

UNITED SECURITY BANCSHARES
Form 10-Q
August 03, 2017
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SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF
^X 1934 FOR THE QUARTERLY PERIOD ENDED JUNE 30, 2017
TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF
^O 1934 FOR THE TRANSITION PERIOD FROM TO .

Commission file number: 000-32897

UNITED SECURITY BANCSHARES
(Exact name of registrant as specified in its charter)

CALIFORNIA 91-2112732
(State or other jurisdiction of incorporation or organization) (I.R.S. Employer Identification No.)

2126 Inyo Street, Fresno, California 93721
(Address of principal executive offices) (Zip Code)

Registrants telephone number, including area code (559) 248-4943

Indicate by check mark whether the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes No

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 for the past 90 days. Yes No

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

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a small reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer Accelerated filer Non-accelerated filer
Small reporting company Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

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Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes No

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Common Stock, no par value
(Title of Class)

Shares outstanding as of July 31, 2017: 16,875,190

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PART I. Financial Information

United Security Bancshares and Subsidiaries

Consolidated Balance Sheets – (unaudited)

June 30, 2017 and December 31, 2016

(in thousands except shares)	June 30, 2017	December 31, 2016
Assets		
Cash and non-interest bearing deposits in other banks	\$21,016	\$ 25,781
Cash and due from Federal Reserve Bank	88,492	87,251
Cash and cash equivalents	109,508	113,032
Interest-bearing deposits in other banks	652	650
Investment securities available for sale (at fair value)	53,461	57,491
Loans	567,240	569,759
Unearned fees and unamortized loan origination costs, net	923	1,075
Allowance for credit losses	(9,007)	(8,902)
Net loans	559,156	561,932
Accrued interest receivable	5,086	3,895
Premises and equipment – net	10,710	10,445
Other real estate owned	5,745	6,471
Goodwill	4,488	4,488
Cash surrender value of life insurance	19,313	19,047
Investment in limited partnerships	1,666	757
Deferred tax assets - net	3,392	3,298
Other assets	8,389	6,466
Total assets	\$781,566	\$ 787,972
Liabilities & Shareholders' Equity		
Liabilities		
Deposits		
Noninterest bearing	\$287,003	\$ 262,697
Interest bearing	379,308	413,932
Total deposits	666,311	676,629
Accrued interest payable	33	76
Accounts payable and other liabilities	6,260	5,781
Junior subordinated debentures (at fair value)	9,441	8,832
Total liabilities	682,045	691,318
Shareholders' Equity		
Common stock, no par value 20,000,000 shares authorized, 16,875,190 issued and outstanding at June 30, 2017, and 16,705,594 at December 31, 2016	57,844	56,557
Retained earnings	42,053	40,701
Accumulated other comprehensive loss	(376)	(604)
Total shareholders' equity	99,521	96,654
Total liabilities and shareholders' equity	\$781,566	\$ 787,972

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United Security Bancshares and Subsidiaries
 Consolidated Statements of Income
 (Unaudited)

(In thousands except shares and EPS)	Quarter Ended		Six Months	
	June 30,	June 30,	Ended June 30,	Ended June 30,
	2017	2016	2017	2016
Interest Income:				
Loans, including fees	\$7,579	\$6,658	\$14,804	\$13,288
Investment securities – AFS – taxable	229	185	453	374
Interest on deposits in FRB	301	151	484	276
Interest on deposits in other banks	1	2	2	4
Total interest income	8,110	6,996	15,743	13,942
Interest Expense:				
Interest on deposits	364	272	700	549