

UNITED BANCSHARES INC/OH  
Form 10-Q  
August 04, 2011

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, 2011

Commission file number 000-29283

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  X

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of July 16, 2011:  
3,445,278

This document contains 41 pages. The Exhibit Index is on page 36 immediately preceding the filed exhibits.

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UNITED BANCSHARES, INC.

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## PART 1 - FINANCIAL INFORMATION

## ITEM 1 - FINANCIAL STATEMENTS

United Bancshares, Inc. and Subsidiaries  
Consolidated Balance Sheets (Unaudited)

	June 30, 2011	December 31, 2010
<b>ASSETS</b>		
<b>CASH AND CASH EQUIVALENTS</b>		
Cash and due from banks	\$6,955,933	\$8,253,990
Interest-bearing deposits in other banks	29,271,610	40,349,646
Federal funds sold	1,252	-
Total cash and cash equivalents	36,228,795	48,603,636
SECURITIES, available-for-sale	150,931,601	140,440,361
FEDERAL HOME LOAN BANK STOCK, at cost	4,893,800	4,893,800
<b>LOANS</b>	<b>358,703,208</b>	<b>383,907,387</b>
Less allowance for loan losses	(8,879,160 )	(8,016,786 )
Net loans	349,824,048	375,890,601
PREMISES AND EQUIPMENT, net	9,707,538	9,933,432
GOODWILL	8,554,979	8,554,979
CASH SURRENDER VALUE OF LIFE INSURANCE	13,113,535	12,894,671
OTHER REAL ESTATE OWNED	3,024,521	4,524,729
OTHER ASSETS, including accrued interest receivable and other intangible assets	6,050,596	6,880,346
<b>TOTAL ASSETS</b>	<b>\$582,329,413</b>	<b>\$612,616,555</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>LIABILITIES</b>		
Deposits		
Non-interest bearing	\$50,965,733	\$50,404,847
Interest bearing	427,043,252	438,245,779
Total deposits	478,008,985	488,650,626
Other borrowings	33,192,767	55,777,834
Junior subordinated deferrable interest debentures	10,300,000	10,300,000
Accrued expenses and other liabilities	3,253,075	2,883,032
Total liabilities	524,754,827	557,611,492
<b>SHAREHOLDERS' EQUITY</b>		
	3,760,557	3,760,557

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Common stock, \$1.00 stated value. Authorized 10,000,000 shares; issued  
3,760,557 shares

Surplus	14,660,307	14,660,000
Retained earnings	41,354,166	39,600,718
Accumulated other comprehensive income	2,620,504	1,810,684
Treasury stock, 315,279 shares at June 30, 2011 and 315,668 shares at December 31, 2010, at cost	(4,820,948 )	(4,826,896 )
Total shareholders' equity	57,574,586	55,005,063
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>\$582,329,413</b>	<b>\$612,616,555</b>

See notes to consolidated financial statements

United Bancshares, Inc. and Subsidiary  
Condensed Consolidated Statements of Income (Unaudited)

	Three months ended June 30,		Six months ended June 30,	
	2011	2010	2011	2010
<b>INTEREST INCOME</b>				
Loans, including fees	\$5,444,360	\$6,197,051	\$11,042,272	\$12,360,024
Securities:				
Taxable	887,588	1,063,448	1,767,484	2,106,968
Tax-exempt	493,060	500,308	980,739	995,383
Other	28,849	28,558	46,697	38,752
Total interest income	6,853,857	7,789,365	13,837,192	15,501,127
<b>INTEREST EXPENSE</b>				
Deposits	1,470,291	1,596,528	2,826,426	3,289,701
Other borrowings	528,928	787,271	1,063,139	1,582,897
Total interest expense	1,999,219	2,383,799	3,889,565	4,872,598
<b>NET INTEREST INCOME</b>	4,854,638	5,405,566	9,947,627	10,628,529
<b>PROVISION FOR LOAN LOSSES</b>	1,300,000	1,800,000	2,575,000	2,600,000
<b>NET INTEREST INCOME AFTER PROVISION FOR LOAN LOSSES</b>	3,554,638	3,605,566	7,372,627	8,028,529
<b>NON-INTEREST INCOME</b>				
Gain on sales of loans	75,869	119,327	133,523	189,420
Gain on sales of securities	618,990	1,135	639,991	1,135
Change in fair value of mortgage servicing rights	39,661	(364,885 )	54,286	(397,358 )
Other	725,121	684,708	1,372,311	1,377,417
Total non-interest income	1,459,641	440,285	2,200,111	1,170,614
<b>NON-INTEREST EXPENSES</b>	3,823,899	3,932,019	7,600,290	7,855,712
Income before income taxes	1,190,380	113,832	1,972,448	1,343,431
<b>PROVISION (CREDIT) FOR INCOME TAXES</b>	203,000	(193,000 )	219,000	13,000
<b>NET INCOME</b>	\$987,380	\$306,832	\$1,753,448	\$1,330,431
<b>NET INCOME PER SHARE</b>				
Basic	\$0.29	\$0.09	\$0.51	\$0.39
Weighted average common shares outstanding	3,445,278	3,444,549	3,445,265	3,444,532
Diluted	\$0.29	\$0.09	\$0.51	\$0.39
Weighted average common shares outstanding	3,445,278	3,444,549	3,445,265	3,444,532

See notes to consolidated financial statements



United Bancshares, Inc. and Subsidiaries  
 Consolidated Statements of Shareholders' Equity (Unaudited)  
 Six months ended June 30, 2011 and 2010

	Common Stock	Surplus	Retained Earnings	Accumulated Other Comprehensive Income	Treasury Stock	Total
BALANCE AT DECEMBER 31, 2010	\$3,760,557	14,660,000	39,600,718	1,810,684	(4,826,896)	\$55,005,063
Net income			1,753,448			1,753,448
Change in unrealized gain on available-for-sale securities, net of income taxes				809,820		809,820
Total comprehensive income						2,563,268
89 shares issued from treasury in connection with the Corporation's Employee Stock Purchase Plan		307			5,948	6,255
BALANCE AT JUNE 30, 2011	\$3,760,557	14,660,307	41,354,166	2,620,504	(4,820,948)	\$57,574,586