

PROVIDENT FINANCIAL HOLDINGS INC
Form 10-Q
February 09, 2012

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 December 31, 2011

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 000-28304

PROVIDENT FINANCIAL HOLDINGS, INC.
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

33-0704889
(I.R.S. Employer
Identification No.)

3756 Central Avenue, Riverside, California 92506
(Address of principal executive offices and zip code)

(951) 686-6060
(Registrant's telephone number, including area code)

(Former name, former address and former fiscal year, if changed since last report)

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, a non-accelerated filer or a smaller reporting company. See the definitions of "large accelerated filer", "accelerated filer" and "smaller reporting

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company” in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input type="checkbox"/>	Accelerated filer	<input 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 .

APPLICABLE ONLY TO CORPORATE ISSUERS

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

Title of class:	As of February 1, 2012
Common stock, \$ 0.01 par value, per share	11,175,761 shares

PROVIDENT FINANCIAL HOLDINGS, INC.

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PROVIDENT FINANCIAL HOLDINGS, INC.
Condensed Consolidated Statements of Financial Condition
(Unaudited)
In Thousands, Except Share Information

	December 31, 2011	June 30, 2011
Assets		
Cash and cash equivalents	\$ 133,507	\$ 142,550
Investment securities – available for sale, at fair value	24,106	26,193
Loans held for investment, net of allowance for loan losses of \$26,901 and \$30,482, respectively	845,476	881,610
Loans held for sale, at fair value	226,790	191,678
Accrued interest receivable	3,570	3,778
Real estate owned, net	7,853	8,329
Federal Home Loan Bank (“FHLB”) – San Francisco stock	24,585	26,976
Premises and equipment, net	5,962	4,805
Prepaid expenses and other assets	26,710	28,630
Total assets	\$ 1,298,559	\$ 1,314,549
Liabilities and Stockholders’ Equity		
Commitments and Contingencies		
Liabilities:		
Non interest-bearing deposits	\$ 51,785	\$ 45,437
Interest-bearing deposits	902,071	900,330
Total deposits	953,856	945,767
Borrowings	176,573	206,598
Accounts payable, accrued interest and other liabilities	25,260	20,441
Total liabilities	1,155,689	1,172,806
Stockholders’ equity:		
Preferred stock, \$.01 par value (2,000,000 shares authorized; none issued and outstanding)	-	-
Common stock, \$.01 par value (40,000,000 shares authorized; 17,610,865 shares issued; 11,175,761 and 11,418,654 shares outstanding, respectively)	176	176
Additional paid-in capital	86,265	85,432
Retained earnings	151,633	148,147
Treasury stock at cost (6,435,104 and 6,192,211 shares, respectively)	(95,757)	(92,650)
Accumulated other comprehensive income, net of tax	553	638
Total stockholders’ equity	142,870	141,743
Total liabilities and stockholders’ equity	\$ 1,298,559	\$ 1,314,549

The accompanying notes are an integral part of these condensed consolidated financial statements.

PROVIDENT FINANCIAL HOLDINGS, INC.
Condensed Consolidated Statements of Operations
(Unaudited)
In Thousands, Except Per Share Information

	Quarter Ended December 31,		Six Months Ended December 31,	
	2011	2010	2011	2010
Interest income:				
Loans receivable, net	\$ 13,261	\$ 14,888	\$ 26,010	\$ 30,449
Investment securities	134	217	281	458
FHLB – San Francisco stock	20	30	38	66
Interest-earning deposits	37	65	134	130
Total interest income	13,452	15,200	26,463	31,103
Interest expense:				
Checking and money market deposits	176	271	376	576
Savings deposits	191	287	416	627
Time deposits	1,824	2,051	3,730	4,235
Borrowings	1,755	2,883	3,637	6,145
Total interest expense	3,946	5,492	8,159	11,583
Net interest income, before provision for loan losses	9,506	9,708	18,304	19,520
Provision for loan losses	1,132	1,048	2,104	1,925
Net interest income, after provision for loan losses	8,374	8,660	16,200	17,595
Non-interest income:				
Loan servicing and other fees	176	275	308	399
Gain on sale of loans, net	5,897	9,332	13,173	18,779
Deposit account fees	626	671	1,229	1,300
Gain (loss) on sale and operations of real estate owned acquired in the settlement of loans, net	77	(690)	109	(1,058)
Card and processing fees	309	312	640	628
Other	228	197	402	384
Total non-interest income	7,313	10,097	15,861	20,432
Non-interest expense:				
Salaries and employee benefits	8,380	7,565	17,234	14,942
Premises and occupancy	956	804	1,828	1,624
Equipment	410	378	724	703
Professional expenses	455	418	888	801
Sales and marketing expenses	178	160	377	294
Deposit insurance premiums and regulatory	461	664	632	1,345

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assessments				
Other	1,634	1,353	3,094	2,843
Total non-interest expense	12,474	11,342	24,777	22,552
Income before income taxes	3,213	7,415	7,284	15,475
Provision for income taxes	1,359	3,160	3,112	6,691
Net income	\$ 1,854	\$ 4,255	\$ 4,172	\$ 8,784
Basic earnings per share	\$ 0.16	\$ 0.37	\$ 0.37	\$ 0.77
Diluted earnings per share	\$ 0.16	\$ 0.37	\$ 0.36	\$ 0.77
Cash dividends per share	\$ 0.03	\$ 0.01	\$ 0.06	\$ 0.02

The accompanying notes are an integral part of these condensed consolidated financial statements.

PROVIDENT FINANCIAL HOLDINGS, INC.
Condensed Consolidated Statements of Stockholders' Equity
(Unaudited)
In Thousands, Except Share Information
For the Quarters Ended December 31, 2011 and 2010

	Common Stock	Additional Paid-In Capital	Retained Earnings	Treasury Stock	Unearned Stock Compensation	Accumulated Other Comprehensive Income (Loss), Net of Tax	Total	
	Shares	Amount	\$	\$	\$	\$	\$	
Balance at October 1, 2011	11,439,264	\$ 176	86,021	150,120	(93,316)	\$ -	\$ 595	143,596
Comprehensive income:								
Net income			1,854					1,854
Change in unrealized holding loss on securities available for sale, net of reclassification of \$0 of net gain included in net income and net of tax benefit of \$(30)						(42)		(42)
Total comprehensive income								1,812
Purchase of treasury stock	(263,503)				(2,441)			(2,441)
Amortization of restricted stock			115					115
Stock options expense			129					129
Cash dividends				(341)				(341)