

Edgar Filing: Allegiance Bancshares, Inc. - Form 10-Q

Allegiance Bancshares, Inc.  
Form 10-Q  
November 10, 2016

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

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FORM 10-Q

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QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

FOR THE QUARTERLY PERIOD ENDED SEPTEMBER 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: 001-37585

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Allegiance Bancshares, Inc.  
(Exact name of registrant as specified in its charter)

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Texas 26-3564100  
(State or other jurisdiction (I.R.S. Employer  
of incorporation or organization) Identification No.)

8847 West Sam Houston Parkway, N., Suite 200  
Houston, Texas 77040

(Address of principal executive offices, including zip code)

(281) 894-3200

(Registrant's telephone number, including area code)

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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 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 definitions of "accelerated filer", "large 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 November 3, 2016, there were 12,905,068 outstanding shares of the registrant's Common Stock, par value \$1.00 per share.

ALLEGIANCE BANCSHARES, INC.  
INDEX TO FORM 10-Q  
SEPTEMBER 30, 2016

PART I—FINANCIAL INFORMATION

<u>Item 1.</u>	<u>Interim Consolidated Financial Statements</u>	
	<u>Consolidated Balance Sheets (unaudited)</u>	<u>3</u>
	<u>Consolidated Statements of Income</u>	<u>4</u>
	<u>Consolidated Statements of Comprehensive Income (unaudited)</u>	<u>5</u>
	<u>Consolidated Statements of Changes in Stockholders' Equity (unaudited)</u>	<u>6</u>
	<u>Consolidated Statements of Cash Flows (unaudited)</u>	<u>7</u>
	<u>Condensed Notes to Interim Consolidated Financial Statements (unaudited)</u>	<u>8</u>
<u>Item 2.</u>	<u>Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	<u>34</u>
<u>Item 3.</u>	<u>Quantitative and Qualitative Disclosures about Market Risk</u>	<u>56</u>
<u>Item 4.</u>	<u>Controls and Procedures</u>	<u>57</u>

PART II—OTHER INFORMATION

<u>Item 1.</u>	<u>Legal Proceedings</u>	<u>58</u>
<u>Item 1A.</u>	<u>Risk Factors</u>	<u>58</u>
<u>Item 2.</u>	<u>Unregistered Sales of Equity Securities and Use of Proceeds</u>	<u>58</u>
<u>Item 3.</u>	<u>Defaults upon Senior Securities</u>	<u>58</u>
<u>Item 4.</u>	<u>Mine Safety Disclosures</u>	<u>58</u>
<u>Item 5.</u>	<u>Other Information</u>	<u>58</u>
<u>Item 6.</u>	<u>Exhibits</u>	<u>59</u>
	<u>Signatures</u>	<u>60</u>

Table of Contents

## PART I—FINANCIAL INFORMATION

## ITEM 1. INTERIM CONSOLIDATED FINANCIAL STATEMENTS

## ALLEGIANCE BANCSHARES, INC.

## CONSOLIDATED BALANCE SHEETS

	September 30, 2016 (Unaudited)	December 31, 2015 (Unaudited)
	(Dollars in thousands, except share data)	
<b>ASSETS</b>		
Cash and due from banks	\$ 133,053	\$ 63,380
Interest-bearing deposits at other financial institutions	92,029	85,051
Total cash and cash equivalents	225,082	148,431
Available for sale securities, at fair value	310,033	165,097
Loans held for sale	—	27,887
Loans held for investment	1,830,722	1,653,165
Less: allowance for loan losses	(17,185 )	(13,098 )
Loans, net	1,813,537	1,667,954
Accrued interest receivable	6,962	6,518
Premises and equipment, net	17,811	18,471
Other real estate owned	1,138	—
Federal Home Loan Bank stock	11,938	2,569
Branch assets held for sale	—	1,398
Bank owned life insurance	21,684	21,211
Goodwill	39,389	39,389
Core deposit intangibles, net	4,250	5,230
Other assets	10,078	8,311
<b>TOTAL ASSETS</b>	<b>\$ 2,461,902</b>	<b>\$ 2,084,579</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
<b>LIABILITIES:</b>		
Deposits:		
Noninterest-bearing	\$ 604,278	\$ 620,320
Interest-bearing		
Demand	112,009	97,826
Money market and savings	504,481	431,305
Certificates and other time	680,111	609,682
Total interest-bearing deposits	1,296,601	1,138,813
Total deposits	1,900,879	1,759,133
Accrued interest payable	259	124
Short-term borrowings	61,000	50,000
Other borrowed funds	200,569	569
Subordinated debentures	9,169	9,089
Other liabilities	8,931	7,174
Total liabilities	2,180,807	1,826,089
<b>COMMITMENTS AND CONTINGENCIES (See Note 12)</b>		
<b>STOCKHOLDERS' EQUITY:</b>		
	—	—

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Preferred stock, \$1 par value; 1,000,000 shares authorized; there were no shares issued and outstanding of Series A or Series B, each has a \$1,000 liquidation value		
Common stock, \$1 par value; 40,000,000 shares authorized; 12,905,068 shares issued and outstanding at September 30, 2016 and 12,814,696 shares issued and 12,812,985 shares outstanding at December 31, 2015	12,905	12,815
Capital surplus	211,349	209,285
Retained earnings	51,491	34,411
Accumulated other comprehensive income	5,350	2,017
Less: Treasury stock, at cost, 1,711 shares at December 31, 2015. There were no treasury shares outstanding at September 30, 2016.	—	(38 )
Total stockholders' equity	281,095	258,490
<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>	<b>\$2,461,902</b>	<b>\$2,084,579</b>

See condensed notes to interim consolidated financial statements.

Table of Contents

ALLEGIANCE BANCSHARES, INC.  
 CONSOLIDATED STATEMENTS OF INCOME  
 (Unaudited)

	Three Months		Nine Months	
	Ended September		Ended September	
	30,	30,	30,	30,
	2016	2015	2016	2015
	(Dollars in thousands, except per share data)			
<b>INTEREST INCOME:</b>				
Loans, including fees	\$24,057	\$21,627	\$69,124	\$63,012
Securities:				
Taxable	607	252	1,329	694
Tax-exempt	1,505	723	3,402	1,441
Deposits in other financial institutions	150	43	442	167
Total interest income	26,319	22,645	74,297	65,314
<b>INTEREST EXPENSE:</b>				
Demand, money market and savings deposits	651	545	1,764	1,582
Certificates and other time deposits	1,872	1,287	5,097	3,642