

Section 1: 8-K (8-K)

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of report (Date of earliest event reported):

January 31, 2019

Evans Bancorp, Inc.

(Exact Name of Registrant as Specified in Charter)

New York

(State or Other Jurisdiction
of Incorporation)

One Grimsby Drive, Hamburg, New York
(Address of Principal Executive Offices)

Registrant's Telephone Number, Including Area Code:

0-18539

(Commission
File Number)

Not Applicable
Former Name or Former Address, if Changed Since Last Report

161332767

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

14075
(Zip Code)

716-926-2000

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Financial statements pursuant to Rule 302 under the Exchange Act (17 CFR 240.302)
- Pre-commencement communications pursuant to Rule 144-2(b) under the Exchange Act (17 CFR 240.144-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(i) under the Exchange Act (17 CFR 240.13e-4(i))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (17 CFR 230.405) or Rule 12b-2 of the Securities Exchange Act of 1934 (17 CFR 240.12b-2).

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:

Item 2.02 Results of Operations and Financial Condition.

On January 31, 2019, Evans Bancorp, Inc. ("the Company") issued a press release setting forth its results of operations and financial condition for the fourth quarter of 2018. A copy of that press release is attached hereto as Exhibit 99.1.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits
EXHIBIT 99.1 – [Press Release of Evans Bancorp, Inc. dated January 31, 2019](#)

Exhibit Index

Exhibit No.	Description
99.1	Press Release of Evans Bancorp, Inc. dated January 31, 2019

The information in Item 2.02 of this Form 8-K and Exhibit 99.1 attached hereto shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, or otherwise subject to liabilities of that Section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933 or the Securities Exchange Act of 1934, except as shall be expressly set forth by specific reference in such filing. Neither the filing or furnishing of any exhibit to this report nor the inclusion in such exhibit of a reference to the Company's Internet address shall, under any circumstances, be deemed to incorporate the information available at such address into this report. Information available at the Company's Internet address is not part of this report.

February 1, 2019

Evans Bancorp, Inc.

By: /s/ David J. NascaName: David J. Nasca
Title: President and Chief Executive Officer[\(Back To Top\)](#)**Section 2: EX-99.1 (EX-99.1)****News Release**

Evans Bancorp, Inc. One Glimsby Drive Hamburg, NY 14075

FOR IMMEDIATE RELEASE

Evans Bancorp Reports Record Net Income for 2018HAMBURG, NY, January 31, 2019 – [Evans Bancorp, Inc.](#) (the “Company” or “Evans”) (NYSE American: EVBN), a community financial services company serving Western New York since 1920, today reported its results of operations for the fourth quarter and year ended December 31, 2018.**FOURTH QUARTER AND FULL YEAR 2018 HIGHLIGHTS** (compared with prior-year period unless otherwise noted)

- Record annual net income of \$16.4 million compared with \$10.5 million in 2017, a 56% increase Excluding the prior year impact of a \$2.1 million write-down of deferred tax asset related to Tax Cuts and Jobs Act (“TCJA”), 2018 net income increased \$3.8 million or 30%
- Achieved fourth quarter net income of \$4.5 million, or \$0.90 per diluted share, compared with

\$1.0 million, or \$0.20 per diluted share*Excluding the 2017 TCJA write-down of deferred tax asset, net income was up \$1.4 million or 44%*

- Net interest income in the fourth quarter increased 11% to \$12.4 million driven by higher average loans
- Average demand deposits in the fourth quarter grew 13%
- Acquisition of Richardson & Stout Insurance Agency (“R&S”) contributed to total insurance revenue of \$9.4 million, an increase of 19%
- 2018 efficiency ratio improved to 66.87% from 68.50%
- Opened new Financial Center in downtown Buffalo during fourth quarter 2018

For the full year 2018, net income increased 56% to \$16.4 million, or \$3.32 per diluted share, from \$10.5 million, or \$2.18 per diluted share, in 2017. Excluding the impact of TCJA, net income was up \$3.8 million, or 30%. The return on average equity was 13.20% for 2018 compared with 9.11% in 2017.

Net income was \$4.5 million, or \$0.90 per diluted share, in the fourth quarter of 2018, compared with \$4.8 million, or \$0.97 per diluted share, in the trailing third quarter of 2018 and \$1.0 million, or \$0.20 per diluted share, in last year’s fourth quarter. The decrease from the linked quarter reflects lower insurance fee revenue due to typically higher seasonal commercial lines revenue in the third quarter. The increase over prior-year period reflects higher interest income due to loan growth, a decrease in loan loss provision, and lower income tax expense related to the impact of TCJA. Return on average equity was 13.86% for the fourth quarter of 2018, compared with 15.35% in the trailing third quarter of 2018 and 3.32% in the fourth quarter of 2017.

“In the fourth quarter we extended the very strong results experienced through 2018, including growth across the board in deposits, loans and fee income, culminating in an outstanding year for earnings with net income up 56%,” said David J. Nasca, President and CEO of Evans Bancorp, Inc. “Initiatives and investments remain aimed at enhancing the client experience and building relationships, scaling our growth from an operational and cost perspective, bolstering our fee-based businesses, and investing back into the communities in which we operate.”

Net Interest Income
 (\$ in thousands)

	4Q 2018	3Q 2018	4Q 2017
Interest income	\$ 15,309	\$ 14,690	\$ 12,794
Interest expense	2,928	2,604	1,854
Net interest income	12,373	12,086	11,160
(Credit) provision for loan losses	(276)		262
Net interest income after provision	\$ 12,649	\$ 11,834	\$ 10,558

Net interest income increased \$0.3 million, or 2%, from the third quarter of 2018, and \$1.2 million, or 11%, from the prior-year fourth quarter. The increase was driven by average interest-earning asset growth, particularly loans, partially offset by an increase in interest expense. The increase in interest income reflects growth in the commercial loan portfolio as well as the benefit from the re-pricing of variable rate loans tied to the Company's prime rate. Average commercial loans, including commercial real estate and commercial and industrial loans, were \$815 million, vs \$811 million from the 2017 fourth quarter. The increase in net interest income from the linked quarter was mainly due to prime rate movements.

Fourth quarter net interest margin of 3.70%, decreased 3 basis points from the 2018 third quarter and 9 basis points from the fourth quarter of 2017. The margin has been impacted by rising funding costs due to increases in short-term interest rates, along with very competitive deposit market pricing. The cost of interest-bearing liabilities was 1.14% compared with 1.07% in the third quarter of 2018 and 0.73% in the fourth quarter of 2017. The Company has experienced a shift in deposit mix as consumers in low-cost legacy savings products have migrated to higher-rate time deposits consistent with the industry. Average time deposits comprised 24% of average total deposits during the fourth quarter of 2018, compared with 23% and 17% in the third quarter of 2018 and the fourth quarter of 2017, respectively.

The \$0.3 million release of allowance for loan losses for the fourth quarter of 2018 reflects a decrease in non-performing loans and marginal loan growth in the quarter.

Asset Quality
 (\$ in thousands)

	4Q 2018	3Q 2018	4Q 2017
Total non-performing loans	\$ 18,991	\$ 23,090	\$ 13,715
Total net loan charge-offs (recoveries)	153	274	765
Non-performing loans/ Total loans	1.64 %	2.00 %	1.29 %
Net loan charge-offs (recoveries)/ Average loans	0.05 %	0.10 %	0.30 %
Allowance for loan losses/ Total loans	1.28 %	1.32 %	1.32 %

"Our loan production remains focused upon originating within our consistent and prudent risk appetite, which is reflected in our strong credit quality," stated John Conneron, Chief Financial Officer of Evans Banc. "While many of our credit quality metrics improved during the quarter, we continue to make progress with a small number of larger commercial credits that make up our non-performing loans."

Non-Interest Income

(\$ in thousands)

	3Q 2018		4Q 2017	
Deposit service charges	\$	571	\$	571
Insurance service and fee revenue		2,233		3,215
Bank-owned life insurance		166		165
Loss on tax credit investment		(2,705)		(1,740)
Refundable NY state historic tax credit		1,832		150
Other income		941		828
Total non-interest income	\$	3,038	\$	4,764

The increase in deposit service charges from last year's fourth quarter reflects higher fees related to overdrafts as the Company and its clients continue to benefit from a new product that provides overdraft protection to small businesses.

Insurance revenue decreased \$1.0 million from the trailing third quarter due to the seasonal decrease in commercial lines insurance commissions and a decrease in profit sharing revenue. The increase in insurance revenue from the fourth quarter of 2017 primarily relates to the R&S acquisition, which added incremental commercial and personal lines revenue of \$0.5 million. The fourth quarter of 2018 included a \$0.9 million net reduction of non-interest income related to an investment in an historic rehabilitation tax credit compared with \$0.5 million in the prior-year period. There were no significant historic tax credit transactions in the third quarter of 2018.

In last year's fourth quarter the Company realized a \$0.3 million gain on bank-owned life insurance claim, while there were no claims in the current or linked quarters.

Non-Interest Expense

(\$ in thousands)

	3Q 2018		4Q 2017	
Salaries and employee benefits	\$	7,220	\$	7,050
Occupancy		855		795
Advertising and public relations		362		258
Professional services		598		588
Technology and communications		909		874
Amortization of intangibles		112		112
FDIC insurance		251		295
Other expenses		1,124		1,445
Total non-interest expenses	\$	11,432	\$	11,457

Fourth quarter salaries and benefits costs increased 16% from the prior-year period, and reflect the R&S acquisition and the addition of strategic personnel hires to support the Company's continued growth. The increase in salaries and employee benefits from the linked quarter was due to year-end incentive adjustments based on the Company's performance.

The linked quarter increase in advertising and public relations expense reflects additional promotional campaigns for the Company's lending and insurance products. The increase in technology and communications was due to higher ATM card fees, online banking activity and software costs. The amortization of intangible assets was higher due to the acquisition of R&S.

The decrease in other expense in the fourth quarter of 2018 reflects a \$0.3 million contribution to the Evans Bank Foundation Fund ("the Foundation") made during the fourth quarter of 2017, and a community contribution accrual of \$0.4 million recorded in the third quarter of 2018. Evans contributes to, and invests in, community organizations that provide positive, meaningful impact to the Western New York region. Evans has elevated its resource commitment to the community as a function of our continued growth and performance.

The Company's efficiency ratio in the fourth quarter of 2018 was 69.5% compared with 66.9% in the third quarter of 2018 and 70.4% in last year's fourth quarter.

During fourth quarter 2018 the Company recognized an income tax benefit of \$0.2 million. Excluding the impact of historic tax credit transactions, the fourth quarter 2018 effective tax rate was 23.1%. In the third quarter 2018 income tax expense was \$0.3 million, or an effective tax rate of 6.7%. Income taxes were reduced by \$0.7 million in the third quarter of 2018 due to a change in estimate of when certain state historic tax credits will be taxable for federal purposes. Excluding this adjustment, the third quarter 2018 effective tax rate was 20.0%. Fourth quarter 2017 income tax expense was \$2.2 million, or an effective tax rate of 60.0%. The effective tax rate in the fourth quarter of 2017, excluding TCJA and historic tax credit impact, was 29.8%.

2018 Year-end Balance Sheet Highlights

Total assets were \$1.39 billion as of December 31, 2018, up \$7 million, or 1%, from September 30, 2018 and \$93 million, or 7%, higher than year-end 2017. The Company had strong loan growth as the portfolio increased \$91 million, or 5%, to \$1.16 billion during 2018 with the increase predominantly in commercial real estate.

Investment securities were \$134 million at December 31, 2018, \$4 million lower than the third quarter of 2018, and \$16 million lower than at the end of 2017. The primary objectives of the Company's investment portfolio are to provide liquidity, secure municipal deposits, and maximize income while preserving safety of principal. With the yield curve continuing to flatten, there is a reduced advantage to purchasing longer-term investment securities.

Deposit growth was strong in 2018, increasing 16% to \$1.22 billion at December 31, 2018. The year-over-year increase was across all of the Company's product categories, including demand deposit growth of 6%, NOW account growth of 1%, savings deposit growth of 7%, and time deposit growth of 62%. The largest components of deposit growth during 2018 were time deposits of \$115 million, of which \$41 million were business and municipal saving deposits of \$63 million. Total average demand deposits were \$48 million for the 2018 fourth quarter, an increase of \$26 million from the fourth quarter of 2017, which was mostly attributable to growth in commercial demand deposits.

The deposit mix has changed industry wide as consumer preferences move toward term products with higher rates. Consumer savings deposits declined \$62 million year-over-year, while consumer time deposits increased \$74 million.

2018 Year in Review

Net interest income for 2018 was \$48.1 million, up 14%, primarily due to strong growth in the Company's commercial loan portfolio, partially offset by an increase in deposit interest expense and a compressed net interest margin. Net interest margin was 3.77% in 2018, a decrease of 3 basis points.

The Company's provision for loan losses of \$1.4 million was up from \$0.7 million due to loan growth, an increase in criticized loans, and an increase in non-performing loans. The ratio of non-performing loans to total loans was 1.64% at December 31, 2018 compared with 1.29% at the end of 2017.

Non-interest income was up \$2.2 million, or 17%, to \$15.2 million, mainly due to the increase in insurance service and fee revenue of \$1.5 million, reflecting the R&S acquisition and commercial lines organic growth.

Non-interest expense increased \$4.7 million, or 12%, to \$43.3 million. The increase reflects higher salaries and employee benefits of \$3.0 million, or 12%, due to the R&S acquisition, merit increases, higher incentive compensation and the addition of new employees as part of the Company's planned growth strategy. Technology expenses were up 18%, or \$0.5 million, to \$3.4 million largely due to increased ATM card fees, online banking activity and software costs. FDIC insurance expense increased \$6.3 million, or 36%, as a result of higher average assets due to loan growth. Amortization of intangibles increased \$0.2 million due to the

acquisition of RAS.
The efficiency ratio for 2018 improved to 66.87% from 68.50%.
Income tax expense for the year was \$2.3 million, representing an effective tax rate of 12.2% compared with an effective tax rate of 33.2% in 2017. The decrease in the effective tax rate was due to the \$2.1 million charge relating to TCJA in 2017, the lowering of the Company's federal tax rate from 35% to 21% effective January 1, 2018, and historic tax credit transactions.

Capital Management
The Company consistently maintains regulatory capital ratios measurably above the Federal "well capitalized" standard, including a Tier 1 leverage ratio of 9.73% at December 31, 2018 compared with 9.60% at September 30, 2018 and 10.11% at December 31, 2017. Book value per share increased to \$27.13 at December 31, 2018 compared with \$28.03 at September 30, 2018 and \$24.74 at December 31, 2017. In 2018, the Company paid cash dividends of \$0.92 per common share, up 15%.

Outlook
Mr. Nascia concluded, "We are especially pleased that our strategic focus on acquiring and retaining top talent, building client relationships, and adding value to those relationships continues to produce strong financial performance. This performance allows us to grow and deliver for our clients while reinvesting in the community and strengthening the economic and social fabric of our markets. We are approaching a century of serving Western New York, and we firmly believe that our long-term success reflects our commitment to continuing to perform, as shown by our record earnings in 2018 and over the last several years. We believe we can further build on this momentum."

Webcast and Conference Call
The Company will host a conference call and webcast on Thursday, January 31, 2019 at 4:45 p.m. ET. Management will review the financial and operating results for the fourth quarter and full year of 2018, as well as the Company's strategy and outlook. A question and answer session will follow the formal presentation. The conference call can be accessed by calling (201) 689-8471. Alternatively, the webcast can be monitored at www.evansbancorp.com.

A telephonic replay will be available from 7:45 p.m. ET on the day of the teleconference until Thursday, February 7, 2019. To listen to the archived call, dial (412) 317-6671 and enter conference ID number 13666188, or access the webcast replay at www.evansbancorp.com, where a transcript will be posted once available.

About Evans Bancorp, Inc.

Evans Bancorp, Inc. is a financial holding company and the parent company of Evans Bank, N.A., a commercial bank with \$1.4 billion in assets and \$1.2 billion in deposits at December 31, 2018. Evans is a full-service community bank, with 15 financial centers providing comprehensive financial services to consumer, business and municipal customers throughout Western New York. Evans Bancorp's wholly owned insurance subsidiary, The Evans Agency, LLC, provides life insurance, employee benefits, and property and casualty insurance through ten insurance offices in the Western New York region. Evans Investment Services provides non-deposit investment products, such as annuities and mutual funds.

Evans Bancorp, Inc. and Evans Bank routinely post news and other important information on their websites, at www.evansbancorp.com and www.evansbank.com.

Safe Harbor Statement: This news release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements include, but are not limited to, statements concerning future business, revenue and earnings. These statements are not historical facts or guarantees of future performance, events or results. There are risks, uncertainties and other factors that could cause the actual results of Evans Bancorp to differ materially from the results expressed or implied by such statements. Factors that may cause actual results to differ materially from those contemplated by such forward-looking statements include competitive pressures among financial services companies, interest rate trends, general economic conditions, changes in legislation or regulatory requirements, effectiveness at achieving stated goals and strategies, and difficulties in achieving operating efficiencies.

These risks and uncertainties are more fully described in Evans Bancorp's Annual and Quarterly Reports filed with the Securities and Exchange Commission. Forward-looking statements speak only as of the date they are made. Evans Bancorp undertakes no obligation to publicly update or revise forward-looking information, whether as a result of new, updated information, future events or otherwise.

For more information contact:

-OR-

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EVANS BANCORP, INC. AND SUBSIDIARIES SELECTED FINANCIAL DATA (UNAUDITED)
In thousands, except share and per share data

ASSETS	12/31/2018	9/30/2018	6/30/2018	3/31/2018	12/31/2017
Investment Securities					
Loans	\$ 132,738	\$ 137,909	\$ 148,628	\$ 166,471	\$ 160,752
Loans	1,155,030	1,155,566	1,125,895	1,090,961	1,085,333
Allowance for loan losses	(14,784)	(15,251)	(15,251)	(14,493)	(14,699)
Goodwill and intangible assets	12,992	13,104	8,496	8,525	8,531
All other assets	166,281	91,537	78,507	95,434	96,852
Total assets	\$ 1,368,267	\$ 1,388,523	\$ 1,366,891	\$ 1,351,489	\$ 1,298,613
LIABILITIES AND STOCKHOLDERS' EQUITY					
Deposits					
Interest deposits	231,902	236,079	254,373	239,827	239,664
Money deposits	165,690	162,568	151,170	151,997	160,378
Savings deposits	571,479	574,262	605,980	566,314	555,730
Time deposits	361,227	294,514	241,425	204,285	186,617
Total deposits	1,250,308	1,227,423	1,192,948	1,153,423	1,092,399
Reserve requirements	24,472	24,300	25,348	43,114	108,609
Other liabilities	17,010	15,311	14,700	16,278	17,191
Total liabilities	131,690	125,634	123,375	119,875	118,382
SHARES AND CAPITAL RATIOS					
Common shares outstanding	4,822,868	4,827,701	4,821,381	4,803,374	4,792,585
Book value per share	\$ 27.13	\$ 26.03	\$ 25.63	\$ 24.96	\$ 24.74
Year 1 leverage ratio	9.75 %	9.60 %	9.58 %	9.81 %	10.11 %
Total risk-based capital ratio	11.84 %	11.34 %	11.67 %	11.68 %	11.25 %
Total risk-based capital ratio	13.09 %	12.59 %	12.88 %	12.73 %	12.97 %
ASSET QUALITY DATA					
Total non-performing loans	\$ 18,991	\$ 23,000	\$ 23,210	\$ 14,771	\$ 13,715
Total net loan charge-offs (recoveries)	153	274	117	93	765
Non-performing loans/Total loans	1.64 %	2.00 %	2.06 %	1.33 %	1.29 %
Net loan charge-offs (recoveries)/Average loans	0.05 %	0.10 %	0.04 %	0.03 %	0.30 %
Allowance for loan losses/Total loans	1.28 %	1.32 %	1.05 %	1.32 %	1.32 %

EVANS BANCORP, INC. AND SUBSIDIARIES SELECTED OPERATIONS DATA (UNAUDITED)
In thousands, except share and per share data

	2018		2018		2017	
	Fourth Quarter	Third Quarter	Second Quarter	First Quarter	Fourth Quarter	Third Quarter
Interest income	\$ 15,309	\$ 14,090	\$ 14,247	\$ 13,366	\$ 12,794	\$ 12,794
Interest expense	2,926	2,690	2,651	1,914	1,653	1,653
Net interest income	12,373	11,396	11,596	11,452	11,141	11,141
Provision for loan losses	(270)	(22)	(68)	(70)	(60)	(60)
Net interest income after provision	12,643	11,614	11,664	11,522	11,201	11,201
Deposit service charges	371	371	328	300	488	488
Insurance service and fee revenue	2,233	2,215	1,952	1,965	1,669	1,669
Bank-owned life insurance	166	165	178	171	161	161
Loss on tax credit investment	(7,763)	(1,651)	-	-	(1,740)	-
Rehabilitate NY state historic tax credit	1,832	190	-	-	1,234	-
Other income	941	828	984	1,141	949	949
Total non-interest income	3,678	4,246	3,639	3,286	3,027	3,027
Salaries and employee benefits	7,720	7,690	6,479	6,257	6,268	6,268
Occupancy	855	795	727	726	844	844
Advertising and public relations	362	278	326	124	378	378
Professional services	399	388	626	455	546	546
Technology and communications	969	874	847	764	740	740
Amortization of intangibles	112	112	28	28	29	29
FIDC insurance	281	267	246	232	189	189
Other expenses	1,124	1,445	958	985	1,364	1,364
Total non-interest expenses	11,432	11,457	10,233	10,171	10,264	10,264
Income before income taxes	4,281	5,141	4,943	4,300	3,199	3,199
Income tax provision	(190)	346	1,152	981	2,207	2,207
Net income	4,481	4,795	3,791	3,319	992	992
PER SHARE DATA						
Net income per common share diluted	\$ 0.90	\$ 0.97	\$ 0.77	\$ 0.68	\$ 0.20	\$ 0.20
Cash dividends per common share	\$ -	\$ 0.46	\$ -	\$ 0.46	\$ -	\$ -
Weighted average number of diluted shares	4,928,551	4,940,822	4,937,522	4,912,289	4,904,270	4,904,270
PERFORMANCE RATIOS						
Return on average total assets	1.24 %	1.40 %	1.13 %	1.01 %	0.32 %	0.32 %
Return on average non-branch agency	13.86 %	15.35 %	12.39 %	11.15 %	5.32 %	5.32 %
Efficiency ratio	69.52 %	66.88 %	64.45 %	66.56 %	70.44 %	70.44 %

EVANS BANCORP, INC. AND SUBSIDIARIES
SELECTED AVERAGE BALANCES AND YIELD RATES (UNAUDITED)
(in thousands)

	2018		2017		2017	
	Fourth Quarter	Third Quarter	Second Quarter	First Quarter	Fourth Quarter	Third Quarter
AVERAGE BALANCES						
Loans, net	\$ 1,128,015	\$ 1,127,171	\$ 1,098,191	\$ 1,067,282	\$ 1,099,497	\$ 1,099,497
Investment securities	137,175	145,322	155,089	160,739	155,678	155,678
Interest-bearing deposits at banks	40,661	53,645	4,815	2,723	2,288	2,288
Total interest-earning assets	1,235,251	1,284,938	1,257,495	1,230,733	1,167,352	1,167,352
Non interest-earning assets	83,432	87,455	83,113	89,844	92,254	92,254
Total assets	\$ 1,498,733	\$ 1,372,393	\$ 1,338,606	\$ 1,311,377	\$ 1,259,606	\$ 1,259,606
NOW	116,612	115,417	126,510	114,288	92,889	92,889
Savings	581,648	581,484	576,197	552,546	549,466	549,466
Time deposits	301,483	272,272	214,410	182,233	181,291	181,291
Total interest-bearing deposits	999,743	979,173	917,117	849,067	823,646	823,646
Other loanings	25,140	25,749	58,817	43,853	30,965	30,965
Total interest-bearing liabilities	1,010,957	996,925	982,054	935,930	897,832	897,832
Discounted deposits	247,619	233,791	239,546	231,176	219,291	219,291
Other non interest-bearing liabilities	17,689	17,645	16,614	15,561	14,697	14,697
Stockholders' equity	128,468	124,972	122,432	139,130	136,366	136,366
Total Liabilities and Equity	\$ 1,498,733	\$ 1,372,393	\$ 1,338,606	\$ 1,311,377	\$ 1,259,606	\$ 1,259,606
YIELD RATE						
Loans, net	%	4.81 %	4.82 %	4.70 %	4.65 %	4.65 %
Investment securities	2.68 %	2.60 %	2.67 %	2.51 %	2.45 %	2.45 %
Interest-bearing deposits at banks	2.38 %	1.98 %	1.50 %	1.59 %	0.87 %	0.87 %
Total interest-earning assets	4.15 %	4.24 %	4.24 %	4.40 %	4.25 %	4.25 %
NOW	0.30 %	0.27 %	0.26 %	0.27 %	0.23 %	0.23 %
Savings	0.78 %	0.70 %	0.89 %	0.55 %	0.48 %	0.48 %
Time deposits	2.07 %	1.89 %	1.55 %	1.42 %	1.16 %	1.16 %
Total interest-bearing deposits	1.10 %	0.99 %	0.77 %	0.71 %	0.64 %	0.64 %
Other loanings	2.77 %	2.96 %	2.38 %	1.82 %	1.71 %	1.71 %
Total interest-bearing liabilities	1.14 %	1.04 %	0.86 %	0.81 %	0.73 %	0.73 %
Interest rate spread	3.44 %	3.50 %	3.68 %	3.59 %	3.42 %	3.42 %
Contribution of interest-free funds	0.26 %	0.21 %	0.21 %	0.18 %	0.17 %	0.17 %
Net interest margin	3.70 %	3.71 %	3.89 %	3.77 %	3.79 %	3.79 %

EVANS BANCORP, INC. AND SUBSIDIARIES SELECTED OPERATIONS DATA (UNAUDITED)
(in thousands, except share and per share data)

	2018		2017		
	Year-to-Date		Year-to-Date		% Change
Interest income	\$	57,412	\$	47,748	21 %
Interest expense		9,551		5,711	66 %
Net interest income		48,107		42,017	14 %
Provision for loan losses		1,852		778	96 %
Net interest income after provision		46,705		41,279	13 %
Deposit service charges		2,174		1,747	25 %
Insurance service and fee income		9,365		7,899	19 %
Bank-owned life insurance		680		664	(2) %
Loss on tax credit investment		(2,870)		(3,997)	(28) %
Rehabilitate NY state income tax credit		1,982		2,843	(30) %
Other income		3,996		3,688	7 %
Total non-interest income		15,227		13,003	17 %
Salaries and employee benefits		27,412		24,008	13 %
Occupancy		3,115		3,199	(2) %
Advertising and public relations		1,079		1,095	(2) %
Professional services		2,866		2,260	9 %
Technology and communications		3,394		2,881	18 %
FTEC insurance		1,024		749	38 %
Amortization of intangibles		289		112	158 %
Other expenses		4,512		3,898	16 %
Total non-interest expenses		47,293		38,594	12 %
Income before income taxes		14,639		15,688	19 %
Income tax provision		2,283		2,209	(3) %
Net income		14,374		13,479	56 %
PER SHARE DATA					
Net income per common share diluted	\$	3.32	\$	2.16	54 %
Cash dividends per common share	\$	0.10	\$	0.80	15 %
Weighted average number of diluted shares		4,333,741		4,809,824	
PERFORMANCE RATIOS					
Return on average total assets					0.89 %
Return on average stockholders' equity					9.11 %
Efficiency ratio					68.87%
Net interest margin					3.80 %
Net loan charge-off/Average loans					0.07 %