

FIRST FINANCIAL BANCORP /OH/

Form 10-Q

August 06, 2014

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FORM 10-Q

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington D.C. 20549

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

For the quarterly period ended

June 30, 2014

OR

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

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission file number 001-34762

FIRST FINANCIAL BANCORP.

(Exact name of registrant as specified in its charter)

Ohio

(State or other jurisdiction of  
incorporation or organization)

31-1042001

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

255 East Fifth Street, Suite 700

Cincinnati, Ohio

(Address of principal executive offices)

45202

(Zip Code)

Registrant's telephone number, including area code (877) 322-9530

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 corporate 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, 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

Smaller reporting company

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

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 August 5, 2014
Common stock, No par value	57,713,480

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FIRST FINANCIAL BANCORP. AND SUBSIDIARIES  
CONSOLIDATED BALANCE SHEETS  
(Dollars in thousands)

	June 30, 2014 (Unaudited)	December 31, 2013
Assets		
Cash and due from banks	\$123,160	\$117,620
Interest-bearing deposits with other banks	39,237	25,830
Investment securities available-for-sale, at market value (cost \$912,365 at June 30, 2014 and \$945,052 at December 31, 2013)	897,715	913,601
Investment securities held-to-maturity (market value \$901,784 at June 30, 2014 and \$824,985 at December 31, 2013)	899,502	837,272
Other investments	47,640	47,427
Loans held for sale	13,108	8,114
Loans		
Commercial	1,143,693	1,035,668
Real estate-construction	113,682	80,741
Real estate-commercial	1,491,731	1,496,987
Real estate-residential	372,601	352,931
Installment	43,338	47,133
Home equity	380,746	376,454
Credit card	35,656	35,592
Lease financing	81,212	80,135
Total loans - excluding covered loans	3,662,659	3,505,641
Less: Allowance for loan and lease losses - uncovered	42,027	43,829
Net loans - excluding covered loans	3,620,632	3,461,812
Covered loans	365,603	457,873
Less: Allowance for loan and lease losses - covered	12,425	18,901
Net loans – covered	353,178	438,972
Net loans	3,973,810	3,900,784
Premises and equipment	133,418	137,110
Goodwill	95,050	95,050
Other intangibles	5,344	5,924
FDIC indemnification asset	30,420	45,091
Accrued interest and other assets	287,340	283,390
Total assets	\$6,545,744	\$6,417,213
Liabilities		
Deposits		
Interest-bearing	\$1,105,031	\$1,125,723
Savings	1,656,798	1,612,005
Time	973,100	952,327
Total interest-bearing deposits	3,734,929	3,690,055
Noninterest-bearing	1,140,198	1,147,452
Total deposits	4,875,127	4,837,507

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Federal funds purchased and securities sold under agreements to repurchase	128,013	94,749
Federal Home Loan Bank short-term borrowings	686,300	654,000
Total short-term borrowings	814,313	748,749
Long-term debt	59,693	60,780
Total borrowed funds	874,006	809,529
Accrued interest and other liabilities	90,780	88,016
Total liabilities	5,839,913	5,735,052
Shareholders' equity		
Common stock - no par value		
Authorized - 160,000,000 shares; Issued - 68,730,731 shares in 2014 and 2013	574,206	577,076
Retained earnings	337,971	324,192
Accumulated other comprehensive loss	(21,569)	) (31,281 )
Treasury stock, at cost, 11,012,414 shares in 2014 and 11,197,685 shares in 2013	(184,777)	) (187,826 )
Total shareholders' equity	705,831	682,161
Total liabilities and shareholders' equity	\$6,545,744	\$6,417,213

See Notes to Consolidated Financial Statements.

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CONSOLIDATED STATEMENTS OF INCOME

(Dollars in thousands, except per share data)

(Unaudited)

	Three months ended		Six months ended	
	June 30,		June 30,	
	2014	2013	2014	2013
Interest income				
Loans, including fees	\$48,877	\$55,022	\$98,024	\$111,047
Investment securities				
Taxable	10,355	8,295	20,792	16,671
Tax-exempt	796	560	1,606	1,140
Total interest on investment securities	11,151	8,855	22,398	17,811
Other earning assets	(1,301)	(1,556)	(2,707)	(3,028)
Total interest income	58,727	62,321	117,715	125,830
Interest expense				
Deposits	3,606	3,284	6,922	7,144
Short-term borrowings	292	305	621	634
Long-term borrowings	525	654	1,049	1,308
Total interest expense	4,423	4,243	8,592	9,086
Net interest income	54,304	58,078	109,123	116,744
Provision for loan and lease losses - uncovered	29	2,409	1,188	5,450
Provision for loan and lease losses - covered	(413)	(8,283)	(2,605)	759
Net interest income after provision for loan and lease losses	54,688	63,952	110,540	110,535
Noninterest income				
Service charges on deposit accounts	5,137	5,205	9,909	9,922
Trust and wealth management fees	3,305	3,497	7,051	7,447
Bankcard income	2,809	3,145	5,242	5,578
Net gains from sales of loans	737	1,089	1,133	1,795
Gains on sales of investment securities	0	188	50	1,724
FDIC loss sharing income	1,108	(7,384)	600	1,550
Accelerated discount on covered loans	621	1,935	1,636	3,870
Other	2,620	3,940	4,891	6,427
Total noninterest income	16,337	11,615	30,512	38,313
Noninterest expenses				
Salaries and employee benefits	25,615	26,216	50,876	53,545
Pension settlement charges	0	4,316	0	4,316
Net occupancy	4,505	5,384	9,804	11,549
Furniture and equipment	1,983	2,250	4,060	4,621
Data processing	2,770	2,559	5,628	5,028
Marketing	830	1,182	1,616	2,079
Communication	562	781	1,185	1,614
Professional services	1,449	1,764	3,173	3,567
State intangible tax	644	1,004	1,288	2,018
FDIC assessments	1,074	1,148	2,208	2,273
Loss (gain) - other real estate owned	313	216	731	718
Loss (gain) - covered other real estate owned	398	(2,212)	431	(2,369)

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Loss sharing expense	1,465	1,578	3,034	3,864
Other	5,503	7,097	10,919	13,566
Total noninterest expenses	47,111	53,283	94,953	106,389
Income before income taxes	23,914	22,284	46,099	42,459
Income tax expense	7,961	6,455	15,042	12,806
Net income	\$15,953	\$15,829	\$31,057	\$29,653
Net earnings per common share - basic	\$0.28	\$0.28	\$0.54	\$0.52
Net earnings per common share - diluted	\$0.28	\$0.27	\$0.54	\$0.51
Cash dividends declared per share	\$0.15	\$0.24	\$0.30	\$0.52
Average common shares outstanding - basic	57,201,494	57,291,994	57,146,853	57,365,105
Average common shares outstanding - diluted	57,951,636	58,128,349	57,890,268	58,206,503

See Notes to Consolidated Financial Statements.