

OHIO VALLEY BANC CORP
Form 10-Q
May 10, 2013

United States
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 1934

For the quarterly period ended March 31, 2013

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission file number 0-20914

OHIO VALLEY BANC CORP.
(Exact name of registrant as specified in its charter)

Ohio
(State of Incorporation)

31-1359191
(I.R.S. Employer Identification No.)

420 Third Avenue
Gallipolis, Ohio
(Address of principal executive offices)

45631
(ZIP Code)

(740) 446-2631
(Issuer's telephone number, including area code)

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

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

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

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Large accelerated filer	<input type="radio"/>	Accelerated filer	<input checked="" type="radio"/>
Non-accelerated filer	<input type="radio"/>	Smaller reporting company	<input type="radio"/>

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

The number of common shares of the registrant outstanding as of April 30, 2013 was 4,062,204.

OHIO VALLEY BANC CORP.
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PART I - FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

OHIO VALLEY BANC CORP.
CONSOLIDATED BALANCE SHEETS
(dollars in thousands, except share data)

	March 31, 2013 UNAUDITED	December 31, 2012
ASSETS		
Cash and noninterest-bearing deposits with banks	\$ 9,842	\$10,617
Interest-bearing deposits with banks	105,530	35,034
Total cash and cash equivalents	115,372	45,651
Securities available for sale	99,515	94,965
Securities held to maturity (estimated fair value: 2013 - \$24,520; 2012 - \$24,624)	23,496	23,511
Federal Home Loan Bank stock	6,281	6,281
Total loans	551,274	558,288
Less: Allowance for loan losses	(6,672)	(6,905)
Net loans	544,602	551,383
Premises and equipment, net	8,567	8,680
Other real estate owned	3,371	3,667
Accrued interest receivable	2,033	2,057
Goodwill	1,267	1,267
Bank owned life insurance and annuity assets	24,587	25,056
Other assets	5,817	6,705
Total assets	\$ 834,908	\$769,223
LIABILITIES		
Noninterest-bearing deposits	\$ 212,707	\$139,526
Interest-bearing deposits	509,665	515,538
Total deposits	722,372	655,064
Other borrowed funds	14,452	14,285
Subordinated debentures	8,500	13,500
Accrued liabilities	11,030	10,554
Total liabilities	756,354	693,403
COMMITMENTS AND CONTINGENT LIABILITIES (See Note 5)	----	----
SHAREHOLDERS' EQUITY		
Common stock (\$1.00 stated value per share, 10,000,000 shares authorized; 4,721,943 shares issued)	4,722	4,722

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Additional paid-in capital	34,109	34,109
Retained earnings	53,911	51,094
Accumulated other comprehensive income	1,524	1,607
Treasury stock, at cost (659,739 shares)	(15,712)	(15,712)
Total shareholders' equity	78,554	75,820
Total liabilities and shareholders' equity	\$ 834,908	\$ 769,223

OHIO VALLEY BANC CORP.
CONDENSED CONSOLIDATED STATEMENTS OF INCOME (UNAUDITED)
(dollars in thousands, except per share data)

	Three months ended March 31,	
	2013	2012
Interest and dividend income:		
Loans, including fees	\$8,917	\$9,964
Securities:		
Taxable	300	426
Tax exempt	144	145
Dividends	67	71
Other Interest	52	59
	9,480	10,665
Interest expense:		
Deposits	839	1,374
Other borrowed funds	81	125
Subordinated debentures	139	254
	1,059	1,753
Net interest income	8,421	8,912
Provision for loan losses	31	1,316
Net interest income after provision for loan losses	8,390	7,596
Noninterest income:		
Service charges on deposit accounts	424	450
Trust fees	51	49
Income from bank owned life insurance and annuity assets	631	194
Mortgage banking income	137	97
Electronic refund check / deposit fees	2,105	2,038
Debit / credit card interchange income	452	395
Gain (loss) on other real estate owned	(65)	8
Other	205	248
	3,940	3,479
Noninterest expense:		
Salaries and employee benefits	4,439	4,268
Occupancy	394	402
Furniture and equipment	226	237
FDIC insurance	144	291
Data processing	281	279
Foreclosed assets	295	110
Other	2,169	1,745
	7,948	7,332
Income before income taxes	4,382	3,743
Provision for income taxes	1,159	1,121

NET INCOME	\$3,223	\$2,622
Earnings per share	\$.79	\$.65

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OHIO VALLEY BANC CORP.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (UNAUDITED)
(dollars in thousands)

	Three months ended March 31,	
	2013	2012
Net Income	\$3,223	\$2,622
Other comprehensive income (loss):		
Change in unrealized gain on available for sale securities	(126)	158
Related tax (expense) benefit	43	(54)
Total other comprehensive income (loss), net of tax	(83)	104
Total comprehensive income	\$3,140	\$2,726

OHIO VALLEY BANC CORP.
 CONDENSED CONSOLIDATED STATEMENTS OF CHANGES
 IN SHAREHOLDERS' EQUITY (UNAUDITED)
 (dollars in thousands, except share and per share data)

	Three months ended March 31,	
	2013	2012
Balance at beginning of period	\$ 75,820	\$ 71,843
Net income	3,223	2,622
Other comprehensive income (loss), net of tax	(83)	104
Proceeds from issuance of common stock through dividend reinvestment plan	----	55
Cash dividends	(406)	(845)
Balance at end of period	\$ 78,554	\$ 73,779
Cash dividends per share	\$.10	\$.21

OHIO VALLEY BANC CORP.
 CONDENSED CONSOLIDATED STATEMENTS OF
 CASH FLOWS (UNAUDITED)
 (dollars in thousands)

	Three months ended March 31,	
	2013	2012
Net cash provided by operating activities:	\$4,759	\$4,218
Investing activities:		
Proceeds from maturities of securities available for sale	7,989	6,775
Purchases of securities available for sale	(13,089)	(12,376)
Proceeds from maturities of securities held to maturity	351	887
Purchases of securities held to maturity	(353)	(835)
Net change in loans	6,560	23,928
Proceeds from sale of other real estate owned	421	41
Purchases of premises and equipment	(87)	(124)
Purchases of bank owned life insurance	(149)	(1,274)
Proceeds from bank owned life insurance	1,249	----
Net cash provided by investing activities	2,892	17,022
Financing activities:		
Change in deposits	67,308	48,227
Proceeds from common stock through dividend reinvestment plan	----	55
Cash dividends	(406)	(845)