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Evans Bancorp Inc. The Wall Street Analyst Forum Call Transcript

Question-and-Answer Session

Unidentified Analyst

(Question Inaudible)

David Nasca

Okay.

Unidentified Analyst

(Question Inaudible)

David Nasca

Okay. Let me restate the question for the folks around the webcast. The strike price for the warrant is the trailing 20-day average stock price. You're going to be approved, for example, we'll get notification at some point, and then we'll have 30 days to agree. Once we sign the documents and we close, the 20 days prior to that would be the strike price.

The second question was you asked, I thought that you could ask for approval from the Treasury to buyback shares and pay dividend. And the issue?

Unidentified Analyst

(Question Inaudible)

David Nasca

Right, and it's both of them actually. You can do both, getting approval from the Treasury. But our expectations speaking to the Washington lawyers on this is you should have a full expectation that it's going to be very difficult to get that approval.

We've been told that if you look at your dividend payout ratio, a smaller bank like ours might be able to say, we've always been paying out 43%. So to the extent we increase our company's performance, we could keep payout ratio, but we've been told to expect a very difficult time because the government does not want this money going back to shareholders.

They want it going back into lending to be honest with you. Whether it's going to happen, we've been told that small bank will have it a little easier than some of the big guys. They said the big guys are not going to get that approval. Did that answer, is that okay? Other questions, yes, please.

Unidentified Analyst

(Question Inaudible)

David Nasca

That's the issue, frankly. We've said all along that this money is cheap capital but if you can't put it to work, it could be expensive funding. That's one of the wrestles. We're growing, we're growing branches currently. The capital could be used for that. The capital could be used for acquisitions.

We've been told that will be acceptable by the government, but we're looking very strongly at what you can do with that money. There are not a lot of acquisitions in our market, our contiguous marketplace. That's the challenge. That's a \$64 million question to be honest with you, so. Yes, please.

Unidentified Analyst

(Question Inaudible)

David Nasca

The question was how long, who are our main auditors and how long have they been on the job? Our main auditors are KPMG. They have been with the company – I've only been there 18 months, but I believe they have been over six years. Any last questions?

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