

SECURITIES AND EXCHANGE COMMISSION

FORM 8-K

Current report filing

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FILER

AHMANSON H F & CO /DE/

CIK: **771667** | IRS No.: **950479700** | State of Incorpor.: **DE** | Fiscal Year End: **1231**
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SIC: **6035** Savings institution, federally chartered

Business Address
4900 RIVERGRADE RD
IRWINDALE CA 91706
8189606311

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, DC 20549

FORM 8-K

CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(D) OF THE
SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported) February 9, 1994

H. F. Ahmanson & Company
(Exact name of registrant as specified in charter)

Delaware	1-8930	95-0479700
(State or other	(Commission	(IRS employer
jurisdiction of	file number)	identification no.)
incorporation)		

4900 Rivergrade Road, Irwindale, California	91706
(Address of principal executive offices)	(Zip code)

Registrant's telephone number, including area code (818) 960-6311

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

ITEM 5. OTHER EVENTS.

H. F. Ahmanson & Company (the "Company"), the parent company of Home Savings of America, FSB ("Home Savings"), reported net income of \$28.5 million, or \$.14 per fully diluted common share, for the quarter ended December 31, 1993 compared to \$15.5 million, or \$0.10 per fully diluted common share, for the quarter ended December 31, 1992. For the year ended December 31, 1993, the Company reported a net loss of \$159.6 million, or \$1.69 per fully diluted common share, which was largely attributable to bulk sales in the first and second quarters of \$1.3 billion of delinquent loans and additions to reserves. In 1992, the Company had net earnings of \$204.1 million, or \$1.60 per fully diluted common share. The Company's results in the quarter and year ended December 31, 1993 included several nonrecurring items, including

an extraordinary charge of \$21.6 million resulting from the early retirement of approximately \$325 million of Home Savings' 10-1/4% Subordinated Notes due December 5, 1996.

RESULTS OF OPERATIONS. Net interest income in the fourth quarter of 1993 was \$318.8 million, compared to \$336.3 million in the fourth quarter of 1992. The average effective net spread was 2.75% in the fourth quarter of 1993, compared to 2.98% in the fourth quarter of 1992. The decline in net interest income was largely attributable to a reserve of \$17.8 million established for the cancellation of certain interest rate swaps and recorded as a reduction to interest income on loans in December 1993 due to the early prepayment of related loans. In addition, a narrowing of the net interest margin contributed to the decline in net interest income. Net interest income for the year ended December 31, 1993 totaled \$1.34 billion, compared to \$1.36 billion in 1992. For the year ended December 31, 1993, the average effective net spread was 2.90%, compared to 3.02% in 1992. The reserve for cancellation of certain interest rate swaps had the effect of reducing the average effective net spread by 15 basis points in fourth quarter of 1993 and four basis points for all of 1993. For purposes of Home Savings' Thrift Financial Report to the Office of Thrift Supervision, however, interest adjustments related to interest rate swaps are included in interest expense and the reserve therefore had the effect of increasing Home Savings' average cost of interest-bearing liabilities reported on that basis by 45 basis points for the month of December 1993.

During the fourth quarter of 1993, the Company provided \$47.9 million for possible loan losses. During the year ended December 31, 1993, the Company provided \$575.0 million.

Other income increased \$14.3 million in the fourth quarter of 1993 from the amount reported in the fourth quarter of 1992 and decreased \$111.9 million in the year ended December 31, 1993 from the amount reported in 1992. The increase in the fourth quarter was primarily attributable to the settlement of a lawsuit and sale of the Company's credit card operations, offset by a charge of \$34.4 million to strengthen reserves for real estate development operations, principally for two commercial projects in Northern California. The reduction in other income for the year was attributable to increases in the reserves for real estate development operations.

Other expenses increased in the fourth quarter and the year ended December 31, 1993 due mainly to the costs associated with disposition of foreclosed properties, certain restructuring costs, and the costs of additional personnel necessary to administer delinquent real estate loans. General and administrative expenses as a percentage of average assets were 1.76% in the fourth quarter of 1993 and 1.66% for the year ended December 31, 1993. In addition, in the fourth quarter of 1993, as part of its restructuring efforts, the Company wrote off \$12.4 million in goodwill associated with its operations in Ohio.

ASSET QUALITY. At December 31, 1993, nonperforming assets totaled \$960.3 million, or 1.89% of total assets, as compared to \$2.2 billion, or 4.61% of total assets, as of December 31, 1992. Troubled debt restructurings totaled \$100.8 million at December 31, 1993.

Net loan charge-offs for the fourth quarter of 1993 totaled \$52.1 million and were \$590.7 million for all of 1993 (including \$378.1 million related to bulk sales of nonperforming loans). The loan loss reserve was \$438.8 million at December 31, 1993. The reserve for foreclosed real estate was \$66.5 million at December 31, 1993. The reserves for losses on nonperforming assets equaled 49.2% of nonperforming assets at December 31, 1993, compared to 21.2% at December 31, 1992.

During the fourth quarter of 1993, the Company sold \$200.8 million of foreclosed properties, comprised of \$124.6 million of single-family residences and \$76.2 million of major properties. During the year ended December 31, 1993, the Company sold \$831.3 million of foreclosed real estate, comprised of \$591.8 million of single-family residences, and \$239.5 million of major properties. At December 31, 1993, the Company had \$179.9 million in foreclosed properties, compared to \$453 million at December 31, 1992.

Real estate development assets, net of reserves, totaled \$443.7 million at December 31, 1993, compared to \$674.3 million at December 31, 1992. The reserves for real estate development operations totaled \$341.7 million, or 43.5% of gross real estate assets, at December 31, 1993, compared to \$154.7 million, or 18.7% of gross real estate assets, at December 31, 1992.

The Company originated \$3.6 billion in loans in the fourth quarter of 1993, compared to \$3.4 billion in the fourth quarter of 1992. Mortgage loan originations totaled \$11.6 billion in 1993. In addition, the Company purchased \$1 billion of adjustable rate mortgages ("ARMs") in the first quarter of 1993. Of total loan originations in 1993, 86% were single family mortgages and 77% were ARMs. Mortgage refinances accounted for 60.5% of the Company's total loan originations in 1993.

CAPITAL. Throughout 1993, the Company took several steps to improve its capital position. In February, the Company sold approximately \$195 million of its Depositary Shares, representing interests in the Company's 8.40% Series C Preferred Stock. The net proceeds of the Series C Preferred Stock offering were contributed to Home Savings as equity. In August, the Company issued \$287.5 million of its Depositary Shares, representing interests in the Company's 6% Series D Preferred Stock. The Company contributed \$141 million of the net proceeds of Series D Preferred Stock offering to Home Savings. In November, Home Savings issued \$250 million of 6% Subordinated Notes due November 1, 2000 to replace, in part, the approximately \$325 million of 10-1/4% Subordinated Notes due December 5, 1996 that were retired early.

Home Savings exceeds all current and fully phased-in federal capital requirements. The capital ratios of Home Savings of America at December 31, 1993, were:

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	Home Savings at December 31, 1993	Required at December 31, 1993	Home Savings Fully Phased-In
<S>	<C>	<C>	<C>
Tangible:	4.97%	1.50%	4.76%
Core:	5.72%	3.00%	4.76%
Risk-based	12.59%	8.00%	11.21%

At December 31, 1993, the Company adopted Statement of Financial Accounting Standards No. 115, Accounting for Certain Investments in Debt and Equity Securities, resulting in an increase in the Company's equity of \$21.5 million.

The Company is presently communicating with borrowers and has sent lending personnel and appraisers into the area damaged by the earthquake that struck California on January 17, 1994. However, it is still too early to assess the extent of possible loss.

ITEM 7. FINANCIAL STATEMENTS, PRO FORMA FINANCIAL INFORMATION AND EXHIBITS.

(c) Exhibits:

99.1 Consolidated Financial Highlights (Unaudited) as of, for the year ended and the three months ended December 31, 1992 and December 31, 1993 and as of and for the three months ended September 30, 1993, Condensed Consolidated Statements of Financial Condition (Unaudited) as of December 31, 1992, September 30, 1993 and December 31, 1993 and Condensed Consolidated Statements of Operation (Unaudited) for the year ended December 31, 1992 and December 31, 1993 and for the three months ended December 30, 1992, September 30, 1993 and December 31, 1993.

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.

Date: February 9, 1994

H.F. AHMANSON & COMPANY

By: /s/ George Miranda
First Vice President and
Principal Accounting Officer

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EXHIBIT INDEX

EXHIBIT NO.	DESCRIPTION	SEQUENTIALLY NUMBERED PAGE
<S> <C>		<C>
99.1	Consolidated Financial Highlights (Unaudited) as of, for the year ended and the three months ended December 31, 1992 and December 31, 1993 and as of and for the three months ended September 30, 1993, Condensed Consolidated Statements of Financial Condition (Unaudited) as of December 31, 1992, September 30, 1993 and December 31, 1993 and Condensed Consolidated Statements of Operation (Unaudited) for the year ended December 31, 1992 and December 31, 1993 and for the three months ended December 30, 1992, September 30, 1993 and December 31, 1993.	

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H. F. AHMANSON & COMPANY AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS (Unaudited)

(dollars in thousands except per share data)

	For the Three Months Ended			For the Years Ended	
	December 31, 1993	September 30, 1993	December 31, 1992	December 31, 1993	December 31, 1992
Interest income:					
<S>	<C>	<C>	<C>	<C>	<C>
Interest on real estate loans	\$ 603,750	\$ 662,079	\$ 701,346	\$ 2,623,139	\$ 2,978,267
Interest on MBS	85,219	63,287	72,098	278,908	336,517
Interest and dividends on investments	29,586	26,230	24,859	101,375	114,195
Total interest income	<u>718,555</u>	<u>751,596</u>	<u>798,303</u>	<u>3,003,422</u>	<u>3,428,979</u>
Interest expense:					
Deposits	309,539	322,192	384,159	1,301,063	1,738,347
Short-term borrowings	28,058	30,471	24,860	112,171	122,073
FHLB advances and other borrowings	62,109	65,703	52,964	253,116	209,993
Total interest expense	<u>399,706</u>	<u>418,366</u>	<u>461,983</u>	<u>1,666,350</u>	<u>2,070,413</u>
Net interest income	<u>318,849</u>	<u>333,230</u>	<u>336,320</u>	<u>1,337,072</u>	<u>1,358,566</u>
Provision for loan losses	<u>47,893</u>	<u>22,243</u>	<u>100,879</u>	<u>574,970</u>	<u>367,366</u>
Net interest income (loss) after provision for loan losses	<u>270,956</u>	<u>310,987</u>	<u>235,441</u>	<u>762,102</u>	<u>991,200</u>
Other income:					
Gain on sales of loans	35,315	13,260	23,815	80,037	62,622
Gain on sale of MBS	8,722	8,996	12,991	21,007	12,991
Loan servicing income	13,978	14,355	17,014	58,854	72,498
Other fee income	29,936	31,607	30,394	125,259	112,051
Operations of real estate held for development and investment	(39,930)	(1,992)	(15,357)	(229,300)	(58,359)
Other	36,515	1,417	1,367	40,730	6,695
	<u>84,536</u>	<u>67,643</u>	<u>70,224</u>	<u>96,587</u>	<u>208,498</u>
Other expenses:					
General and administrative expenses	219,280	206,052	196,913	827,462	753,257
Operations of real estate ownedheld for sale	39,361	40,457	68,804	212,130	129,153
Amortization of goodwill	18,999	6,701	6,846	39,163	27,674
	<u>277,640</u>	<u>253,210</u>	<u>272,563</u>	<u>1,078,755</u>	<u>910,084</u>
Earnings (loss) before provision for income taxes (benefit), extraordinary loss and cumulative					

effect of accounting change	77,852	125,420	33,102	(220,066)	289,614
Provision for income taxes (benefit)	27,747	55,431	17,583	(82,034)	133,222
Earnings (loss) before extraordinary loss and cumulative effect of accounting change	50,105	69,989	15,519	(138,032)	156,392
Extraordinary loss on early extinguishment of debt (net of taxes)	(21,607)	-	-	(21,607)	-
Cumulative effect of change in accounting for income taxes	-	-	-	-	47,677
Net earnings (loss)	<u>\$28,498</u>	<u>\$69,989</u>	<u>\$15,519</u>	<u>\$(159,639)</u>	<u>\$ 204,069</u>
Earnings (loss) per common share - primary and fully diluted:					
Earnings (loss) before extraordinary loss and cumulative effect of accounting change	\$0.32	\$ 0.50	\$ 0.10	\$ (1.51)	\$1.19
Extraordinary loss on early extinguishment of debt	(0.18)	-	-	(0.18)	-
Cumulative effect of change in accounting for income taxes	-	-	-	-	0.41
Net earnings (loss)	<u>\$0.14</u>	<u>\$0.50</u>	<u>\$ 0.10</u>	<u>\$(1.69)</u>	<u>\$1.60</u>

Common shares outstanding, weighted average	117,284,812	117,275,683	116,846,594	117,270,295	116,915,342
Return on average assets	0.23%	0.56%	0.13%	(0.32)%	0.42%
Return on average equity	3.87%	10.09%	2.25%	(5.58)%	7.49%
Return on average tangible equity*	7.56%	13.24%	3.94%	(5.01)%	10.42%
Ratio of G&A expenses to average assets	1.76%	1.64%	1.60%	1.66 %	1.54%

<FN>

*Net earnings excluding amortization of goodwill as a percentage of average equity excluding goodwill.

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H. F. AHMANSON & COMPANY AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION (Unaudited)

(in thousands)

Assets	December 31, 1993	September 30, 1993	December 31, 1992
<S>	<C>	<C>	<C>
Cash and amounts due from banks	\$ 843,944	\$ 806,670	\$ 832,680
Securities purchased under agreements to resell	2,637,677	2,781,370	1,076,800
Other short-term investments	48,507	51,010	46,110
Total cash and cash equivalents	<u>3,530,128</u>	<u>3,639,050</u>	<u>1,955,590</u>

Other investment securities	11,524	5,745	6,860
Investment in stock of Federal Home Loan Bank (FHLB)	364,392	362,579	400,113
Mortgage-backed securities (MBS) held to maturity	4,064,128	255,475	339,963
MBS available for sale	2,855,869	3,212,126	3,575,545
Loans receivable less allowance for possible losses of \$438,786 (December 31, 1993), \$443,027 (September 30, 1993) and \$434,114 (December 31, 1992)	37,529,079	39,806,880	38,643,300
Loans available for sale	175,289	183,553	319,575
Accrued interest receivable	166,848	194,546	205,034
Real estate held for development and investment less allowance for possible losses of \$341,705 (December 31, 1993), \$309,267 (September 30, 1993) and \$154,743 (December 31, 1992)	443,657	498,798	674,300
Real estate owned held for sale less allowance for possible losses of \$66,453 (December 31, 1993), \$87,446 (September 30, 1993) and \$47,970 (December 31, 1992)	179,862	312,489	452,971
Premises and equipment	673,879	677,644	686,693
Goodwill	428,444	452,997	478,017
Other assets	399,403	418,971	402,546
Income taxes	48,743	117,780	-
	<u>\$ 50,871,245</u>	<u>\$ 50,138,633</u>	<u>\$ 48,140,507</u>
	=====	=====	=====

Liabilities and Stockholders' Equity

Deposits	\$ 38,018,653	\$ 38,901,710	\$ 39,273,192
Short-term borrowings under agreements to repurchase securities sold	4,807,767	2,830,674	2,186,262
Other short-term borrowings	169,854	274,700	130,000
FHLB advances and other borrowings	3,901,724	4,087,604	2,662,321
Other liabilities	1,024,216	1,107,319	1,118,058
Income taxes	-	-	25,030
Total liabilities	<u>47,922,214</u>	<u>47,202,007</u>	<u>45,394,863</u>
Stockholders' equity	<u>2,949,031</u>	<u>2,936,626</u>	<u>2,745,644</u>
	<u>\$ 50,871,245</u>	<u>\$ 50,138,633</u>	<u>\$ 48,140,507</u>
	=====	=====	=====

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H. F. AHMANSON & COMPANY AND SUBSIDIARIES
CONSOLIDATED FINANCIAL HIGHLIGHTS (Unaudited)
(dollars in thousands except per share data)

At End of Period	December 31, 1993	September 30, 1993	December 31, 1992
<S>	<C>	<C>	<C>
Total assets	\$ 50,871,245	\$ 50,138,633	\$ 48,140,507
Investment portfolio	\$ 3,062,100	\$ 3,200,704	\$ 1,529,883
Loans receivable and mortgage-backed securities (MBS)	\$ 44,624,365	\$ 43,458,034	\$ 42,878,383
Allowance for possible loan losses	\$ 438,786	\$ 443,027	\$ 434,114
ARMs included in loans receivable and MBS	\$ 41,838,441	\$ 41,798,901	\$ 40,671,029
Deposits	\$ 38,018,653	\$ 38,901,710	\$ 39,273,192
Borrowings	\$ 8,879,345	\$ 7,192,978	\$ 4,978,583
Stockholders' equity	\$ 2,949,031	\$ 2,936,626	\$ 2,745,644
Book value per common share	\$ 19.61	\$ 19.50	\$ 22.04
Tangible book value per common share	\$ 15.94	\$ 15.63	\$ 17.94
Total common shares outstanding	116,879,943	116,868,967	116,649,459

Average Interest Rates:

Yield on loans and MBS	6.50%	6.69%	7.22%
Yield on investment portfolio	3.83%	3.52%	3.48%
Yield on interest-earning assets	6.33%	6.47%	7.09%

Cost of deposits	3.14%	3.21%	3.60%
Cost of borrowings	4.73%	5.18%	5.99%
Cost of interest-bearing liabilities	3.44%	3.52%	3.87%
Earnings spread	2.89%	2.95%	3.22%
Effective net spread	2.95%	3.00%	3.21%

Home Savings of America capital ratios:

Tangible	4.97%	4.86%	4.85%
Core	5.72%	5.61%	5.77%
Risk-based	12.59%	12.14%	12.99%

For the Three Months Ended:

Net interest income	\$ 318,849	\$ 333,230	\$ 336,320
Provision for loan losses	\$ 47,893	\$ 22,243	\$ 100,879
Earnings before extraordinary loss	\$ 50,105	\$ 69,989	\$ 15,519
Net earnings	\$ 28,498	\$ 69,989	\$ 15,519
Net earnings (loss) per fully diluted common share	\$ 0.14	\$ 0.50	\$ 0.10
Dividends per common share	\$ 0.22	\$ 0.22	\$ 0.22
Loans originated	\$ 3,570,561	\$ 2,907,635	\$ 3,429,867

For the Years Ended:

Net interest income	\$ 1,337,072	\$ 1,358,566
Provision for loan losses	\$ 574,970	\$ 367,366
Earnings (loss) before extraordinary loss and cumulative effect of accounting change	\$ (138,032)	\$ 156,392
Net earnings (loss)	\$ (159,639)	\$ 204,069
Net earnings (loss) per fully diluted common share	\$ (1.69)	\$ 1.60
Dividends per common share	\$ 0.88	\$ 0.88
Loans originated	\$ 11,575,944	\$ 12,169,346
Loans purchased	\$ 1,062,447	\$ 4,362

</TABLE>