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 x 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 x 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 x

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 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

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 June 30,		Six months ended June 30,	
	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	(300)	-	(700)	100
Net interest income after provision (credit) for loan and lease losses	5,046	5,143	10,177	10,199
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	4,361	4,316	8,917	8,943
INCOME BEFORE INCOME TAXES	1,748	2,104	3,441	3,536
PROVISION FOR INCOME TAXES	412	201	798	511
NET INCOME	$1,336	$1,903	$2,643	$3,025
NET INCOME PER SHARE (basic and diluted)	$0.40	$0.57	$0.80	$0.90
Weighted average common shares outstanding	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)
COMPREHENSIVE INCOME	$2,041	$718	$4,706	$2,667

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

United Bancshares, Inc. and Subsidiaries

Consolidated Statements of Shareholders' Equity (Unaudited)

Six months ended June 30, 2016 and 2015 (in thousands except share data)

	Common stock	Surplus	Retained earnings	Accumulated other comprehensive income	Treasury stock	Total
BALANCE AT DECEMBER 31, 2015	$ 3,761	$ 14,669	$ 58,642	$ 1,397	$ (6,908)	$ 71,561
Comprehensive income:						
Net income	-	-	2,643	-	-	2,643
Other comprehensive income	-	-	-	2,063	-	2,063
Repurchase of 12,901 shares	-	-	-	-	(216)	(216)
307 shares issued from treasury in connection with Employee Stock Purchase Plan	-	2	-	-	5	7
Cash dividends declared, $0.22 per share	-	-	(726)	-	-	(726)
BALANCE AT JUNE 30, 2016	$ 3,761	$ 14,671	$ 60,559	$ 3,460	$ (7,119)	$ 75,332
BALANCE AT DECEMBER 31, 2014	$ 3,761	$ 14,666	$ 53,925	$ 1,412	$ (5,992)	$ 67,772
Comprehensive income:						
Net income	-	-	3,025	-	-	3,025
Other comprehensive loss	-	-	-	(358)	-	(358)
Repurchase of 39,321 shares	-	-	-	-	(594)	(594)
403 shares issued from treasury in connection with Employee Stock Purchase Plan	-	2	-	-	6	8
Cash dividends declared, $0.18 per share	-	-	(602)	-	-	(602)
BALANCE AT JUNE 30, 2015	$ 3,761	$ 14,668	$ 56,348	$ 1,054	$ (6,580)	$ 69,251

United Bancshares, Inc. and Subsidiaries

Condensed Consolidated Statement of Cash Flows (Unaudited)

	(in thousands) Six months ended June 30,	
	2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES	$ 1,328	$ 4,189
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sales of available-for-sale securities	16,964	22,349
Purchases of available-for-sale securities	(16,035)	(24,056)
Proceeds from sale of OREO	123	-
Net (increase) decrease in loans and leases	(4,937)	1,903
Purchases of premises and equipment	(11)	(135)
Net cash provided by (used in) investing activities	(3,896)	61
CASH FLOWS FROM FINANCING ACTIVITIES		
Net decrease in deposits	$ (6,440)	$ (45,763)
Change in other borrowings	9,961	22,328
Purchase of treasury shares	(216)	(594)
Proceeds from sale of treasury shares	7	8
Cash dividends paid	(726)	(603)
Net cash provided by (used in) financing activities	2,586	(24,624)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	18	(20,374)
CASH AND CASH EQUIVALENTS		
At beginning of period	22,922	32,355
At end of period	$ 22,940	$ 11,981
SUPPLEMENTAL CASH FLOW DISCLOSURES		
Cash paid during the period for:		
Interest	$ 1,024	$ 1,109
Federal income taxes	$ 240	$ 150
Non-cash investing activities:		
Transfer of loans to other real estate owned	$ 644	$ 275
Change in net unrealized gain or loss on available-for-sale securities	$ 3,125	$ (490)

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

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United Bancshares, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (Unaudited)

June 30, 2016

NOTE 1 – CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements of United Bancshares, Inc. and subsidiaries (the "Corporation") have been prepared without audit and in the opinion of management reflect all adjustments (which include normal recurring adjustments) necessary to present fairly such information for the periods and dates indicated. Since the unaudited financial statements have been prepared in accordance with the instructions to Form 10-Q, they do not contain all information and footnotes typically included in financial statements prepared in conformity with generally accepted accounting principles. Operating results for the six months ended June 30, 2016 are not necessarily indicative of the results that may be expected for the year ending December 31, 2016. The balance sheet as of December 31, 2015 is derived from completed audited consolidated financial statements with footnotes, which are included in the Corporation's Annual Report on Form 10-K for the year ended December 31, 2015.

The consolidated financial statements include the accounts of the Corporation and its wholly-owned subsidiary, The Union Bank Company (the "Bank"). The Bank has formed a wholly-owned subsidiary, UBC Investments, Inc. ("UBC"), to hold and manage its securities portfolio. The operations of UBC are located in Wilmington, Delaware. The Bank has also formed a wholly-owned subsidiary, UBC Property, Inc., to hold and manage certain property. All significant intercompany balances and transactions have been eliminated in consolidation. The accounting and reporting policies of the Corporation conform to generally accepted practices within the banking industry. The Corporation considers all of its principal activities to be banking related.

NOTE 2 – NEW ACCOUNTING PRONOUNCEMENTS

In January 2016, the FASB issued ASU 2016-01, Recognition and Measurement of Financial Assets and Financial Liabilities, amending ASU Subtopic 825-10. The amendments in this update make targeted improvements to generally accepted accounting principles (GAAP) as follows: 1) Require equity investments to be measured at fair value with changes in fair value recognized in net income.; 2) Simplify the impairment assessment of equity investments without readily determinable fair values by requiring a qualitative assessment to identify impairment.; 3) Eliminate the requirement to disclose the fair value of financial instruments measured at amortized cost for entities that are not public business entities.; 4) Eliminate the requirement for public business entities to disclose the method(s) and significant assumptions used to estimate the fair value that is required to be disclosed for financial instruments measured at amortized cost on the balance sheet.; 5) Require public business entities to use the exit price notion when measuring the fair value of financial instruments for disclosure purposes.; 6) Require an entity to present separately in other comprehensive income the portion of the total change in the fair value of a liability resulting from a change in the instrument-specific credit risk when the entity has elected to measure the liability at fair value in accordance with the fair value option for financial instruments.; 7) Require separate presentation of financial assets and financial liabilities by measurement category and form of financial asset on the balance sheet or the accompanying notes to the financial statements.; and 8) Clarify that an entity should evaluate the need for a valuation allowance on a deferred tax asset related to available-for-sale securities in combination with the entity's other deferred tax assets. The amendments in this update are effective for fiscal years beginning after December 15, 2017. The Corporation has not yet made a determination of the impact on the financial statements of the provisions for ASU 2016-01.

In June 2016, the FASB issued ASU 2016-13, Financial Instruments-Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments. The ASU requires an organization to measure all expected credit losses for financial assets held at the reporting date based on historical experience, current conditions, and reasonable and supportable forecasts. Financial institutions and other organizations will now use forward-looking information to better inform their credit loss estimates. Many of the loss estimation techniques applied today will still be permitted, although the inputs to those techniques will change to reflect the full amount of expected credit losses. Organizations will continue to use judgment to determine which loss estimation method is appropriate for their circumstances. Additionally, the ASU amends the accounting for credit losses on available-for-sale debt securities and purchased financial assets with credit deterioration. For public companies, this update will be effective for interim and annual periods beginning after December 15, 2019. The Corporation has not yet determined the impact the adoption of ASU 2016-13 will have on the consolidated financial statements.

NOTE 3 - SECURITIES

The amortized cost and fair value of available-for-sale securities as of June 30, 2016 and December 31, 2015 are as follows (in thousands):

	June 30, 2016		December 31, 2015	
	Amortized cost	Fair value	Amortized cost	Fair value
Available-for-sale:				
U.S. Government and agencies	$2,998	$3,012	$3,998	$3,966
Obligations of states and political subdivisions	65,894	68,736	71,589	73,482
Mortgage-backed	109,737	112,103	104,223	104,480
Other	1,002	1,022	1,002	1,001
Total	$179,631	$184,873	$180,812	$182,929

A summary of gross unrealized gains and losses on available-for-sale securities as of June 30, 2016 and December 31, 2015 follows (in thousands):

	June 30, 2016		December 31, 2015	
	Gross unrealized gains	Gross unrealized losses	Gross unrealized gains	Gross unrealized losses
Available-for-sale:				
U.S. Government and agencies	$14	$ -	$-	$ 32
Obligations of states and political subdivisions	2,845	3	1,960	67
Mortgage-backed	2,391	25	1,071	814
Other	20	-	-	1
Total	$5,270	$ 28	$3,031	$ 914

NOTE 4 – LOANS AND LEASES

The following tables present the activity in the allowance for loan and lease losses by portfolio segment for the periods ending June 30, 2016 and 2015 (in thousands).

	Commercial	Commercial and multi-family real estate	Residential 1 – 4 family real estate	Consumer	Total
Balance at December 31, 2015	$ 893	$ 2,540	$ 373	$ 28	$3,834
Provision (credit) charged to expenses	106	(809)	7	(4)	(700)
Losses charged off	-	(11)	(24)	(8)	(43)
Recoveries	18	251	0	8	277
Balance at June 30, 2016	$ 1,017	$ 1,971	$ 356	$ 24	$3,368

	Commercial	Commercial and multi-family real estate	Residential 1 – 4 family real estate	Consumer	Total
Balance at December 31, 2014	$ 198	$ 3,255	$ 363	$ 24	$3,840
Provision (credit) charged to expenses	246	(183)	37	-	100
Losses charged off	(327)	(126)	(108)	(11)	(572)
Recoveries	60	77	19	2	158
Balance at June 30, 2015	$ 177	$ 3,023	$ 311	$ 15	$3,526

The following tables present the balance in the allowance for loan and lease losses and the recorded investment in loans and leases by portfolio segment and based on impairment method for the periods ending June 30, 2016 and December 31, 2015 (in thousands):

June 30, 2016	Commercial	Commercial and multi-family real estate	Residential 1 – 4 family real estate	Consumer	Total
Allowance for loan and lease losses:					
Attributable to loans and leases individually evaluated for impairment	$ 614	$ 711	$ -	$ -	$1,325
Collectively evaluated for impairment	403	1,260	356	24	2,043
Total allowance for loan and lease losses	$ 1,017	$ 1,971	$ 356	$ 24	$3,368
Loans and leases:					
Individually evaluated for impairment	$ 1,593	$ 2,088	$ -	$ -	$3,681
Acquired with deteriorated credit quality	-	627	55	-	682
Collectively evaluated for impairment	67,586	204,732	79,280	3,812	355,410
Total ending loans and leases balance	$ 69,179	$ 207,447	$ 79,335	$ 3,812	$359,773

December 31, 2015	Commercial	Commercial and multi-family real estate	Residential 1 – 4 family real estate	Consumer	Total
Allowance for loan and lease losses:					
Attributable to loans and leases individually evaluated for impairment	$ 528	$ 842	$ -	$ -	$1,370
Collectively evaluated for impairment	365	1,698	373	28	2,464
Total allowance for loan and lease losses	$ 893	$ 2,540	$ 373	$ 28	$3,834
Loans and leases:					
Individually evaluated for impairment	$ 2,192	$ 3,820	$ -	$ -	$6,012
Acquired with deteriorated credit quality	43	669	74	-	786
Collectively evaluated for impairment	64,092	201,481	78,022	3,857	347,452
Total ending loans and leases balance	$ 66,327	$ 205,970	$ 78,096	$ 3,857	$354,250

Impaired loans and leases were as follows as of June 30, 2016 and December 31, 2015:

	(in thousands) June 30, 2016	December 31, 2015
Loans and leases with no allowance for loan and lease losses allocated	$-	$ -
Loans and leases with allowance for loan and lease losses allocated	3,681	6,012
Total impaired loans and leases	3,681	6,012
Amount of the allowance allocated to impaired loans and leases	$1,325	$ 1,370

No Additional funds are committed to be advanced in connection with impaired loans and leases.

The average recorded investment in impaired loans and leases (excluding loans and leases acquired with deteriorated credit quality) for the six month periods ended June 30, 2016 and 2015 was approximately $4.2 million and $5.2 million, respectively. There was approximately $182,000 and $138,000 in interest income recognized by the Corporation on impaired loans and leases on an accrual or cash basis for the six month periods ended June 30, 2016 and 2015, respectively.

The following table presents loans and leases individually evaluated for impairment by class of loans as of June 30, 2016 and December 31, 2015:

(in thousands)	June 30, 2016		December 31, 2015	
	Recorded investment	Allowance for loan and lease losses allocated	Recorded investment	Allowance for loan and lease losses allocated
With no related allowance recorded:				
Commercial	$ -	$ -	$ -	$ -
Commercial and multi-family real estate	-	-	-	-
Agriculture	-	-	-	-
Agricultural real estate	-	-	-	-
Consumer	-	-	-	-
Residential 1-4 family real estate	-	-	-	-
With an allowance recorded:				
Commercial	1,593	614	2,192	528
Commercial and multi-family real estate	2,088	711	3,820	842
Agriculture	-	-	-	-
Agricultural real estate	-	-	-	-
Consumer	-	-	-	-
Residential 1-4 family real estate	-	-	-	-
Total	$3,681	$ 1,325	$6,012	$ 1,370

The following tables present the recorded investment in nonaccrual loans and leases, loans and leases past due over 90 days still on accrual and troubled debt restructurings by class of loans as of June 30, 2016 and December 31, 2015:

June 30, 2016	(in thousands) Nonaccrual	Loans and leases past due over 90 days still accruing	Troubled Debt Restructurings
Commercial	$1,732	$ -	$ 62
Commercial real estate	3,596	-	722
Agricultural real estate	40	-	-
Agriculture	-	-	-
Consumer	5	-	-
Residential:			
1 – 4 family	1,211	-	391
Home equity	-	-	-

Total	$6,584	$ -	$ 1,175

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December 31, 2015	Nonaccrual	Loans and leases past due over 90 days still accruing	Troubled Debt Restructurings
Commercial	$ 355	$ -	$ -
Commercial real estate	4,113	-	1,403
Agricultural real estate	52	260	-
Agriculture	19	-	-
Consumer	12	-	-
Residential:			
1 – 4 family	1,394	-	393
Home equity	-	-	-
Total	$ 5,945	$ 260	$ 1,796

The nonaccrual balances in the table above include troubled debt restructurings that have been classified as nonaccrual.

The following table presents the aging of the recorded investment in past due loans and leases as of June 30, 2016 by class of loans and leases (in thousands):

	30 – 59 days past due	60 – 89 days past due	Greater than 90 days past due	Total past due	Loans and leases not past due	Total
Commercial	$ 22	$ -	$ 81	$ 103	$ 57,420	$ 57,523
Commercial real estate	118	49	407	574	183,567	184,141
Agriculture	-	-	-	-	11,656	11,656
Agricultural real estate	6	266	-	272	23,034	23,306
Consumer	25	-	-	25	3,787	3,812
Residential real estate	1,854	213	267	2,334	77,001	79,335
Total	$ 2,025	$ 528	$ 755	$ 3,308	$ 356,465	$ 359,773

The following table presents the aging of the recorded investment in past due loans and leases as of December 31, 2015 by class of loans and leases: (in thousands)

	30 – 59 days past due	60 – 89 days past due	Greater than 90 days past due	Total past due	Loans and leases not past due	Total

Commercial	$81	$50	$121	$252	$53,210	$53,462
Commercial real estate	644	16	1,225	1,885	181,952	183,837
Agriculture	150	-	19	169	12,696	12,865
Agricultural real estate	94	-	260	354	21,779	22,133
Consumer	49	-	5	54	3,803	3,857
Residential real estate	2,147	244	389	2,780	75,316	78,096
Total	$3,165	$310	$2,019	$5,494	$348,756	$354,250

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Credit Quality Indicators:

The Corporation categorizes loans and leases into risk categories based on relevant information about the ability of borrowers to service their debt such as: current final financial information, historical payment experience, credit documentation, public information, and current economic trends, among other factors. The Corporation analyzes loans and leases individually by classifying the loans and leases as to the credit risk. This analysis generally includes loans and leases with an outstanding balance greater than $500,000 and non-homogenous loans and leases, such as commercial and commercial real estate loans and leases. This analysis is performed on a quarterly basis. The Corporation uses the following definitions for risk ratings:

- **Special Mention:** Loans and leases which possess some credit deficiency or potential weakness which deserves close attention, but which do not yet warrant substandard classification. Such loans and leases pose unwarranted financial risk that, if not corrected, could weaken the loan and lease and increase risk in the future. The key distinctions of a Special Mention classification are that (1) it is indicative of an unwarranted level of risk, and (2) weaknesses are considered "potential", versus "defined", impairments to the primary source of loan repayment.

- **Substandard:** These loans and leases are inadequately protected by the current sound net worth and paying ability of the borrower. Loans and leases of this type will generally display negative financial trends such as poor or negative net worth, earnings or cash flow. These loans and leases may also have historic and/or severe delinquency problems, and Corporation management may depend on secondary repayment sources to liquidate these loans and leases. The Corporation could sustain some degree of loss in these loans if the weaknesses remain uncorrected.

- **Doubtful:** Loans and leases in this category display a high degree of loss, although the amount of actual loss at the time of classification is undeterminable. This should be a temporary category until such time that actual loss can be identified, or improvements made to reduce the seriousness of the classification.

Loans and leases not meeting the previous criteria that are analyzed individually as part of the above described process are considered to be pass rated loans and leases. Loans and leases listed as not rated are generally either less than $500,000 or are included in groups of homogenous loans and leases. As of June 30, 2016 and December 31, 2015, and based on the most recent analysis performed, the risk category of loans by class of loans and leases is as follows (in thousands):

June 30, 2016	Pass	Special Mention	Substandard	Doubtful	Not rated
Commercial	$45,295	$ -	$ 4,492	$ -	$19,392
Commercial and multi-family real estate	148,621	4,450	4,007	-	50,369
Residential 1 - 4 family	216	-	-	-	79,119

Consumer	-	-	-	-	3,812
Total	$194,132	$ 4,450	$ 8,499	$ -	$152,692

December 31, 2015	Pass	Special Mention	Substandard	Doubtful	Not rated
Commercial	$41,184	$2,806	$ 2,656	$ -	$19,681
Commercial and multi-family real estate	139,351	7,563	5,976	-	53,080
Residential 1 - 4 family	223	-	-	-	77,873
Consumer	-	-	-	-	3,857
Total	$180,758	$10,369	$ 8,632	$ -	$154,491

The Corporation considers the performance of the loan and lease portfolio and its impact on the allowance for loan and lease losses. For all loan classes that are not rated, the Corporation also evaluates credit quality based on the aging status of the loan, which was previously presented, and by payment activity. Generally, all loans and leases not rated that are 90 days past due or are classified as nonaccrual and collectively evaluated for impairment, are considered nonperforming. The following table presents the recorded investment in all loans and leases that are not risk rated, based on payment activity as of June 30, 2016 and December 31, 2015 (in thousands):

June 30, 2016	Commercial	Commercial and multi-family real estate	Residential 1-4 family	Consumer
Performing	$ 19,311	$ 49,963	$ 78,852	$ 3,812
Nonperforming	81	406	267	-
Total	$ 19,392	$ 50,369	$ 79,119	$ 3,812

December 31, 2015	Commercial	Commercial and multi-family real estate	Residential 1-4 family	Consumer
Performing	$ 19,541	$ 52,248	$ 77,484	$ 3,852
Nonperforming	140	832	389	5
Total	$ 19,681	$ 53,080	$ 77,873	$ 3,857

Modifications:

The Corporation’s loan and lease portfolio also includes certain loans and leases that have been modified in a Troubled Debt Restructuring (TDR), where economic concessions have been granted to borrowers who have experienced or are expected to experience financial difficulties. These concessions typically result from the Corporation’s loss mitigation activities and could include reductions in the interest rate, payment extensions, forgiveness of principal, forbearance or other actions. All TDRs are also classified as impaired loans and leases.

When the Corporation modifies a loan or lease, management evaluates any possible concession based on the present value of expected future cash flows, discounted at the contractual interest rate of the original loan or lease agreement, except with the sole (remaining) source of repayment for the loan or lease is the operation or liquidation of the collateral. In these cases, management uses the current fair value of the collateral, less selling costs, instead of discounted cash flows. If management determines that the value of the modified loan or lease is less than the recorded investment in the loan or lease (net of previous charge-offs, deferred loan fees or costs and unamortized premium or discount), an impairment is recognized through a specific reserve in the allowance or a direct write down of the loan or lease balance if collection is not expected.

The following table includes the recorded investment and number of modifications for TDR loans and leases during the six month period ended June 30, 2016 (in thousands):

	Number of modifications	Recorded investment	Allowance for loan and lease losses allocated
Troubled Debt Restructurings:			
Commercial	1	$ 62	$ -
Commercial Real Estate	3	244	-
Total	4	$ 306	$ -

The concessions granted in the above TDR's were a modification of the original term. The terms were extended on two of the notes. Two notes were re-amortized with a balloon payment at the end of the terms. The recorded investment in the loans did not change as a result of the modification. There are not any troubled debt restructurings for which there was a payment default in the current reporting period.

The following is additional information with respect to loans and leases acquired through The Ohio State Bank acquisition (in thousands):

	Contractual Principal Receivable	Accretable Difference	Carrying Amount
Purchased Performing Loans and Leases			
Balance at December 31, 2015	$ 41,874	$ (1,809)	$ 40,065
Change due to payments received	(3,863)	180	(3,683)
Transfer to foreclosed real estate	-	-	-
Change due to loan charge-off	-	-	-
Balance at June 30, 2016	$ 38,011	$ (1,629)	$ 36,382

	Contractual Principal Receivable	Non Accretable Difference	Carrying Amount
Purchased Impaired Loans and Leases			
Balance at December 31, 2015	$ 1,959	$ (1,194)	$ 765
Change due to payments received	(73)	6	(67)
Transfer to foreclosed real estate	-	-	-
Change due to loan charge-off	(136)	120	(16)
Balance at June 30, 2016	$ 1,750	$ (1,068)	$ 682

As a result of The Ohio State Bank acquisition, the Corporation has loans, for which there was at acquisition, evidence of deterioration of credit quality since origination and for which it was probable at acquisition, that all contractually required payments would not be collected. The carrying amount of those loans as of June 30, 2016 and December 31, 2015 was $682,000 and $765,000, respectively.

No provision for loan and lease losses was recognized during the period ended June 30, 2016 and December 31, 2015 related to the acquired loans as there was no significant change to the credit quality of the loans.

NOTE 5 – JUNIOR SUBORDINATED DEFERRABLE INTEREST DEBENTURES

The Corporation has formed and invested $300,000 in a business trust, United (OH) Statutory Trust (“United Trust”) which is not consolidated by the Corporation. United Trust issued $10,000,000 of trust preferred securities, which are guaranteed by the Corporation, and are subject to mandatory redemption upon payment of the debentures. United Trust used the proceeds from the issuance of the trust preferred securities, as well as the Corporation’s capital investment, to purchase $10,300,000 of junior subordinated deferrable interest debentures issued by the Corporation. The debentures have a stated maturity date of March 26, 2033. As of March 26, 2008, and quarterly thereafter, the debentures may be shortened at the Corporation’s option. Interest is payable quarterly at a floating rate adjustable quarterly and equal to 315 basis points over the 3-month LIBOR amounting to 3.79% at June 30, 2016 and 3.43% at June 30, 2015. The Corporation has the right, subject to events in default, to defer payments of interest on the debentures by extending the interest payment period for a period not exceeding 20 consecutive quarterly periods.

The Corporation assumed $3,093,000 of trust preferred securities through The Ohio State Bank acquisition with $3,000,000 of the liability guaranteed by the Corporation and the remaining $93,000 secured by an investment in the trust preferred securities. The trust preferred securities carrying value as of June 30, 2016 and December 31, 2015 was $2,489,000 and $2,473,000 respectively. The difference between the principal owed and the carrying value is due to the below-market interest rate on the debentures. The debentures have a stated maturity date of April 23, 2034. Interest is at a floating rate adjustable quarterly and equal to 285 basis points over the 3-month LIBOR amounting to 3.49% at June 30, 2016 and 3.13% at June 30, 2015.

Each issue of the trust preferred securities carries an interest rate identical to that of the related debenture. The securities have been structured to qualify as Tier I capital for regulatory purposes and the dividends paid on such are tax deductible. However, under Federal Reserve Board guidelines, the securities cannot be used to constitute more than 25% of the Corporation’s core Tier I capital inclusive of these securities.

Interest expense on the debentures amounted to $241,000 and $219,000 for the six month periods ended June 30, 2016 and 2015, respectively, and is included in interest expense-other borrowings in the accompanying consolidated statements of income.

NOTE 6 - FAIR VALUE MEASUREMENTS

ASC 820-10 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. A fair value measurement assumes that the transaction to sell the asset or transfer the liability occurs in the principal market for the asset or liability or, in the absence of a principal market, the most advantageous market for the asset or liability. The price in the principal (or most advantageous) market used to measure the fair value of the asset or liability shall not be adjusted for transaction costs. An orderly transaction is a transaction that assumes exposure to the market for a period prior to the measurement date to allow for marketing activities that are usual and customary for transactions involving such assets and liabilities; it is not a forced transaction. Market participants are buyers and sellers in the principal market that are independent, knowledgeable, and both able and willing to transact.

ASC 820-10 requires the use of valuation techniques that are consistent with the market approach, the income approach, and/or the cost approach. The market approach uses prices and other relevant information generated by market transactions involving identical or comparable assets and liabilities. The income approach uses valuation techniques to convert future amounts, such as cash flows or earnings, to a single present amount on a discounted basis. The cost approach is based on the amount that currently would be required to replace the service capacity of an asset (replacement cost). Valuation techniques should be consistently applied. Inputs to valuation techniques refer to the assumptions that market participants would use in pricing the asset or liability. Inputs may be observable or unobservable. Observable inputs reflect the assumptions market participants would use in pricing the asset or liability developed based on market data obtained from independent sources. Unobservable inputs reflect the reporting entity’s own assumptions about the assumptions market participants would use in pricing the asset or liability developed based on the best information available in the circumstances. In that regard, ASC 820-10 establishes a fair value hierarchy for valuation inputs that gives the highest priority to quoted prices in active markets for identical assets or liabilities and the lowest priority to unobservable inputs. The fair value hierarchy is as follows:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities that the Corporation has the ability to access at the measurement date.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in markets that are not active; inputs other than quoted prices that are observable for the asset or liability; and inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3 – Unobservable inputs for the asset or liability for which there is little, if any, market activity at the measurement date. Unobservable inputs reflect the Corporation’s own assumptions about what market participants would use to price the asset or liability. The inputs are developed based on the best information available in the circumstances, which might include the Corporation's own financial data such as internally developed pricing models, discounted cash flow methodologies, as well as instruments for which the fair value determination requires significant management judgment.

Financial assets (there were no financial liabilities) measured at fair value on a recurring basis at June 30, 2016 and December 31, 2015 include available-for-sale securities, which are valued using Level 2 inputs except for one security which is valued using Level 1 inputs and one other security which is valued using Level 3 inputs, as well as mortgage servicing rights, amounting to $953,000 at June 30, 2016 and $1,181,000 December 31, 2015, which are valued using Level 3 inputs. Financial assets (there were no financial liabilities) measured at fair value on a non-recurring basis at June 30, 2016 and December 31, 2015 include other real estate owned, as well as impaired loans net of specific reserves approximating $2.4 million at June 30, 2016 and $4.6 million at December 31, 2015, all of which are valued using Level 3 inputs.

There were no financial instruments measured at fair value that moved to a lower level in the fair value hierarchy during the period ended June 30, 2016, due to the lack of observable quotes in inactive markets for those instruments at June 30, 2016.

The table below presents a reconciliation and income statement classification of gains and losses for mortgage servicing rights, which are measured at fair value on a recurring basis using significant unobservable inputs (Level 3), for the six month period ended June 30, 2016 and year ended December 31, 2015:

	(in thousands)	
	June 30, 2016	December 31, 2015
Mortgage Servicing Rights		
Balance at beginning of period	$1,181	$ 1,218
Gains or losses, including realized and unrealized:		
Purchases, issuances, and settlements	79	252
Disposals - amortization based on loan payments and payoffs	(84)	(552)
Changes in fair value	$(223)	$ 263
Balance at end of period	953	1,181
Securities valued using Level 3 inputs		
Balance at beginning of period	$2,389	$ 2,536
Principal payments received	(75)	(145)
Changes in Fair Value	-	(2)
Balance at end of period	$2,314	$ 2,389

A description of the valuation methodologies used for instruments measured at fair value, as well as the general classification of such instruments pursuant to the valuation hierarchy, and disclosure of unobservable inputs follows.

In general, fair value is based upon quoted market prices, where available. If such quoted market prices are not available, fair value is based upon internally developed models that primarily use, as inputs, observable market-based parameters. Valuation adjustments may be made to ensure that financial instruments are recorded at fair value. These adjustments may include amounts to reflect counterparty credit quality, the Corporation's creditworthiness, among other things, as well as unobservable parameters. Any such valuation adjustments are applied consistently over time. The Corporation's valuation methodologies may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. While management believes the Corporation's valuation methodologies are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different estimate of fair value at the reporting date.

Securities Available-for-Sale

Where quoted prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. Level 1 securities would typically include government bonds and exchange traded equities. If quoted market prices are not available, then fair values are estimated using pricing models, quoted prices of securities with similar characteristics, or discounted cash flows. Examples of such instruments, which would generally be classified within Level 2 of the valuation hierarchy, include U. S. Government and agencies, municipal bonds, mortgage-backed securities, and asset-backed securities. In certain cases where there is limited activity or less transparency around inputs to the valuation, securities are classified within Level 3 of the valuation hierarchy. There were no gains or losses relating to securities available-for-sale included in earnings before income taxes that were attributable to changes in fair values of securities held at June 30, 2016 and December 31, 2015.

Impaired Loans

The Corporation does not record impaired loans at fair value on a recurring basis. However, periodically, a loan is considered impaired and is reported at the fair value of the underlying collateral less estimated cost to sell, if repayment is expected solely from collateral. Collateral values are estimated using Level 2 inputs, including recent appraisals and Level 3 inputs based on customized discounting criteria such as additional appraisal adjustments to consider deterioration of value subsequent to appraisal date and estimated cost to sell. Additional appraisal adjustments range between 15% and 35% of appraised value, and estimated selling cost ranges between 10% and 20% of the adjusted appraised value. Due to the significance of the Level 3 inputs, impaired loans fair values have been classified as Level 3.

Mortgage Servicing Rights

The Corporation records mortgage servicing rights at estimated fair value based on a discounted cash flow model which includes discount rates between 9% and 11%, in addition to prepayment, internal rate of return, servicing costs, inflation rate of servicing costs and earnings rate assumptions that are considered to be unobservable inputs. Due to the significance of the Level 3 inputs, mortgage servicing rights have been classified as Level 3.

Other Real Estate Owned

The Corporation values other real estate owned at the estimated fair value of the underlying collateral less appraisal adjustments between 10% and 70% of appraised value, and expected selling costs between 10% and 20% of adjusted appraised value. Such values are estimated primarily using appraisals and reflect a market value approach. Due to the significance of the Level 3 inputs, other real estate owned has been classified as Level 3.

Certain other financial assets and financial liabilities are measured at fair value on a nonrecurring basis; that is, the instruments are not measured at fair value on an ongoing basis but are subject to fair value adjustments in certain circumstances, for example, when there is evidence of impairment. Financial assets and financial liabilities, excluding impaired loans and other real estate owned, measured at fair value on a nonrecurring basis were not significant at June 30, 2016 and December 31, 2015.

NOTE 7 – FAIR VALUE OF FINANCIAL INSTRUMENTS

The carrying amounts and estimated fair values of recognized financial instruments at June 30, 2016 and December 31, 2015 were as follows (in thousands):

	June 30, 2016		December 31, 2015		
	Carrying amount	Estimated value	Carrying amount	Estimated value	Input Level
FINANCIAL ASSETS					
Cash and cash equivalents	$22,940	$22,940	$22,922	$22,922	1
Securities, including Federal Home Loan Bank stock	189,703	189,703	187,759	187,759	1,2,3
Certificates of deposit	1,992	1,992	1,992	1,992	2
Loans held for sale	814	814	347	347	3
Net loans	356,405	359,680	350,416	350,374	3
Mortgage servicing rights	953	953	1,181	1,181	3
	$572,807	$576,082	$564,617	$564,575	
FINANCIAL LIABILITIES					
Deposits					
Maturity	$141,530	141,540	$148,486	$147,164	3
Non-maturity	370,431	370,431	369,934	369,934	1
Other borrowings	12,079	12,079	2,118	2,118	3
Junior subordinated deferrable interest debentures	12,789	6,700	12,773	8,265	3
	$536,829	$530,750	$533,311	$527,481	

The above summary does not include accrued interest receivable or cash surrender value of life insurance which are also considered financial instruments. The estimated fair value of such items is considered to be their carrying amounts and would be considered Level 1 inputs.

There are also unrecognized financial instruments at June 30, 2016 and December 31, 2015 which relate to commitments to extend credit and letters of credit. The contract amount of such financial instruments amounted to $87,135,000 at June 30, 2016 and $84,394,000 at December 31, 2015. Such amounts are also considered to be the estimated fair values.

The following methods and assumptions were used to estimate the fair value of each class of financial instruments shown above:

Cash and cash equivalents:

Fair value is determined to be the carrying amount for these items (which include cash on hand, due from banks, and federal funds sold) because they represent cash or mature in 90 days or less, and do not represent unanticipated credit concerns.

Securities:

The fair value of securities is determined based on quoted market prices of the individual securities; if not available, estimated fair value is obtained by comparison to other known securities with similar risk and maturity characteristics. Such value does not consider possible tax ramifications or estimated transaction costs.

Loans and leases:

Fair value for loans and leases was estimated for portfolios of loans and leases with similar financial characteristics. For adjustable rate loans, which re-price at least annually and generally possess low risk characteristics, the carrying amount is believed to be a reasonable estimate of fair value. For fixed rate loans, the fair value is estimated based on a discounted cash flow analysis, considering weighted average rates and terms of the portfolio, adjusted for credit and interest rate risk inherent in the loans. Fair value for nonperforming loans is based on recent appraisals or estimated discounted cash flows.

Mortgage servicing rights:

The fair value for mortgage servicing rights is determined based on an analysis of the portfolio by an independent third party.

Deposit liabilities:

The fair value of core deposits, including demand deposits, savings accounts, and certain money market deposits, is the amount payable on demand. The fair value of fixed-maturity certificates of deposit is estimated using the rates offered at quarter end for deposits of similar remaining maturities. The estimated fair value does not include the benefit that results from the low-cost funding provided by the deposit liabilities compared to the cost of borrowing funds in the marketplace.

Other borrowings and junior subordinated deferrable interest debentures:

The fair value of other borrowings (consisting of Federal Home Loan Bank borrowings, securities sold under agreements to repurchase, and customer repurchase agreements), and junior subordinated deferrable interest debentures are determined using the net present value of discounted cash flows based on current borrowing rates for similar types of borrowing arrangements, and are obtained from an independent third party.

Other financial instruments:

The fair value of commitments to extend credit and letters of credit is determined to be the contract amount, since these financial instruments generally represent commitments at existing rates. The fair value of other borrowings is determined based on a discounted cash flow analysis using current interest rates. The fair value of other liabilities is generally considered to be carrying value except for the deferred compensation agreement. The fair value of the contract is determined based on a discounted cash flow analysis using a current interest rate for a similar instrument.

The fair value estimates of financial instruments are made at a specific point in time based on relevant market information. These estimates do not reflect any premium or discount that could result from offering for sale at one time the entire holdings of a particular financial instrument over the value of anticipated future business and the value of assets and liabilities that are not considered financial instruments. Since no ready market exists for a significant portion of the financial instruments, fair value estimates are largely based on judgments after considering such factors as future expected credit losses, current economic conditions, risk characteristics of various financial instruments, and other factors. These estimates are subjective in nature and involve uncertainties and matters of significant judgment and therefore cannot be determined with precision. Changes in assumptions could significantly affect these estimates.

NOTE 8 – SUBSEQUENT EVENTS

Management evaluated subsequent events through the date the consolidated financial statements were issued. Events or transactions occurring after June 30, 2016 but prior to when the consolidated financial statements were issued, that provided additional evidence about conditions that existed at June 30, 2016 have been recognized in the consolidated financial statements for the period ended June 30, 2016. Events or transactions that provided evidence about conditions that did not exist at June 30, 2016 but arose before the financial statements were issued have not been recognized in the consolidated financial statements for the period ended June 30, 2016.

On July 19, 2016, the Corporation's Board of Directors approved a cash dividend of $0.11 per common share payable September 15, 2016 to shareholders of record at the close of business on August 31, 2016.

ITEM 2

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL

CONDITION AND RESULTS OF OPERATIONS

SELECTED FINANCIAL DATA

The following data should be read in conjunction with the unaudited consolidated financial statements and management's discussion and analysis that follows:

	As of or for the Three Months Ended June 30,		As of or for the Six Months Ended June 30,	
	2016	2015	2016	2015
SIGNIFICANT RATIOS (Unaudited)				
Net income to:				
Average assets (a)	0.87 %	1.20 %	0.86 %	0.94 %
Average shareholders' equity (a)	7.23 %	11.05 %	7.21 %	8.85 %
Net interest margin (a)	3.50 %	3.64 %	3.51 %	3.64 %
Efficiency ratio (b)	73.18 %	65.67 %	74.50 %	69.13 %
Average shareholders' equity to average assets	12.03 %	10.82 %	11.99 %	10.66 %
Loans to deposits (end of period)	70.27 %	68.17 %	70.27 %	68.17 %
Allowance for loan losses to loans (end of period)	0.94 %	1.00 %	0.94 %	1.00 %
Book value per share	$22.85	$20.80	$22.85	$20.80

(a) Net income to average assets, net income to average shareholders' equity and net interest margin are presented on an annualized basis. Net interest margin is calculated using fully-tax equivalent net interest income as a percentage of average interest earning assets.

(b) Efficiency ratio is a ratio of non-interest expense as a percentage of fully tax equivalent net interest income plus non-interest income.

Introduction

United Bancshares, Inc. (the "Corporation"), an Ohio corporation, is a bank holding company registered under the Bank Holding Company Act of 1956, as amended, and is subject to regulation by the Board of Governors of the Federal Reserve System (the "Federal Reserve Board"). The Corporation was incorporated and organized in 1985. The executive offices of the Corporation are located at 100 S. High Street, Columbus Grove, Ohio 45830. The Corporation is a one-bank holding company, as that term is defined by the Federal Reserve Board.

The Union Bank Company (the "Bank"), a wholly-owned subsidiary of the Corporation, is engaged in the business of commercial banking. The Bank is an Ohio state-chartered bank, which serves Allen, Delaware, Hancock, Marion, Putnam, Sandusky, and Wood counties in Ohio, with office locations in Bowling Green, Columbus Grove, Delaware, Delphos, Findlay, Gibsonburg, Kalida, Leipsic, Lima, Marion, Ottawa and Pemberville, Ohio.

The Bank offers a full range of commercial banking services, including checking accounts, savings and money market accounts, time certificates of deposit, automatic teller machines, commercial, consumer, agricultural, residential mortgage and home equity loans, credit card services, safe deposit box rentals, and other personalized banking services. The Bank has formed UBC Investments, Inc. ("UBC") to hold and manage its securities portfolio. The operations of UBC are located in Wilmington, Delaware. The Bank has also formed UBC Property, Inc. to hold and manage certain other real estate owned.

When or if used in the Corporation’s Securities and Exchange Commission filings or other public or shareholder communications, or in oral statements made with the approval of an authorized executive officer, the words or phrases: “anticipate,” “would be,” “will allow,” “intends to,” “will likely result,” “are expected to,” “will continue,” “is anticip estimated,” “is projected,” or similar expressions are intended to identify “forward looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. Any such statements are subject to the risks and uncertainties that include but are not limited to: changes in economic conditions in the Corporation’s market area, changes in policies by regulatory agencies, fluctuations in interest rates, demand for loans in the Corporation’s market area, and competition. All or some of these factors could cause actual results to differ materially from historical earnings and those presently anticipated or projected.

The Corporation cautions readers not to place undue reliance on any such forward looking statements, which speak only as of the date made, and advises readers that various factors, including regional and national economic conditions, substantial changes in the levels of market interest rates, credit and other risks associated with lending and investing activities, and competitive and regulatory factors could affect the Corporation’s financial performance and could cause the Corporation’s actual results for future periods to differ materially from those anticipated or projected. The Corporation does not undertake, and specifically disclaims any obligation, to update any forward looking statements to reflect occurrences or unanticipated events or circumstances after the date of such statements.

The Corporation is registered as a Securities Exchange Act of 1934 reporting company.

The following discussion and analysis of the consolidated financial statements of the Corporation is presented to provide insight into management’s assessment of the financial results.

RESULTS OF OPERATIONS

Overview of the Income Statement

For the quarter ended June 30, 2016, the Corporation reported net income of $1,336,000, or $0.40 basic earnings per share. This compares to the second quarter of 2015 net income of $1,903,000, or $0.57 basic earnings per share. The decrease in operating results for the second quarter of 2016 as compared to the same period in 2015 was primarily attributable to a decrease in net interest income of $397,000, a decrease in non-interest income of $214,000, an increase in non-interest expense of $45,000 and an increase in income taxes of $211,000, offset by a credit for loan losses of $300,000. The decrease in net interest income was largely attributable to less loan discount accretion relating to the November 2014 Ohio State Bank (OSB) acquisition. The decrease in non-interest income was largely attributable to a decrease in fair value of mortgage servicing rights. The increase in income taxes, despite a $356,000 decrease in income before income taxes, was due to a one-time tax benefit of $331,000 recognized during the second quarter of 2015 relating to the OSB acquisition.

Net income for the six months ended June 30, 2016 totaled $2,643,000, or $0.80 basic earnings per share compared to $3,025,000 or $0.90 basic earnings per share for the same period in 2015. Compared with the same period in 2015, net income decreased $382,000, or 12.6%. The decrease in operating results for the six month period ended June 30, 2016 as compared to the six month period ended June 30, 2015 was primarily attributable to a decrease in net interest income of $822,000, a decrease in non-interest income of $99,000 and an increase in income taxes of $287,000, offset by a decrease in non-interest expense of $26,000, as well as a credit for loan losses of $700,000 in 2016 compared to a $100,000 provision for the same period in 2015.

Net Interest Income

Net interest income is the amount by which income from interest-earning assets exceeds interest incurred on interest-bearing liabilities. Interest-earning assets consist principally of loans and investment securities while interest-bearing liabilities include interest-bearing deposit accounts and borrowed funds. Net interest income remains the primary source of revenue for the Corporation. Changes in market interest rates, as well as changes in the mix and volume of interest-bearing assets and interest-bearing liabilities impact net interest income. Net interest income was $4,746,000 for the second quarter of 2016, compared to $5,143,000 for the same period of 2015, a decrease of $397,000 (7.7%).

The decrease in net interest income was largely attributable to a decrease in interest income for the six months ended June 30, 2016 of $833,000, as compared to the same period in 2015, including a $563,000 decrease in interest income from loans and leases. The decrease in interest income from loans and leases was primarily attributable to less loan discount accretion being recognized from the November 2014 OSB acquisition. For the period ended June 30, 2016, $176,000 of loan discount accretion has been recognized compared to $677,000 for the same period in 2015.

Net interest margin is calculated by dividing net interest income (adjusted to reflect tax-exempt interest income on a taxable equivalent basis) by average interest-earning assets. The resulting percentage serves as a measurement for the Corporation in comparing its results with those of past periods as well as those of peer institutions. For the quarterly and six month periods ended June 30, 2016, the net interest margin (on a taxable equivalent basis) was 3.50% and 3.51% compared with 3.64% for the same periods in 2015.

Interest-bearing deposits comprised 96.6% of average interest-bearing liabilities for the six months ended June 30, 2016, compared to 98.0% for the same period in 2015.

Provision for Loan and Lease Losses

The Corporation's provision for loan and lease losses is determined based upon management's calculation of the allowance for loan and lease losses and is reflective of management's assessment of the quality of the portfolio and overall management of the inherent credit risk of the loan and lease portfolio. Changes in the provision for loan and lease losses are dependent, among other things, on loan and lease delinquencies, collateral position, portfolio risks and general economic conditions in the Corporation's lending markets. A $700,000 credit for loan losses was recognized during the six month period ended June 30, 2016. See "Allowance for Loan and Lease Losses" under Financial Condition for further discussion relating to the provision for loan and lease losses.

Non-Interest Income

The Corporation’s non-interest income is largely generated from activities related to the origination, servicing and gain on sales of fixed rate mortgage loans; customer deposit account fees; earnings on life insurance policies; income arising from sales of investment products to customers; and occasional security sale transactions. Income related to customer deposit accounts and life insurance policies provides a relatively steady flow of income while the other sources are more volume or transaction related and consequently can vary from quarter to quarter. For the quarter ended June 30, 2016, non-interest income was $1,063,000 compared to $1,277,000 for the second quarter of 2015, a $214,000 (16.77%) decrease.

Gain on sales of loans amounted to $138,000 for the quarter ended June 30, 2016, compared to $130,000 for the second quarter of 2015, an increase of $8,000 (6.4%).

Gain on sales of securities amounted to $16,000 for the quarter ended June 30, 2016 compared to $18,000 for the same period in 2015. Gain on sales of securities amounted to $136,000 for the six months ended June 30, 2016 compared to $52,000 for the same period in 2015, an increase of $84,000.

Other operating income decreased $214,000 for the quarter ended June 30, 2016 and $172,000 for the six months ended June 30, 2016 primarily due to the fair value adjustment of mortgage servicing rights. The Corporation typically sells in the secondary market all fixed rate residential mortgage loans it originates and retains the servicing on such loans. The Corporation’s serviced loan portfolio amounted to $172.2 million at June 30, 2016 and $173.5 million at December 31, 2015. The fair value of mortgage servicing rights decreased $228,000, for the six months ended June 30, 2016, compared to an increase in fair value of mortgage servicing rights of $70,000 for the six months ended June 30, 2015. The decrease in fair value of mortgage servicing rights was largely due to an increase in the prepayment speeds utilized which is the market’s reaction to interest rates which decreased significantly during the six month period ended June 30, 2016.

Non-Interest Expenses

For the quarter ended June 30, 2016, non-interest expenses were $4,361,000, compared to $4,316,000 for the second quarter of 2015, a $45,000 (1.1%) increase. For the six month period ended June 30, 2016, non-interest expenses totaled $8,917,000, compared to $8,943,000 for the same period of 2015, a decrease of $26,000 (0.3%). The decrease in non-interest expenses for the six month period ended June 30, 2016 was primarily attributed to decreases in premises and equipment expense, data processing expense, FDIC assessment, consultant fees, Ohio Financial Institutions tax and other real estate owned expense, offset by increases in salaries and benefits expense, media expense, loan closing fees, ATM processing expense and miscellaneous expenses.

Maintaining acceptable levels of non-interest expenses and operating efficiency are key performance indicators for the Corporation in its strategic initiatives. The financial services industry uses the efficiency ratio (total non-interest expense as a percentage of the aggregate of fully-tax equivalent net interest income and non-interest income) as a key indicator of performance. For the quarter ended June 30, 2016, the Corporation's efficiency ratio was 73.18%, compared 65.67% for the same period of 2015. For the six month period ended June 30, 2016, the Corporation's efficiency ratio was 74.50% compared to 69.13% for the same period of 2015.

Provision for Income Taxes

The provision for income taxes for the quarter ended June 30, 2016 was $412,000 (effective rate of 23.6%) compared to $201,000 (effective rate of 9.6%) for the comparable 2015 period. The provision for income taxes for the six month period ended June 30, 2016 was $798,000, or 23.2% of income before income taxes, compared to $511,000 or 14.5% for the comparable 2015 period. The income tax provision for the second quarter of 2015 and the six month period ended June 30, 2015, were favorably impacted as a result of the Corporation recognizing a one-time tax benefit of $331,000 during the second quarter of 2015, resulting from a January 2015 tax law change involving OSB's tax bad debt reserve.

FINANCIAL CONDITION

Overview of Balance Sheet

Total assets amounted to $618.1 million at June 30, 2016, compared to $608.7 million at December 31, 2015, an increase of $9.4 million (1.5%). The increase in total assets was primarily the result of increases of $6.0 million (1.7%) in net loans and leases, $1,944,000 (1.1%) in available-for-sale securities and $815,000 (15.7%) in other assets. Deposits during this same period decreased $6.5 million, or 1.2%.

Shareholders' equity increased from $71.6 million at December 31, 2015 to $75.3 million at June 30, 2016. This increase was the result of net income of $2,643,000, dividends paid of $726,000, $216,000 from the repurchase of 12,901 treasury shares, $7,000 from the issuance of 307 treasury shares under the Corporation's Employee Stock Purchase Plan, and a $2,063,000 increase in unrealized securities gains, net of tax. The increase in unrealized securities gains during the six month period ended June 30, 2016, was the result of customary and expected changes in the bond market. Net unrealized gains on securities are reported as accumulated other comprehensive income in the consolidated balance sheets.

Cash and Cash Equivalents

Cash and cash equivalents totaled $22.9 million at June 30, 2016 and December 31, 2015, including interest-bearing deposits in other banks of $14.3 million at June 30, 2016 and $11.4 million at December 31, 2015. Management believes the current level of cash and cash equivalents is sufficient to meet the Corporation's present liquidity and performance needs. Total cash and cash equivalents fluctuate on a daily basis due to transactions in process and corresponding liquidity sources and uses. Management believes the Corporation's liquidity needs in the near term will be satisfied by the current level of cash and cash equivalents, readily available access to traditional and non-traditional funding sources, and the portions of the investment and loan portfolios that will mature within one year. These sources of funds should enable the Corporation to meet cash obligations and off-balance sheet commitments as they come due. In addition, the Corporation has access to various sources of additional borrowings by virtue of long-term assets that can be used as collateral for such borrowings.

Securities

Management monitors the earnings performance and liquidity of the securities portfolio on a regular basis through Asset/Liability Committee (ALCO) meetings. As a result, all securities, except FHLB stock, have been designated as available-for-sale and may be sold if needed for liquidity, asset-liability management or other reasons. Such securities are reported at fair value, with any net unrealized gains or losses reported as a separate component of shareholders' equity, net of related incomes taxes.

The amortized cost and fair value of available-for-sale securities as of June 30, 2016 totaled $179.6 million and $184.9 million, respectively, resulting in a net unrealized gain before tax of $5.3 million and a corresponding after-tax increase in shareholders' equity of $3.5 million. The amortized cost of available-for-sale securities decreased $1.2 million during the six months ended June 30, 2016.

Loans and Leases

The Corporation's lending is primarily centered in Northwestern and West Central Ohio. Gross loans and leases totaled $359.8 million at June 30, 2016, compared to $354.3 million at December 31, 2015, an increase of $5.5 million (1.6%).

There are also unrecognized financial instruments at June 30, 2016 and December 31, 2015 which relate to commitments to extend credit and letters of credit. The contract amount of such financial instruments approximated $87.1 million at June 30, 2016 and $84.4 million at December 31, 2015.

Allowance for Loan and Lease Losses

The following table presents a summary of activity in the allowance for loan and lease losses for the six months ended June 30, 2016 and 2015:

	(in thousands)	
	2016	2015
Balance, beginning of period	$3,834	$3,839
Provision (credit) for loan and lease losses	(700)	100
Charge offs	(43)	(571)
Recoveries	277	158
Net (charge offs) recoveries	234	(413)
Balance, end of period	$3,368	$3,526

The allowance for loan and lease losses as a percentage of gross loans and leases was .94% at June 30, 2016 and 1.00% at December 31, 2015. Regular provisions are made in amounts sufficient to maintain the balance in the allowance for loan and lease losses at a level considered by management to be adequate for losses within the portfolio. Even though management uses all available information to assess possible loan and lease losses, future additions or reductions to the allowance may be required as changes occur in economic conditions and specific borrower circumstances. The regulatory agencies that periodically review the Corporation's allowance for loan and lease losses may also require additions to the allowance or the charge-off of specific loans and leases based upon the information available to them at the time of their examinations.

Loans and leases on non-accrual status amounted to $6.6 million and $5.9 million at June 30, 2016 and December 31, 2015, respectively. Non-accrual loans and leases as a percentage of outstanding loans amounted to 1.8% at June 30, 2016 and 1.7% at December 31, 2015.

The Corporation considers a loan or lease to be impaired when it becomes probable that the Corporation will be unable to collect under the contractual terms of the loan or lease, as the case may be, based on current information and events. Impaired loans and leases, all consisting of commercial and commercial real estate credits, amounted to $3.7 million at June 30, 2016 and $6.0 million at December 31, 2015. The decrease in impaired loans and leases resulted from the payoff of one loan during the first quarter of 2016. All impaired loans at June 30, 2016 and December 31, 2015 had specific reserves, with such reserves amounting to $1,325,000 and $1,370,000 at June 30, 2016 and December 31, 2015, respectively, and included in the Corporation's allowance for loan losses.

In addition to impaired loans, the Corporation had other potential problem credits of $9.9 million at June 30, 2016 and $15.0 million at December 31, 2015. The Corporation's credit administration department continues to closely monitor these credits.

The Corporation provides pooled reserves for potential problem loans and leases using loss rates calculated considering historic net loan-charge off experience. The Corporation has experienced $43,000 of loan charge-offs during the first six months of 2016 compared to annual loan charge-offs of $638,000 in 2015, $497,000 in 2014, and $2.6 million in 2013, with most of the charge-offs coming from the commercial and commercial real estate loan portfolios. The Corporation also provides general reserves for the remaining portion of its loan portfolio not considered to be problem or potential problem loans. These general reserves are also calculated considering, among other things, the historic net charge-off experience for the relative loan type.

Funding Sources

The Corporation considers a number of alternatives, including but not limited to, deposits, as well as short-term and long-term borrowings when evaluating funding sources. Deposits, including customer deposits, brokered certificates of deposit, and public funds deposits, continue to be the most significant source of funds for the Corporation, totaling $512.0 million, or 95.4% of the Corporation's funding sources at June 30, 2016. Total deposits decreased $6.5 million during the six months ended June 30, 2016.

Non-interest bearing deposits remain a smaller portion of the funding source for the Corporation than for most of its peers. Non-interest bearing deposits comprised 17.4% of total deposits at June 30, 2016, compared to 18.0% at December 31, 2015.

In addition to traditional deposits, the Corporation maintains both short-term and long-term borrowing arrangements. Other borrowings consisted of FHLB borrowings totaling $12.1 million at June 30, 2016 and $2.1 million at December 31, 2015. The Corporation also has outstanding junior subordinated deferrable interest debentures of $12.8 million at June 30, 2016 and December 31, 2015. Management plans to maintain access to various borrowing alternatives as an appropriate funding source.

Shareholders' Equity

Shareholders' equity increased from $71.6 million at December 31, 2015 to $75.3 million at June 30, 2016, principally due to net income of $2,643,000 and a $2,063,000 increase in unrealized securities gains, net of tax, net of dividends paid and net treasury stock transactions.

For the six month period ended June 30, 2015, shareholders' equity increased from $67.8 million at December 31, 2014 to $69.2 million. This increase was the result of net income of $3,025,000, dividends paid of $602,000, repurchase of 39,321 shares of $594,000, the issuance of 403 treasury shares under the Corporation's Employee Stock Purchase Plan of $8,000, and a $358,000 decrease in unrealized securities losses, net of tax.

The increase/decrease in unrealized securities gains during the six month periods ended June 30, 2016 and 2015, was the result of customary and expected changes in the bond market. Net unrealized gains/losses on securities are reported as accumulated other comprehensive income in the consolidated balance sheets.

The Corporation and Bank met all regulatory capital requirements as of June 30, 2016, and the Bank is considered "well capitalized" under regulatory and industry standards of risk-based capital.

Liquidity and Interest Rate Sensitivity

The objective of the Corporation's asset/liability management function is to maintain consistent growth in net interest income through management of the Corporation's balance sheet liquidity and interest rate exposure based on changes in economic conditions, interest rate levels, and customer preferences.

The Corporation manages interest rate risk to minimize the impact of fluctuating interest rates on earnings. The Corporation uses simulation techniques that attempt to measure the volatility of changes in the level of interest rates, basic banking interest rate spreads, the shape of the yield curve, and the impact of changing product growth patterns. The primary method of measuring the sensitivity of earnings of changing market interest rates is to simulate expected cash flows using varying assumed interest rates while also adjusting the timing and magnitude of non-contractual deposit re-pricing to more accurately reflect anticipated pricing behavior. These simulations include adjustments for the lag in prime loan re-pricing and the spread and volume elasticity of interest-bearing deposit accounts, regular savings and money market deposit accounts.

The principal function of interest rate risk management is to maintain an appropriate relationship between those assets and liabilities that are sensitive to changing market interest rates. The Corporation closely monitors the sensitivity of its assets and liabilities on an ongoing basis and projects the effect of various interest rate changes on its net interest margin. Interest sensitive assets and liabilities are defined as those assets or liabilities that mature or re-price within a designated time frame.

Management believes the Corporation’s current mix of assets and liabilities provides a reasonable level of risk related to significant fluctuations in net interest income and the resulting volatility of the Corporation’s earning base. The Corporation’s management reviews interest rate risk in relation to its effect on net interest income, net interest margin, and the volatility of the earnings base of the Corporation.

Effects of Inflation on Financial Statements

All of the Corporation’s assets relate to commercial banking operations and are generally monetary in nature. Therefore, they are not impacted by inflation to the same degree as companies in capital-intensive industries in a replacement cost environment. During a period of rising prices, a net monetary asset position results in loss of purchasing power and conversely a net monetary liability position results in an increase in purchasing power. In the commercial banking industry, monetary assets typically exceed monetary liabilities. The Corporation has not experienced a significant level of inflation or deflation during the six month period ended June 30, 2016. However, because of the depressed national real estate market and sluggish local economy, the Corporation has experienced declines in the value of collateral securing commercial and non-commercial real estate loans. Management continues to closely monitor these trends in calculating the Corporation’s allowance for loan and lease losses.

ITEM 3

QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

The only significant market risk to which the Corporation is exposed is interest rate risk. The business of the Corporation and the composition of its balance sheet consist of investments in interest-earning assets (primarily loans and securities), which are funded by interest bearing liabilities (deposits and borrowings). These financial instruments have varying levels of sensitivity to changes in the market rates of interest, resulting in market risk. None of the Corporation's financial instruments are held for trading purposes.

The Corporation manages interest rate risk regularly through its Asset Liability Committee. The Committee meets on a regular basis and reviews various asset and liability management information, including but not limited to, the bank's liquidity positions, projected sources and uses of funds, interest rate risk positions and economic conditions.

The Corporation monitors its interest rate risk through a sensitivity analysis, whereby it measures potential changes in its future earnings and the fair values of its financial instruments that may result from one or more hypothetical changes in interest rates. This analysis is performed by estimating the expected cash flows of the Corporation's financial instruments using interest rates in effect at year-end. For the fair value estimates, the cash flows are then discounted to year-end to arrive at an estimated present value of the Corporation's financial instruments. Hypothetical changes in interest rates are then applied to the financial instruments, and the cash flows and fair values are again estimated using these hypothetical rates. For the net interest income estimates, the hypothetical rates are applied to the financial instruments based on the assumed cash flows. The Corporation typically applies interest rate "shocks" to its financial instruments up and down under various scenarios up to as much as 400 basis points depending on the overall level of interest rates at any point in time.

There have been no material changes in the quantitative and qualitative information about market risk from the information provided in the Corporation's Annual Report on Form 10-K for the fiscal year ended December 31, 2015.

ITEM 4

CONTROLS AND PROCEDURES

Evaluation of Controls and Procedures.

With the participation of our management, including our chief executive officer and chief financial officer, we have evaluated the effectiveness of our disclosure controls and procedures (as defined in Rule 13a-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act")); as of the end of the period covered by this Quarterly Report on Form 10-Q. Based upon that evaluation, our Chief Executive Officer and Chief Financial Officer have concluded that:

(a) information required to be disclosed by the Corporation in this Quarterly Report on Form 10-Q would be accumulated and communicated to the Corporation’s management, including its Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure;

(b) information required to be disclosed by the Corporation in this Quarterly Report on Form 10-Q would be recorded, processed, summarized and reported within the time periods specified in the SEC’s rules and forms; and

(c) the Corporation’s disclosure controls and procedures are effective as of the end of the period covered by this Quarterly Report on Form 10-Q to ensure that material information relating to the Corporation and its consolidated subsidiaries is made known to them, particularly during the period for which our periodic reports, including this Quarterly Report on Form 10-Q, are being prepared.

Changes in Internal Control over Financial Reporting.

There were no significant changes during the period covered by this Quarterly Report on Form 10-Q in our internal control over financial reporting (as defined in Rules 13a-15(f) under the Exchange Act) that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II – Other Information

Item 1: Legal Proceedings.

There are no pending legal proceedings to which the Corporation or its subsidiaries are a party or to which any of their property is subject except routine legal proceedings to which the Corporation or its subsidiaries are a party incident to the banking business. None of such proceedings are considered by the Corporation to be material.

Item 1A: Risk Factors

There have been no material changes in the discussion pertaining to risk factors that was provided in the Corporation's Annual Report on Form 10-K for the fiscal year ended December 31, 2015.

Item 2: Unregistered Sales of Equity Securities and Use of Proceeds.

The Corporation has not sold any of its securities which were not registered under the Securities Act during the period covered by this report. The table below includes certain information regarding the Corporation's purchase of United Bancshares, Inc. common stock during the quarterly period ended June 30, 2016:

Period	Total number of shares purchased	Weighted Average price paid per share	Total number of shares purchased as part of a publicly announced plan or program (a)	Maximum number of shares that may yet be purchased under the plan or program (a)
04/01/16 - 04/30/16	-	$ -	353,669	246,331
05/01/16 - 05/31/16	350	$ 17.85	354,019	245,981
06/01/16 - 06/30/16	-	$ -	354,019	245,981

The Plan authorizes the Corporation to repurchase up to 600,000 of the Corporation's common shares from time to time in a program of market purchases or in privately negotiated transactions as the securities laws and market conditions permit.

Item 3: Defaults upon Senior Securities.

None

Item 4: Mine Safety Disclosures

Not applicable

Item 5: Other Information.

None

Item 6: Exhibits

(a) Exhibits

Exhibit 2 Stock Purchase Agreement, dated July 1, 2014 among United Bancshares, Inc., Ohio State Bancshares, Inc. and Rbancshares, Inc.

Exhibit 3(i) Amended and Restated Articles of Incorporation

Exhibit 3(ii) Amended and Restated Code of Regulations

Exhibit 10.1 Salary Continuation Agreement - Brian D. Young

Exhibit 10.2 Salary Continuation Agreement – Heather M. Oatman

Exhibit 10.3 Preferred Trust Securities, Placement and Debenture agreements

Exhibit 10.4 Salary Continuation Agreement, First Amendment – Brian D. Young

Exhibit 10.5 2016 Stock Option Plan

Exhibit 31.1 Rule 13a-14(a)/15d-14(a) Certification of CEO

Exhibit 31.2 Rule 13a-14(a)/15d-14(a) Certification of CFO

Exhibit 32.1 Section 1350 CEO's Certification

Exhibit 32.2 Section 1350 CFO's Certification

Exhibit 99 Safe Harbor under The Private Securities Litigation Reform Act of 1995

Exhibit 101.INS XBRL Instance Document

Exhibit 101.SCH XBRL Taxonomy Extension Schema

Exhibit 101.CAL XBRL Taxonomy Extension Calculation

Exhibit 101.DEF XBRL Taxonomy Extension Definition

Exhibit 101.LAB XBRL Taxonomy Extension Label

Exhibit 101.PRE XBRL Taxonomy Extension Presentation

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:	July 21, 2016	By:/s/ Daniel J. Lucke Daniel J. Lucke Chief Financial Officer

EXHIBIT INDEX

UNITED BANCSHARES, INC. QUARTERLY REPORT ON FORM 10-Q

FOR PERIOD ENDED June 30, 2016

Exhibit

Number	**Description**	**Exhibit Location**
2	Stock Purchase Agreement, dated July 1, 2014 among United Bancshares, Inc., Ohio State Bancshares, Inc. and Rbancshares, Inc.	Incorporated herein by reference to the Corporation’s Form 8-K filed July 1, 2014.
3(i)	Amended and Restated Articles of Incorporation	Incorporated herein by reference to the Corporation's Definitive Proxy Statement pursuant to Section 14(a) filed March 8, 2002.
3(ii)	Amended and Restated Code of Regulations	Incorporated herein by reference to the Corporation’s Form 10Q for the quarter ended June 30, 2007.
10.1	Salary Continuation Agreement - Brian D. Young	Incorporated herein by reference to the Corporation's 2004 Form 10K/A filed August 5, 2005.
10.2	Salary Continuation Agreement – Heather M. Oatman	Incorporated herein by reference to the Corporation's 2008 Form 10K filed March 20, 2009.
10.3	Preferred Trust Securities, Placement and Debenture agreements	Incorporated herein by reference to the Corporation’s 2004 Form 10K/A filed August 5, 2005.
10.4	Salary Continuation Agreement, First Amendment – Brian D. Young	Incorporated herein by reference to the Corporation’s 2007 Form 10Q filed April 27, 2007.
10.5	2016 Stock Option Plan	Incorporated herein by reference to the Corporation’s Definitive Proxy Statement pursuant to Section 14(a) filed March 23, 2016.
31.1	Rule 13a-14(a)/15d-14(a) Certification of CEO	Filed herewith
31.2	Rule 13a-14(a)/15d-14(a) Certification of CFO	Filed herewith
32.1	Section 1350 CEO’s Certification	Filed herewith
32.2	Section 1350 CFO’s Certification	Filed herewith
99	Safe Harbor under the Private Securities Litigation Reform Act of 1995	Filed herewith
101.INS	XBRL Instance Document	Filed herewith
101.SCH	XBRL Taxonomy Extension Schema	Filed herewith
101.CAL	XBRL Taxonomy Extension Calculation	Filed herewith
101.DEF	XBRL Taxonomy Extension Definition	Filed herewith
101.LAB	XBRL Taxonomy Extension Label	Filed herewith

101.PRE	XBRL Taxonomy Extension Presentation	Filed herewith