

SIERRA BANCORP
Form 10-Q
November 07, 2018
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15 (d) OF THE SECURITIES EXCHANGE ACT OF
1934

FOR THE QUARTERLY PERIOD ENDED SEPTEMBER 30, 2018

Commission file number: 000-33063

Sierra Bancorp

(Exact name of Registrant as specified in its charter)

California 33-0937517
(State of Incorporation) (IRS Employer Identification No)

86 North Main Street, Porterville, California 93257

(Address of principal executive offices) (Zip Code)

(559) 782-4900

(Registrant's telephone number, including area code)

Not Applicable

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

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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 every Interactive Data File required to be submitted 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 such files). Yes No

Indicate by check mark whether the Registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of “large accelerated filer,” “accelerated filer,” “smaller reporting company” and “emerging growth company” in Rule 12b-2 of the Exchange Act. (Check one):

Large Accelerated Filer	Accelerated Filer:
Non accelerated Filer:	Smaller Reporting Company:
Emerging Growth Company:	

If an emerging growth company, indicate by check mark if the Registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 7(a)(2)(B) of the Securities Act.

Indicate by check mark whether the Registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

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

Common stock, no par value, 15,283,310 shares outstanding as of November 1, 2018

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PART I - FINANCIAL INFORMATION

Item 1 – Financial Statements

SIERRA BANCORP

CONSOLIDATED BALANCE SHEETS

(dollars in thousands)

	September 30, 2018 (unaudited)	December 31, 2017 (audited)
ASSETS		
Cash and due from banks	\$59,190	\$61,142
Interest-bearing deposits in banks	5,849	8,995
Total cash & cash equivalents	65,039	70,137
Securities available-for-sale	548,815	558,329
Loans and leases:		
Gross loans and leases	1,694,509	1,557,820
Allowance for loan and lease losses	(9,463)	(9,043)
Deferred loan and lease costs, net	2,603	2,774
Net loans and leases	1,687,649	1,551,551
Foreclosed assets	2,212	5,481
Premises and equipment, net	29,998	29,388
Goodwill	27,357	27,357
Other intangible assets, net	6,724	6,234
Company owned life insurance	48,559	47,108
Other assets	46,687	44,713
Total assets	\$2,463,040	\$2,340,298
LIABILITIES AND SHAREHOLDERS' EQUITY		
Deposits:		
Non-interest bearing	\$685,941	\$635,434
Interest bearing	1,420,112	1,352,952
Total deposits	2,106,053	1,988,386
Repurchase agreements	16,522	8,150
Short-term borrowings	16,100	21,900
Subordinated debentures, net	34,722	34,588
Other liabilities	26,435	31,332
Total liabilities	2,199,832	2,084,356
Commitments and contingent liabilities (Note 8)		
Shareholders' equity		
Common stock, no par value; 24,000,000 shares authorized; 15,277,710 and 15,223,360 shares issued and outstanding at September 30, 2018 and December 31, 2017, respectively	112,079	111,138
Additional paid-in capital	3,034	2,937
Retained earnings	158,650	144,197
Accumulated other comprehensive loss, net	(10,555)	(2,330)

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Total shareholders' equity	263,208	255,942
Total liabilities and shareholder's equity	\$2,463,040	\$2,340,298

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

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SIERRA BANCORP

CONSOLIDATED STATEMENTS OF INCOME

(dollars in thousands, except per share data, unaudited)

	Three months ended September 30,		Nine months ended September 30,	
	2018	2017	2018	2017
Interest and dividend income				
Loans and leases, including fees	\$22,824	\$16,543	\$64,332	\$47,349
Taxable securities	2,382	2,224	7,020	6,385
Tax-exempt securities	1,006	1,002	3,040	2,739
Federal funds sold and other	24	63	204	317
Total interest income	26,236	19,832	74,596	56,790
Interest expense				
Deposits	1,923	1,032	4,835	2,588
Short-term borrowings	86			