

AUBURN NATIONAL BANCORPORATION, INC

Form 10-Q

August 06, 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 the 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 _____ to _____

Commission File Number: 0-26486

Auburn National Bancorporation, Inc.

(Exact Name of Registrant as Specified in Its Charter)

Delaware

(State or other jurisdiction of
incorporation or organization)

63-0885779

(I.R.S. Employer
Identification No.)

100 N. Gay Street

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Auburn, Alabama 36830

(334) 821-9200

(Address and telephone number of principal executive offices)

(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 website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T 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

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 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.

Class
Common Stock, \$0.01 par value per share

Outstanding at July 31, 2012
3,642,863 shares

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Table of Contents**PART 1. FINANCIAL INFORMATION****ITEM 1. FINANCIAL STATEMENTS****AUBURN NATIONAL BANCORPORATION, INC. AND SUBSIDIARIES****Consolidated Balance Sheets****(Unaudited)**

<i>(Dollars in thousands, except share data)</i>	June 30,	December 31,
	2012	2011
Assets:		
Cash and due from banks	\$ 15,326	\$ 12,395
Federal funds sold	27,175	41,840
Interest bearing bank deposits	1,177	1,193
Cash and cash equivalents	43,678	55,428
Securities available-for-sale	277,246	299,582
Loans held for sale	6,816	3,346
Loans, net of unearned income	399,370	370,263
Allowance for loan losses	(6,503)	(6,919)
Loans, net	392,867	363,344
Premises and equipment, net	9,901	9,345
Bank-owned life insurance	16,843	16,631
Other real estate owned	5,157	7,898
Other assets	13,653	20,644
Total assets	\$ 766,161	\$ 776,218
Liabilities:		
Deposits:		
Noninterest-bearing	\$ 113,477	\$ 106,276
Interest-bearing	530,769	513,276
Total deposits	644,246	619,552
Federal funds purchased and securities sold under agreements to repurchase	2,785	2,805
Long-term debt	47,217	85,313
Accrued expenses and other liabilities	3,621	3,132
Total liabilities	697,869	710,802
Stockholders equity:		
Preferred stock of \$.01 par value; authorized 200,000 shares; no issued shares		
Common stock of \$.01 par value; authorized 8,500,000 shares; issued 3,957,135 shares	39	39

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Additional paid-in capital	3,754	3,753
Retained earnings	66,045	64,045
Accumulated other comprehensive income, net	5,096	4,222
Less treasury stock, at cost - 314,292 shares and 314,397 shares at June 30, 2012 and December 31, 2011, respectively	(6,642)	(6,643)
Total stockholders' equity	68,292	65,416
Total liabilities and stockholders' equity	\$ 766,161	\$ 776,218

See accompanying notes to consolidated financial statements

Table of Contents**AUBURN NATIONAL BANCORPORATION, INC. AND SUBSIDIARIES****Consolidated Statements of Earnings****(Unaudited)**

	Quarter ended June 30,		Six months ended June 30,	
	2012	2011	2012	2011
<i>(In thousands, except share and per share data)</i>				
Interest income:				
Loans, including fees	\$ 5,490	\$ 5,371	\$ 10,755	\$ 10,658
Securities	1,860	2,613	3,829	5,151
Federal funds sold and interest bearing bank deposits	7	14	21	23
Total interest income	7,357	7,998	14,605	15,832
Interest expense:				
Deposits	1,605	2,092	3,330	4,262
Short-term borrowings	5	3	9	6
Long-term debt	435	846	953	1,693
Total interest expense	2,045	2,941	4,292	5,961
Net interest income	5,312	5,057	10,313	9,871
Provision for loan losses	600	600	1,200	1,200
Net interest income after provision for loan losses	4,712	4,457	9,113	8,671
Noninterest income:				
Service charges on deposit accounts	279	290	570	581
Mortgage lending	785	384	1,454	768
Bank-owned life insurance	113	107	212	214
Gain on sale of affordable housing investments			3,268	
Affordable housing investment losses		(230)		(230)
Other	386	355	744	708
Securities gains, net:				
Realized gains, net	251	445	560	450
Total other-than-temporary impairments		(51)	(130)	(312)
Non-credit portion of other-than-temporary impairments recognized in other comprehensive income				210
Total securities gains, net	251	394	430	348
Total noninterest income	1,814	1,300	6,678	2,389
Noninterest expense:				
Salaries and benefits	2,205	2,013	4,348	3,943
Net occupancy and equipment	336	328	674	674
Professional fees	188	189	375	360
FDIC and other regulatory assessments	185	199	368	481

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Other real estate owned, net	(6)	718	63	701
Prepayment penalty on long-term debt	12		3,720	
Other	1,128	861	2,042	1,743
Total noninterest expense	4,048	4,308	11,590	7,902
Earnings before income taxes	2,478	1,449	4,201	3,158
Income tax expense (benefit)	449	(8)	707	152
Net earnings	\$ 2,029	\$ 1,457	\$ 3,494	\$ 3,006
Net earnings per share:				
Basic and diluted	\$			