

OLD POINT FINANCIAL CORP  
Form 10-Q  
November 08, 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 the quarterly period ended September 30, 2018

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: 000-12896

OLD POINT FINANCIAL CORPORATION  
(Exact name of registrant as specified in its charter)

VIRGINIA 54-1265373  
(State or other jurisdiction of incorporation or organization) (I.R.S. Employer Identification No.)

1 West Mellen Street, Hampton, Virginia 23663  
(Address of principal executive offices) (Zip Code)

(757) 728-1200  
(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 every Interactive Data File required to be submitted 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 such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, 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.

Large accelerated filer Accelerated filer

Non-accelerated filer  Smaller reporting company

Emerging growth company

If an emerging growth company, indicate by check mark 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.

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.

5,183,416 shares of common stock (\$5.00 par value) outstanding as of October 24, 2018

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OLD POINT FINANCIAL CORPORATION

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GLOSSARY OF DEFINED TERMS

ALLL	Allowance for Loan and Lease Losses
ASC	Accounting Standards Codification
ASU	Accounting Standards Update
Bank	The Old Point National Bank of Phoebus
CET1	Common Equity Tier 1
Citizens Company	Citizens National Bank Old Point Financial Corporation
CRA	Community Reinvestment Act
ESPP	Employee Stock Purchase Plan
EVE	Economic Value of Equity
FASB	Financial Accounting Standards Board
FHLB	Federal Home Loan Bank
FOMC	Federal Open Market Committee
Federal Reserve	Board of Governors of the Federal Reserve System
FRB	Federal Reserve Bank
GAAP	Generally Accepted Accounting Principles
Incentive Stock Plan	Old Point Financial Corporation 2016 Incentive Stock Plan
IRS	Internal Revenue Service
OAEM	Other Assets Especially Mentioned
OCC	Office of the Comptroller of the Currency
OPM	Old Point Mortgage
OREO	Other Real Estate Owned
SEC	Securities and Exchange Commission
TDR	Troubled Debt Restructuring
Trust	Old Point Trust & Financial Services N.A.
VIE	Variable Interest Entities

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## PART I – FINANCIAL INFORMATION

## Item 1. Financial Statements.

Old Point Financial Corporation and Subsidiaries  
Consolidated Balance Sheets

	September 30, 2018	December 31, 2017
	(in thousands except per share data)	
	(unaudited)	*
Assets		
Cash and due from banks	\$ 15,539	\$ 13,420
Interest-bearing due from banks	12,519	908
Federal funds sold	561	84
Cash and cash equivalents	28,619	14,412
Securities available-for-sale, at fair value	142,288	157,121
Restricted securities, at cost	3,869	3,846
Loans held for sale	1,033	779
Loans, net	769,204	729,092
Premises and equipment, net	37,278	37,197
Bank-owned life insurance	26,567	25,981
Goodwill	1,611	621
Other real estate owned, net	133	-
Core deposit intangible, net	418	-
Other assets	14,420	12,777
Total assets	\$ 1,025,440	\$ 981,826
Liabilities & Stockholders' Equity		
Deposits:		
Noninterest-bearing deposits	\$ 240,528	\$ 225,716
Savings deposits	367,085	345,053
Time deposits	233,698	212,825
Total deposits	841,311	783,594
Federal funds purchased	-	10,000
Overnight repurchase agreements	18,116	20,693
Federal Home Loan Bank advances	60,000	67,500
Other borrowings	2,850	-
Accrued expenses and other liabilities	3,588	3,651
Total liabilities	925,865	885,438
Commitments and contingencies		
Stockholders' equity:		
	25,849	25,087

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Common stock, \$5 par value, 10,000,000 shares authorized; 5,183,416 and 5,019,703 shares outstanding (includes 13,689 and 2,245 shares of nonvested restricted stock, respectively)

Additional paid-in capital	20,624	17,270
Retained earnings	56,794	54,738
Accumulated other comprehensive loss, net	(3,692 )	(707 )
Total stockholders' equity	99,575	96,388
Total liabilities and stockholders' equity	\$1,025,440	\$981,826

See Notes to Consolidated Financial Statements.

\* Derived from audited Consolidated Financial Statements

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Old Point Financial Corporation and Subsidiaries  
 Consolidated Statements of Income

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2018	2017	2018	2017
	(unaudited, in thousands except per share data)			
Interest and Dividend Income:				
Loans, including fees	\$8,865	\$7,642	\$25,448	\$21,532
Due from banks	68	4	94	12
Federal funds sold	5	1	15	6
Securities:				
Taxable	510	487	1,503	1,474
Tax-exempt	291	385	937	1,232
Dividends and interest on all other securities	75	49	210	98
Total interest and dividend income	9,814	8,568	28,207	24,354
Interest Expense:				
Savings deposits	164	103	409	