Premier Bancorp earnings jump in first quarter

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Baton Rouge-based Premier Bancorp Inc. reported net income jumped to $4.0 million, or 16 cents per share, in the first quarter of 1991, more than 3½ times the $1.1 million, or 4 cents per share, earned in the first quarter of 1990.

Premier is the parent of Premier Bank.

Premier reported earning 14 cents per share from operations, particularly from net interest income and fees from January to March. Net interest income is the money a bank makes on its loans over what it pays for deposits.

The remaining 2 cents per share resulted from securities transactions, said Nancy Richmond, Premier's senior vice president and treasurer.

Meanwhile, Premier reported its total non-performing assets — loans past due 90 days or more and foreclosed property — declined by 11 percent to $224.9 million during the 12 months ending March 31.

That level of decline is on track with projections, Richmond said.

Premier's proposed plans for a $65 million cash infusion from and probable future merger with Columbus, Ohio-based Banc One Corp. call for Premier's non-performing assets to fall to the $75 million-$95 million range within four to five years in order for the purchase price to be 125 percent of book value.

Book value is the estimated value of a company's stock in liquidation.

Premier reported its book value was $6.44 by March 31, compared to $5.98 last year.

Under the proposed agreement, the percentage of book value paid to Premier shareholders in a merger with Banc One would rise or fall depending on the level of non-performing assets at the time of the merger.

To move forward with the proposed deal, Banc One has begun its required review of Premier's books and Premier has begun taking action to get regulatory and stockholder approval, Premier reported.

The lag time between the cash injection and merger would give Premier time to improve its balance sheet and build book value so that stockholders could recoup their investment.

The forerunner company to Premier expanded statewide in 1985 into the state's economic downturn and lost millions from 1986-1989 on defaulted loans, particularly on loans related to real estate.

Premier earned $8.4 million in 1990. The reduction in troubled assets during the past year coupled with soft loan demand led to Premier's total assets falling by 5 percent to an average of $3.9 billion during the first three months of the year, compared to the same 1990 period.

Total deposits fell 6 percent to an average of $3.4 billion during the period, primarily because Premier chose not to compete for high-cost public funds, Richmond said.