

UNITED BANCSHARES INC/OH
Form 10-Q
July 21, 2016

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, DC 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 June 30, 2016

Commission file number 333-86453

UNITED BANCSHARES, INC.

(Exact name of Registrant as specified in its charter)

Ohio

(State or other jurisdiction of incorporation or organization)

100 S. High Street, Columbus Grove, Ohio

(Address of principal executive offices)

34-1516518

(I.R.S. Employer Identification Number)

45830

(Zip Code)

(419) 659-2141

(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 (§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. (Check one):

Large accelerated filer Accelerated filer 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

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of June 30, 2016:
3,296,745

This document contains 42 pages. The Exhibit Index is on page 37 immediately preceding the filed exhibits.

UNITED BANCSHARES, INC.

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PART 1 - FINANCIAL INFORMATION**ITEM 1 - FINANCIAL STATEMENTS****United Bancshares, Inc. and Subsidiaries**

Consolidated Balance Sheets (Unaudited)

	(in thousands except share data)	
	June 30, 2016	December 31, 2015
ASSETS		
CASH AND CASH EQUIVALENTS		
Cash and due from banks	\$ 8,605	\$ 11,482
Interest-bearing deposits in other banks	14,335	11,440
Total cash and cash equivalents	22,940	22,922
SECURITIES, available-for-sale	184,873	182,929
RESTRICTED BANK STOCK, at cost	4,830	4,830
CERTIFICATES OF DEPOSIT, at cost	1,992	1,992
LOANS HELD FOR SALE	814	347
LOANS & LEASES	359,773	354,250
Less allowance for loan and lease losses	3,368	3,834
Net loans & leases	356,405	350,416
PREMISES AND EQUIPMENT, net	11,605	12,049
GOODWILL	10,072	10,072
CORE DEPOSIT INTANGIBLE ASSETS, net	835	903
CASH SURRENDER VALUE OF LIFE INSURANCE	17,030	16,834
OTHER REAL ESTATE OWNED	644	173
OTHER ASSETS, including accrued interest receivable	6,013	5,198
TOTAL ASSETS	\$ 618,053	\$ 608,665
LIABILITIES AND SHAREHOLDERS' EQUITY		
LIABILITIES		
Deposits:		
Non-interest bearing	\$ 89,088	\$ 93,476
Interest-bearing	422,873	424,943
Total deposits	511,961	518,419
Other borrowings	12,079	2,118
Junior subordinated deferrable interest debentures	12,789	12,773
Other liabilities	5,892	3,794
Total liabilities	542,721	537,104
SHAREHOLDERS' EQUITY		
Common stock, stated value \$1.00, authorized 10,000,000 shares; issued 3,760,557 shares	3,761	3,761

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Surplus	14,671		14,669	
Retained earnings	60,559		58,642	
Accumulated other comprehensive income	3,460		1,397	
Treasury stock, at cost, 463,812 shares at June 30, 2016 and 451,218 shares at December 31, 2015	(7,119)	(6,908)
Total shareholders' equity	75,332		71,561	
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$ 618,053		\$ 608,665	

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

United Bancshares, Inc. and Subsidiary

Condensed Consolidated Statements of Income (Unaudited)

	(in thousands except share data)			
	Three months ended		Six months ended June	
	June 30,		30,	June
	2016	2015	2016	2015
INTEREST INCOME				
Loans & leases, including fees	\$4,283	\$4,494	\$8,482	\$9,045
Securities:				
Taxable	534	695	1,071	1,390
Tax-exempt	404	403	834	792
Other	82	78	161	154
Total interest income	5,303	5,670	10,548	11,381
INTEREST EXPENSE				
Deposits	426	394	812	838
Borrowings	131	133	259	244
Total interest expense	557	527	1,071	1,082
Net interest income	4,746	5,143	9,477	10,299
PROVISION (CREDIT) FOR LOAN AND LEASE LOSSES				
Net interest income after provision (credit) for loan and lease losses	(300)	-	(700)	100
NON-INTEREST INCOME				
Gain on sale of loans	138	130	207	224
Net securities gains	16	18	136	52
Other operating income	909	1,129	1,838	2,004
Total non-interest income	1,063	1,277	2,181	2,280
NON-INTEREST EXPENSES				
INCOME BEFORE INCOME TAXES	4,361	4,316	8,917	8,943
PROVISION FOR INCOME TAXES	1,748	2,104	3,441	3,536
NET INCOME	412	201	798	511
NET INCOME PER SHARE (basic and diluted)	\$1,336	\$1,903	\$2,643	\$3,025
Weighted average common shares outstanding	\$0.40	\$0.57	\$0.80	\$0.90
	3,296,922	3,343,553	3,299,064	3,354,839

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

United Bancshares, Inc. and Subsidiaries

Consolidated Statements of Comprehensive Income (Unaudited)

	(in thousands)			
	Three months ended June 30,		Six months ended June 30,	
	2016	2015	2016	2015
NET INCOME	\$1,336	\$1,903	\$2,643	\$3,025
OTHER COMPREHENSIVE INCOME (LOSS)				
Unrealized gains (losses) on securities:				
Unrealized holding gains (losses) during period	1,085	(1,777)	3,261	(490)
Reclassification adjustments for gains included in net income	(16)	(18)	(136)	(52)
Other comprehensive income (loss), before income taxes	1,069	(1,795)	3,125	(542)
Income tax expense (benefit) related to items of other comprehensive income (loss)	364	(610)	1,062	(184)
Other comprehensive income (loss)	705	(1,185)	2,063	(358)