SECURITIES AND EXCHANGE COMMISSION

FORM 10-Q

Quarterly report pursuant to sections 13 or 15(d)

Filing Date: **1996-11-14** | Period of Report: **1996-09-30**
SEC Accession No. 0000357066-96-000009

(HTML Version on secdatabase.com)

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MID AM INC

CIK:**357066**| IRS No.: **341580978** | State of Incorp.:**OH** | Fiscal Year End: **1231**
Type: **10-Q** | Act: **34** | File No.: **000-10585** | Film No.: **96664907**
SIC: **6021** National commercial banks

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FORM 10-Q

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

[x] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended September 30, 1996

Commission File No. 0-10585

Mid Am, Inc.
(Exact Name of Registrant as Specified in its Charter)

Ohio	34-1580978
(State or Other Jurisdiction of Incorporation or Organization)	(IRS Employer Identification Number)

222 South Main Street, Bowling Green, Ohio	43402
(Address of Principal Executive Offices)	(Zip Code)

(419)352-5271
(Registrant's Telephone Number)

Indicate by check number 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 X

Indicate the number of shares outstanding of each of the issuer's classes of common stock as of the close of business on October 31, 1996.

Common Stock, without par value - 20,595,855 shares

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MID AM, INC.

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PART I. - FINANCIAL INFORMATION

MID AM, INC. Consolidated Statement of Condition-(Unaudited)

	September 30, 1996	December 31, 1995
Assets	(Dollars in thousands)	
Cash and due from banks	$ 78,292	$ 102,600
Int-bearing deposits in banks	1,116	3,372
Federal funds sold	2,188	72,558
Securities available for sale	454,207	461,997
Loans held for sale	4,630	12,642
Loans, net of unearned fees	1,540,641	1,475,651
Allowance for credit losses	(14,972)	(14,859)
Net loans	1,525,669	1,460,792
Bank premises and equipment	49,097	49,489
Int receivable/other assets	48,229	41,301
Total Assets	$2,163,428	$2,204,751
Liabilities		
Demand deposits(non-interest)	$ 194,394	$ 223,945
Savings deposits	585,794	593,807
Other time deposits	1,030,196	1,042,390
Total Deposits	1,810,384	1,860,142
Federal funds purchased and securities sold under agreements to repurchase	115,478	87,548
Capitalized lease obligations and debt	30,710	48,405
Int payable/other liabilities	19,759	13,818
Total Liabilities	1,976,331	2,009,913
Shareholders' Equity		
Preferred stock - no par value Authorized - 2,000,000 Issued - 1,302,410 and 1,422,744 shares	32,560	35,569
Common stock - stated value of $3.33 per share Authorized - 35,000,000 Issued - 20,623,609 and 19,492,726 shares	68,745	64,975
Surplus	87,619	91,723
Retained earnings	906	9,529
Treasury stock 38,998 and 522,361 shares	(614)	(8,424)
Unrealized (losses)/gains on securities avail for sale	(2,119)	1,466

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Total Shareholders' Equity	187,097	194,838
Total Liabilities and Shareholders' Equity	$2,163,428	$2,204,751

MID AM, INC. Consolidated Statement of Earnings-(Unaudited)

	Three Mths Ended September 30,		Nine Mths Ended September 30,	
	1996	1995	1996	1995
	(Dollars in thousands)			
Interest Income				
Int and fees on loans	$33,807	$33,025	$99,413	$96,896
Int on deposits in banks	31	76	95	153
Int on federal funds sold	245	1,111	1,953	2,358
Int on taxable investments	6,422	6,252	19,130	18,606
Int on tax exempt investment	638	931	2,122	2,830
Total Interest Income	41,143	41,395	122,713	120,843
Interest Expense				
Int on deposits	18,181	19,054	54,796	53,422
Int on borrowed funds	1,601	1,897	5,163	5,912
Total Interest Expense	19,782	20,951	59,959	59,334
Net Interest Income	21,361	20,444	62,754	61,509
Provision for credit losses	1,305	864	2,940	2,008
Net Interest Income After Provision Credit Losses	20,056	19,580	59,814	59,501
Non-interest Income				
Service charge deposit accts	1,773	1,602	5,085	4,604
Mortgage banking	2,166	2,452	7,579	5,940
Brokerage commissions	1,391	2,520	7,851	6,739
Collection agency fees	1,053	841	3,075	2,510
Net gains on security sales	488	86	1,274	142
Other income	3,600	1,947	8,552	5,908
Total Non-interest Income	10,471	9,448	33,416	25,843
Non-interest Expense				
Salaries/employee benefits	10,227	8,471	30,415	25,511
Net occupancy expense	1,376	1,353	3,951	3,884
Equipment expense	1,979	1,796	5,887	5,367
Other expenses	10,805	7,778	28,040	22,862
Total Non-interest Expense	24,387	19,398	68,293	57,624
Income before income taxes	6,140	9,630	24,937	27,720
Applicable income taxes	1,895	3,158	7,974	8,973
Net Income	$ 4,245	$ 6,472	$16,963	$18,747

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Net Income Available to Common Shareholders	$ 3,657	$ 5,798	$15,125	$16,642
Earnings per Common Share:				
Primary	$ .18	$ .27	$ .72	$ .79
Fully diluted	$ .18	$ .26	$ .70	$ .75

MID AM, INC. Consolidated Statement of Cash Flows-(Unaudited)

	Nine Months Ended September 30, 1996	1995
Operating Activities	(Dollars in thousands)	
Net income	$ 16,963	$ 18,747
Adjustments to reconcile net income to net cash provided by operating activities:		
Provision for credit losses	2,940	2,008
Provision for depreciation and amortization of assets	6,818	6,511
Proceeds from sales of mortgage and other loans held for sale	353,071	211,031
Mortgage and other loans originated for sale	(340,762)	(212,052)
Net gains on sales of assets	(8,336)	(3,853)
Increase in interest receivable and other assets	(6,476)	(10,261)
Increase in interest payable and other liabilities	5,941	1,964
Net Cash Provided By Operating Activities	30,159	14,095
Investing Activities		
Net decrease (increase) in interest-bearing deposits in other banks	2,256	(2,641)
Net decrease (increase) in federal funds sold	70,370	(65,506)
Proceeds from sales of securities available for sale	38,749	13,689
Proceeds from maturities and paydowns of securities available for sale	72,798	31,012
Purchases of securities available for sale	(37,525)	(53,012)
Proceeds from maturities and paydowns of investment securities		6,244
Purchases of investment securities		(340)
Proceeds from maturities and paydowns of mortgage-backed securities		14,704

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Proceeds from sales of loans	8,043	41,054
Net increase in loans	(144,687)	(62,148)
Proceeds from sales of OREO	504	1,042
Proceeds from sales of bank premises and equipment	719	536
Purchases of bank premises and equipment	(5,053)	(4,458)
Cash acquired through acquisitions		575
Net Cash Provided By (Used For) Investing Activities	6,174	(79,249)

MID AM, INC. Consolidated Statement of Cash Flows-(Unaudited)

	Nine Months Ended September 30,	
	1996	1995
Financing Activities	(Dollars in thousands)	
Net decrease in demand deposits and savings accounts	(37,564)	(29,367)
Net (decrease) increase in other time deposits	(12,194)	96,197
Net increase in federal funds purchased and securities sold under agreements repurchase	27,930	13,443
Repayment of capitalized lease obligations and debt	(17,695)	(64,138)
Proceeds from issuance of debt		48,950
Cash dividends paid	(10,950)	(11,190)
Treasury stock (net of reissuance, 339 and 556)	(10,065)	(5,844)
Preferred stock conversions, fractional shares and other items	(103)	48
Net Cash (Used For) Provided By Financing Activities	(60,641)	48,099
Net decrease in cash and due from banks	(24,308)	(17,055)
Cash and due from banks at the beginning of the period	102,600	85,332
Cash and due from banks at the end of the period	$ 78,292	$ 68,277
Supplemental Schedule of Noncash Investing and Financing Activities		
Securitization of loans and transferred to securities available for sale	$ 71,299	$ 3,430

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Transfers from loans to other real estate owned	$ 708	$ 507
Loans on other real estate owned sold	$ 208	
Fair value of assets acquired		$ 48
Intangible assets		246
Fair value of liabilities assumed		(44)
Common stock issued		$ 250
Unrealized (losses) gains on securities available for sale	$ (5,516)	$ 7,547
Adjustment to deferred tax	(1,931)	2,641
Adjustment to shareholders' equity	$ (3,585)	$ 4,906

MID AM, INC.

Notes to Consolidated Financial Information - (unaudited)

1. Accounting Principles

The consolidated financial statements of Mid Am, Inc. (the "Company") include the accounts of Mid American National Bank and Trust Company ("Mid Am Bank"), First National Bank Northwest Ohio ("First National"), American Community Bank, N.A. ("AmeriCom"), AmeriFirst Bank, N.A. ("AmeriFirst"), Adrian State Bank ("Adrian"), Mid Am Recovery Services, Inc. ("MARSI"), MFI Investments Corp. ("MFI"), MFI Insurance Agency, Inc., Mid Am Information Services, Inc., Mid Am Credit Corp. ("MACC") and Mid Am of Michigan, Inc. All significant intercompany transactions and accounts have been eliminated in consolidation.

Prior to 1994, Mid Am, Inc.'s business related solely to commercial banking and related services which for financial reporting purposes was considered a single business segment. In 1994, two collection companies were acquired, in 1995, a retail brokerage firm was acquired and in 1996, a full service equipment leasing and financing unit was formed which are considered to be additional business segments. The revenues, operating profit and assets of the collection business, retail brokerage business and leasing and financing business however, are not material for separate disclosure and the Company's predominant business continues to be banking.

In the opinion of management of the Company, all adjustments

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necessary to present fairly the financial position, results of operations and cash flows as of and for the periods presented have been made. Such adjustments consisted only of normal recurring items.

2. Stock Dividend

On August 16, 1996, the Board of Directors of the Company declared a 10 percent stock dividend on its common stock to all shareholders of record on September 10, 1996. The stock dividend was paid on September 30, 1996 and fractional shares were paid in cash. As a result of the stock dividend, the Company distributed approximately 1.9 million shares of common stock to approximately 8,300 shareholders of record. Per common share data for all periods presented and the statement of condition at September 30, 1996 have been adjusted to reflect this 10 percent stock dividend.

3. Repurchase Program

On May 16, 1996, the Board of Directors of the Company authorized management to undertake purchases of up to 1,100,000 shares of the Company's outstanding common stock over a twelve month period in the open market or in privately negotiated transactions. This new authorization follows the expiration of the Company's 1995 authorization to repurchase up to 1,512,500 shares of common stock. Under the 1995 authorization, the Company reacquired approximately 880,000 shares of common stock. The shares reacquired are held as treasury stock and reserved for use in the Company's stock option plan and for future stock dividend declarations. As of September 30, 1996 the Company had repurchased approximately 255,000 shares of common stock pursuant to its 1996 repurchase program. In connection with the payment of the 10 percent common stock dividend paid on September 30, 1996, the Company issued 1,135,000 shares that were held as treasury stock.

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Item 2. - Management's Discussion/Analysis and Statistical Information

Three Months Ended September 30, 1996 and 1995

Results of Operations

For the three months ended September 30, 1996, net income decreased $2,227,000 to $4,245,000 compared to $6,472,000 for the same period in 1995. The decrease is primarily due to a non-recurring pre-tax charge of $3,560,000 assessed by the Federal Deposit Insurance Corp. The assessment is the result of long-awaited legislation passed on September 30, 1996, to recapitalize the Savings Association Insurance Fund ("SAIF"). Earnings per common share for the three months ended September 30, 1996 were $.18 ($.18 fully diluted) and $.27 ($.26 fully diluted) for the same period in 1995. For the three months ended September 30, 1996, the annualized return on average common shareholders' equity was 9.42 percent and the annualized return on average assets was 0.79 percent compared to 14.76 percent and 1.19 percent, respectively, for the same period in 1995. For the three months ended September 30, 1996, net income and earnings per common share without the non-recurring SAIF assessment would have been $6,560,000 and $.29 ($.27 fully diluted), respectively.

Net Interest Income

Net interest income increased $917,000 to $21,361,000 in the third quarter of 1996, as compared to $20,444,000 for the same period in 1995. Net interest income is affected by changes in the volumes and rates of interest-earning assets and interest-bearing liabilities and the type and mix of interest-earning assets and interest-bearing liabilities. The Company's net interest margin for the three months ended September 30, 1996 was 4.36 percent compared to 4.13 percent for the same period in 1995. The Company's net interest margin improved primarily due to a shift in the asset mix from lower interest rate short term assets such as federal funds sold to higher interest rate loans, as well as an increase in average noninterest-bearing deposits that funded interest-earning assets.

Provision for Credit Losses

The provision for credit losses increased $441,000 or 51 percent to $1,305,000 in the third quarter of 1996 compared to $864,000 in the third quarter of 1995. The additional provision was necessary to maintain an adequate allowance for credit losses on the Company's increasing loan portfolio size. Net charge-offs

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were $773,000 or 0.20 percent (annualized) of average loans during the three months ended September 30, 1996, compared to

$764,000 or 0.21 percent (annualized) for the same period in 1995. The provision for credit losses reflects the amount necessary in management's opinion to maintain an adequate allowance, based upon its analysis of the loan portfolio (including the loan growth rate and change in the mix of the loan portfolio) and general economic conditions.

At September 30, 1996, the Company's allowance for credit losses as a percentage of loans was 0.97 percent compared to 1.01 percent at December 31, 1995 and 1.03 percent at September 30, 1995. At September 30, 1996, the Company's allowance for credit losses represented 175 percent of non-performing loans as compared to 151 percent and 140 percent at December 31, 1995 and September 30, 1995, respectively. The decrease in the Company's allowance for credit losses as a percentage of loans is due to growth in the loan portfolio. However, management believes that the Company's allowance for credit losses is adequate. (See "Asset Quality".)

Non-Interest Income

For the three months ended September 30, 1996, non-interest income increased $1,023,000 or 11 percent to $10,471,000 compared to $9,448,000 for the same period in 1995. The increase is due primarily to an increase of $1,268,000 in net gains on sales of loans from the Company's leasing and financing company, an increase of $212,000 or 25 percent in collection agency fees, an increase of $115,000 in international department fee income and an increase of $402,000 in net gains on sales of securities in the third quarter of 1996 as compared to the same period in 1995. Collection agency fees increased due to an increase in commercial collection fees and net gains on sales of securities increased due to the Company taking advantage of market conditions by selling selected securities and reinvesting the proceeds in higher yielding loan assets. The increases in non-interest income was partially offset by a decrease of $286,000 or 12 percent in mortgage banking and a decrease of $1,129,000 or 45 percent in brokerage commissions. Mortgage banking decreased primarily due to a decrease in net gains on sales of loans due to the lower volume of loan sales. Brokerage commission income decreased primarily due to a decrease in the number of registered representatives causing a lower volume of business.

Non-Interest Expense

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For the three months ended September 30, 1996, non-interest expense increased $4,989,000 or 26 percent to $24,387,000 compared with $19,398,000 for the same period in 1995. For the three months ended September 30, 1996, salaries and employee benefits expense increased $1,756,000 or 21 percent to

$10,227,000 compared to $8,471,000 for the same period in 1995. The increase was primarily due to an increase in the number of employees. The increase in the number of employees was primarily due to the startup of the Company's leasing and financing company in April, 1996, the acquisiton of small collection agencies in the Florida area, new bank branch locations and new employees at the bank subsidiaries to handle increases in lending activity. Equipment expense increased $183,000 or 10 percent to $1,979,000 for the third quarter of 1996 as compared to $1,796,000 for the same period in 1995. The increase in equipment expense was primarily due to an increase of $161,000 in depreciation expense resulting from various equipment purchases. Other expenses increased $3,027,000 or 39 percent to $10,805,000 for the three months ended September 30, 1996 as compared to the same period in 1995. The increase was primarily due to a non-recurring pre-tax SAIF charge of $3,560,000 assessed by the Federal Deposit Insurance Corp. The assessment is the result of long-awaited legislation passed on September 30, 1996, to recapitalize the Savings Association Insurance Fund. The charge applied to approximately $616,000,000 of SAIF deposits acquired by the Company since 1989. Also, there were increases in printing and supplies ($94,000), credit card processing fees ($95,000), telephone expense ($70,000), loan origination expenses ($103,000), miscellaneous expense ($298,000) and various other expenses (postage, travel, state franchise taxes which aggregated $199,000), offset by a decrease of $1,172,000 in brokerage commission expense and a decrease of $267,000 in non-recurring professional fees. The decrease in brokerage commission expense is primarily due to a decrease in the number of registered representatives causing a lower volume of business.

Income Taxes

The provision for income taxes for the third quarter of 1996 decreased $1,263,000 or 40 percent to $1,895,000 compared to $3,158,000 for the same period in 1995. The decrease was due primarily to lower pretax income and a lower effective tax rate of 30.9 percent for the third quarter of 1996 as compared to 32.8 percent for the same period in 1995.

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Nine Months Ended September 30, 1996 and 1995

Results of Operations

For the nine months ended September 30, 1996, net income decreased $1,784,000 to $16,963,000 compared to $18,747,000 for the same period in 1995. Earnings per common share for the nine months ended September 30, 1996 were $.72 ($.70 fully diluted) and $.79 ($.75 fully diluted) for the same period in 1995. For

the nine months ended September 30, 1996, the annualized return on average common shareholders' equity was 12.87 percent and the annualized return on average assets was 1.05 percent compared to 14.66 percent and 1.18 percent, respectively, for the same period in 1995. For the nine months ended September 30, 1996, net income and earnings per common share without the non-recurring SAIF assessment would have been $19,278,000 and $.83 ($.79 fully diluted), respectively.

Net Interest Income

Net interest income increased $1,245,000 to $62,754,000 for the nine months ended September 30, 1996, as compared to $61,509,000 for the same period in 1995. Net interest income is affected by changes in the volumes and rates of interest-earning assets and interest-bearing liabilities and the type and mix of interest-earning assets and interest-bearing liabilities. The Company's net interest margin for the nine months ended September 30, 1996 was 4.28 percent compared to 4.26 percent for the same period in 1995. The slight improvement in the Company's net interest margin was primarily due to the increase in average loans being funded by a greater percentage of noninterest-bearing deposits than interest-bearing deposits which occurred primarily in the third quarter of the nine month period ended September 30, 1996.

Provision for Credit Losses

The provision for credit losses increased $932,000 or 46 percent to $2,940,000 for the nine months ended September 30, 1996, as compared to $2,008,000 for the same period in 1995. Net charge-offs were $2,549,000 or 0.23 percent (annualized) of average loans during the nine months ended September 30, 1996, compared to $1,752,000 or 0.16 percent (annualized) for the same period in 1995. The increase in net charge-offs was primarily due to an increase of $964,000 in charge-offs of installment

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loans and an increase of $424,000 in charge-offs of commercial real estate loans, partially offset by a decrease of $539,000 in charge-offs of commercial loans. The provision for credit losses reflects the amount necessary in management's opinion to maintain an adequate allowance, based upon its analysis of the loan portfolio (including the loan growth rate and change in the mix of the loan portfolio) and general economic conditions.

Non-Interest Income

For the nine months ended September 30, 1996, non-interest income increased $7,573,000 or 29 percent to $33,416,000 compared to $25,843,000 for the same period in 1995. The increase is due primarily to an increase of $1,639,000 or 28 percent in mortgage

banking revenue, an increase of $1,112,000 or 17 percent in brokerage commissions, an increase of $565,000 or 23 percent in collection agency fees, an increase of $2,559,000 or 52 percent in other income and an increase of $1,132,000 in net gains on sales of securities for the nine months ended September 30, 1996, as compared to the same period in 1995. Net gains on sales of securities increased due to the Company taking advantage of market conditions by selling selected securities and reinvesting the proceeds in higher yielding loan assets. Mortgage banking increased primarily due to an increase in net gains on sales of loans that occurred in the first six months of 1996. Brokerage commissions increased primarily due to an strong increase in transactions related to the volatility in the stock market during the first six months of 1996, which was partially offset by a decrease in commissions during the third quarter of 1996. Collection agency fees increased due to an increase in retail and commercial collection fees. Other income increased primarily due to gains on sales of other loans ($1,542,000), credit card fees ($231,000), electronic banking fees ($145,000) and international banking fees ($219,000).

Non-Interest Expense

For the nine months ended September 30, 1996, non-interest expense increased $10,669,000 or 19 percent to $68,293,000 compared with $57,624,000 for the same period in 1995. For the nine months ended September 30, 1996, salaries and employee benefits expense increased $4,904,000 or 19 percent to $30,415,000 compared to $25,511,000 for the same period in 1995. The increase was primarily due to an increase in the number of employees. The increase in the number of employees was primarily due to the startup of the Company's leasing and financing company

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in April, 1996, the acquisition of small collection agencies in the Florida area, new bank branch locations and new employees at the bank subsidiaries to handle increases in lending activity. Equipment expense increased $520,000 or 10 percent to $5,887,000 for the nine months ended September 30, 1996, as compared to $5,367,000 for the same period in 1995. The increase in equipment expense was primarily due to an increase of $470,000 in depreciation expense. Other expenses increased $5,178,000 or 23 percent to $28,040,000 for the nine months ended September 30, 1996, as compared to the same period for 1995. The increase was primarily due to a non-recurring pre-tax charge of $3,560,000 assessed by the Federal Deposit Insurance Corp. Also, there were increases in postage expense ($155,000), printing and supplies ($290,000), other professional fees ($302,000), telephone expense ($186,000), loan origination expenses ($261,000), collection and repossesion expenses ($125,000), credit card processing fees ($244,000), travel expenses ($185,000), losses on sales of fixed assets ($189,000) and ticket charges from the Company's brokerage

clearing firms ($644,000), offset by a decrease of $104,000 in legal expenses and a decrease of $1,158,000 in FDIC premiums. The decrease in FDIC premiums was due to the Bank Insurance Fund premiums ($.23 per $100 of deposits) of $1,194,000 for the nine months ended September 30, 1995, which were eliminated in 1996. (See "Three Months Ended September 30, 1996 and 1995, Non-Interest Expense".)

Income Taxes

The provision for income taxes for the nine months ended September 30, 1996, decreased $999,000 or 11 percent to $7,974,000 compared to $8,973,000 for the same period in 1995. The decrease was due primarily to lower pretax income and a lower effective tax rate of 32.0 percent for the nine months ended September 30, 1996, as compared to 32.4 percent for the same period in 1995.

Liquidity

The liquidity of a financial institution reflects its ability to provide funds to meet loan requests, to accommodate possible outflows in deposits and to take advantage of interest rate market opportunities. Funding of loan requests, providing for liability outflows, and management of interest rate fluctuations require continuous analysis in order to match the maturities of specific categories of short-term

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loans and investments with specific types of deposits and borrowings. Financial institution liquidity is thus normally considered in terms of the nature and mix of the institution's sources and uses of funds.

For the Company's bank subsidiaries, the primary sources of liquidity at September 30, 1996 were federal funds sold of $2,188,000, securities available for sale of $454,207,000 and loans held for sale of $4,630,000. At December 31, 1995, the primary sources of liquidity were federal funds sold of $72,558,000, securities available for sale of $461,997,000 and loans held for sale of $12,642,000.

Since the Company is a holding company and does not conduct operations, its primary source of liquidity is dividends paid to it by its subsidiary financial institutions. However, certain restrictions exist regarding the ability of its bank subsidiaries to transfer funds to the Company in the form of cash dividends, loans or advances. For national banks, the approval of the Office of the Comptroller of the Currency is required to pay dividends in excess of the subsidiaries' earnings retained for the current year plus retained net profits for the preceding

two years. Adrian State Bank can pay dividends up to the total amount of retained earnings as long as certain minimum capital ratios are maintained. As of September 30, 1996, $11,709,000 was available for distribution to the Company as dividends without prior regulatory approval.

Cash and due from banks decreased by $24,308,000 during the nine months ended September 30, 1996 to $78,292,000 from $102,600,000 at December 31, 1995. Cash and due from banks decreased primarily due to a decrease of approximately $19,000,000 in checks in the process of collection and a decrease of approximately $5,000,000 in due from other banks. Operating activities provided $30,159,000 of cash in the nine months ended September 30, 1996 as compared to cash provided by operating activities of $14,095,000 for the same period in 1995. For the nine months ended September 30, 1996, cash provided by operating activities was primarily attributable to net income and proceeds from sales of mortgage and other loans held for sale. For the same period in 1995, the cash provided by operating activities was primarily due to net income and provision for depreciation and amortization of assets, offset by an increase in interest receivable and other assets. The Company originated approximately $340,762,000 of mortgage and other loans in the nine months ended September 30, 1996, as compared to $212,052,000

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for the same period in 1995. The increase in mortgage and other loans originations was primarily due to a decrease in market rates which led to an increase in refinancing and new mortgage activity, and loan originations at the Company's new leasing and financing company. The higher mortgage banking and financing activity in 1996 compared to 1995 resulted in an increase in the amount of cash required to fund mortgage and other loans. The higher activity also resulted in an increase in volume of sales of mortgage and other loans providing cash (from $211,031,000 in 1995 to $353,071,000 in 1996) which more than offset the cash used for higher originations.

Cash of $6,174,000 was provided by investing activities during the nine months ended September 30, 1996 compared to cash used for investing activities of $79,249,000 during the nine months ended September 30, 1995, an increase in cash flows from investing activities of $85,423,000. The primary reason for the increase in cash flows used for investing activities was the net decrease in federal funds sold in 1996 of $70,370,000 compared to a net increase of $65,506,000 for the same period in 1995 and the proceeds from sales, maturities and paydowns of securities available for sale in 1996 of $111,547,000 compared to $44,701,000 for the same period in 1995. The net decrease in federal funds sold and increase in proceeds from securities available for sale for the first nine months of 1996 was partially offset by the net increase of $144,687,000 in loans.

Cash used for financing activities was $60,641,000 during the nine months ended September 30, 1996 as compared to $48,099,000 of cash provided by financing activities for the same period in 1995. The cash used for financing activities in 1996 was primarily due to a decrease in total deposits of $49,758,000 and repayment of capitalized lease obligations and debt of $17,695,000. The cash provided by financing activities in 1995 was primarily due to a net increase in other time deposits of $96,197,000, partially offset by a net decrease of $29,367,000 in demand deposits and savings accounts. The increase in other time deposits during the first nine months of 1995 was primarily due to the Company marketing time deposits with prepaid interest and time deposits at current market rates outside the Company's market area. Common stock repurchases aggregating $10,065,000 were made for the nine months ending September 30, 1996 in connection with the Company's repurchase program authorized by the Board of Directors.

Liquidity is within the Company's internal guidelines and adequate to provide funds to meet loan requests and deposit

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withdrawals.

Capital Resources

The Federal Reserve Board ("FRB") has established risk-based capital guidelines that must be observed by bank holding companies and banks. Under these guidelines, total qualifying capital is categorized into two components -- Tier I and Tier II capital. Tier I capital generally consists of common shareholders' equity, perpetual preferred stock (subject to limitations) and minority interests in subsidiaries. Subject to limitations, Tier II capital includes certain other preferred stock and debentures, and a portion of the reserve for credit losses. These ratios are expressed as a percentage of risk-adjusted assets, which include various risk-weighted percentages of off-balance sheet exposures, as well as assets on the balance sheet. The FRB regulations governing the various capital ratios do not recognize the effects of SFAS 115, "Accounting for Certain Investments in Debt and Equity Securities" on capital relating to changes in market value of securities available for sale.

At September 30, 1996, a minimum Tier I capital ratio of 4.00 percent and a total capital ratio of 8.00 percent are required. The Company's qualifying capital at September 30, 1996 exceeds both the Tier I and Tier II risk-based capital guidelines. In addition, a capital leverage ratio is used in connection with the risk-based capital standards which is defined as Tier I capital divided by quarterly average total assets adjusted for certain items. The minimum leverage ratio under this standard is 3

percent for the highest rated bank holding companies which are not undertaking significant expansion programs. An additional 1 percent to 2 percent may be required for other companies, depending upon their regulatory ratings and expansion plans. The primary regulatory authorities of the Company and its subsidiaries have not advised the Company of its minimum Tier I leverage ratio, and therefore, it is not possible to calculate the minimum leverage ratio. At September 30, 1996, the Company's leverage ratio, Tier I, and combined Tier I and Tier II (total capital) ratios were 8.26 percent, 10.87 percent and 11.77 percent, respectively.

Capital ratios applicable to the Company's banking subsidiaries at September 30, 1996 are as follows:

	Tier I	Total Risk-based

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	Leverage	Capital	Capital
Regulatory Capital Requirements			
Minimum	3.00	4.00	8.00
Well-capitalized	6.00	8.00	10.00
Bank Subsidiaries			
Mid Am Bank	7.63	9.03	10.13
First National	7.50	9.97	10.42
AmeriCom	7.03	11.07	12.12
AmeriFirst	7.07	10.13	10.94
Adrian	6.40	8.75	10.00

The capital to asset ratios of the Company's non-bank subsidiaries are significantly different than the bank subsidiaries.

Asset/Liability Management

As of September 30, 1996, the Company is maintaining a manageable positive gap position for asset and liability repricing within a twelve-month period, and therefore does not expect to experience any significant fluctuations in its net interest income as a consequence of changes in interest rates.

Asset Quality

At September 30, 1996, the Company's percentage of non-performing loans (non-accrual loans, loans past due 90 days or more and restructured loans) to total loans was 0.56 percent, as compared to 0.67 percent at December 31, 1995 and 0.74 percent at September 30, 1995. Non-performing loans at September 30, 1996 aggregated $8,566,000, a decrease of $1,265,000 or 13 percent from December 31, 1995. The Company's percentage of net charge-offs for the nine months ended September 30, 1996 and

September 30, 1995 to average loans outstanding were 0.23 percent (annualized) and 0.16 percent (annualized), respectively. At September 30, 1996, the Company's allowance for credit losses was 0.97 percent of total loans, as compared to 1.01 percent and 1.03 percent at December 31, 1995 and September 30, 1995, respectively. The allowance for credit losses as a percentage of non-performing loans at September 30, 1996 was 175 percent compared to 151 percent at December 31, 1995 and 140 percent at September 30, 1995. The ratio of non-performing assets (constituting the sum of non-performing loans and other real estate owned) to total loans plus other real estate owned was 0.60 percent at September 30, 1996, compared to 0.72 percent and

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0.79 percent at December 31, 1995 and September 30, 1995, respectively. As of September 30, 1996, based upon a review of the loan portfolio (including the loan growth rate and change in the mix of the loan portfolio), management believes the allowance for credit losses is adequate.

Loans now current but where some concerns exist as to the ability of the borrower to comply with present loan repayment terms, excluding non-performing loans, approximated $31,670,000 and $32,715,000 at September 30, 1996 and December 31, 1995, respectively, and are being closely monitored by management and the Boards of Directors of the subsidiaries. The classification of these loans, however, does not mean to imply that management expects losses on each of these loans, but believes that a higher level of scrutiny is prudent under the circumstances. The decrease in loans where some concern exists is primarily attributable to the Company's continuous process of loan review which has identified various improvements in the financial condition of certain of the individual borrowers. In the opinion of management, these loans require close monitoring despite the fact that they are performing according to their terms. Such classifications relate to specific concerns relating to each individual borrower and do not relate to any concentrated risk elements common to all loans in this group. At September 30, 1996 and December 31, 1995, specific allocations of the allowance for credit losses related to these loans aggregated $1,853,000 and $3,359,000, respectively. The provision for these loans is based on the Company's assessment of the expected cash flows from the loans, the adequacy of collateral values, the adequacy of the current level of the allowance for credit losses, recent charge-off experience, the level of recoveries and other factors delineated in the Company's reserve policy.

The Company, through its bank subsidiaries, owns approximately $6,200,000 of lease receivables representing approximately 1,000 leases which were purchased from and are being serviced by The Bennett Funding Group, Inc., a Syracuse-based company that filed for bankruptcy in March, 1996. Based upon current information

available to the Company, approximately $1,600,000 of these leases appear to have been pledged to more than one party. Therefore, in June, 1996, the Company reclassified $1,600,000 of Bennett assets to non-performing status. The Company continues to closely monitor the bankruptcy proceedings and is pursuing all remedies available, including the removal of the leases from the bankruptcy estate.

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The following table presents asset quality information for each of the Company's banking subsidiaries at September 30, 1996.

(Dollars in thousands)

	Mid Am Bank	First National	AmeriCom	AmeriFirst	Adrian
Loans:					
Non-accrual	$3,139	$760	$1,595	$2,187	$256
Contractually past due 90 days or more	30	34	302	158	30
Restructured	0	0	75	0	0
Total non-performing loans	3,169	794	1,972	2,345	286
Other real estate owned	152	0	107	95	0
Total non-performing assets	$3,321	$794	$2,079	$2,440	$286
Non-performing loans to total loans	.52	.22	.81	1.15	.24
Non-performing assets to total loans plus other real estate owned	.54	.22	.85	1.19	.24
Allowance for credit losses to total non-performing loans	246.89	216.12	132.45	66.48	440.91

Allowance for credit losses to total non-performing assets	235.59	216.12	125.64	63.89	440.91
Ratio of net					

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charge-offs to average loans outstanding	.32	.05	.08	.59	(.01)
Ratio of allowance for credit losses to total loans	1.28	.47	1.07	.76	1.08

The following table sets forth the Company's allocation of the allowance for credit losses as of September 30, 1996 and December 31, 1995.

(Dollars in thousands)

	September 30, 1996	December 31, 1995
Specific allowance		
Real estate	$ 334	$ 320
Commercial	1,908	3,989
Installment	234	560
Total specific allowance	2,476	4,869
General allowance		
Real estate	683	1,190
Commercial	512	670
Installment	663	659
Other	534	474
Total general allowance	2,392	2,993
Unallocated allowance	10,104	6,997
Allowance for credit losses	$14,972	$14,859

As of September 30, 1996, no specific allowance has been determined for the leases from Bennet Funding Group due to the uncertainty as to whether a loss will occur. However, management has determined that the allowance for credit losses is adequate to absorb any future losses from the Bennett Funding Group leases.

The following table presents a summary of the Company's credit loss experience for the nine months ended September 30, 1996 and 1995.

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(Dollars in thousands)

	1996	1995
Balance of allowance at beginning of year	$14,859	$14,722
Loans actually charged-off:		
Real estate	520	96
Commercial, financial and agricultural	1,483	1,802
Installment and credit card	1,965	944
Other	14	63
Total loans charged-off	3,982	2,905
Recoveries of loans previously charged-off:		
Real estate	278	198
Commercial, financial and agricultural	592	622
Installment and credit card	531	330
Other	32	3
Total recoveries of loans	1,433	1,153
Net charge-offs	2,549	1,752
Addition to allowance charged to expense	2,662	2,008
Transfer of other real estate owned allowance relating to in-substance foreclosure loans		36
Allowance for credit losses	$14,972	$15,014
Ratio of net charge-offs to average loans outstanding	.23	.16
Ratio of allowance for credit losses to total loans	.97	1.03
Ratio of allowance for credit losses to total non-performing loans	174.78	140.03
Addition to allowance charged to expense	2,662	
Addition charged to expense for loans sold with recourse	278	
Total provision for credit losses	2,940	

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For the nine months ended September 30, 1996, real estate loans charged-off increased $424,000, and installment loans charged-off increased $1,021,000 as compared to the same period in 1995. The increase in real estate loans charged-off is primarily due to the charge-down of two commercial real estate properties. The increase in installment loans charged-off is primarily due to an increase in auto loans charged-off at one bank subsidiary.

PART II. - OTHER INFORMATION

Item 1. - Legal Proceedings

The Company's broker/dealer subsidiary, MFI, is a co-defendant in a consolidated NASD Arbitration (NASD Case No. 95-05733). The matter revolves around an investment advisor unaffiliated with MFI or the Company who is not a party to the arbitration as he is believed to be insolvent. The four Claimants allege that certain trades directed by the unaffiliated investment advisor caused an economic loss of approximately $3,000,000 to the Claimants. As the trades were executed by brokers of MFI, MFI and the individual brokers were made parties to the action. The causes of action are brought under theories of negligence, breach of contract, negligent hiring and failure to supervise. The Claimants demand relief of actual damages, attorneys' fees, interest and costs. Management of the Company intends to oppose the action vigorously and is currently unable to make an assessment as to the likely outcome of the arbitration.

Other than as described above, the Company is subject to various pending and threatened lawsuits in which claims for monetary damages are asserted in the ordinary course of business. While any litigation involves an element of uncertainty, in the opinion of management, liabilities, if any, arising from such litigation will not have a material adverse effect on the financial condition or results of operations of the Company.

Item 2. - Changes in Securities

Not applicable.

Item 3. - Defaults Upon Senior Securities

Not applicable.

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Item 4 - Submission of Matters to a Vote of Security Holders

Not applicable.

Item 5 - Other Information

Not applicable.

Item 6 - Exhibits and Reports on Form 8-K

(a) Exhibits

1. Statement Re Computation of Earnings Per Common Share

(b) Reports on Form 8-K

The Company filed a report on Form 8-K with the Commission as of September 13, 1996, describing the Company's 10 percent stock dividend.

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

MID AM, INC.

s/ Donald P. Hileman

Donald P. Hileman
Senior Vice President / Finance

DATE: November 14, 1996

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EXHIBIT INDEX

Exhibit No.	Description	Page Number
(1)	Statement Re Computation of Earnings Per Common Share	26
(2)	Form 8-K Describing the Company's 10 Percent Stock Dividend The information required by this exhibit is incorporated herein by reference from the Company's Form 8-K dated September 13, 1996, filed with the Securities and Exchange Commission on September 16, 1996.	

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EXHIBIT 1

Statement Re Computation of Earnings Per Common Share

Attached to and made part of Part II of Form 10-Q for the three months ended September 30, 1996 and 1995, and nine months ended September 30, 1996 and 1995.

	Three Months Ended September 30,	
	1996	1995
Primary weighted average number of common shares for computation of earnings per common share	20,892,000	21,170,000
Fully diluted weighted average number of common shares for computation of earnings per common share	24,131,000	24,812,000

	Nine Months Ended September 30,	
	1996	1995
Primary weighted average number of common shares for computation of earnings per common share	20,975,000	21,123,000
Fully diluted weighted average number of common shares for computation of earnings per common share	24,329,000	24,923,000

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