

WILSON BANK HOLDING CO
Form 10-Q
August 09, 2016
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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, 2016

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 0-20402

WILSON BANK HOLDING COMPANY
(Exact name of registrant as specified in its charter)

Tennessee 62-1497076
(State or other jurisdiction of (I.R.S. Employer
incorporation or organization) Identification No.)

623 West Main Street, Lebanon, TN 37087
(Address of principal executive offices) (Zip Code)
(615) 444-2265
(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.

Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company

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

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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 outstanding: 10,318,308 shares at August 9, 2016

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Part I. Financial Information

Item 1. Financial Statements

WILSON BANK HOLDING COMPANY

Consolidated Balance Sheets

June 30, 2016 and December 31, 2015

(Unaudited)

	June 30, 2016	December 31, 2015
	(Dollars in Thousands Except Share Amounts)	
Assets		
Loans	\$ 1,578,234	\$ 1,466,079
Less: Allowance for loan losses	(22,797)	(22,900)
Net loans	1,555,437	1,443,179
Securities:		
Held to maturity, at cost (market value \$35,254 and \$28,365, respectively)	34,870	28,195
Available-for-sale, at market (amortized cost \$340,409 and \$332,506, respectively)	343,245	331,128
Total securities	378,115	359,323
Loans held for sale	14,538	10,135
Restricted equity securities	3,012	3,012
Federal funds sold	26,440	35,220
Total earning assets	1,977,542	1,850,869
Cash and due from banks	58,395	74,033
Bank premises and equipment, net	42,262	42,100
Accrued interest receivable	5,163	5,244
Deferred income tax asset	7,076	8,039
Other real estate	4,907	5,410
Bank owned life insurance	18,205	17,733
Other assets	16,562	13,371
Goodwill	4,805	4,805
Total assets	\$ 2,134,917	\$ 2,021,604
Liabilities and Stockholders' Equity		
Deposits	\$ 1,883,758	\$ 1,789,850
Securities sold under repurchase agreements	1,002	2,035
Accrued interest and other liabilities	12,784	6,281
Total liabilities	1,897,544	1,798,166
Stockholders' equity:		
Common stock, \$2.00 par value; authorized 50,000,000 and 15,000,000 shares, issued and outstanding 10,259,213 and 10,202,859 shares, respectively	20,518	20,406
Additional paid-in capital	58,225	56,237
Retained earnings	156,880	147,646
Net unrealized gains (losses) on available-for-sale securities, net of income taxes of \$1,086 and \$527, respectively	1,750	(851)
Total stockholders' equity	237,373	223,438
Total liabilities and stockholders' equity	\$ 2,134,917	\$ 2,021,604

See accompanying notes to consolidated financial statements (unaudited)

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WILSON BANK HOLDING COMPANY

Consolidated Statements of Earnings

Three Months and Six Months Ended June 30, 2016 and 2015

(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2016	2015	2016	2015
	(Dollars in Thousands Except Per Share Amounts)			
Interest income:				
Interest and fees on loans	\$ 18,936	\$ 17,753	\$ 37,449	\$ 34,861
Interest and dividends on securities:				
Taxable securities	1,445	1,525	2,856	3,136
Exempt from Federal income taxes	269	172	501	343
Interest on loans held for sale	85	95	159	165
Interest on Federal funds sold	111	41	188	78
Interest and dividends on restricted securities	31	31	61	61
Total interest income	20,877	19,617	41,214	38,644
Interest expense:				
Interest on negotiable order of withdrawal accounts	352	388	728	754
Interest on money market and savings accounts	514	493	999	998
Interest on certificates of deposit	1,238	1,307	2,487	2,650
Interest on federal funds purchased	2	1	2	1
Interest on securities sold under repurchase agreements	—	2	1	4
Total interest expense	2,106	2,191	4,217	4,407
Net interest income before provision for loan losses	18,771	17,426	36,997	34,237
Provision for loan losses	82	81	149	156
Net interest income after provision for loan losses	18,689	17,345	36,848	34,081
Non-interest income:				
Service charges on deposit accounts	1,398	1,255	2,734	2,354
Other fees and commissions	2,657	2,283	5,067	4,432
Income on BOLI and annuity contracts	161	166	285	558
Gain on sale of loans	1,230	1,133	1,897	1,996
Gain on sale of other real estate	324	28	373	46
Gain on sale of securities	126	166	243	166
Total non-interest income	5,896	5,031	10,599	9,552
Non-interest expense:				
Salaries and employee benefits	8,488	8,294	16,681	15,546
Occupancy expenses, net	856	832	1,694	1,598
Furniture and equipment expense	515	499	1,034	997
Data processing expense	688	557	1,361	1,088
Directors' fees	162	181	338	357
Other operating expenses	3,713	2,115	7,079	4,994
Loss on the sale of fixed assets	—	8	—	8
Loss on sale of other assets	1	1	1	2
Total non-interest expense	14,423	12,487	28,188	24,590
Earnings before income taxes	10,162	9,889	19,259	19,043
Income taxes	3,892	3,688	7,346	7,226

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Net earnings	6,270	6,201	11,913	11,817
Weighted average number of common shares outstanding-basic	10,257,536	10,146,669	10,248,740	10,138,312
Weighted average number of common shares outstanding-diluted	10,262,316	10,151,157	10,253,596	10,142,913
Basic earnings per common share	\$0.61	\$ 0.61	\$1.16	\$ 1.17
Diluted earnings per common share	\$0.61	\$ 0.61	\$1.16	\$ 1.17
Dividends per share	\$—	\$ —	\$0.35	\$ 0.30

See accompanying notes to consolidated financial statements (unaudited)

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WILSON BANK HOLDING COMPANY

Consolidated Statements of Comprehensive Earnings

Three Months and Six Months Ended June 30, 2016 and 2015

(Unaudited)

	Three Months		Six Months	
	Ended		Ended	
	June 30,		June 30,	
	2016	2015	2016	2015
	(In Thousands)			
Net earnings	\$6,270	\$6,201	\$11,913	\$11,817
Other comprehensive earnings (loss), net of tax:				