

UNITED SECURITY BANCSHARES
Form 10-Q
November 23, 2011

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 SEPTEMBER 30, 2011.

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: 000-32987

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

CALIFORNIA
(State or other jurisdiction of
incorporation or organization)

91-2112732
(I.R.S. Employer
Identification No.)

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

93721
(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 an accelerated filer (as defined in Rule 12b-2 of the Act).

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 Act). Yes No

Aggregate market value of the Common Stock held by non-affiliates as of the last business day of the registrant's most

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recently completed second fiscal quarter - June 30, 2011: \$29,052,633

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 October 31, 2011: 13,397,847

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PART I. Financial Information

United Security Bancshares and Subsidiaries
 Consolidated Balance Sheets – (unaudited)
 September 30, 2011 and December 31, 2010

(in thousands except shares)	September 30, 2011	December 31, 2010
Assets		
Cash and due from banks	\$ 23,588	\$ 13,259
Cash and due from FRB	96,882	85,171
Cash and cash equivalents	120,470	98,430
Interest-bearing deposits in other banks	2,178	4,396
Investment securities available for sale (at fair value)	47,063	51,503
Loans and leases	417,444	441,691
Unearned fees	(502)	(645)
Allowance for credit losses	(13,936)	(16,520)
Net loans	403,006	424,526
Accrued interest receivable	1,885	2,152
Premises and equipment – net	12,663	12,909
Other real estate owned	30,388	35,580
Intangible assets	702	1,209
Goodwill	4,488	5,977
Cash surrender value of life insurance	16,017	15,493
Investment in limited partnership	1,537	1,851
Deferred income taxes - net	7,531	8,878
Other assets	20,562	15,306
Total assets	\$ 668,490	\$ 678,210
Liabilities & Shareholders' Equity		
Liabilities		
Deposits		
Noninterest bearing	\$ 201,416	\$ 139,690
Interest bearing	360,940	417,776
Total deposits	562,356	557,466
Other borrowings	25,000	32,000
Accrued interest payable	134	222
Accounts payable and other liabilities	6,558	4,606
Junior subordinated debentures (at fair value)	9,048	10,646
Total liabilities	603,096	604,940
Shareholders' Equity		
Common stock, no par value 20,000,000 shares authorized, 13,397,847 and 13,000,849 issued and outstanding, in 2011 and 2010, respectively	41,129	39,869
Retained earnings	25,108	33,807
Accumulated other comprehensive loss	(843)	(406)
Total shareholders' equity	65,394	73,270

Total liabilities and shareholders' equity	\$ 668,490	\$ 678,210
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See notes to consolidated financial statements

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

(In thousands except shares and EPS)	Quarter Ended		Nine Months Ended	
	September 30,		September 30,	
	2011	2010	2011	2010
Interest Income:				
Loans, including fees	\$6,378	\$7,283	\$19,235	\$22,592
Investment securities – AFS – taxable	507	627	1,644	2,197
Investment securities – AFS – nontaxable	0	15	0	44
Federal funds sold	0	21	0	36
Interest on deposits in FRB	43	8	137	11
Interest on deposits in other banks	9			