

UNITED BANCSHARES INC/OH
Form 8-K
February 08, 2005

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the

Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): **February 8, 2005**

UNITED BANCSHARES, INC.

(Exact name of Registrant as specified in its Charter)

Ohio

(State or other jurisdiction of

incorporation)

100 S. High Street, Columbus Grove, Ohio

(Address of principal executive offices)

Registrant's telephone number, including area code:

000-29283

(Commission File No.)

45830-1241

(Zip Code)

(419) 659-2141

34-1516518

(IRS Employer
Identification Number)

N/A

(Former name or former address, if changed since last report)

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Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

—

Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

—

Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

—

Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

—

Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 2.02. Results of Operations and Financial Condition.

On February 8, 2005, United Bancshares, Inc. issued a press release announcing its financial results for year ended December 31, 2004. A copy of the February 8, 2005 press release is attached as Exhibit 99.1 and incorporated herein by reference. A copy of the Unaudited Consolidated Balance Sheets and Unaudited Consolidated Statements of Income are attached as Exhibit 99.2

The information in this Item 2.02, including Exhibit 99.2 furnished herewith, is being furnished and shall not be deemed to be "filed" for purposes of Section 18 of the Securities Exchange Act of 1934 (the "Exchange Act") or otherwise subject to the liabilities of that Section, nor shall such information be deemed to be incorporated by reference in any registration statement or other document filed under the Securities Act of 1933 or the Exchange Act, except as otherwise stated in such filing.

Item 8.01. Other Events.

On February 8, 2005, United Bancshares, Inc. issued a press release announcing that the Board of Directors declared a dividend of \$0.12 per share to shareholders of record on February 28, 2005, payable on March 15, 2005. A copy of the February 8, 2005 press release is attached as Exhibit 99.1 and incorporated herein by reference.

Item 9.01 Financial Statements and Exhibits.

(c) Exhibits

| Exhibit No. | Description |
|-------------|--------------------------------------|
| 99.1 | Press Release dated February 8, 2005 |
| 99.2 | Unaudited Financial Information |

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this Report to be signed on its behalf by the undersigned thereunto duly authorized.

United Bancshares, Inc.

Date: February 8, 2005

By: /s/ Brian D. Young

Brian D. Young

CFO

Exhibit 99.1

On February 8, 2005, United Bancshares, Inc. issued the following press release:

United Bancshares, Inc. (Nasdaq: UBOH news), a bank holding company headquartered in Columbus Grove, Ohio with consolidated assets of \$559 million, today announced 2004 operating results and that the Board of Directors declared a dividend of \$0.12 per share.

The declared dividend is an increase of 9% over last quarters \$0.11 per share dividend and will be paid on March 15, 2005 to shareholders of record as of February 28, 2005.

For the year ended December 31, 2004, United Bancshares, Inc. reported net income of \$3,088,000 or \$0.84 basic earnings per share. This compares to 2003 net income of \$3,691,000, or \$1.01 basic earnings per share. Compared with the same period in 2003, 2004 net income decreased \$603,000 or 16%. The decrease was the result of a \$2.0 million dollar increase in non-interest expenses and a \$1 million decrease in non-interest income, offset by a \$ 2.0 million dollar increase in net interest income. The increase in non-interest expense was the result of costs associated with the retirement of the Company's Chief Executive Officer (\$653,000), stock option charges (\$597,000), and general increases in costs associated with Company's operations. The decrease in non-interest income was the result of a \$1.6 million reduction in gain on sale of loans, offset by increases to securities gains (\$306,000), service charges (\$170,000) and other operating income (\$96,000). The increase in net interest income was the result of the Company's improved net interest margin and increased earning assets.

The Company's return on average assets was 0.59% for 2004, compared to 0.77% for 2003 and return on average equity was 7.14% for 2004 compared to 8.79% for the same period of 2003. Excluding the Company's costs associated with the stock option charges and severance costs related to its former Chief Executive Officer, the Company's 2004 return on average assets and return on average equity would have been 0.74% and 9.05%, respectively.

United Bancshares, Inc. is a locally owned and operated holding company of The Union Bank Company which serves Allen, Putnam, Sandusky, Van Wert and Wood Counties, with office locations in Bowling Green, Columbus Grove, Delphos, Gibsonburg, Kalida, Leipsic, Lima, Ottawa, and Pemberville.

This release may contain certain forward-looking statements that are provided to assist in the understanding of anticipated future financial performance. However, such performance involves risk and uncertainties that may cause actual results to differ materially. Factors that could cause actual results to differ from those discussed in the forward-looking statements include, but are not limited to, the strength of the local economies in which operations are conducted, the effects of and changes in policies and laws of regulatory agencies, inflation, and interest rates. For further discussion of certain factors that may cause such forward-looking statements to differ materially from actual results, refer to the 2003 Form 10-K.

Exhibit 99.2

United Bancshares, Inc. 2004 unaudited financial information:

UNITED BANCSHARES, INC.
CONSOLIDATED BALANCE SHEETS
December 31, 2004 and 2003
(unaudited)

| ASSETS | <u>2004</u> | <u>2003</u> |
|---|----------------------|----------------------|
| CASH AND CASH EQUIVALENTS | | |
| Cash and due from banks | \$9,187,378 | \$10,532,844 |
| Interest-bearing deposits in other banks | 867,571 | 31,277 |
| Federal funds sold | <u>4,517,000</u> | <u>531,000</u> |
| Total cash and cash equivalents | <u>14,571,949</u> | <u>11,095,121</u> |
| SECURITIES, available-for-sale | 213,617,118 | 170,504,529 |
| FEDERAL HOME LOAN BANK STOCK, at cost | 4,224,400 | 4,054,700 |
| LOANS HELD FOR SALE | 801,066 | 2,760,312 |
| LOANS | 305,789,653 | 289,460,412 |
| Less allowance for loan losses | <u>2,757,491</u> | <u>2,767,521</u> |
| Net loans | <u>303,032,162</u> | <u>286,692,891</u> |
| PREMISES AND EQUIPMENT, net | 6,720,388 | 7,222,175 |
| GOODWILL | 7,282,013 | 7,282,013 |
| OTHER TANGIBLE ASSETS, net | 1,423,384 | 1,754,764 |
| OTHER ASSETS, including accrued interest receivable | <u>7,650,723</u> | <u>7,328,622</u> |
| TOTAL ASSETS | \$559,323,203 | \$498,695,127 |
| | ===== | ===== |
| LIABILITIES AND SHAREHOLDERS EQUITY | | |

LIABILITIES

Deposits:

| | | |
|--|--------------------|--------------------|
| Non-interest bearing | \$ 37,476,832 | \$ 32,144,405 |
| Interest-bearing | <u>332,290,064</u> | <u>356,155,722</u> |
| Total deposits | 369,766,896 | 388,300,127 |
| Federal Home Loan Bank borrowings | 67,958,033 | 54,466,143 |
| Securities sold under agreements to repurchase | 64,000,000 | 0 |
| Junior subordinated deferrable interest debentures | 10,300,000 | 10,300,000 |
| Other liabilities | <u>3,069,087</u> | <u>2,938,444</u> |
| Total liabilities | <u>515,094,016</u> | <u>455,984,714</u> |

SHAREHOLDERS EQUITY

Common stock, stated value \$1. Authorized 4,750,000 shares; issued 3,760,557 shares in 2004 and 3,740,468 in 2003

| | | |
|--|--------------------|--------------------|
| | 3,760,557 | 3,740,468 |
| Surplus | 14,598,030 | 14,459,593 |
| Retained earnings | 26,166,782 | 24,697,441 |
| Accumulated other comprehensive income | 713,857 | 1,055,610 |
| Treasury stock, 71,576 shares in 2004 and 88,064 shares in 2003, at cost | <u>(1,010,039)</u> | <u>(1,242,699)</u> |
| Total shareholders equity | <u>44,229,187</u> | <u>42,710,413</u> |
| TOTAL LIABILITY AND | \$559,323,203 | \$498,695,127 |

SHAREHOLDERS EQUITY

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UNITED BANCSHARES, INC.**CONSOLIDATED STATEMENTS OF INCOME****Years Ended December 31, 2004, 2003 and 2002****(unaudited)**

| | <u>2004</u> | <u>2003</u> | <u>2002</u> |
|--|-------------------|-------------------|-------------------|
| INTEREST INCOME | | | |
| Loans, including fees | \$18,995,472 | \$18,416,881 | \$17,513,362 |
| Securities: | | | |
| Taxable | 5,777,900 | 4,470,411 | 5,827,316 |
| Tax-exempt | 2,181,370 | 1,794,905 | 1,159,933 |
| Other | <u>30,740</u> | <u>82,973</u> | <u>178,102</u> |
| Total interest income | <u>26,985,482</u> | <u>24,765,170</u> | <u>24,678,713</u> |
| INTEREST EXPENSE | | | |
| Deposits | 6,137,770 | 7,210,734 | 9,052,380 |
| Borrowings | <u>4,196,253</u> | <u>2,856,069</u> | <u>2,642,213</u> |
| Total interest expense | <u>10,334,023</u> | <u>10,066,803</u> | <u>11,694,593</u> |
| Net interest income | 16,651,459 | 14,698,367 | 12,984,120 |
| PROVISION FOR LOAN LOSSES | <u>577,072</u> | <u>450,000</u> | <u>722,000</u> |
| Net interest income after provision for loan losses | | | |
| | <u>16,074,387</u> | <u>14,248,367</u> | <u>12,262,120</u> |
| NON-INTEREST INCOME | <u>3,022,485</u> | <u>4,083,130</u> | <u>3,098,581</u> |
| NON-INTEREST EXPENSES | | | |
| Salaries, wages and employee benefits | 7,767,266 | 6,793,531 | 5,759,729 |
| Occupancy expenses | 1,459,894 | 1,362,104 | 1,116,072 |
| Other operating expenses | <u>6,305,489</u> | <u>5,136,538</u> | <u>4,204,936</u> |
| Total non-interest expenses | <u>15,532,649</u> | <u>13,560,058</u> | <u>11,080,737</u> |
| Income before incomes taxes and change in accounting principle | | | |
| | <u>3,564,223</u> | <u>4,771,439</u> | <u>4,279,964</u> |
| PROVISION FOR INCOME TAXES | | | |
| Current | 474,654 | 940,947 | 1,784,061 |

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| | | | |
|--|----------------|------------------|------------------|
| Deferred | <u>1,346</u> | <u>139,053</u> | <u>(63,061)</u> |
| Total provision for income taxes | <u>476,000</u> | <u>1,080,000</u> | <u>1,721,000</u> |
| Income before change in accounting principle | | | |
| | 3,088,223 | 3,691,439 | 2,558,964 |
| CUMULATIVE EFFECT OF CHANGE IN ACCOUNTING PRINCIPLE | | | |
| | <u>-</u> | <u>-</u> | <u>3,807,073</u> |
| NET INCOME | \$3,088,223 | \$3,691,439 | \$6,366,037 |
| | ===== | ===== | ===== |
| NET INCOME PER SHARE | | | |
| Basic: | | | |
| Income before change in accounting principle | \$ 0.84 | \$ 1.01 | \$ 0.71 |
| Change in accounting principle | <u>-</u> | <u>-</u> | <u>1.06</u> |
| Total | \$ 0.84 | \$ 1.01 | \$ 1.77 |
| | ===== | ===== | ===== |
| Diluted: | | | |
| Income before change in accounting principle | \$ 0.83 | \$ 1.00 | \$ 0.70 |
| Change in accounting principle | <u>-</u> | <u>-</u> | <u>1.06</u> |
| Total | \$ 0.83 | \$ 1.00 | \$ 1.74 |
| | ===== | ===== | ===== |