

MidWestOne Financial Group, Inc.
Form 10-Q
April 30, 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

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 001-35968

MIDWESTONE FINANCIAL GROUP, INC.
(Exact name of Registrant as specified in its charter)

Iowa 42-1206172
(State or other jurisdiction of incorporation or (I.R.S. Employer Identification No.)
organization)

102 South Clinton Street
Iowa City, IA 52240
(Address of principal executive offices, including zip code)
319-356-5800
(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 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 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
Non-accelerated filer (Do not check if a smaller reporting company) Smaller reporting company

Edgar Filing: MidWestOne Financial Group, Inc. - Form 10-Q

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 April 29, 2015, there were 8,374,598 shares of common stock, \$1.00 par value per share, outstanding.

Table of Contents

MIDWESTONE FINANCIAL GROUP, INC.
 Form 10-Q Quarterly Report
 Table of Contents

	Page No.
PART I	
Item 1. <u>Financial Statements</u>	<u>1</u>
<u>Consolidated Balance Sheets</u>	<u>1</u>
<u>Consolidated Statements of Operations</u>	<u>2</u>
<u>Consolidated Statements of Comprehensive Income</u>	<u>3</u>
<u>Consolidated Statements of Shareholders' Equity</u>	<u>4</u>
<u>Consolidated Statements of Cash Flows</u>	<u>5</u>
<u>Notes to Consolidated Financial Statements</u>	<u>6</u>
Item 2. <u>Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	<u>31</u>
Item 3. <u>Quantitative and Qualitative Disclosures about Market Risk</u>	<u>47</u>
Item 4. <u>Controls and Procedures</u>	<u>49</u>
Part II	
Item 1. <u>Legal Proceedings</u>	<u>51</u>
Item 1A. <u>Risk Factors</u>	<u>51</u>
Item 2. <u>Unregistered Sales of Equity Securities and Use of Proceeds</u>	<u>51</u>
Item 3. <u>Defaults Upon Senior Securities</u>	<u>51</u>
Item 4. <u>Mine Safety Disclosures</u>	<u>51</u>
Item 5. <u>Other Information</u>	<u>51</u>
Item 6. <u>Exhibits</u>	<u>52</u>
<u>Signatures</u>	<u>53</u>

Table of Contents

PART I – FINANCIAL INFORMATION

Item 1. Financial Statements.

MIDWESTONE FINANCIAL GROUP, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

	March 31, 2015	December 31, 2014
(dollars in thousands, except per share amounts)	(unaudited)	
ASSETS		
Cash and due from banks	\$18,954	\$23,028
Interest-bearing deposits in banks	1,013	381
Federal funds sold	1,489	—
Cash and cash equivalents	21,456	23,409
Investment securities:		
Available for sale	408,950	474,942
Held to maturity (fair value of \$54,574 as of March 31, 2015 and \$51,253 as of December 31, 2014)	54,293	51,524
Loans held for sale	2,281	801
Loans	1,176,327	1,132,519
Allowance for loan losses	(16,526)	(16,363)
Net loans	1,159,801	1,116,156
Loan pool participations, net	18,230	19,332
Premises and equipment, net	39,443	37,770
Accrued interest receivable	9,358	10,898
Intangible assets, net	8,151	8,259
Bank-owned life insurance	38,437	38,142
Other real estate owned	1,652	1,916
Deferred income taxes	2,392	3,078
Other assets	13,533	14,075
Total assets	\$1,777,977	\$1,800,302
LIABILITIES AND SHAREHOLDERS' EQUITY		
Deposits:		
Non-interest-bearing demand	\$212,711	\$214,461
Interest-bearing checking	628,990	618,540
Savings	106,380	102,527
Certificates of deposit under \$100,000	229,543	235,395
Certificates of deposit \$100,000 and over	230,629	237,619
Total deposits	1,408,253	1,408,542
Federal funds purchased	8,900	17,408
Securities sold under agreements to repurchase	55,326	60,821
Federal Home Loan Bank borrowings	78,000	93,000
Deferred compensation liability	3,402	3,393
Long-term debt	15,464	15,464
Accrued interest payable	932	863
Other liabilities	10,308	8,080