

C & F FINANCIAL CORP
Form 10-Q
November 08, 2011

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, 2011

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: 000-23423

C&F Financial Corporation

(Exact name of registrant as specified in its charter)

Virginia
(State or other jurisdiction of incorporation or organization)

54-1680165
(I.R.S. Employer Identification No.)

802 Main Street West Point, VA
(Address of principal executive offices)

23181
(Zip Code)

(804) 843-2360
(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

At November 7, 2011, the latest practicable date for determination, 3,138,805 shares of common stock, \$1.00 par value, of the registrant were outstanding.

TABLE OF CONTENTS

	Page
Part I - Financial Information	
Item 1.	<u>Financial Statements</u>
	<u>Consolidated Balance Sheets – September 30, 2011 (unaudited) and December 31, 2010</u> 2
	<u>Consolidated Statements of Income (unaudited) – Three and nine months ended September 30, 2011 and 2010</u> 3
	<u>Consolidated Statements of Shareholders' Equity (unaudited) - Nine months ended September 30, 2011 and 2010</u> 4
	<u>Consolidated Statements of Cash Flows (unaudited) - Nine months ended September 30, 2011 and 2010</u> 5
	<u>Notes to Consolidated Financial Statements (unaudited)</u> 6
Item 2.	<u>Management's Discussion and Analysis of Financial Condition and Results of Operations</u> 24
Item 3.	<u>Quantitative and Qualitative Disclosures About Market Risk</u> 44
Item 4.	<u>Controls and Procedures</u> 44
Part II - Other Information	
Item 1A.	<u>Risk Factors</u> 44
Item 2.	<u>Unregistered Sales of Equity Securities and Use of Proceeds</u> 44
Item 6.	<u>Exhibits</u> 45
	<u>Signatures</u> 46

Table of Contents

PART I - FINANCIAL INFORMATION

ITEM FINANCIAL STATEMENTS

1.

CONSOLIDATED BALANCE SHEETS
(In thousands, except for share and per share amounts)

	September 30, 2011 (Unaudited)	December 31, 2010
ASSETS		
Cash and due from banks	\$4,775	\$ 7,150
Interest-bearing deposits in other banks	18,058	2,530
Federal funds sold	801	--
Total cash and cash equivalents	23,634	9,680
Securities-available for sale at fair value, amortized cost of \$135,114 and \$129,505, respectively	141,793	130,275
Loans held for sale, net	36,377	67,153
Loans, net of allowance for loan losses of \$32,590 and \$28,840, respectively	622,921	606,744
Federal Home Loan Bank stock, at cost	3,798	3,887
Corporate premises and equipment, net	28,768	28,743
Other real estate owned, net of valuation allowance of \$3,822 and \$3,979, respectively	6,442	10,674
Accrued interest receivable	5,150	5,073
Goodwill	10,724	10,724
Other assets	29,292	31,184
Total assets	\$908,899	\$ 904,137
LIABILITIES AND SHAREHOLDERS' EQUITY		
Deposits		
Noninterest-bearing demand deposits	\$98,127	\$ 87,263
Savings and interest-bearing demand deposits	226,995	228,185
Time deposits	312,244	309,686
Total deposits	637,366	625,134
Short-term borrowings	5,253	10,618
Long-term borrowings	133,551	132,902
Trust preferred capital notes	20,620	20,620
Accrued interest payable	1,120	1,160
Other liabilities	17,717	20,926
Total liabilities	815,627	811,360
Commitments and contingent liabilities		
Shareholders' equity		
Preferred stock (\$1.00 par value, 3,000,000 shares authorized, 10,000 and 20,000 shares issued and outstanding, respectively)	10	20

Edgar Filing: C & F FINANCIAL CORP - Form 10-Q

Common stock (\$1.00 par value, 8,000,000 shares authorized, 3,133,327 and 3,118,066 shares issued and outstanding, respectively)	3,047	3,032
Additional paid-in capital	12,814	22,112
Retained earnings	73,724	67,542
Accumulated other comprehensive income, net	3,677	71
Total shareholders' equity	93,272	92,777
Total liabilities and shareholders' equity	\$908,899	\$ 904,137

The accompanying notes are an integral part of the consolidated financial statements.

Table of Contents

CONSOLIDATED STATEMENTS OF INCOME

(Unaudited)

(In thousands, except for share and per share amounts)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2011	2010	2011	2010
Interest income				
Interest and fees on loans	\$17,611	\$16,530	\$51,000	\$48,014
Interest on money market investments	7	9	38	37
Interest and dividends on securities				
U.S. government agencies and corporations	50	63	156	230