income	--	--	--	28,030	--	28,030
Cash dividends paid to stockholders (\$.30 per share)	--	--	--	(3,620)	--	(3,620)
Repayments of principal	--	--	--	--	536	536
Additional borrowings	--	--	--	--	(1,000)	(1,000)

BALANCE SEPTEMBER 30, 1992	12,118,980	\$ 121	\$ 114,250	\$ 165,536	\$ (2,250)	\$ 277,657

Balance December 31, 1992	12,172,105	\$ 121	\$ 115,315	\$ 173,976	\$ (2,071)	\$ 287,341
Issuance of common stock under stock option plan	78,925	1	1,417	--	--	1,418
Issuance of common stock to Elm shareholders	861,542	9	19,757	--	--	19,766
Retirement of common stock issued to Elm shareholders	(297)	--	(7)	--	--	(7)
Net income	--	--	--	31,870	--	31,870
Cash dividends paid to stockholders (\$.30 per share)	--	--	--	(3,836)	--	(3,836)
Repayments of principal	--	--	--	--	536	536
Additional borrowings	--	--	--	--	(2,616)	(2,616)

BALANCE SEPTEMBER 30, 1993	13,112,275	\$ 131	\$ 136,482	\$ 202,010	\$ (4,151)	\$ 334,472

</TABLE>

See notes to consolidated financial statements.

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ST. PAUL BANCORP, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)

<TABLE>

<CAPTION>

Dollars in thousands	Nine Months Ended September 30	
	1993	1992

<S>	<C>	<C>
OPERATING ACTIVITIES:		
Net income	\$ 31,870	\$ 28,030
Adjustments to reconcile net income to net cash provided by operating activities:		
Provision for loan losses	9,250	7,625
Provision for losses on foreclosed real estate	804	1,827
Provision for depreciation	3,515	3,081
Assets originated and acquired for sale	(88,790)	(133,268)
Sale of assets held for sale	76,087	124,176
Decrease in accrued interest receivable	1,839	2,128
Increase in prepaid expenses and other assets	(5,535)	(4,407)
Decrease in other liabilities	(5,466)	(23,122)
Net amortization of yield adjustments	(1,055)	(2,215)
Other items, net	2,271	(2,306)

Net cash provided by operating activities	24,790	1,549

INVESTING ACTIVITIES:		
Principal repayments on loans receivable	422,596	388,864
Loans originated and purchased for investment	(347,883)	(297,344)
Loans receivable sold	18,658	34,925

Principal repayments on mortgage-backed securities	180,805	225,645
Mortgage-backed securities purchased for investment	(136,110)	(124,953)
Maturities of marketable debt securities	127,523	250
Purchase of marketable debt securities	(105,894)	(83,596)
Additions to real estate held for investment	(3,447)	(4,693)
Real estate sold	13,199	11,820
(Increase) decrease in investment in Federal Home Loan Bank stock	1,897	(171)
Purchase of office properties and equipment	(4,417)	(2,649)
Proceeds from sales of office properties and equipment	637	126
Acquisition of Elm Financial, net of cash and cash equivalents acquired of \$11,002.	(15,655)	--

Net cash provided by investing activities	151,909	148,224

FINANCING ACTIVITIES:		
Net increase (decrease) in checking and savings deposits	(25,723)	26,867
Proceeds from sales of certificates of deposit	212,258	223,868
Payments for maturing certificates of deposit	(231,861)	(284,697)
Net proceeds from issuance of subordinated notes	33,422	--
Repayment of FHL Bank advances	(47,279)	(61)
Decrease in other borrowings, net	(67,453)	(83,121)
Repayment of subordinated capital notes	-	(12,434)
Interest credited on subordinated capital notes	-	146
Redemption bonus on subordinated capital notes	-	144
Dividends paid to stockholders	(3,836)	(3,620)
Net proceeds from exercise of stock options	907	823
Decrease in advance payments by borrowers for taxes and insurance	(14,865)	(13,032)

Net cash used by financing activities	(144,430)	(145,117)

INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	32,269	4,656
Cash and cash equivalents at beginning of period	311,567	314,623

CASH AND CASH EQUIVALENTS AT END OF PERIOD	\$ 343,836	\$ 319,279

SUPPLEMENTAL DISCLOSURES:		
Interest credited on deposits	\$ 82,941	\$ 104,203
Interest paid on deposits	8,661	11,272

Total interest paid on deposits	91,602	115,475
Interest paid on borrowings	9,745	17,156
Income taxes paid, net	13,514	17,679
Common stock issued in acquisition of Elm Financial	19,766	--
Real estate acquired through foreclosure	24,821	36,528
Loans originated in connection with real estate acquired through foreclosure	13,199	26,761

</TABLE>

See notes to consolidated financial statements.

- The accompanying consolidated financial statements have been prepared in accordance with generally accepted accounting principles for interim financial information and with the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. In the opinion of Management all necessary adjustments, consisting only of normal recurring accruals, necessary for a fair presentation have been included. The results of operations for the

three- and nine-month period ended September 30, 1993 are not necessarily indicative of the results that may be expected for the entire fiscal year.

2. The accompanying consolidated financial statements include the accounts of St. Paul Bancorp, Inc. (the "Company" or "St. Paul Bancorp") and its wholly-owned subsidiaries, St. Paul Federal Bank For Savings (the "Bank" or "St. Paul Federal"), Annuity Network, Inc. and St. Paul Financial Development, Inc. The financial statements of St. Paul Federal include the accounts of its subsidiaries. Certain prior year amounts have been reclassified to conform to the 1993 presentation.
3. At September 30, 1993 the Bank had outstanding commitments to originate 1-4 family, real estate loans of \$49.4 million. Of these commitments, \$23.8 million were for adjustable-rate loans and \$25.6 million were for fixed-rate loans. Most of these commitments expire after sixty days. Unused home equity lines of credit totaled \$30.8 million as of September 30, 1993. Also, the Bank had a commitment to purchase a \$24.7 million mortgage-backed security at September 30, 1993. The Bank anticipates funding the origination and purchase commitments with excess liquidity.

At September 30, 1993 the Bank held commitments to sell \$51.7 million of fixed-rate, 1-4 family real estate loans. Market value losses, if any, related to these commitments have been reflected in the consolidated financial statements.

4. On February 23, 1993, the Company acquired ("the Acquisition") Elm Financial Services, Inc. ("Elm Financial"). The unaudited Pro Forma Combined Statements of Income presented below report the combined results of operations of the Company and Elm Financial for the nine-month periods ended September 30, 1993 and 1992 as if the Acquisition had been effective on January 1, 1993 and January 1, 1992, respectively, after giving effect to the purchase accounting adjustments.

The unaudited Pro Forma Condensed Combined Statements of Income reflect the application of the purchase method of accounting. Under this method of accounting, the aggregate cost to the Company of the Acquisition was allocated to the assets acquired and liabilities

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ST. PAUL BANCORP, INC. AND SUBSIDIARIES
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

assumed, based on their estimated fair values as of February 23, 1993. No goodwill was recorded by the Bank in connection with the Acquisition.

The unaudited Pro Forma Condensed Combined Statements of Income are intended for informational purposes and are not necessarily indicative of the future results of operations of the combined company, or results of operations of the combined company that would have actually occurred had the Acquisition been consummated as of the periods presented.

PRO FORMA CONDENSED COMBINED STATEMENTS OF INCOME

<TABLE>
 <CAPTION>

	Proforma Results	
	For the Nine Months Ended	

	September 30,	September 30,
	1993	1992
	-----	-----
<S>	<C>	<C>
Interest income	\$200,307	\$235,501
Interest expense	103,718	142,629
	-----	-----

Net interest income	96,589	92,872
Provision for loan losses	9,676	7,775
	-----	-----
Net interest income after provision for loan losses	86,913	85,097
Other income	23,010	21,406
Other expense	61,978	57,973
Loss on foreclosed real estate	990	1,033
	-----	-----
Pre-tax income	46,955	47,497
Income taxes	14,933	16,620
	-----	-----
Net income	\$ 32,022	\$ 30,877
	-----	-----
	-----	-----
Earnings per share:		
Primary	\$2.34	\$2.31
Fully Diluted	2.32	2.29

</TABLE>

5. The following schedule details the net effect during the first half of 1993 of the Acquisition on cash and cash equivalents:

<S>	<C>
-----	-----
Purchase price	\$48,194
Less: issuance of St. Paul stock	19,766
Less: Elm stock acquired in 1992	1,771
-----	-----
Cash paid for Acquisition	26,657
Cash and cash equivalents acquired	11,002
-----	-----
Acquisition of Elm Financial, net of cash and cash equivalents acquired	\$15,655
-----	-----

</TABLE>