

EVANS BANCORP INC  
Form 10-Q  
August 03, 2012  
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**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 quarterly period ended June 30, 2012

**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 001-35021

**EVANS BANCORP, INC.**

(Exact name of registrant as specified in its charter)

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**New York**  
(State or other jurisdiction of

**16-1332767**  
(I.R.S. Employer

incorporation or organization)

Identification No.)

**14 -16 North Main Street, Angola, New York**  
(Address of principal executive offices)

**14006**  
(Zip Code)

**(716) 926-2000**

(Registrant's telephone number, including area code)

**Not applicable**

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

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

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. (Check one):

Large accelerated filer

Accelerated filer

Non-accelerated filer  (Do not check if smaller reporting company)

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

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

Common Stock, \$.50 par value: 4,153,332 shares as of July 31, 2012

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## PART I FINANCIAL INFORMATION

## ITEM I FINANCIAL STATEMENTS

## EVANS BANCORP, INC. AND SUBSIDIARIES

## UNAUDITED CONSOLIDATED BALANCE SHEETS

JUNE 30, 2012 AND DECEMBER 31, 2011

(in thousands, except share and per share amounts)

	June 30, 2012	December 31, 2011
<b>ASSETS</b>		
Cash and due from banks	\$ 12,540	\$ 11,486
Interest-bearing deposits at banks	31,445	3,192
Securities:		
Available for sale, at fair value (cost: \$89,125 at June 30, 2012; \$95,848 at December 31, 2011)	93,094	99,981
Held to maturity, at amortized cost (fair value: \$3,730 at June 30, 2012; \$3,811 at December 31, 2011)	3,708	3,802
Federal Home Loan Bank common stock, at amortized cost	1,804	1,830
Federal Reserve Bank common stock, at amortized cost	1,434	1,425
Loans and leases, net of allowance for loan and lease losses of \$10,658 at June 30, 2012 and \$11,495 at December 31, 2011	587,265	571,910
Properties and equipment, net of depreciation of \$13,687 at June 30, 2012 and \$13,145 at December 31, 2011	10,497	10,477
Goodwill	8,101	8,101
Intangible assets	468	678
Bank-owned life insurance	15,095	14,843
Other assets	12,671	13,177
<b>TOTAL ASSETS</b>	<b>\$ 778,122</b>	<b>\$ 740,902</b>
<b>LIABILITIES AND STOCKHOLDERS EQUITY</b>		
<b>LIABILITIES</b>		
Deposits:		
Demand	\$ 116,231	\$ 118,037
NOW	63,535	50,761
Regular savings	342,992	313,777
Muni-vest	22,883	20,161
Time	108,279	113,467
Total deposits	653,920	616,203
Securities sold under agreement to repurchase	9,855	9,010
Other borrowings	19,000	22,000
Other liabilities	11,736	13,371
Junior subordinated debentures	11,330	11,330
Total liabilities	705,841	671,914

## CONTINGENT LIABILITIES AND COMMITMENTS

## STOCKHOLDERS EQUITY:

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Common stock, \$.50 par value, 10,000,000 shares authorized; 4,153,332 and 4,125,272 shares issued at June 30, 2012 and December 31, 2011, respectively, and 4,153,332 and 4,124,892 shares outstanding, at June 30, 2012 and December 31, 2011, respectively

	2,077	2,063
Capital surplus	41,611	41,275
Retained earnings	28,269	25,304
Accumulated other comprehensive gain, net of tax	324	346
 Total stockholders' equity	 72,281	 68,988
<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>	<b>\$ 778,122</b>	<b>\$ 740,902</b>

*See Notes to Unaudited Consolidated Financial Statements*

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## PART I FINANCIAL INFORMATION

## ITEM I FINANCIAL STATEMENTS

## EVANS BANCORP, INC. AND SUBSIDIARIES

## UNAUDITED CONSOLIDATED STATEMENTS OF INCOME

## THREE MONTHS ENDED JUNE 30, 2012 AND 2011

(in thousands, except share and per share amounts)

	Three Months Ended June 30,	
	2012	2011
<b>INTEREST INCOME</b>		
Loans and leases	\$ 7,521	\$ 7,081
Interest bearing deposits at banks	15	7
Securities:		
Taxable	457	538
Non-taxable	296	389
<b>Total interest income</b>	<b>8,289</b>	<b>8,015</b>
<b>INTEREST EXPENSE</b>		
Deposits	1,146	1,461
Other borrowings	177	185
Junior subordinated debentures	85	82
<b>Total interest expense</b>	<b>1,408</b>	<b>1,728</b>
<b>NET INTEREST INCOME</b>	<b>6,881</b>	<b>6,287</b>
<b>PROVISION FOR LOAN AND LEASE LOSSES</b>	<b>301</b>	<b>1,009</b>
<b>NET INTEREST INCOME AFTER PROVISION FOR LOAN AND LEASE LOSSES</b>	<b>6,580</b>	<b>5,278</b>
<b>NON-INTEREST INCOME</b>		
Bank charges	437	416
Insurance service and fees	1,643	1,601
Data center income	119	192
Gain on loans sold	75	20
Bank-owned life insurance	134	110
Other	630	586
<b>Total non-interest income</b>	<b>3,038</b>	<b>2,925</b>
<b>NON-INTEREST EXPENSE</b>		
Salaries and employee benefits	4,229	3,912
Occupancy	645	816
Repairs and maintenance	177	155
Advertising and public relations	336	247
Professional services	567	407
Technology and communications	269	220
Amortization of intangibles	106	126
FDIC insurance	139	135
Other	855	744
<b>Total non-interest expense</b>	<b>7,323</b>	<b>6,762</b>

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INCOME BEFORE INCOME TAXES	2,295	1,441
INCOME TAX PROVISION	800	469
NET INCOME	\$ 1,495	\$ 972
Net income per common share-basic	\$ 0.36	\$ 0.24
Net income per common share-diluted	\$ 0.36	\$ 0.24
Cash dividends per common share	\$ 0.00	\$ 0.00
Weighted average number of common shares outstanding	4,139,805	4,100,201
Weighted average number of diluted shares outstanding	4,156,868	4,106,371

*See Notes to Unaudited Consolidated Financial Statements*

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## PART I FINANCIAL INFORMATION

## ITEM I FINANCIAL STATEMENTS

## EVANS BANCORP, INC. AND SUBSIDIARIES

## UNAUDITED CONSOLIDATED STATEMENTS OF INCOME

## SIX MONTHS ENDED JUNE 30, 2012 AND 2011

(in thousands, except share and per share amounts)

	Six Months Ended June 30,	
	2012	2011
<b>INTEREST INCOME</b>		
Loans and leases	\$ 15,029	\$ 14,233
Interest bearing deposits at banks	24	11
Securities:		
Taxable	1,002	1,024
Non-taxable	603	760
<b>Total interest income</b>	<b>16,658</b>	<b>16,028</b>
<b>INTEREST EXPENSE</b>		
Deposits	2,388	2,882
Other borrowings	364	400
Junior subordinated debentures	173	163
<b>Total interest expense</b>	<b>2,925</b>	<b>3,445</b>
<b>NET INTEREST INCOME</b>	<b>13,733</b>	<b>12,583</b>
<b>PROVISION FOR LOAN AND LEASE LOSSES</b>	<b>52</b>	<b>1,497</b>
<b>NET INTEREST INCOME AFTER PROVISION FOR LOAN AND LEASE LOSSES</b>		
	<b>13,681</b>	<b>11,086</b>
<b>NON-INTEREST INCOME</b>		
Bank charges	873	802
Insurance service and fees	3,589	3,690
Data center income	244	431
Gain on loans sold	128	72
Bank-owned life insurance	252	213
Other	1,241	1,178
<b>Total non-interest income</b>	<b>6,327</b>	<b>6,386</b>
<b>NON-INTEREST EXPENSE</b>		
Salaries and employee benefits	8,443	7,816
Occupancy	1,330	1,593
Repairs and maintenance	346	&nb