

Edgar Filing: EverBank Financial Corp - Form 10-Q

EverBank Financial Corp
Form 10-Q
July 30, 2014

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 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 _____

EverBank Financial Corp
(Exact name of registrant as specified in its charter)

Delaware 001-35533 52-2024090
(State of incorporation) (Commission File Number) (I.R.S. Employer Identification No.)

501 Riverside Ave., Jacksonville, FL 32202
(Address of principal executive offices) (Zip Code)

904-281-6000
(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 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 (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

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 the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer Accelerated filer
Non-accelerated filer (Do not check if a smaller reporting company) 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

As of July 25, 2014, there were 122,930,169 shares of common stock outstanding.

Table of Contents

EverBank Financial Corp

Form 10-Q

Index

Part I - Financial Information

Item 1.	<u>Financial Statements (Unaudited)</u>	<u>3</u>
	<u>Condensed Consolidated Balance Sheets as of June 30, 2014 and December 31, 2013</u>	<u>3</u>
	<u>Condensed Consolidated Statements of Income for the Three and Six Months Ended June 30, 2014 and 2013</u>	<u>4</u>
	<u>Condensed Consolidated Statements of Comprehensive Income for the Three and Six Months Ended June 30, 2014 and 2013</u>	<u>5</u>
	<u>Condensed Consolidated Statements of Shareholders' Equity for the Six Months Ended June 30, 2014 and 2013</u>	<u>6</u>
	<u>Condensed Consolidated Statements of Cash Flows for the Six Months Ended June 30, 2014 and 2013</u>	<u>7</u>
	<u>Notes to Condensed Consolidated Financial Statements</u>	<u>8</u>
Item 2.	<u>Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	<u>37</u>
Item 3.	<u>Quantitative and Qualitative Disclosures About Market Risk</u>	<u>75</u>
Item 4.	<u>Controls and Procedures</u>	<u>75</u>
Part II - Other Information		
Item 1.	<u>Legal Proceedings</u>	<u>76</u>
Item 1A.	<u>Risk Factors</u>	<u>76</u>
Item 2.	<u>Unregistered Sales of Equity Securities and Use of Proceeds</u>	<u>76</u>
Item 3.	<u>Default Upon Senior Securities</u>	<u>76</u>
Item 4.	<u>Mine Safety Disclosures</u>	<u>76</u>
Item 5.	<u>Other Information</u>	<u>76</u>
Item 6.	<u>Exhibits</u>	<u>76</u>

Table of Contents

Part I. Financial Information

Item 1. Financial Statements (unaudited)

EverBank Financial Corp and Subsidiaries

Condensed Consolidated Balance Sheets (unaudited)

(Dollars in thousands, except per share data)

	June 30, 2014	December 31, 2013
Assets		
Cash and due from banks	\$65,433	\$46,175
Interest-bearing deposits in banks	104,563	801,603
Total cash and cash equivalents	169,996	847,778
Investment securities:		
Available for sale, at fair value	1,029,667	1,115,627
Held to maturity (fair value of \$120,965 and \$107,921 as of June 30, 2014 and December 31, 2013, respectively)	118,614	107,312
Other investments	186,818	128,063
Total investment securities	1,335,099	1,351,002
Loans held for sale (includes \$829,946 and \$672,371 carried at fair value as of June 30, 2014 and December 31, 2013, respectively)	1,704,406	791,382
Loans and leases held for investment:		
Loans and leases held for investment, net of unearned income	15,294,644	13,252,724
Allowance for loan and lease losses	(56,728)	(63,690)
Total loans and leases held for investment, net	15,237,916	13,189,034
Equipment under operating leases, net	18,460	28,126
Mortgage servicing rights (MSR), net	437,595	506,680
Deferred income taxes, net	54,351	51,375
Premises and equipment, net	54,844	60,733
Other assets	741,153	814,874
Total Assets	\$19,753,820	\$17,640,984
Liabilities		
Deposits:		
Noninterest-bearing	\$1,055,556	\$1,076,631
Interest-bearing	12,819,119	12,184,709
Total deposits	13,874,675	13,261,340
Other borrowings	3,797,000	2,377,000
Trust preferred securities	103,750	103,750
Accounts payable and accrued liabilities	298,947	277,881
Total Liabilities	18,074,372	16,019,971
Commitments and Contingencies (Note 14)		
Shareholders' Equity		
Series A 6.75% Non-Cumulative Perpetual Preferred Stock, \$0.01 par value (liquidation preference of \$25,000 per share; 10,000,000 shares authorized; 6,000 issued and outstanding at June 30, 2014 and December 31, 2013)	150,000	150,000
Common Stock, \$0.01 par value (500,000,000 shares authorized; 122,918,919 and 122,626,315 issued and outstanding at June 30, 2014 and December 31, 2013, respectively)	1,229	1,226

Edgar Filing: EverBank Financial Corp - Form 10-Q

Additional paid-in capital	837,991	832,351
Retained earnings	744,164	690,051
Accumulated other comprehensive income (loss) (AOCI)	(53,936) (52,615
Total Shareholders' Equity	1,679,448	1,621,013
Total Liabilities and Shareholders' Equity	\$19,753,820	\$17,640,984

See notes to unaudited condensed consolidated financial statements.

3

Table of Contents

EverBank Financial Corp and Subsidiaries

Condensed Consolidated Statements of Income (unaudited)

(Dollars in thousands, except per share data)

	Three Months Ended		Six Months Ended	
	June 30, 2014	2013	June 30, 2014	2013
Interest Income				
Interest and fees on loans and leases	\$170,325	\$172,723	\$328,795	\$346,509
Interest and dividends on investment securities	9,818	14,813	19,649	31,063
Other interest income	110	317	272	615
Total Interest Income	180,253	187,853	348,716	378,187
Interest Expense				
Deposits	23,442	26,567	46,049	53,390
Other borrowings	16,620	20,069	31,632	39,764
Total Interest Expense	40,062	46,636	77,681	93,154
Net Interest Income	140,191	141,217	271,035	285,033
Provision for Loan and Lease Losses	6,123			