

CSB BANCORP INC /OH
Form 10-Q
May 14, 2013
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

x **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**

Commission file number: 0-21714

CSB Bancorp, Inc.

(Exact name of registrant as specified in its charter)

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Ohio
(State or other jurisdiction of
incorporation or organization)

34-1687530
(I.R.S. Employer
Identification Number)

91 North Clay, P.O. Box 232, Millersburg, Ohio 44654
(Address of principal executive offices)

(330) 674-9015
(Registrant's telephone number)

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 (§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, or a non-accelerated filer. See definition of accelerated filer and large accelerated filer in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer Accelerated filer
Non-accelerated filer Smaller 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

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

Common stock, \$6.25 par value
Outstanding at May 1, 2013:
2,736,060 common shares

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QUARTER ENDED March 31, 2013

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PART I FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

CONSOLIDATED BALANCE SHEETS

(Unaudited)

	March 31, 2013	December 31, 2012
ASSETS		
<i>(Dollars in thousands)</i>		
Cash and cash equivalents		
Cash and due from banks	\$ 9,238	\$ 21,485
Interest-earning deposits in other banks	27,938	45,393
Total cash and cash equivalents	37,176	66,878
Securities		
Available-for-sale, at fair value	131,906	129,291
Restricted stock, at cost	5,463	5,463
Total securities	137,369	134,754
Loans		
Less allowance for loan losses	4,804	4,580
Net loans	368,563	360,000
Premises and equipment, net	8,349	8,475
Core deposit intangible	860	894
Goodwill	4,728	4,728
Bank-owned life insurance	8,356	8,298
Accrued interest receivable and other assets	3,451	2,873
TOTAL ASSETS	\$ 568,852	\$ 586,900
LIABILITIES AND SHAREHOLDERS EQUITY		
LIABILITIES		
Deposits		
Noninterest-bearing	\$ 92,831	\$ 104,147
Interest-bearing	364,699	371,296
Total deposits	457,530	475,443
Short-term borrowings	43,551	43,992
Other borrowings	12,611	12,672
Accrued interest payable and other liabilities	2,330	2,340
Total liabilities	516,022	534,447

SHAREHOLDERS EQUITY

Common stock, \$6.25 par value. Authorized 9,000,000 shares; issued 2,980,602 shares; outstanding 2,736,060 shares in 2013 and 2012	18,629	18,629
Additional paid-in capital	9,974	9,974
Retained earnings	27,831	26,962
Treasury stock at cost 244,542 shares in 2013 and 2012	(4,976)	(4,976)
Accumulated other comprehensive income	1,372	1,864
Total shareholders equity	52,830	52,453
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	\$ 568,852	\$ 586,900

See notes to unaudited consolidated financial statements.

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CSB BANCORP, INC.

CONSOLIDATED STATEMENTS OF INCOME

(Unaudited)

<i>(Dollars in thousands, except per share data)</i>	Three Months Ended March 31,	
	2013	2012
INTEREST AND DIVIDEND INCOME		
Loans, including fees	\$ 4,567	\$ 4,252
Taxable securities	582	729
Nontaxable securities	127	112
Other	24	39
Total interest and dividend income	5,300	5,132
INTEREST EXPENSE		
Deposits	475	640
Short-term borrowings	16	24
Other borrowings	117	155
Total interest expense	608	819
NET INTEREST INCOME	4,692	4,313
PROVISION FOR LOAN LOSSES	210	206
Net interest income, after provision for loan losses	4,482	4,107
NONINTEREST INCOME		
Service charges on deposit accounts	315	308
Trust services	214	161
Debit card interchange fees	178	194
Gain on sale of loans, net	114	56
Other	217	229
Total noninterest income	1,038	948
NONINTEREST EXPENSES		
Salaries and employee benefits	2,050	1,963
Occupancy expense	258	246
Equipment expense	165	155
Professional and director fees	117	207
Franchise tax expense	147	139
FDIC insurance expense	88	87
Software expense	114	93
Marketing and public relations	79	73
Debit card expense	62	65
Amortization of intangible assets	34	33
Net cost of operation of other real estate	9	3
Other	436	480
Total noninterest expenses	3,559	3,544

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Income before income taxes	1,961	1,511
FEDERAL INCOME TAX PROVISION	599	456
NET INCOME	\$ 1,362	\$ 1,055
Basic and diluted net earnings per share	\$ 0.50	\$ 0.39

See notes to unaudited consolidated financial statements.

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CSB BANCORP, INC.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(Unaudited)

<i>(Dollars in thousands)</i>	Three Months Ended	
	2013	2012
Net income	\$ 1,362	\$ 1,055
Other comprehensive loss		
Unrealized losses arising during the period	(745)	(112)
Income tax effect	253	38
Other comprehensive loss	(492)	(74)
Total comprehensive income	\$ 870	\$ 981

See notes to unaudited consolidated financial statements.

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CSB BANCORP, INC.

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

(Unaudited)

<i>(Dollars in thousands, except per share data)</i>	Three Months Ended	
	March 31,	
	2013	2012
Balance at beginning of period	\$ 52,453	\$ 49,429
Net income	1,362	1,055
Other comprehensive loss	(492)	(74)
Cash dividends declared	(493)	(492)
Balance at end of period	\$ 52,830	\$ 49,918
Cash dividends declared per share	\$ 0.18	\$ 0.18

See notes to unaudited consolidated financial statements.

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CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(Unaudited)

	Three Months Ended	
	March 31,	
<i>(Dollars in thousands)</i>	2013	2012
NET CASH FROM OPERATING ACTIVITIES	\$ 1,182	\$ 550
CASH FLOWS FROM INVESTING ACTIVITIES		
Securities available-for-sale:		
Proceeds from maturities and repayments	8,128	13,279
Purchases	(11,630)	(13,128)
Loan originations, net of repayments		