

UNITED BANCSHARES INC/OH  
Form 10-Q  
November 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 September 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 October 14, 2011:  
3,445,679

This document contains 44 pages. The Exhibit Index is on page 38 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)

	September 30, 2011	December 31, 2010
<b>ASSETS</b>		
<b>CASH AND CASH EQUIVALENTS</b>		
Cash and due from banks	\$7,013,453	\$8,253,990
Interest-bearing deposits in other banks	38,376,532	40,349,646
Federal funds sold	526,439	-
Total cash and cash equivalents	45,916,424	48,603,636
SECURITIES, available-for-sale	152,507,095	140,440,361
FEDERAL HOME LOAN BANK STOCK, at cost	4,893,800	4,893,800
<b>LOANS</b>	<b>349,569,167</b>	<b>383,907,387</b>
Less allowance for loan losses	(8,442,101 )	(8,016,786 )
Net loans	341,127,066	375,890,601
PREMISES AND EQUIPMENT, net	9,608,871	9,933,432
GOODWILL	8,554,979	8,554,979
CASH SURRENDER VALUE OF LIFE INSURANCE	13,220,494	12,894,671
OTHER REAL ESTATE OWNED	3,294,500	4,524,729
OTHER ASSETS, including accrued interest receivable and other intangible assets	5,582,405	6,880,346
<b>TOTAL ASSETS</b>	<b>\$584,705,634</b>	<b>\$612,616,555</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>LIABILITIES</b>		
Deposits		
Non-interest bearing	\$55,173,150	\$50,404,847
Interest bearing	426,112,940	438,245,779
Total deposits	481,286,090	488,650,626
Other borrowings	31,260,780	55,777,834
Junior subordinated deferrable interest debentures	10,300,000	10,300,000
Accrued expenses and other liabilities	3,312,711	2,883,032
Total liabilities	526,159,581	557,611,492
<b>SHAREHOLDERS' EQUITY</b>		

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Common stock, \$1.00 stated value. Authorized 10,000,000 shares; issued 3,760,557 shares	3,760,557	3,760,557
Surplus	14,660,579	14,660,000
Retained earnings	41,601,465	39,600,718
Accumulated other comprehensive income	3,338,268	1,810,684
Treasury stock, 314,878 shares at September 30, 2011 and 315,668 shares at December 31, 2010, at cost	(4,814,816 )	(4,826,896 )
Total shareholders' equity	58,546,053	55,005,063
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>\$584,705,634</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 September		Nine months ended September	
	2011	30, 2010	2011	30, 2010
<b>INTEREST INCOME</b>				
Loans, including fees	\$5,147,788	\$6,049,849	\$16,190,060	\$18,409,873
Securities:				
Taxable	800,111	952,278	2,567,595	3,059,246
Tax-exempt	481,889	500,674	1,462,628	1,496,057
Other	20,760	19,076	67,457	57,828
Total interest income	6,450,548	7,521,877	20,287,740	23,023,004
<b>INTEREST EXPENSE</b>				
Deposits	1,422,020	1,510,361	4,248,446	4,800,062
Other borrowings	360,361	591,481	1,423,500	2,174,378
Total interest expense	1,782,381	2,101,842	5,671,946	6,974,440
<b>NET INTEREST INCOME</b>	4,668,167	5,420,035	14,615,794	16,048,564
<b>PROVISION FOR LOAN LOSSES</b>	1,400,000	1,900,000	3,975,000	4,500,000
<b>NET INTEREST INCOME AFTER PROVISION FOR LOAN LOSSES</b>	3,268,167	3,520,035	10,640,794	11,548,564
<b>NON-INTEREST INCOME</b>				
Gain on sales of loans	62,813	285,663	276,220	475,083
Gain on sales of securities	252,935	274,946	892,926	276,081
Change in fair value of mortgage servicing rights	(317,539 )	18,881	(263,253 )	(378,477 )
Other	809,302	666,135	2,101,728	2,043,552
Total non-interest income	807,511	1,245,625	3,007,621	2,416,239
<b>NON-INTEREST EXPENSES</b>	3,992,379	3,763,253	11,592,668	11,618,965
Income before income taxes	83,299	1,002,407	2,055,747	2,345,838
<b>PROVISION (CREDIT) FOR INCOME TAXES</b>	(164,000 )	123,000	55,000	