

EVANS BANCORP INC
Form 10-Q
August 01, 2018

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, 2018

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)

New York 16-1332767

(State or other jurisdiction of (I.R.S. Employer
incorporation or organization) Identification No.)

One Grimsby Drive, Hamburg, NY 14075

(Address of principal executive offices) (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, 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 (Do not check if smaller reporting company)

Smaller reporting company

Emerging growth company

If an emerging growth company, indicate by checkmark 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 13(a) of the Exchange Act.

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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, 4,821,381 shares as of August 1, 2018.

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ITEM 1 - FINANCIAL STATEMENTS
EVANS BANCORP, INC. AND SUBSIDIARIES
UNAUDITED CONSOLIDATED BALANCE SHEETS
JUNE 30, 2018 AND DECEMBER 31, 2017
(in thousands, except share and per share amounts)

	June 30, 2018	December 31, 2017
ASSETS		
Cash and due from banks	\$ 13,324	\$ 13,751
Interest-bearing deposits at banks	3,441	7,579
Securities:		
Available for sale, at fair value (amortized cost: \$146,106 at June 30, 2018; \$145,232 at December 31, 2017)	141,933	143,818
Held to maturity, at amortized cost (fair value: \$4,609 at June 30, 2018; \$5,261 at December 31, 2017)	4,637	5,334
Equity securities, at fair value at June 30, 2018; at cost at December 31, 2017	2,058	580
Federal Home Loan Bank common stock, at cost	1,475	4,863
Federal Reserve Bank common stock, at cost	1,924	1,916
Loans, net of allowance for loan losses of \$15,235 at June 30, 2018 and \$14,019 at December 31, 2017	1,110,660	1,051,296
Properties and equipment, net of accumulated depreciation of \$18,800 at June 30, 2018 and \$18,255 at December 31, 2017	10,331	10,564
Goodwill and intangible assets	8,496	8,553
Bank-owned life insurance	28,072	27,729
Other assets	19,740	19,650
TOTAL ASSETS	\$ 1,346,091	\$ 1,295,633
LIABILITIES AND STOCKHOLDERS' EQUITY		
LIABILITIES		
Deposits:		
Demand	\$ 224,373	\$ 219,664
NOW	121,170	109,378
Savings	595,500	535,730

Time	241,425	186,457
Total deposits	1,182,468	1,051,229
Securities sold under agreement to repurchase	4,018	9,289
Other borrowings	10,000	88,250
Other liabilities	14,700	17,193
Junior subordinated debentures	11,330	11,330
Total liabilities	1,222,516	1,177,291

CONTINGENT LIABILITIES AND COMMITMENTS

STOCKHOLDERS' EQUITY:

Common stock, \$.50 par value, 10,000,000 shares authorized; 4,821,381 and 4,783,562 shares issued at June 30, 2018 and December 31, 2017, respectively, and 4,821,381 and 4,782,505 outstanding at June 30, 2018 and December 31, 2017, respectively	2,413	2,394
Capital surplus	60,220	59,444
Treasury stock, at cost, 0 and 1,057 shares at June 30, 2018 and December 31, 2017, respectively	-	-
Retained earnings	66,325	59,921
Accumulated other comprehensive loss, net of tax	(5,383)	(3,417)
Total stockholders' equity	123,575	118,342
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 1,346,091	\$ 1,295,633

See Notes to Unaudited Consolidated Financial Statements

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PART I - FINANCIAL INFORMATION
 ITEM 1 - FINANCIAL STATEMENTS
 EVANS BANCORP, INC. AND SUBSIDIARIES
 UNAUDITED CONSOLIDATED STATEMENTS OF INCOME
 THREE MONTHS ENDED JUNE 30, 2018 AND 2017
 (in thousands, except share and per share amounts)

	Three Months Ended June 30,	
	2018	2017
INTEREST INCOME		
Loans	\$ 13,199	\$ 10,646
Interest-bearing deposits at banks	15	43
Securities:		
Taxable	863	563
Non-taxable	170	210
Total interest income	14,247	11,462
INTEREST EXPENSE		
Deposits	1,759	1,190
Other borrowings	160	50
Junior subordinated debentures	132	104
Total interest expense		