

SECURITIES AND EXCHANGE COMMISSION

FORM 8-K

Current report filing

Filing Date: **1994-01-19** | Period of Report: **1993-12-31**
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FILER

FIRST FINANCIAL CORP /WI/

CIK: **735553** | IRS No.: **391471963** | State of Incorpor.: **WI** | Fiscal Year End: **1231**
Type: **8-K** | Act: **34** | File No.: **000-11889** | Film No.: **94501824**
SIC: **6035** Savings institution, federally chartered

Business Address
1305 MAIN ST
STEVENS POINT WI 54481
7153410400

FORM 8-K

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): January 17, 1994

First Financial Corporation
(Exact name of registrant as specified in its charter)

Wisconsin	0-11889	39-1471963
(State or other	(Commission	(IRS Employer
jurisdiction of	File Number)	Identification No.)
incorporation)		

1305 Main Street	
Stevens Point, Wisconsin	54481
(Address of principal executive office)	(Zip Code)

Registrant's telephone number, including area code: (715) 341-0400

Not applicable
(Former name or former address, if changed since last report)

Item 5. Other Events.

On January 17, 1994, First Financial Corporation, Stevens Point, Wisconsin ("FFC"), the holding company for First Financial Bank, FSB and First Financial - Port Savings Bank, FSB, issued an earnings release and other financial data for the quarter ended December 31, 1993, a copy of which is attached at Exhibit 28 hereto.

Item 7. Financial Statements and Exhibits.

(c) Exhibit 28: Earnings Release and other financial data of FFC.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

FIRST FINANCIAL CORPORATION
(Registrant)

By /s/ John C. Seramur
John C. Seramur
President and Chief
Executive Officer

Dated: January 17, 1994

EXHIBIT INDEX

EXHIBITS

28 Earnings Release and other
financial data of FFC.

January 17, 1994

Ken Csinicsek
715-345-4602

FIRST FINANCIAL CORPORATION (WI) REPORTS RECORD EARNINGS

Stevens Point, Wisconsin, January 17, 1994... First Financial Corporation (FFHC-OTC) today reported record net income for the fourth quarter and for the fiscal year ended December 31, 1993.

For the fourth quarter, the company reported net income of \$13.2 million, or \$.54 per share, up 45% from the \$9.1 million, or \$.38 per share, reported for the fourth quarter of 1992. For the year, net income was \$45.2 million, or \$1.88 per share, up 59% from \$28.4 million, or \$1.21 per share, for 1992 (prior to a change in

accounting for income taxes of \$5.6 million, or \$.24 per share, taken during 1992).

The company's return on average assets (ROA) for the fourth quarter increased to 1.11%, up from .94% for the fourth quarter of last year. For the year, ROA was .98%, up from .79% when not including last year's one-time accounting change, which was mentioned previously. Return on average stockholder's equity (ROE) increased to 23.14% for the quarter, up from 19.18% for the fourth quarter of 1992. Similarly, ROE for the year was 21.23%, up from the pre-accounting change ROE of 15.78% for 1992.

"These results are consistent with our expectations," said John C. Seramur, president and chief executive officer of First Financial. "We have worked to improve in a number of key areas. These improvements should help carry our earnings momentum into 1994." Seramur attributes the improved performance to an increasing net interest margin, reductions in non-performing assets, increases in non-interest income and the 1993 acquisitions.

Net interest income for the quarter rose to \$39.7 million, up from \$32.6 million for the fourth quarter of last year. For the year, net interest income was \$150.4 million, up from \$115.0 million for 1992. Correspondingly, the company's net interest margin for the year rose to 3.41%, up from 3.35% for 1992.

During 1993, the company realized significant increases in non-interest income. These increases are the result of contributions from 1993 acquisitions, repricing strategies implemented by the company in 1992-1993 and gains on sales of mortgage loans in the normal course of business. These gains are fueled by the increased demand for fixed-rate mortgages to purchase and refinance homes in today's low interest rate environment. In 1993, First Financial originated a record \$1.0 billion in mortgage loans. The company also registered record production in

other lending areas such as credit card, home equity, and consumer loans.

Non-interest expenses continued to show improvement in the fourth quarter and year-end 1993. Non-interest expenses compared to average total assets in the fourth quarter declined to 2.18%, down from 2.33% for the fourth quarter of last year. For the year, the ratio was 2.29%, down from 2.46% for 1992. In addition, the company's efficiency ratio, which represents controllable non-interest expenses as a percentage of core income before expenses, improved to 51% for the three months ended December 31, 1993, down from 53% for the same period last year. For the year, the efficiency ratio improved to 53%, down from 56% for 1992.

The company continues to maintain excellent asset quality. Non-performing assets declined to \$15.1 million, down substantially from \$29.9 million at the end of 1992. As a percentage of total assets, non-performing assets were .32%, down from .76% at the end of last year. Meanwhile, allowances for loan losses, as a percentage of non-accrual loans, increased to 282%, up from 109% at this time last year.

Stockholder's equity increased to \$234.7 million, up from \$194.1 million at the end of last year. Book value per share at year-end stood at \$9.95, up from \$8.34 at the end of last year.

In October of 1993, First Financial announced its intention to purchase NorthLand Bank of Wisconsin, SSB, headquartered in Ashland, Wisconsin. The transaction is subject to regulatory approval and approval by NorthLand shareholders. It is expected

to close during the first quarter of 1994. Upon closing, NorthLand's offices will become branches of First Financial Bank.

First Financial Corporation is the holding company for First Financial Bank, FSB, Wisconsin's largest thrift, and First Financial-Port Savings Bank, FSB. The Corporation has \$4.8 billion in assets and operates 117 banking offices in Wisconsin and Illinois. The company's shares are quoted and traded on the NASDAQ National Market System under the symbol FFHC.

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FIRST FINANCIAL CORPORATION
FINANCIAL HIGHLIGHTS
(Dollars in thousands, except per share amounts)
(Unaudited)

	December 31 1993 (1) (2)	December 31, 1992
FINANCIAL CONDITION		
Total assets	\$4,774,633	\$3,908,286
Investments	275,696	163,800
Mortgage-related securities	1,326,253	1,301,589
Loans receivable	2,922,504	2,210,717
Cost in excess of fair value of net assets of acquired businesses	3,070	3,624
Core deposit intangibles	28,322	19,654
Deposits	4,050,520	3,206,112
FHL Bank advances and other borrowings	438,598	461,948
Stockholders' equity	\$ 234,685	\$ 194,095
Stockholders' equity to total assets	4.92%	4.97%
Tangible stockholders' equity	\$ 203,293	\$ 170,817
Shares outstanding (3)	23,586,827	23,266,414
Book value per share (3)	\$ 9.95	\$ 8.34
Tangible book value per share (3)	\$ 8.62	\$ 7.34
Market price per share	\$ 16.75	\$ 11.75
Net interest margin at end of period	3.41%	3.32%
Number of branch offices	117	94
Number of employees	1,657	1,453
ASSET QUALITY DATA		
Non-performing assets		
Non-accrual loans:		
Residential mortgage	\$ 5,144	\$ 5,974
Commercial real estate mortgage	--	6,478
Manufactured housing	1,063	1,295
Consumer and other	2,033	1,912
Total non-accrual loans	8,240	15,659
Foreclosed real estate properties	6,653	13,736
Other repossessed assets	164	462
Total non-performing assets	\$ 15,057	\$ 29,857
Non-accrual loans to loans receivable	.28%	.71%
Non-performing assets to total assets	.32%	.76%
Summary of loan loss allowances:		
Credit cards	\$ 6,502	\$ 4,034
Residential mortgage	5,877	3,301
Manufactured housing	4,668	4,325
Commercial real estate mortgage	4,010	3,986
Consumer and other	2,209	1,421
Total allowances	\$ 23,266	\$ 17,067
Allowances to loans receivable	.80%	.77%
Allowances as percent of non- accrual loans	282.35%	108.99%
REGULATORY CAPITAL RATIOS (FULLY PHASED-IN)		
First Financial Bank, FSB		
Tangible capital	5.21%	4.70%

Core capital	5.78	5.20
Risk-based capital	12.57	11.68
First Financial-Port Savings Bank, FSB		
Tangible capital	7.43%	8.67%
Core capital	7.43	8.67
Risk-based capital	14.55	16.58

See Notes to Financial Highlights

FIRST FINANCIAL CORPORATION

<TABLE>

<CAPTION>

	Three Months Ended		Year Ended	
	December 31,		December 31,	
	1993 (1) (2)	1992	1993 (1) (2)	1992
<S>	<C>	<C>	<C>	<C>
RESULTS OF OPERATIONS				
Total interest income	\$ 85,529	\$ 77,090	\$ 340,123	\$ 296,871
Net interest income	\$ 39,661	\$ 32,597	\$ 150,389	\$ 114,975
Income before cumulative effect of a change in accounting principle	\$ 13,172	\$ 9,135	\$ 45,215	\$ 28,432
Net income (4)	\$ 13,172	\$ 9,135	\$ 45,215	\$ 34,032
Earnings per share (3):				
Primary:				
Income before cumulative effect of accounting change	\$ 0.54	\$ 0.38	\$ 1.88	\$ 1.21
Cumulative effect of accounting change (4)	--	--	--	.24
Net Income	\$ 0.54	\$ 0.38	\$ 1.88	\$ 1.45
Fully Diluted:				
Income before cumulative effect of accounting change	\$ 0.54	\$ 0.38	\$ 1.86	\$ 1.19
Cumulative effect of accounting change (4)	--	--	--	.24
Net Income	\$ 0.54	\$ 0.38	\$ 1.86	\$ 1.43
Weighted average shares out- standing (3):				
Primary	24,396,000	23,798,000	24,112,000	23,498,000
Fully diluted	24,396,000	24,022,000	24,369,000	23,860,000
Dividends per share (3)	\$.10	\$.06	\$.35	\$.22
OPERATING DATA				
Average assets	\$4,765,617	\$3,880,174	\$4,611,955	\$3,613,635
Average interest-earning assets	\$4,571,838	\$3,706,631	\$4,414,890	\$3,431,229
Average interest-bearing liabilities	\$4,486,368	\$3,634,036	\$4,342,065	\$3,382,906
Average stockholders' equity	\$ 227,688	\$ 190,495	\$ 212,933	\$ 180,197
Return on average assets before accounting change (6)	1.11%	.94%	.98%	.79%
Return on average assets after accounting change (4) (6)	1.11%	.94%	.98%	.94%
Return on average stockholders' equity before accounting change (6)	23.14%	19.18%	21.23%	15.78%
Return on average stockholders' equity after accounting change (4) (6)	23.14%	19.18%	21.23%	18.89%
Net interest spread/margin (6):				
Yield on loans receivable	8.55%	9.56%	8.80%	9.74%
Yield on mortgage-related securities	5.83%	6.70%	6.10%	7.30%
Yield on investments	4.73%	4.78%	4.82%	4.83%
Yield on interest-earning assets	7.49%	8.32%	7.70%	8.65%
Cost of deposits	3.95%	4.89%	4.28%	5.40%
Cost of borrowings	5.47%	4.66%	5.29%	4.98%
Cost of funds	4.06%	4.87%	4.37%	5.38%

Net interest spread	3.43%	3.45%	3.33%	3.27%
Net interest margin	3.50%	3.52%	3.41%	3.35%

See Notes to Financial Highlights

</TABLE>

FIRST FINANCIAL CORPORATION

<TABLE>

<CAPTION>

	Three Months Ended		Year Ended	
	December 31,		December 31,	
	1993	(1) (2) 1992	1993	(1) (2) 1992
<S>	<C>	<C>	<C>	<C>
OPERATING DATA (Continued)				
Non-interest expenses to average total assets (6)	2.18%	2.33%	2.29%	2.46%
Efficiency ratio (controllable expenses as % of recurring income before expenses)	50.63%	52.76%	53.16%	56.43%
Loan originations, including refinanced loans repurchased from investors	\$ 519,679	\$ 308,751	\$1,620,287	\$1,132,901
Loan originations, excluding re-financed loans repurchased from investors	\$ 492,073	\$ 251,565	\$1,396,268	\$ 838,424
Loan loss allowance activity:				
Balance at beginning of period	\$ 23,277	\$ 17,363	\$ 17,067	\$ 16,706
From acquired bank	--	--	4,885	--
Provision for loan losses	2,395	3,546	10,219	13,851
Loan charge-offs (net)	(2,406)	(3,842)	(8,905)	(13,490)
Balance at end of period	\$ 23,266	\$ 17,067	\$ 23,266	\$ 17,067
Net charge-offs to average loans (6)	.33%	.69%	.32%	.64%
Average loans receivable	\$2,907,075	\$2,214,777	\$2,746,361	\$2,097,801

</TABLE>

See Notes to Financial Highlights.

FIRST FINANCIAL CORPORATION
NOTES TO FINANCIAL HIGHLIGHTS
Quarter And Year Ended December 31, 1993

- (1) On August 20, 1993, the Corporation's major subsidiary, First Financial Bank, FSB ("First Financial"), completed the assumption of deposits (approximately \$268.0 million) and the purchase of the branch facilities of the four Quincy, Illinois-area branches of Citizens Federal, a Federal Savings Bank ("Citizens") of Miami, Florida. The acquisition of Citizens' four Quincy, Illinois-area offices was accounted for as a purchase.
- (2) On January 4, 1993, First Financial acquired Westinghouse Federal Bank, FSB, d/b/a United Federal Bank ("United"), of Galesburg, Illinois for an aggregate cash purchase price of approximately \$53.0 million from Westinghouse Financial Services, Inc. and Westinghouse Savings Corporation. The acquisition of United by First Financial has been accounted for as a purchase with United's nineteen branch offices now operating as branches of First Financial. Prior to purchase accounting and post-acquisition restructuring transactions, United had total assets, deposit liabilities and stockholder's equity of \$820.5 million, \$694.0 million and \$54.0 million, respectively.
- (3) A 2-for-1 stock split, in the form of a 100% common stock dividend, was distributed on March 5, 1993. All

numbers of shares and per share amounts have been adjusted to reflect this distribution.

- (4) A \$5,600,000 credit, or \$0.24 per share, was realized in the first quarter of 1992 reflecting the cumulative effect of a change in accounting principle as a result of the implementation of Statement of Financial Accounting Standards No. 109 (Accounting for Income Taxes).
- (5) Core earnings represent net income before the cumulative effect of a change in accounting principle as offset by the after-tax effect of significant non-recurring transactions (i.e., primarily net gains on sales of assets).
- (6) Annualized data, as applicable.

FIRST FINANCIAL CORPORATION
CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION
(Unaudited)

ASSETS

<TABLE>
<CAPTION>

	December 31, 1993	December 31, 1992
	(In thousands)	
<S>	<C>	<C>
Cash	\$ 63,241	\$ 62,114
Federal funds sold	21,873	29,100
Interest-earning deposits	25,768	31,067
Cash and cash equivalents	110,882	122,281
Assets available for sale:		
Investment securities	84,487	--
Mortgage-related securities	178,310	--
Loans receivable	73,919	54,840
Short-term securities	--	10,187
Investment securities	143,568	93,446
Mortgage-related securities	1,147,943	1,301,589
Loans receivable	2,848,585	2,155,877
Accrued interest on loans	24,180	24,128
Foreclosed properties and repossessed assets	6,817	14,198
Real estate held for investment or sale	16,810	17,101
Office properties and equipment	50,120	42,367
Cost in excess of net assets of acquired businesses, less accumulated amortization	3,070	3,624
Core deposit intangibles, less accumulated amortization	28,322	19,654
Other assets	57,620	48,994
	\$4,774,633	\$3,908,286

LIABILITIES AND STOCKHOLDERS' EQUITY

Deposits	\$4,050,520	\$3,206,112
Federal Home Loan Bank advances and other borrowings	438,598	461,948
Advance payments by borrowers for taxes and insurance	13,805	11,521
Other liabilities	37,025	34,610
Total liabilities	4,539,948	3,714,191
Stockholders' equity:		
Serial preferred stock, \$1 par value, 3,000,000 shares authorized; none outstanding		
Common stock, \$1 par value, 30,000,000 shares authorized; shares issued and outstanding: 23,586,827-1993; 23,266,414-1992	23,587	23,266
Additional paid-in capital	27,340	26,749

Unrealized holding gain on securities available for sale	2,701	--
Retained earnings (substantially restricted)	181,057	144,080
Total stockholders' equity	234,685	194,095
	\$4,774,633	\$3,908,286

</TABLE>

FIRST FINANCIAL CORPORATION
CONSOLIDATED STATEMENTS OF INCOME
(Unaudited)

<TABLE>
<CAPTION>

	Three Months Ended		Year Ended	
	December 31,		December 31,	
	1993	1992	1993	1992
	(In thousands, except per share amounts)			
<S>	<C>	<C>	<C>	<C>
Interest income:				
Mortgage loans	\$ 40,445	\$ 34,100	\$160,372	\$131,206
Mortgage-related securities	19,358	21,967	86,052	83,040
Other loans	21,704	18,852	81,272	73,148
Investments	4,022	2,171	12,427	9,477
Total interest income	85,529	77,090	340,123	296,871
Interest expense:				
Deposits	41,412	40,510	169,741	174,042
Borrowings	4,456	3,983	19,993	7,854
Total interest expense	45,868	44,493	189,734	181,896
Net interest income	39,661	32,597	150,389	114,975
Provision for losses on loans	2,395	3,546	10,219	13,851
	37,266	29,051	140,170	101,124
Non-interest income:				
Loan fees and service charges	2,424	2,249	8,879	8,566
Deposit account service fees	1,972	1,579	7,567	5,933
Insurance commissions	1,454	1,276	6,276	5,666
Service fees on loans sold	1,004	866	5,233	4,395
Gain on sale of mortgage loans	2,877	1,398	7,997	4,859
Gain (loss) on disposition of other assets	(432)	25	(225)	164
Other income	777	648	1,994	2,626
Total non-interest income	10,076	8,041	37,721	32,209
Operating income	47,342	37,092	177,891	133,333
Non-interest expense:				
Compensation, payroll taxes and benefits	10,406	9,571	43,765	37,177
Occupancy	1,854	1,584	7,534	5,973
Data processing	1,846	1,691	7,462	6,622
Federal deposit insurance premiums	2,261	1,798	7,341	6,968
Amortization of intangible assets	1,612	1,125	6,427	3,713
Loan expenses	1,612	1,670	6,059	4,234
Furniture and equipment	1,360	986	5,256	3,902
Telephone and postage	1,214	1,209	5,068	4,668
Marketing	836	280	3,801	2,572
Net cost of operations of foreclosed properties	445	791	3,501	4,772
Other	2,557	1,899	9,590	8,110
Total non-interest expense	26,003	22,604	105,804	88,711
Income before income taxes and the cumulative effect of a change in accounting principle	21,339	14,488	72,087	44,622
Income taxes	8,167	5,353	26,872	16,190
Income before cumulative effect of a change in accounting principle	13,172	9,135	45,215	28,432
Cumulative effect on prior years (to December 31, 1991) of changing to a new method of accounting for income taxes	--	--	--	5,600
Net income	\$ 13,172	\$ 9,135	\$ 45,215	\$ 34,032
Earnings per share:				
Primary:				
Income before cumulative effect of accounting change	\$ 0.54	\$ 0.38	\$ 1.88	\$ 1.21
Cumulative effect of accounting change	--	--	--	0.24

Net income	\$ 0.54	\$ 0.38	\$ 1.88	\$ 1.45
Fully Diluted:				
Income before cumulative effect of accounting change	\$ 0.54	\$ 0.38	\$ 1.86	\$ 1.19
Cumulative effect of accounting change	--	--	--	0.24
Net income	\$ 0.54	\$ 0.38	\$ 1.86	\$ 1.43
Dividends per share	\$ 0.10	\$ 0.06	\$ 0.35	\$ 0.22

/TABLE

FIRST FINANCIAL CORPORATION
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(Unaudited)

<TABLE>
<CAPTION>

	Common Stock And Additional Paid-In Capital	Retained Earnings (In thousands)	Unrealized Holding Gain On Securities Available For Sale*	Total Stockholders' Equity
<S>	<C>	<C>	<C>	<C>
Balance, December 31, 1991	\$49,389	\$115,146		\$164,535
Net income - 1992		34,032		34,032
Cash dividends (\$0.22 per share)		(5,098)		(5,098)
Exercise of stock options	626			626
BALANCE, DECEMBER 31, 1992	50,015	144,080		194,095
Net income - 1993		45,215		45,215
Unrealized holding gain on securities classified as available for sale as of December 31, 1993			\$ 2,701	2,701
Cash dividends (\$0.35 per share)		(8,238)		(8,238)
Exercise of stock options	912			912
BALANCE, DECEMBER 31, 1993	\$50,927	\$181,057	\$ 2,701	\$234,685

</TABLE>

* Net of related tax effect