

SB FINANCIAL GROUP, INC.  
Form 10-Q  
August 15, 2016

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 June 30, 2016

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 1-36785

SB FINANCIAL GROUP, INC.

(Exact name of registrant as specified in its charter)

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Ohio 34-1395608  
(State or other jurisdiction of (I.R.S. Employer  
incorporation or organization) Identification No.)

401 Clinton Street, Defiance, Ohio 43512

(Address of principal executive offices)

(Zip Code)

(419) 783-8950

(Registrant's telephone number, including area code)

N/A

(Former name, former address and former fiscal year, if changed since last report.)

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, 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.

Large Accelerate 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

<b>Title of each class</b>	<b>Name of each exchange on which registered</b>
Common Shares, No Par Value	The NASDAQ Stock Market, LLC
<b>4,891,671</b> Outstanding at August 12, 2016	(NASDAQ Capital Market)

**SB FINANCIAL GROUP, INC.**

**FORM 10-Q**

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**PART I – FINANCIAL INFORMATION****Item 1. Financial Statements**

SB Financial Group, Inc.

Condensed Consolidated Balance Sheets  
June 30, 2016 and December 31, 2015

(\$ in Thousands)	<b>June 2016 (Unaudited)</b>	<b>December 2015</b>
<b>ASSETS</b>		
Cash and due from banks	\$ 29,945	\$ 20,459
Securities available for sale, at fair value	92,472	89,789
Other securities - FRB and FHLB Stock	3,748	3,748
<b>Total investment securities</b>	<b>96,220</b>	<b>93,537</b>
Loans held for sale	8,441	7,516
Loans, net of unearned income	604,776	557,659
Allowance for loan losses	(7,450 )	(6,990 )
<b>Net loans</b>	<b>597,326</b>	<b>550,669</b>
Premises and equipment, net	18,806	19,010
Cash surrender value of life insurance	13,581	13,437
Goodwill & other intangibles	16,429	16,435
Foreclosed assets held for sale, net	157	286
Mortgage servicing rights	6,494	7,152
Accrued interest receivable	1,397	1,260
Other assets	4,367	3,310
<b>Total assets</b>	<b>\$ 793,163</b>	<b>\$ 733,071</b>
<b>LIABILITIES AND EQUITY</b>		
Deposits		
Non interest bearing demand	\$ 110,899	\$ 113,113
Interest bearing demand	129,658	126,443

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Savings	84,975	83,447
Money market	134,365	104,412
Time deposits	188,403	159,038
Total deposits	648,300	586,453
Advances from Federal Home Loan Bank	23,000	35,000
Repurchase agreements	17,797	12,406
Trust preferred securities	10,310	10,310
Accrued interest payable	384	264
Other liabilities	8,422	7,397
Total liabilities	708,213	651,830
Commitments & Contingent Liabilities	-	-
Stockholders' Equity		
Preferred stock, Series A	13,983	13,983
Common stock	12,569	12,569
Additional paid-in capital	15,367	15,438
Retained earnings	42,925	40,059
Accumulated other comprehensive income	1,552	650
Treasury stock, at cost	(1,446 )	(1,458 )
Total equity	84,950	81,241
Total liabilities and equity	\$ 793,163	\$ 733,071

See notes to condensed consolidated financial statements (unaudited)

Note: The balance sheet at December 31, 2015 has been derived from the audited consolidated financial statements at that date

**SB Financial Group, Inc.**

**Condensed Consolidated Statements of Income (Unaudited)**

(\$ in thousands, except share data)	Three		Six Months	
	Months		Ended	Ended
	June	June	June	June
	2016	2015	2016	2015
Interest income				