
Section 1: 8-K/A (8-K/A)

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

FORM 8-K/A

CURRENT REPORT

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

Date of Report (Date of earliest event reported): July 6, 2020 (May 1, 2020)

EVANS BANCORP, INC.

(Exact name of registrant as specified in its charter)

New York
(State or other jurisdiction
of incorporation)

001-35021
(SEC Commission
File Number)

161332767
(IRS Employer
Identification Number)

One Grimsby Drive
Hamburg, New York
(Address of principal executive offices)

14075
(Zip Code)

Registrant's telephone number, including area code: 716-926-2000

Not Applicable
(Former name or former address, if changed since last report)

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)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

<u>Title of each class</u>	<u>Trading Symbol(s)</u>	<u>Name of each exchange on which registered</u>
Common Stock, \$0.50 par value	EVBN	NYSE American

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

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.

On May 1, 2020, Evans Bancorp, Inc. (“Evans”), the parent holding company of Evans Bank, N.A., filed a Current Report on Form 8-K (the “Original 8-K”) reporting the completion of the acquisition of FSB Bancorp, Inc. (“FSB”), the parent holding company of Fairport Savings Bank by Evans pursuant to the Agreement and Plan of Merger, dated December 19, 2019, as amended on March 5, 2020, by and among Evans, MMS Merger Sub, Inc., a wholly-owned subsidiary of Evans, and FSB. In that filing, Evans indicated that it would amend the Form 8-K at a later date to include the unaudited pro forma financial information required by Item 9.01 of Form 8-K. This amendment to the Original 8-K is being filed to provide such financial information, which is attached to this report as Exhibit 99.1. No other changes have been made to the Original 8-K.

Item 9.01 **Exhibits.**

(b) Pro forma financial information.

The unaudited pro forma combined condensed balance sheet of Evans and FSB as of December 31, 2019, and the unaudited pro forma combined condensed statement of income of Evans and FSB for the year ended December 31, 2019, and the related notes to the unaudited pro forma combined condensed financial information, are attached hereto as Exhibit 99.1 and incorporated by reference herein.

(d) Exhibits.

[Exhibit 99.1 – Unaudited pro forma combined condensed balance sheet of Evans Bancorp, Inc. and FSB Bancorp, Inc. as of December 31, 2019, and the unaudited pro forma combined condensed statement of income of Evans Bancorp, Inc. and FSB Bancorp, Inc. for the year ended December 31, 2019, and the related notes to the unaudited pro forma combined condensed financial information.](#)

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this Report to be signed on its behalf by the undersigned, hereunto duly authorized.

EVANS BANCORP, INC.

Date: July 6, 2020

By: /s/ David J. Nasca
Name: David J. Nasca
Title: President and Chief Executive Officer

[\(Back To Top\)](#)

Section 2: EX-99.1 (EX-99.1)

Exhibit 99.1

UNAUDITED PRO FORMA COMBINED CONDENSED FINANCIAL INFORMATION

The following unaudited pro forma combined condensed financial statements are based on the separate historical financial statements of Evans Bancorp, Inc., or Evans, and FSB Bancorp, Inc., or FSB, and give effect to the mergers of (i) Merger Sub, Inc., a Maryland corporation and wholly-owned subsidiary of Evans, or Merger Sub, with and into FSB, which we refer to as the merger, with FSB continuing as the surviving corporation, (ii) FSB with and into Evans, which we refer to as the second merger and, together with the merger, the holdco mergers, with Evans continuing as the surviving corporation, and (iii) Fairport Savings Bank, a New York-chartered savings bank and wholly owned subsidiary of FSB, which we refer to as FSB Bank, with and into Evans Bank, N.A., a national banking association and a wholly owned subsidiary of Evans, which we refer to as Evans Bank, with Evans Bank being the surviving bank, which we refer to as the bank merger and, together with the holdco mergers, the mergers, including pro forma assumptions and adjustments related to the mergers, as described in the accompanying notes to the unaudited pro forma combined condensed financial statements. The unaudited pro forma combined condensed balance sheet as of December 31, 2019 is presented as if the mergers occurred on December 31, 2019. The unaudited pro forma combined condensed statement of income for the year ended December 31, 2019 is presented as if the mergers occurred on January 1, 2019. The historical consolidated financial information has been adjusted on a pro forma basis to reflect factually supportable items that are directly attributable to the mergers and, with respect to the statements of earnings only, expected to have a continuing impact on consolidated results of operations.

The unaudited pro forma combined condensed financial statements have been prepared using the acquisition method of accounting for business combinations under U.S. Generally Accepted Accounting Principles. Evans is the acquirer for accounting purposes. Certain reclassifications have been made to the historical financial statements of FSB to conform to the presentation in Evans' financial statements.

The unaudited pro forma combined condensed financial statements are presented for illustrative purposes only. The unaudited pro forma combined condensed financial statements are not necessarily, and should not be assumed to be, an indication of the results that would have been achieved had the mergers been completed as of the dates indicated or that may be achieved in the future. The preparation of the unaudited pro forma combined condensed financial statements and related adjustments required management to make certain assumptions and estimates. The unaudited pro forma combined condensed financial statements should be read together with:

- the accompanying notes to the unaudited pro forma combined condensed financial statements;
- Evans separate audited historical consolidated financial statements and accompanying notes as of and for the year ended December 31, 2019, included in Evans' Annual Report on Form 10-K for the year ended December 31, 2019;
- FSB's consolidated financial statements and related notes as of and for the years ended December 31, 2019 included in Exhibit 13 in FSB's Annual Report on Form 10-K for the year ended December 31, 2019; and
- other information pertaining to Evans and FSB contained in or incorporated by reference into this document.

EVANS BANCORP, INC./FSB BANCORP, INC.
UNAUDITED PRO FORMA COMBINED CONDENSED BALANCE SHEET
AS OF DECEMBER 31, 2019
(Dollars in thousands, except per share amounts)

	EVBN 12/31/2019 (as reported)	FSB 12/31/2019 (as reported)	Pro Forma Adj	Notes	Pro Forma 12/31/2019 Combined
ASSETS					
Cash and cash equivalents	\$ 38,857	\$ 7,933	(\$ 22,367)	(a)	\$ 24,423
Investment securities	133,852	23,292	(89)	(b)	157,055
Loans, net of allowance for loan losses	1,211,356	276,702	1,014	(c)	1,489,072
Premises and equipment	13,754	2,439	—		16,193
Goodwill	10,746	—	1,996	(d)	12,724
Intangible assets	1,799	—	1,494	(e)	3,293
Other assets	49,866	12,944	—		62,810
Total Assets	<u>\$1,460,230</u>	<u>\$ 323,310</u>	<u>(\$ 17,952)</u>		<u>\$1,765,588</u>
LIABILITIES					
Deposits					
Noninterest-bearing	263,717	12,886	—		276,603
Interest-bearing	1,003,723	222,674	1,047	(f)	1,227,444
Total deposits	<u>1,267,440</u>	<u>235,560</u>	<u>1,047</u>		<u>1,504,047</u>
Other Liabilities					
Borrowed funds	12,425	51,735	549	(g)	64,709
Other liabilities	31,912	4,471	—		36,383
Total other liabilities	<u>44,337</u>	<u>56,206</u>	<u>549</u>		<u>101,092</u>
Total liabilities	<u>1,311,777</u>	<u>291,766</u>	<u>1,596</u>		<u>1,605,139</u>
STOCKHOLDERS EQUITY					
Preferred stock	—	—	—		—
Common Stock	2,467	19	(19)	(h)	2,467
Capital surplus	63,302	16,081	1,215	(i)	80,598
Accumulated other comprehensive income	(2,583)	(9)	9	(j)	(2,583)
Retained earnings	85,267	15,699	(20,999)	(k)	79,967
Treasury stock	—	—	—		—
Unearned ESOP shares, at cost	—	(246)	246	(l)	—
Total stockholders' equity	<u>148,453</u>	<u>31,544</u>	<u>(19,548)</u>		<u>160,449</u>
Total liabilities and equity	<u>1,460,230</u>	<u>323,310</u>	<u>(17,952)</u>		<u>1,765,588</u>

Balance Sheet Pro Forma Accounting Adjustments Notes as of December 31, 2019

(a)	Adjustments to cash and cash equivalents:		
	To reflect the total anticipated after tax merger related costs borne by both Evans and FSB		\$ (5,300)
	To reflect estimated cash consideration		(17,067)
			<u>\$(22,367)</u>
(b)	Adjustment to investment securities:		
	To reflect estimated fair value of FSB's held to maturity investment securities		\$ (89)
(c)	Adjustments to loans, net:		
	To eliminate FSB's allowance for loan and lease losses		\$ 1,641
	To reflect estimated fair value of loan portfolio comprised of a credit mark of \$3.6 million and an interest rate mark of \$2.4 million		(1,219)
	To eliminate FSB's deferred loan and lease fees		592
			<u>\$ 1,014</u>
(d)	Adjustment to goodwill:		

	To reflect goodwill for amount of consideration paid in excess of fair value of assets received and liabilities assumed	\$ 1,996
(e)	Adjustment to intangible assets, net:	
	To record fair value estimate of intangible assets specifically identified Core Deposit Intangibles	\$ 1,494
(f)	Adjustment to interest-bearing deposits:	
	To reflect estimated fair value of FSB's deposits	\$ 1,047
(g)	Adjustment to borrowed funds:	
	To reflect estimated fair value of FSB's borrowed funds	\$ 549
(h)	Adjustment to common stock:	
	To eliminate FSB common stock	\$ (19)
(i)	Adjustments to additional paid in capital:	
	To eliminate FSB's additional paid in capital	\$(16,081)
	To reflect issuance of shares of Evans common stock in the merger	17,122
	To reflect payment of the stock option awards that fully vest upon closing of the merger	174
		\$ 1,215
(j)	Adjustment to accumulated other comprehensive income:	
	To eliminate FSB's accumulated other comprehensive income	\$ 9
(k)	Adjustments to retained earnings:	
	To eliminate FSB's retained earnings	\$(15,699)
	To reflect the total anticipated after tax merger related costs borne by both Evans and FSB	(5,300)
		\$(20,999)
(l)	Adjustments to unearned ESOP shares:	
	To reflect the liquidation of the remaining unallocated shares in the ESOP	\$ 246

Preliminary purchase price allocation (in thousands, except per share data)

Pro forma stock consideration:		
	Shares of FSB common stock outstanding of 1,940,661 as of December 31, 2019 at exchange ratio of 0.4394	421
	Price per share, based upon Evans' closing price as of December 18, 2019	\$ 40.64
	Total pro forma stock consideration	17,122
	Cash consideration:	17,067
	Total consideration to holders of FSB common stock	34,190
	Economic value of FSB options (172,080 at weighted average exercise price of \$16.79)	174
	Total pro forma purchase price	\$34,363

	12/31/2019 <i>(as reported)</i>	Pro Forma Adj	12/31/2019 <i>(as adjusted)</i>
<u>ASSETS OF ACQUIRED BANK (FSB)</u>			
Cash and cash equivalents	\$ 7,933	—	\$ 7,933
Investment securities	23,292	(89)	23,203
Loans, net of allowance for loan losses	276,702	1,014	277,716
Premises and equipment	2,439	—	2,439
Goodwill	—	—	—
Intangible assets	—	1,494	1,494
Other assets	12,944	—	12,944
Total Assets	<u>\$ 323,310</u>	<u>\$ 2,419</u>	<u>\$ 325,729</u>
<u>LIABILITIES OF ACQUIRED BANK (FSB)</u>			
Deposits	235,560	1,047	236,607
Other borrowed funds	51,735	549	52,284
Other liabilities	4,471	—	4,471
Total liabilities assumed	<u>291,766</u>	<u>1,596</u>	<u>293,362</u>
Net assets acquired			32,367
Preliminary pro forma goodwill			1,996

EVANS BANCORP, INC./FSB BANCORP, INC.
UNAUDITED PRO FORMA COMBINED CONDENSED STATEMENT OF INCOME
FOR THE YEAR ENDED DECEMBER 31, 2019
(Dollars in thousands, except per share amounts)

	EVBN 12/31/2019 (as reported)	FSB 12/31/2019 (as reported)	Pro Forma Adj	Notes	Pro Forma 12/31/2019 Combined
<u>INTEREST INCOME</u>					
Interest and fees on loans	\$ 60,193	\$ 12,248	813	(a)	\$ 73,254
Interest on investment securities	3,850	693	(13)	(b)	4,530
Other interest income	697	106	—		803
Total interest income	<u>\$ 64,760</u>	<u>\$ 13,047</u>	<u>\$ 800</u>		<u>\$ 78,587</u>
<u>INTEREST EXPENSE</u>					
Interest on deposits	11,939	3,469	209	(c)	15,617
Interest on borrowed funds	746	1,468	275	(d)	2,489
Total interest expense	<u>12,685</u>	<u>4,937</u>	<u>484</u>		<u>18,106</u>
Net interest income	52,055	8,110	316		60,481
Provision for loan losses	75	295	—		370
Net interest income after provision for loan losses	51,980	7,815	316		60,111
<u>NONINTEREST INCOME</u>					
Service fees	2,569	141	—		2,710
Fee income	10,688	19	—		10,707
Bank owned life insurance	656	58	—		714
Realized gain on sale of loans	154	931	—		1,085
Mortgage fee income	—	612	—		612
Other	4,015	176	—		4,191
Total noninterest income	<u>18,082</u>	<u>1,937</u>	<u>—</u>		<u>20,019</u>
<u>NONINTEREST EXPENSE</u>					
Salaries, benefits and other compensation	29,628	6,137	—		35,765
Occupancy expense	3,429	1,056	—		4,485
Other operating expense	14,763	3,173	149	(e)	18,085
Total noninterest expense	<u>47,820</u>	<u>10,366</u>	<u>149</u>		<u>58,335</u>
Income before taxes	22,242	(614)	167		21,795
Income tax provision	5,228	(101)	43	(f)	5,170
Net income	17,014	(513)	123		16,624
Basic earnings per share	<u>3.47</u>				<u>3.13</u>
Diluted earnings per share	<u>3.42</u>				<u>3.08</u>
Weighted average shares outstanding for basic EPS	4,897,803		421,303	(g)	5,319,106
Adjusted weighted average shares outstanding for diluted EPS	4,968,172		421,303	(g)	5,389,475

Income Statement Pro Forma Accounting Adjustments Notes for the Twelve Months Ended December 31, 2019

(a)	Adjustments to interest and fees on loans: To reflect the interest income for accretion on purchased performing acquired loans based on estimated fair market value adjustment	\$ 813
(b)	Adjustment to interest on investment securities: To reflect the interest income for accretion on purchased performing acquired investments based on estimated fair market value adjustment	\$ (13)
(c)	Adjustment to interest on deposit accounts: To reflect amortization of the discount based on estimated fair market value adjustment	\$ 209
(d)	Adjustment to interest on borrowed funds: To reflect amortization of the discount based on estimated fair market value adjustment	\$ 275
(e)	Adjustment to amortization of intangible assets: To reflect estimated amortization of core deposit intangibles based on 10 year useful life	\$ 149
(f)	Adjustment to income taxes: To reflect the tax adjustment related to pro forma adjustments calculated at a 26% rate	\$ 43
(g)	Adjustment to weighted average shares: To reflect the increase in the weighted average shares in connection with the issuance of shares of Evans common stock in the merger (comprised of 1.94 million shares of FSB at a conversion rate of 0.4394)	421,303

[\(Back To Top\)](#)