

Springleaf Holdings, Inc.
Form 10-Q
August 06, 2015

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 June 30, 2015

OR

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

For the transition period from to

Commission file number 001-36129

SPRINGLEAF HOLDINGS, INC.
(Exact name of registrant as specified in its charter)

Delaware
(State of Incorporation)

27-3379612
(I.R.S. Employer Identification No.)

601 N.W. Second Street, Evansville, IN
(Address of principal executive offices)

47708
(Zip Code)

(812) 424-8031
(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 (§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

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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 Smaller reporting company
(Do not check if a 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

At August 3, 2015, there were 134,482,414 shares of the registrant’s common stock, \$0.01 par value, outstanding.

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PART I — FINANCIAL INFORMATION

Item 1. Financial Statements.

SPRINGLEAF HOLDINGS, INC. AND SUBSIDIARIES
Condensed Consolidated Balance Sheets (Unaudited)

| (dollars in millions) | June 30, 2015 | December 31, 2014 |
|--|------------------|----------------------|
| Assets | | |
| Cash and cash equivalents | \$3,594 | \$879 |
| Investment securities | 2,271 | 2,935 |
| Net finance receivables: | | |
| Personal loans (includes loans of consolidated VIEs of \$3.1 billion in 2015 and \$1.9 billion in 2014) | 4,300 | 3,831 |
| SpringCastle Portfolio (includes loans of consolidated VIEs of \$1.8 billion in 2015 and \$2.0 billion in 2014) | 1,764 | 1,979 |
| Real estate loans | 573 | 625 |
| Retail sales finance | 33 | 48 |
| Net finance receivables | 6,670 | 6,483 |
| Allowance for finance receivable losses (includes allowance of consolidated VIEs of \$120 million in 2015 and \$72 million in 2014) | (180) | (176) |
| Net finance receivables, less allowance for finance receivable losses | 6,490 | 6,307 |
| Finance receivables held for sale | 193 | 205 |
| Restricted cash and cash equivalents (includes restricted cash and cash equivalents of consolidated VIEs of \$320 million in 2015 and \$210 million in 2014) | 333 | 218 |
| Other assets | 427 | 485 |
| Total assets | \$13,308 | \$11,029 |
| Liabilities and Shareholders' Equity | | |
| Long-term debt (includes debt of consolidated VIEs of \$4.9 billion in 2015 and \$3.6 billion in 2014) | \$9,676 | \$8,356 |
| Insurance claims and policyholder liabilities | 458 | 446 |
| Deferred and accrued taxes | 116 | 152 |
| Other liabilities | 227 | 238 |
| Total liabilities | 10,477 | 9,192 |
| Commitments and contingent liabilities (Note 14) | | |
| Shareholders' equity: | | |
| Common stock, par value \$.01 per share; 2,000,000,000 shares authorized, 134,482,414 and 114,832,895 shares issued and outstanding at June 30, 2015 and December 31, 2014, respectively | 1 | 1 |
| Additional paid-in capital | 1,522 | 529 |
| Accumulated other comprehensive income (loss) | (7) | 3 |
| Retained earnings | 1,480 | 1,492 |

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| | | | |
|--|----------|----------|---|
| Springleaf Holdings, Inc. shareholders' equity | 2,996 | 2,025 | |
| Non-controlling interests | (165 |) (188 |) |
| Total shareholders' equity | 2,831 | 1,837 | |
| Total liabilities and shareholders' equity | \$13,308 | \$11,029 | |

See Notes to Condensed Consolidated Financial Statements.

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Condensed Consolidated Statements of Operations (Unaudited)

| (dollars in millions except earnings (loss) per share) | Three Months Ended June | | Six Months Ended June 30, | |
|---|-------------------------|-------|---------------------------|---------|
| | 30, 2015 | 2014 | 2015 | 2014 |
| Interest income: | | | | |
| Finance charges | \$408 | \$530 | \$810 | \$1,078 |
| Finance receivables held for sale originated as held for investment | 5 | 3 | 9 | 7 |
| Total interest income | 413 | 533 | 819 | 1,085 |
| Interest expense | 171 | 192 | 329 | 397 |
| Net interest income | 242 | 341 | 490 | |