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Home Federal Bancorp, Inc.
Form 10-Q
August 09, 2010

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 June 30, 2010

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: 001-33795

HOME FEDERAL BANCORP, INC.

(Exact name of registrant as specified in its charter)

Maryland	68-0666697
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification Number)

500 12th Avenue South, Nampa, Idaho	83651
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including
area code: (208) 466-4634

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

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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	<input type="checkbox"/>	Accelerated filer	<input checked="" type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the 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: Common Stock, \$.01 par value per share, 16,687,760 shares outstanding as of August 6, 2010.

HOME FEDERAL BANCORP, INC.
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Item 1. Financial Statements

HOME FEDERAL BANCORP, INC. AND
SUBSIDIARY

CONSOLIDATED BALANCE SHEETS (In thousands, except share data) (Unaudited)	June 30, 2010	September 30, 2009
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ASSETS

Cash and due from depository institutions	\$161,735	\$ 46,783
Federal funds sold	8,500	3,170
Cash and cash equivalents	170,235	49,953
Investment securities available for sale, at fair value	163,650	169,320
Loans held for sale	2,494	862
Loans receivable, net of allowance for loan losses of \$17,872 and \$28,735	456,879	510,629
Accrued interest receivable	2,330	2,781
Property and equipment, net	27,122	20,462
Bank owned life insurance	12,330	12,014
Federal Home Loan Bank of Seattle ("FHLB") stock, at cost	10,326	10,326
Real estate and other property owned	12,308	18,391
FDIC indemnification receivable, net	7,607	30,038
Other assets	3,941	3,123
TOTAL ASSETS	\$869,222	\$827,899

LIABILITIES AND STOCKHOLDERS' EQUITY

LIABILITIES

Deposit accounts:

Noninterest-bearing demand deposits	\$ 70,718	\$ 68,155
Interest-bearing demand deposits	225,128	176,049
Savings deposits	51,304	41,757
Certificates of deposit	227,729	228,897
Total deposit accounts	574,879	514,858
Advances by borrowers for taxes and insurance	518	1,132
Interest payable	560	553
FHLB advances and other borrowings	73,536	84,737
Deferred compensation	5,395	5,260
Deferred tax liability, net	2,714	5,571
Other liabilities	5,788	6,123
Total liabilities	663,390	618,234

STOCKHOLDERS' EQUITY

Serial preferred stock, \$.01 par value; 10,000,000 authorized;

Issued and outstanding, none	-	-
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Common stock, \$.01 par value; 90,000,000 authorized;

Issued and outstanding:

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17,460,311 issued, 16,687,760 outstanding June 30, 2010		
17,445,311 issued, 16,698,168 outstanding September 30, 2009	167	167
Additional paid-in capital	152,272	150,782
Retained earnings	58,019	64,483
Unearned shares issued to employee stock ownership plan	(8,917)	(9,699)
Accumulated other comprehensive income	4,291	3,932
Total stockholders' equity	205,832	209,665
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$869,222	\$827,899

See accompanying notes.

HOME FEDERAL BANCORP, INC.
AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF
OPERATIONS

(In thousands, except share data)
(Unaudited)

	Three Months Ended June 30,		Nine Months Ended June 30,	
	2010	2009	2010	2009
Interest and dividend income:				
Loans, including fees	\$6,918	\$ 6,418	\$21,054	\$20,337
Investment securities	1,479	1,983	4,831	6,311
Other interest and dividends	104	9	240	20
Total interest and dividend income	8,501	8,410	26,125	26,668
Interest expense:				
Deposits	1,781	1,629	5,129	5,389
FHLB advances and other borrowings	792	1,068	2,385	3,861
Total interest expense	2,573	2,697	7,514	9,250
Net interest income	5,928	5,713	18,611	17,418
Provision for loan losses	3,300	3,450	6,375	8,085
Net interest income after provision for loan losses	2,628	2,263	12,236	9,333
Noninterest income:				
Service charges and fees	2,325	2,008	6,735	6,009
Gain on sale of loans	125	416	433	1,013
Increase in cash surrender value of bank owned life insurance	105	107	316	317
Other, net	341	80	756	78
Total noninterest income	2,896	2,611	8,240	7,417
Noninterest expense:				
Compensation and benefits	4,660	3,594	13,966	10,948
Occupancy and equipment	979	804	3,023	2,303
Data processing	929	654	2,526	1,773
Advertising	233	211	775	656
Postage and supplies	173	126	516	409
Professional services	391	236	1,375	870
Insurance and taxes	423	783	1,461	1,244
Provision for losses on real estate and other property owned	418	367	2,509	528
Other	462	239	1,160	888
Total noninterest expense	8,668	7,014	27,311	19,619
Loss before income taxes	(3,144)	(2,014)	(6,835)	(2,869)
Income tax benefit	(1,203)	(894)	(2,654)	(1,298)
Loss before extraordinary item	(1,941)	(1,246)	(4,181)	(1,571)
Extraordinary gain on acquisition, less income taxes of \$195	-	-	305	-
Net loss	\$(1,941)	\$ (1,246)	\$ (3,876)	\$ (1,571)
Loss per common share before extraordinary item:				
Basic	\$ (0.12)	\$ (0.08)	\$ (0.27)	\$ (0.10)

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Diluted	(0.12)	(0.08)	(0.27)	(0.10)
Loss per common share after extraordinary item:				
Basic	\$ (0.12)	\$ (0.08)	\$ (0.25)	\$ (0.10)
Diluted	(0.12)	(0.08)	(0.25)	(0.10)
Weighted average number of shares outstanding:				
Basic	15,543,199	15,352,714	15,491,203	15,742,102
Diluted	15,543,199	15,352,714	15,491,203	15,742,102
Dividends declared per share:	\$ 0.055	\$ 0.055	\$ 0.165	\$ 0.165

See accompanying notes.

HOME FEDERAL BANCORP, INC. AND SUBSIDIARY
 CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY AND COMPREHENSIVE
 INCOME (LOSS)

(In thousands, except share data) (Unaudited)

	Common Stock		Additional	Retained	Unearned Shares Issued to Employee Stock Ownership Plan ("ESOP")	Accumulated Other Comprehensive Income (Loss)	Total
	Shares	Amount	Paid-In Capital	Earnings			
Balance at September 30, 2008	17,374,161	\$174	\$157,205	\$59,813	\$(10,605)	\$ (1,400)	\$205,187
Restricted stock issued, net of forfeitures	159,115	2		(2)			-
ESOP shares committed to be released			63		906		