

EverBank Financial Corp  
Form 10-Q  
November 13, 2012  
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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 September 30, 2012

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 October 31, 2012, there were 120,637,400 shares of common stock outstanding.

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## 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)

	September 30, 2012	December 31, 2011
Assets		
Cash and due from banks	\$53,357	\$31,441
Interest-bearing deposits in banks	1,566,612	263,540
Total cash and cash equivalents	1,619,969	294,981
Investment securities:		
Available for sale, at fair value	1,722,556	1,903,922
Held to maturity (fair value of \$177,228 and \$194,350 as of September 30, 2012 and December 31, 2011, respectively)	170,804	189,518
Other investments	126,151	98,392
Total investment securities	2,019,511	2,191,832
Loans held for sale (includes \$1,025,467 and \$777,280 carried at fair value as of September 30, 2012 and December 31, 2011, respectively)	1,403,205	2,725,286
Loans and leases held for investment:		
Covered by loss share or indemnification agreements	671,420	841,146
Not covered by loss share or indemnification agreements	9,385,306	5,678,135
Loans and leases held for investment, net of unearned income	10,056,726	6,519,281
Allowance for loan and lease losses	(76,469)	(77,765)
Total loans and leases held for investment, net	9,980,257	6,441,516
Equipment under operating leases, net	55,532	56,399
Mortgage servicing rights (MSR), net	381,773	489,496
Deferred income taxes, net	183,943	151,634
Premises and equipment, net	64,789	43,738
Other assets	800,461	646,796
Total Assets	\$16,509,440	\$13,041,678
Liabilities		
Deposits:		
Noninterest-bearing	\$1,475,204	\$1,234,615
Interest-bearing	10,340,722	9,031,148
Total deposits	11,815,926	10,265,763
Other borrowings	2,823,927	1,257,879
Trust preferred securities	103,750	103,750
Accounts payable and accrued liabilities	507,815	446,621
Total Liabilities	15,251,418	12,074,013
Commitments and Contingencies (Note 15)		
Shareholders' Equity		
Series A 6% Cumulative Convertible Preferred Stock, \$0.01 par value (1,000,000 shares authorized and 186,744 shares issued and outstanding at December 31, 2011; no shares authorized, issued or outstanding at September 30, 2012) (Note 10)	—	2
Series B 4% Cumulative Convertible Preferred Stock, \$0.01 par value (liquidation preference of \$1,000 per share; 1,000,000 shares authorized inclusive of Series A	—	1

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Preferred Stock and 136,544 shares issued and outstanding at December 31, 2011; no shares authorized, issued or outstanding at September 30, 2012) (Note 10)		
Common Stock, \$0.01 par value (500,000,000 and 150,000,000 shares authorized at September 30, 2012 and December 31, 2011, respectively; 120,624,500 and 75,094,375 issued and outstanding at September 30, 2012 and December 31, 2011, respectively)	1,206	751
Additional paid-in capital	812,823	561,247
Retained earnings	550,724	513,413
Accumulated other comprehensive income (loss) (AOCI)	(106,731	) (107,749
Total Shareholders' Equity	1,258,022	967,665
Total Liabilities and Shareholders' Equity	\$16,509,440	\$13,041,678
See notes to unaudited condensed consolidated financial statements.		

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EverBank Financial Corp and Subsidiaries  
Condensed Consolidated Statements of Income (unaudited)  
(Dollars in thousands, except per share data)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2012	2011	2012	2011
Interest Income				
Interest and fees on loans and leases	\$ 140,230	\$ 116,899	\$ 400,824	\$ 358,419
Interest and dividends on investment securities	20,879	27,201	62,127	82,778
Other interest income	152	197	338	1,312
Total Interest Income	161,261	144,297	463,289	442,509
Interest Expense				
Deposits	22,491	23,959	63,884	75,559
Other borrowings	12,576	9,469	32,604	29,478
Total Interest Expense	35,067	33,428	96,488	105,037
Net Interest Income	126,194	110,869	366,801	337,472
Provision for Loan and Lease Losses	4,359	12,258	21,471	39,292
Net Interest Income after Provision for Loan and Lease Losses	121,835	98,611	345,330	298,180
Noninterest Income				
Loan servicing fee income	42,341	48,390	130,380	144,023
Amortization and impairment of mortgage servicing rights	(54,521)	(44,053)	(163,281)	(88,270)
Net loan servicing income (loss)	(12,180)	4,337	(32,901)	55,753
Gain on sale of loans	85,748	20,921	203,851	39,854
Loan production revenue	10,528	6,518	27,817	18,513
Deposit fee income	4,671	7,803	16,738	19,398
Other lease income	7,103	7,095	24,588	22,163
Other	1,429	6,683	4,522	16,461
Total Noninterest Income	97,299	53,357	244,615	172,142
Noninterest Expense				
Salaries, commissions and other employee benefits expense	85,399	57,757	228,266	171,451
Equipment expense	17,574	13,608	50,411	36,077
Occupancy expense	6,619	5,237	17,985	14,808
General and administrative expense	74,377	62,983	221,911	184,199
Total Noninterest Expense	183,969	139,585	518,573	406,535
Income before Provision for Income Taxes	35,165	12,383	71,372	63,787
Provision for Income Taxes	12,987	4,625	26,176	24,818
Net Income	\$ 22,178	\$ 7,758	\$ 45,196	\$ 38,969
Less: Net Income Allocated to Participating Preferred Stock	—	(1,598)	(8,564)	(8,420)
Net Income Allocated to Common Shareholders	\$ 22,178	\$ 6,160	\$ 36,632	\$ 30,549
Basic Earnings Per Share	\$ 0.19	\$ 0.08	\$ 0.37	\$ 0.41
Diluted Earnings Per Share	\$ 0.19	\$ 0.08	\$ 0.37	\$ 0.40
Dividends Declared Per Share	\$ 0.02	\$ —	\$ 0.02	\$ —

See notes to unaudited condensed consolidated financial statements.



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EverBank Financial Corp and Subsidiaries

Condensed Consolidated Statements of Comprehensive Income (unaudited)

(Dollars in thousands)

	Three Months Ended September 30,		Nine Months Ended September 30,		
	2012	2011	2012	2011	
Net Income	\$22,178	\$7,758	\$45,196	\$38,969	
Unrealized Gains (Losses) on Debt Securities					
Reclassification of unrealized gains to earnings	—	(4,662	) —	(7,401	)
Unrealized gains (losses) due to changes in fair value	18,662	(14,254	) 32,367	(24,804	)
Other-than-temporary impairment (OTTI) (noncredit portion), net of accretion	—	—	—	502	
Tax effect	(7,094	) 6,626	(12,240	) 11,322	
Change in unrealized gains (losses) on debt securities	11,568	(12,290	) 20,127	(20,381	)
Interest Rate Swaps					
Net unrealized losses due to changes in fair value	(11,509	) (82,910	) (37,813	) (105,739	)
Reclassification of unrealized losses to earnings	3,112	1,801	6,786	5,598	
Tax effect	3,191	30,824	11,918	38,275	
Change in interest rate swaps	(5,206	) (50,285	) (19,109	) (61,866	)
Other Comprehensive Income (Loss)	6,362	(62,575	) 1,018	(82,247	)
Comprehensive Income (Loss)	\$28,540	\$(54,817	) \$46,214	\$(43,278	)

See notes to unaudited condensed consolidated financial statements.

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EverBank Financial Corp and Subsidiaries

Condensed Consolidated Statements of Shareholders' Equity (unaudited)

(Dollars in thousands)

	Shareholders' Equity				Accumulated Other Comprehensive Income (Loss), Net of Tax	Total Equity
	Preferred Stock	Common Stock	Additional Paid-In Capital	Retained Earnings		
Balance, January 1, 2012	\$3	\$751	\$561,247	\$513,413	\$(107,749 )	