

MIDDLEFIELD BANC CORP

Form 10-Q

August 14, 2012

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20552

FORM 10 - Q

☒ QUARTERLY REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934

For the quarterly period ended June 30, 2012

Commission File Number 000-32561

Middlefield Banc Corp.

(Exact name of registrant as specified in its charter)

Ohio

(State or other jurisdiction of incorporation or
organization)

34 - 1585111

(IRS Employer Identification No.)

15985 East High Street, Middlefield, Ohio 44062-9263

(Address of principal executive offices)

(440) 632-1666

(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. YES ☒ NO ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (Section 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). YES ☒ NO ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See the definition 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 ☐ Small reporting company ☒

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).
YES ☐ NO ☒

State the number of shares outstanding of each of the issuer's classes of common equity as of the latest practical date:

Class: Common Stock, without par value Outstanding at August 14, 2012: 1,977,321

MIDDLEFIELD BANC CORP.

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MIDDLEFIELD BANC CORP.
CONSOLIDATED BALANCE SHEET
(Dollar amounts in thousands)
(Unaudited)

	June 30, 2012	December 31 2011
ASSETS		
Cash and due from banks	\$30,908	\$15,730
Federal funds sold	11,953	18,660
Cash and cash equivalents	42,861	34,390
Investment securities available for sale	173,446	193,977
Loans	410,868	401,880
Less allowance for loan losses	7,752	6,819
Net loans	403,116	395,061
Premises and equipment	8,598	8,264
Goodwill	4,559	4,559
Bank-owned life insurance	8,394	8,257
Accrued interest and other assets	8,866	10,043
TOTAL ASSETS	\$649,840	\$654,551
LIABILITIES		
Deposits:		
Noninterest-bearing demand	\$65,969	\$63,348
Interest-bearing demand	61,935	55,853
Money market	67,533	75,621
Savings	171,150	167,207
Time	205,142	218,933
Total deposits	571,729	580,962
Short-term borrowings	6,959	7,392
Other borrowings	16,363	16,831
Accrued interest and other liabilities	1,631	2,113
TOTAL LIABILITIES	596,682	607,298
STOCKHOLDERS' EQUITY		
Common stock, no par value; 10,000,000 shares authorized, 2,166,851 and 1,951,869 shares issued	33,944	31,240
Retained earnings	20,399	18,206
Accumulated other comprehensive income	5,549	4,541
Treasury stock, at cost; 189,530 shares	(6,734)	(6,734)
TOTAL STOCKHOLDERS' EQUITY	53,158	47,253
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$649,840	\$654,551

See accompanying unaudited notes to the consolidated financial statements.

MIDDLEFIELD BANC CORP.
CONSOLIDATED STATEMENT OF INCOME
(Dollar amounts in thousands, except per share data)
(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2012	2011	2012	2011
INTEREST INCOME				
Interest and fees on loans	\$5,641	\$5,399	\$11,178	\$10,700
Interest-bearing deposits in other institutions	8	2	12	4
Federal funds sold	4	4	7	13
Investment securities:				
Taxable interest	791	1,289	1,706	2,612
Tax-exempt interest	753	702	1,500	1,400
Dividends on stock	26	25	52	51
Total interest income	7,223	7,421	14,455	14,780
INTEREST EXPENSE				
Deposits	1,434	2,004	2,931	4,041
Short-term borrowings	99	59	158	118
Other borrowings	82	104	166	213
Trust preferred securities	31	137	77	273
Total interest expense	1,646	2,304	3,332	4,645
NET INTEREST INCOME	5,577	5,117	11,123	10,135
Provision for loan losses	450	700	1,050	1,565
NET INTEREST INCOME AFTER PROVISION FOR LOAN LOSSES	5,127	4,417	10,073	8,570
NONINTEREST INCOME				
Service charges on deposit accounts	471	416	902	844
Investment securities gains (losses), net	296	(37)	296	(22)
Earnings on bank-owned life insurance	69	66	137	139
Other income	181	149	476	332
Total noninterest income	1,017	594	1,811	1,293
NONINTEREST EXPENSE				
Salaries and employee benefits	1,800	1,944	3,550	3,634
Occupancy expense	222	223	470	495
Equipment expense	201	155	371	313
Data processing costs	191	173	390	353
Ohio state franchise tax	128	97	257	225
Federal deposit insurance expense	258	272	501	497
Professional fees	186	185	400	396
Losses on other real estate owned	32	323	50	303
Other expense	1,023	920	1,834	1,781
Total noninterest expense	4,041	4,292	7,823	7,997
Income before income taxes	2,103	719	4,061	1,866
Income taxes (benefit)	463	(1)	898	144
NET INCOME	\$1,640	\$720	\$3,163	\$1,722
EARNINGS PER SHARE				
Basic	\$0.85	\$0.44	\$1.72	\$1.05

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Diluted	0.85	0.44	1.72	1.05
DIVIDENDS DECLARED PER SHARE	\$0.26	\$0.26	\$0.52	\$0.52

See accompanying notes to the unaudited consolidated financial statements.

MIDDLEFIELD BANC CORP.
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
(Dollar amounts in thousands)
(Unaudited)

	Three Months Ended		Six Months Ended	
	June 30		June 30	
	2012	2011	2012	2011
Net income	\$1,640	\$720	\$3,163	\$1,722
Other comprehensive income:				
Net unrealized holding gain on available for sale securities	1,884	3,754	1,824	3,508
Tax effect	(640)	(1,252)	(620)	(1,170)
Reclassification adjustment for (gains) losses included in net income	(296)	37	(296)	22
Tax effect	100	(12)	100	(7)
Total other comprehensive income	1,048	2,527	1,008	2,353
Comprehensive income	\$			