

QCR HOLDINGS INC
Form 10-Q
May 04, 2015

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

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

For the quarterly period ended March 31, 2015

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 0-22208

QCR HOLDINGS, INC.

(Exact name of Registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation or organization)

42-1397595

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

3551 7th Street, Moline, Illinois 61265

(Address of principal executive offices, including zip code)

(309) 743-7724

(Registrant's telephone number, including area code)

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 X] 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 X] 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. (Check one):

Large accelerated filer] Accelerated filer X] Non-accelerated filer] 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 X]

Indicate the number of shares outstanding of each of the issuer’s classes of common stock as of the latest practicable date: As of April 29, 2015, the Registrant had outstanding 7,995,810 shares of common stock, \$1.00 par value per share.

QCR HOLDINGS, INC. AND SUBSIDIARIES

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QCR HOLDINGS, INC. AND SUBSIDIARIES**CONSOLIDATED BALANCE SHEETS (UNAUDITED)****As of March 31, 2015 and December 31, 2014**

	March 31, 2015	December 31, 2014
ASSETS		
Cash and due from banks	\$45,138,266	\$38,235,019
Federal funds sold	14,035,000	46,780,000
Interest-bearing deposits at financial institutions	17,118,983	35,334,682
Securities held to maturity, at amortized cost	215,146,171	199,879,574
Securities available for sale, at fair value	422,258,100	451,659,630
Total securities	637,404,271	651,539,204
Loans receivable held for sale	789,000	553,000
Loans/leases receivable held for investment	1,653,662,236	1,629,450,070
Gross loans/leases receivable	1,654,451,236	1,630,003,070
Less allowance for estimated losses on loans/leases	(23,883,273)	(23,074,365)
Net loans/leases receivable	1,630,567,963	1,606,928,705
Premises and equipment, net	38,473,407	36,021,128
Bank-owned life insurance	54,202,287	53,723,548
Restricted investment securities	15,702,075	15,559,575
Other real estate owned, net	13,245,314	12,767,636
Goodwill	3,222,688	3,222,688
Core deposit intangible	1,621,043	1,670,921
Other assets	20,927,709	23,174,994
Total assets	\$2,491,659,006	\$2,524,958,100
LIABILITIES AND STOCKHOLDERS' EQUITY		
LIABILITIES		
Deposits:		
Noninterest-bearing	\$582,510,208	\$511,991,864
Interest-bearing	1,151,759,179	1,167,676,149
Total deposits	1,734,269,387	1,679,668,013
Short-term borrowings	183,335,719	268,351,670
Federal Home Loan Bank advances	196,500,000	203,500,000
Other borrowings	149,109,915	150,282,492
Junior subordinated debentures	40,457,936	40,423,735
Other liabilities	36,990,084	38,653,681
Total liabilities	2,340,663,041	2,380,879,591

STOCKHOLDERS' EQUITY

Common stock, \$1 par value; shares authorized 20,000,000 March 2015 - 8,113,040 shares issued and 7,991,794 outstanding December 2014 - 8,074,443 shares issued and 7,953,197 outstanding	8,113,040	8,074,443
Additional paid-in capital	62,149,073	61,668,968
Retained earnings	82,054,713	77,876,824
Accumulated other comprehensive income (loss):		
Securities available for sale	922,686	(1,535,849)
Interest rate cap derivatives	(637,037)	(399,367)
Less treasury stock, March 2015 and December 2014 - 121,246 common shares, at cost	(1,606,510)	(1,606,510)
Total stockholders' equity	150,995,965	144,078,509
Total liabilities and stockholders' equity	\$2,491,659,006	\$2,524,958,100

See Notes to Consolidated Financial Statements (Unaudited)

QCR HOLDINGS, INC. AND SUBSIDIARIES**CONSOLIDATED STATEMENTS OF INCOME (UNAUDITED)****Three Months Ended March 31,**

	2015	2014
Interest and dividend income:		
Loans/leases, including fees	\$ 18,004,519	\$ 16,775,590
Securities:		
Taxable	1,942,765	2,582,794
Nontaxable	1,730,568	1,454,056
Interest-bearing deposits at financial institutions	77,054	90,527
Restricted investment securities	142,318	128,925
Federal funds sold	4,506	3,319
Total interest and dividend income	21,901,730	21,035,211
Interest expense:		
Deposits	1,072,445	1,101,593
Short-term borrowings	64,025	51,696
Federal Home Loan Bank advances	1,443,715	1,555,976
Other borrowings	1,231,886	1,171,531
Junior subordinated debentures	307,442	305,174
Total interest expense	4,119,513	4,185,970
Net interest income	17,782,217	16,849,241
Provision for loan/lease losses	1,710,456	1,094,162
Net interest income after provision for loan/lease losses	16,071,761	15,755,079
Noninterest income:		
Trust department fees	1,633,395	1,500,342
Investment advisory and management fees	710,043	648,992
Deposit service fees	1,116,983	1,045,885
Gains on sales of residential real estate loans	86,140	63,487
Gains on sales government guaranteed portions of loans	70,973	194,019
Securities gains	421,066	20,625
Earnings on bank-owned life insurance	478,739	454,164
Swap fee income	726,207	62,000
Debit card fees	238,000	230,605
Correspondent banking fees	319,621	232,143
Participation service fees on commercial loan participations	221,949	206,194
Losses on other real estate owned, net	(28,953)	(18,048)
Other	255,778	106,433
Total noninterest income	6,249,941	4,746,841
Noninterest expense:		
Salaries and employee benefits	11,034,452	10,017,918

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Occupancy and equipment expense	1,794,171	1,894,288
Professional and data processing fees	1,470,517	1,584,406
FDIC and other insurance	719,057	714,750
Loan/lease expense	466,613	345,636
Advertising and marketing	418,237	337,587
Postage and telephone	248,956	290,675
Stationery and supplies	142,555	151,751
Bank service charges	337,458	298,032
Other	600,308	505,377
Total noninterest expense	17,232,324	16,140,420
Net income before income taxes	5,089,378	4,361,500
Federal and state income tax expense	911,489	472,285
Net income	\$4,177,889	\$3,889,215
Less: Preferred stock dividends	-	708,008
Net income attributable to QCR Holdings, Inc. common stockholders	\$4,177,889	\$3,181,207
Earnings per common share attributable to QCR Holdings, Inc. common shareholders		
Basic	\$0.52	\$0.40
Diluted	\$0.52	\$0.40
Weighted average common shares outstanding	7,975,910	7,901,035
Weighted average common and common equivalent shares outstanding	8,097,444	8,030,043
Cash dividends declared per common share	\$-	\$-

See Notes to Consolidated Financial Statements (Unaudited)

QCR HOLDINGS, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (UNAUDITED)

Three Months Ended March 31, 2015 and 2014

	Three Months Ended March 31,	
	2015	2014
Net income	\$4,177,889	\$3,889,215
Other comprehensive income:		
Unrealized gains on securities available for sale:		
Unrealized holding gains arising during the period before tax	4,402,337	8,490,174
Less reclassification adjustment for gains included in net income before tax	421,066	20,625
	3,981,271	8,469,549
Unrealized losses on interest rate cap derivatives:		