

HAWTHORN BANCSHARES, INC.
Form 10-Q
May 15, 2014

**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 March 31, 2014

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: 0-23636

HAWTHORN BANCSHARES, INC.

(Exact name of registrant as specified in its charter)

Edgar Filing: HAWTHORN BANCSHARES, INC. - Form 10-Q

Missouri
(State or other jurisdiction of
incorporation or organization)

43-1626350
(I.R.S. Employer
Identification No.)

132 East High Street, Box 688, Jefferson City, Missouri 65102

(Address of principal executive offices) (Zip Code)

(573) 761-6100

(Registrant's telephone number, including area code)

N/A

(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
(Do not check if a 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

As of May 15, 2014, the registrant had 5,032,679 shares of common stock, par value \$1.00 per share, outstanding

HAWTHORN BANCSHARES, INC. AND SUBSIDIARIES

Consolidated Balance Sheets (unaudited)

(In thousands, except per share data)

	March 31, 2014	December 31, 2013
ASSETS		
Cash and due from banks	\$ 24,314	\$ 27,079
Federal funds sold and other overnight interest-bearing deposits	16,920	1,360
Cash and cash equivalents	41,234	28,439
Investment in available-for-sale securities, at fair value	213,227	205,985
Loans	845,307	839,547
Allowances for loan losses	(12,845)	(13,719)
Net loans	832,462	825,828
Premises and equipment - net	38,164	38,079
Investments in Federal Home Loan Bank stock and other equity securities, at cost	3,962	4,001
Mortgage servicing rights	3,040	3,036
Other real estate owned and repossessed assets - net	14,054	14,867
Accrued interest receivable	4,441	4,999
Cash surrender value - life insurance	2,233	2,213
Other assets	12,152	12,675
Total assets	\$ 1,164,969	\$ 1,140,122
LIABILITIES AND STOCKHOLDERS EQUITY		
Deposits		
Non-interest bearing demand	\$ 189,925	\$ 187,382
Savings, interest checking and money market	453,724	419,085
Time deposits \$100,000 and over	110,045	111,667
Other time deposits	234,042	238,337
Total deposits	987,736	956,471
Federal funds purchased and securities sold under agreements to repurchase	20,761	31,084
Subordinated notes	49,486	49,486
Federal Home Loan Bank advances	24,000	24,000
Accrued interest payable	412	426
Other liabilities	5,892	4,275
Total liabilities	1,088,287	1,065,742
Stockholders' equity:		
Common stock, \$1 par value, authorized 15,000,000 shares; issued 5,194,537 shares, respectively	5,195	5,195
Surplus	33,391	33,385
Retained earnings	41,821	40,086
Accumulated other comprehensive loss, net of tax	(208)	(769)
Treasury stock; 161,858 shares, at cost	(3,517)	(3,517)
Total stockholders' equity	76,682	74,380
Total liabilities and stockholders' equity	\$ 1,164,969	\$ 1,140,122

See accompanying notes to the unaudited consolidated financial statements.

HAWTHORN BANCSHARES, INC. AND SUBSIDIARIES

Consolidated Statements of Operations (unaudited)

(In thousands, except per share amounts)	Three Months Ended March 31,	
	2014	2013
INTEREST INCOME		
Interest and fees on loans	\$ 9,865	\$ 10,387
Interest on investment securities:		
Taxable	881	905
Nontaxable	189	217
Federal funds sold and other overnight interest-bearing deposits	8	14
Dividends on other securities	20	22
Total interest income	10,963	11,545
INTEREST EXPENSE		
Interest on deposits:		
Savings, interest checking and money market	267	261
Time deposit accounts \$100,000 and over	190	248
Other time deposits	432	883
Interest on federal funds purchased and securities sold under agreements to repurchase	4	5
Interest on subordinated notes	312	320
Interest on Federal Home Loan Bank advances	104	99
Total interest expense	1,309	1,816
Net interest income	9,654	9,729
Provision for loan losses	0	1,000
Net interest income after provision for loan losses	9,654	8,729
NON-INTEREST INCOME		
Service charges on deposit accounts	1,230	1,359
Trust department income	203	210
Real estate servicing fees, net	177	159
Gain on sale of mortgage loans, net	191	720
Gain on sale of investment securities	0	294
Other	284	265
Total non-interest income	2,085	3,007
NON-INTEREST EXPENSE		
Salaries and employee benefits	5,030	4,910
Occupancy expense, net	620	