

PACIFIC PREMIER BANCORP INC

Form 10-Q

August 01, 2014

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, DC 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 June 30, 2014

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 0-22193

(Exact name of registrant as specified in its charter)

DELAWARE
(State or other jurisdiction of incorporation or
organization)

33-0743196
(I.R.S Employer Identification No.)

17901 VON KARMAN AVENUE, SUITE 1200, IRVINE, CALIFORNIA 92614
(Address of principal executive offices and zip code)

(949) 864-8000
(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 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 [X] No []

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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 [X] 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).

Large accelerated filer [] Accelerated filer [X] 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 Exchange Act Rule 12b-2). Yes [] No [X]

The number of shares outstanding of the registrant's common stock as of July 31, 2014 was 17,068,641.

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FOR THE QUARTER ENDED JUNE 30, 2014

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PART I - FINANCIAL INFORMATION

Item 1. Financial Statements

PACIFIC PREMIER BANCORP, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION
(dollars in thousands, except share data)

ASSETS	June 30, 2014 (Unaudited)	December 31, 2013 (Audited)	June 30, 2013 (Unaudited)
Cash and due from banks	\$ 120,016	\$ 126,787	\$ 103,946
Federal funds sold	276	26	26
Cash and cash equivalents	120,292	126,813	103,972
Investment securities available for sale	235,116	256,089	313,047
FHLB and other stock, at cost	18,494	15,450	11,917
Loans held for sale, net	-	3,147	3,617
Loans held for investment	1,466,768	1,240,123	1,055,430
Allowance for loan losses	(9,733)	(8,200)	(7,994)
Loans held for investment, net	1,457,035	1,231,923	1,047,436
	6,645	6,254	5,766

Accrued interest receivable			
Other real estate owned	752	1,186	1,186
Premises and equipment	9,344	9,864	9,997
Deferred income taxes	10,796	8,477	8,644
Bank owned life insurance	26,445	24,051	23,674
Intangible assets	6,121	6,628	7,135
Goodwill	22,950	17,428	18,234
Other assets	7,535	6,877	3,833
TOTAL ASSETS	\$ 1,921,525	\$ 1,714,187	\$ 1,558,458
LIABILITIES AND STOCKHOLDERS' EQUITY			
LIABILITIES:			
Deposit accounts:			
Noninterest bearing	\$ 410,843	\$ 366,755	\$ 345,063
Interest bearing	1,034,738	939,531	969,126
Total deposits	1,445,581	1,306,286	1,314,189
FHLB advances and other borrowings	255,287	204,091	48,082
Subordinated debentures	10,310	10,310	10,310
Accrued expenses and other liabilities	18,166	18,274	17,066
TOTAL LIABILITIES	1,729,344	1,538,961	1,389,647
STOCKHOLDERS' EQUITY:			
Common stock, \$0.01 par value; 25,000,000 shares authorized; 17,068,641 shares at June 30, 2014, 16,656,279 shares at December 31, 2013, and 16,635,786 shares at June 30, 2013 issued and outstanding	171	166	166
Additional paid-in capital	149,942	143,322	142,759
Retained earnings	42,090	34,815	27,545
Accumulated other comprehensive loss, net of tax benefit of (\$16) at June 30,	(22)	(3,077)	(1,659)

2014, (\$2,152) at December 31, 2013, and (\$1,160) at June 30, 2013			
TOTAL STOCKHOLDERS' EQUITY	192,181	175,226	168,811
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 1,921,525	\$ 1,714,187	\$ 1,558,458

Accompanying notes are an integral part of these consolidated financial statements.

PACIFIC PREMIER BANCORP, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
(dollars in thousands, except per share data)
(unaudited)

	Three Months Ended		Six Months Ended	
	June 30, 2014	June 30, 2013	June 30, 2014	June 30, 2013
INTEREST INCOME				
Loans	\$ 17,922	\$ 13,688	\$ 34,507	\$ 27,084
Investment securities and other interest-earning assets	1,309	1,248	2,746	2,087
Total interest income	19,231	14,936	37,253	29,171
INTEREST EXPENSE				
Deposits	1,203	1,033	2,272	2,052
FHLB advances and other borrowings	255	238	498	478
Subordinated debentures	75	76	150	153
Total interest expense	1,533	1,347	2,920	2,683
NET INTEREST INCOME BEFORE PROVISION FOR LOAN LOSSES	17,698	13,589	34,333	26,488
PROVISION FOR LOAN LOSSES	1,030	322	1,979	618
NET INTEREST INCOME AFTER PROVISION FOR	16,668	13,267	32,354	25,870

LOAN LOSSES				
NONINTEREST INCOME				
Loan servicing fees	282	318	1,138	644
Deposit fees	463	457	917	897
Net gain from sales of loans	1,298	222	1,846	945
Net gain from sales of investment securities	98	1,068	160	1,068
Other-than-temporary impairment recovery (loss) on investment securities, net	10	(5	) 23	(35
Other income	320	371	439	636
Total noninterest income	2,471	2,431	4,523	4,155
NONINTEREST EXPENSE				
Compensation and benefits	6,485	5,687	13,376	10,784
Premises and occupancy	1,566	1,329	3,154	2,622
Data processing and communications	485	755	1,616	1,390
Other real estate owned operations, net	41	574	54	611
FDIC insurance premiums	266	196	503	336
Legal, audit and professional expense	385	249	978	844
Marketing expense	242	264	418	470
Office and postage expense	345	322	714	585
Loan expense	191	184	375	432
Deposit expense	747	515	1,508	675
Merger related expense	-	4,978	626	6,723
Other expense	888	803	1,860	1,563
Total noninterest expense	11,641	15,856	25,182	27,035
NET INCOME (LOSS) BEFORE INCOME TAX				
INCOME TAX	7,498	(158	) 11,695	2,990
INCOME TAX	2,855	91	4,420	1,267
NET INCOME (LOSS)	\$4,643	\$(249	) \$7,275	\$1,723
EARNINGS (LOSS) PER SHARE				

Basic	\$0.28	\$(0.02)	) \$0.43	\$0.12
Diluted	\$0.27	\$(0.02)	) \$0.42	\$0.11

WEIGHTED
AVERAGE
SHARES
OUTSTANDING

Basic	17,124,337	15,516,537	17,083,194	14,939,179
Diluted	17,476,390	15,516,537	17,422,928	15,721,262

Accompanying notes are an integral part of these consolidated financial statements.

PACIFIC PREMIER BANCORP, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE
INCOME
(dollars in thousands)
(unaudited)

Three Months Ended June 30,		Six Months Ended June 30,	
2014	2013	2014	2013