

ESSA Bancorp, Inc.
Form 10-Q
August 09, 2013
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

x **Quarterly Report Pursuant To Section 13 or 15(d) of the Securities Exchange Act of 1934**
For the quarterly period ended June 30, 2013

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 No. 001-33384

ESSA Bancorp, Inc.

(Exact name of registrant as specified in its charter)

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Pennsylvania
(State or other jurisdiction of
incorporation or organization)

20-8023072
(I.R.S. Employer
Identification Number)

200 Palmer Street, Stroudsburg, Pennsylvania
(Address of Principal Executive Offices)

18360
(Zip Code)

(570) 421-0531

(Registrant's telephone number)

N/A

(Former name or former address, 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 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 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 definition of "large accelerated filer" and "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer Accelerated filer

Non-accelerated filer 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 August 2, 2013 there were 12,079,111 shares of the Registrant's common stock, par value \$0.01 per share, outstanding.

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ESSA BANCORP, INC. AND SUBSIDIARY

CONSOLIDATED BALANCE SHEET

(UNAUDITED)

	June 30, 2013	September 30, 2012
	(dollars in thousands)	
Cash and due from banks	\$ 12,477	\$ 11,034
Interest-bearing deposits with other institutions	7,849	4,516
Total cash and cash equivalents	20,326	15,550
Certificates of deposit	1,766	1,266
Investment securities available for sale, at fair value	310,621	329,585
Loans receivable, held for sale		346
Loans receivable (net of allowance for loan losses of \$8,184 and \$7,302)	942,794	950,009
Regulatory stock, at cost	12,358	21,914
Premises and equipment, net	15,921	16,170
Bank-owned life insurance	28,557	27,848
Foreclosed real estate	1,693	2,998
Intangible assets, net	2,707	3,457
Goodwill	8,817	8,541
Deferred income taxes	12,643	11,336
Other assets	20,214	29,766
TOTAL ASSETS	\$ 1,378,417	\$ 1,418,786
LIABILITIES		
Deposits	\$ 1,010,500	\$ 995,634
Short-term borrowings	32,212	43,281
Other borrowings	145,160	191,460
Advances by borrowers for taxes and insurance	13,307	3,432
Other liabilities	12,188	9,568
TOTAL LIABILITIES	1,213,367	1,243,375
STOCKHOLDERS' EQUITY		
Preferred Stock (\$.01 par value; 10,000,000 shares authorized, none issued)		
Common stock (\$.01 par value; 40,000,000 shares authorized, 18,133,095 issued; 12,215,926 and 13,229,908 outstanding at June 30, 2013 and September 30, 2012)	181	181
Additional paid in capital	182,374	181,220
Unallocated common stock held by the Employee Stock Ownership Plan (ESOP)	(10,645)	(10,985)
Retained earnings	70,225	65,181
Treasury stock, at cost; 5,917,169 and 4,903,187 shares outstanding at June 30, 2013 and September 30, 2012, respectively	(73,112)	(61,944)
Accumulated other comprehensive (loss) income	(3,973)	1,758

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TOTAL STOCKHOLDERS EQUITY	165,050	175,411
TOTAL LIABILITIES AND STOCKHOLDERS EQUITY	\$ 1,378,417	\$ 1,418,786

See accompanying notes to the unaudited consolidated financial statements.

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ESSA BANCORP, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENT OF INCOME
(UNAUDITED)

	For the Three Months Ended June 30,		For the Nine Months Ended June 30,	
	2013	2012	2013	2012
	(dollars in thousands, except per share data)			
INTEREST INCOME				
Loans receivable, including fees	\$ 11,032	\$ 8,880	\$ 34,310	\$ 27,366
Investment securities:				
Taxable	1,370	1,636	4,558	4,902
Exempt from federal income tax	73	55	200	158
Other investment income	16	5	63	13
Total interest income	12,491	10,576	39,131	32,439
INTEREST EXPENSE				
Deposits	1,757	1,780	5,576	5,527
Short-term borrowings	27	7	109	18
Other borrowings	858	2,053	2,994	6,679
Total interest expense	2,642	3,840	8,679	12,224
NET INTEREST INCOME	9,849	6,736	30,452	20,215
Provision for loan losses	1,100	600	2,950	1,750
NET INTEREST INCOME AFTER PROVISION FOR LOAN LOSSES	8,749	6,136	27,502	18,465
NONINTEREST INCOME				
Service fees on deposit accounts	797	670	2,315	2,058
Services charges and fees on loans	277	166	774	550
Trust and investment fees	230	262	641	684
Gain on sale of investments, net	11		749	147
Gain on sale of loans, net	11	19	426	27
Earnings on Bank-owned life insurance	235	194	709	588
Insurance commissions	231	177	638	563
Other	8	7	32	25
Total noninterest income	1,800	1,495	6,284	4,642
NONINTEREST EXPENSE				
Compensation and employee benefits	4,690	3,888	14,314	11,804
Occupancy and equipment	956	756	2,935	2,288
Professional fees	549	339	1,453	1,083
Data processing	687	523	2,155	1,512
Advertising	170	110	425	263
Federal Deposit Insurance Corporation (FDIC) premiums	261	168	739	497
Loss (Gain) on foreclosed real estate	(100)	(17)	(498)	90

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Merger related costs		168		544
Amortization of intangible assets	250	81	749	243
Other	691	510	2,177	1,738
Total noninterest expense	8,154	6,526	24,449	20,062
Income before income taxes	2,395	1,105	9,337	3,045
Income taxes	519	311	2,542	706