

WUHAN GENERAL GROUP (CHINA), INC
Form 10-Q
May 15, 2009

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form 10-Q

(Mark One)

Quarterly Report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934
For the quarterly period ended March 31, 2009

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 001-34125

WUHAN GENERAL GROUP (CHINA), INC.
(Exact Name of Registrant as Specified in Its Charter)

Nevada
(State or Other Jurisdiction
of Incorporation or
Organization)

84-1092589
(I.R.S. Employer Identification
No.)

Canglongdao Science Park of Wuhan East Lake Hi-Tech
Development Zone

Wuhan, Hubei, People's Republic of China
(Address of Principal Executive Offices)

430200
(Zip Code)

86-27-5970-0069
(Registrant'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 (the "Exchange Act") 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. (Check one):

Large accelerated filer

Accelerated filer

Non-accelerated filer

Smaller reporting company

(Do not check if a 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

As of May 5, 2009, the registrant had a total of 25,600,133 shares of common stock outstanding.

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PART I

FINANCIAL INFORMATION

Item 1. Financial Statements.

Wuhan General Group (China), Inc.
Consolidated Balance Sheets
At March 31, 2009 and December 31, 2008
(Stated in US Dollars)

	Note	March 31, 2009	(Audited) December 31, 2008
ASSETS			
Current Assets			
Cash	2(e)	\$ 955,681	\$ 2,817,503
Restricted Cash	3	6,635,474	13,180,640
Notes Receivable	4	80,344	-
Accounts Receivable	2(f),5	38,926,932	41,486,856
Other Receivable		6,363,804	1,719,083
Inventory	2(g),6	20,908,034	8,395,467
Advances to Suppliers		13,341,580	20,274,473
Advances to Employees	7	225,976	189,516
Prepaid Expenses		125,318	92,279
Prepaid Taxes		406,278	604,610
Deferred Tax Asset		58,224	-
Total Current Assets		88,027,645	88,760,427
Non-Current Assets			
Real Property Available for Sale		1,101,759	1,100,376
Property, Plant & Equipment, net	2(h),8	30,937,437	22,274,551
Land Use Rights, net	2(j),9	12,302,276	12,297,429
Construction in Progress	10	19,750,769	30,276,011
Intangible Assets, net	2(i),11	353,194	363,574
Total Assets		\$ 152,473,080	\$ 155,072,368
LIABILITIES & STOCKHOLDERS' EQUITY			
Liabilities			
Current Liabilities			
Bank Loans & Notes	12	25,107,192	35,171,690
Accounts Payable		6,957,258	8,420,678
Taxes Payable		925,112	1,109,548
Other Payable		12,860,665	7,708,323
Dividend Payable		178,802	193,804
Accrued Liabilities	13	2,994,930	2,805,558
Customer Deposits		5,072,042	4,614,370
Total Current Liabilities		54,096,001	60,023,971
Long Term Liabilities			

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Bank Loans and Notes	12	2,921,585	1,458,959
Total Liabilities		57,017,586	61,482,930

See Accompanying Notes to the Financial Statements and Accountant's Report.

Wuhan General Group (China), Inc.
Consolidated Balance Sheets
At March 31, 2009 and December 31, 2008
(Stated in US Dollars)

	Note	March 31, 2009	(Audited) December 31, 2008
Stockholders' Equity			
Preferred Stock - \$0.0001 Par Value, 50,000,000 Shares Authorized; 6,241,453 Shares of Series A Convertible Preferred Stock Issued & Outstanding at March 31, 2009 and December 31, 2008		624	624
Additional Paid-in Capital - Preferred Stock		8,170,415	8,170,415
Additional Paid-in Capital - Warrants		3,634,297	3,687,794
Additional Paid-in Capital - Beneficial Conversion Feature		6,371,547	6,371,546
Preferred Stock - \$0.0001 Par Value 50,000,000 Shares Authorized; 6,354,078 Shares of Series B Convertible Preferred Stock Issued & Outstanding at March 31, 2009 and December 31, 2008		635	635
Additional Paid in Capital - Preferred Stock		12,637,158	12,637,158
Additional Paid in Capital - Warrants		2,274,181	2,274,181
Additional Paid in Capital - Beneficial Conversion Feature		4,023,692	4,023,692
Common Stock - \$0.0001 Par Value 100,000,000 Shares Authorized; 24,769,917 and 24,752,802 Shares Issued & Outstanding at March 31, 2009 and December 31, 2008, respectively	14	2,477	2,475
Additional Paid-in Capital		28,490,329	28,436,835
Statutory Reserve	2(t),15	4,478,066	3,271,511
Retained Earnings		16,763,958	17,034,243
Accumulated Other Comprehensive Income	2(u)	8,608,115	7,678,329
Total Stockholders' Equity		95,455,494	93,589,438
Total Liabilities & Stockholders' Equity		\$ 152,473,080	\$ 155,072,368

See Accompanying Notes to the Financial Statements and Accountant's Report.

Wuhan General Group (China), Inc.
 Statements of Income
 For the three months ended March 31, 2009 and 2008
 (Stated in US Dollars)

	Note	Three Months Ended March 31, 2009	Three Months Ended March 31, 2008
Sales	2(l)	\$ 18,076,052	\$ 25,618,901
Cost of Sales	2(m)	14,285,283	17,561,279
Gross Profit		3,790,769	8,057,622
Operating Expenses			
Selling Expenses	2(n)	413,162	370,639
General & Administrative Expenses	2(o)	1,380,608	2,248,542
Warranty Expense	2(v),13	153,973	30,284
Total Operating Expense		1,947,743	2,649,465
Operating Income		1,843,026	5,408,157
Other Income (Expenses)			
Other Income		18,946	-
Interest Income		184,331	313,959
Other Expenses		(4,279)	(764)
Interest Expense		(633,475)	(913,442)
Total Other Income (Loss) & Expense		(434,477)	(600,247)
Earnings before Tax		1,408,549	4,807,910
Income Tax	2(s),16	(293,477)	-
Net Income		\$ 1,115,072	\$ 4,807,910
Preferred Dividends Declared		178,802	280,365
Income Available to Common Stockholders		\$ 936,270	\$ 4,527,545
Earnings Per Share			
	17		
Basic		\$ 0.04	\$ 0.22
Diluted		\$ 0.03	\$ 0.10
Weighted Average Shares Outstanding			
Basic		24,759,746	20,378,815
Diluted		39,662,817	47,760,852
Comprehensive Income			
Net Income		\$ 1,115,072	\$ 4,807,910

Other Comprehensive Income			
Foreign Currency Translation Adjustment		929,786	2,533,692
Total Comprehensive Income	\$	2,044,858	\$ 7,341,602

See Accompanying Notes to the Financial Statements and Accountant's Report.

Wuhan General Group (China), Inc.
 Consolidated Statements of Stockholders' Equity
 For the years ended March 31, 2009 and December 31, 2008
 (Stated in US Dollars)

	Series A Convertible Preferred Stock Shares		Series A Preferred Stock Additional	Series A, J, C Warrants Additional	Beneficial Conversion Feature Additional	Series B Convertible Preferred Stock Shares		Series B Preferred Stock Additional	Series B, J, C Warrants Additional	Beneficial Conversion Feature Additional	Non- voting Preferred Stock Additional	Non- voting Preferred Stock Paid in Capital	Additional Paid in Capital
	Out- standing	Amount	Paid in Capital	Paid in Capital	Paid in Capital	Out- standing	Amount	Paid in Capital	Paid in Capital	Paid in Capital	Paid in Capital	Paid in Capital	Paid in Capital
Balance, January 1, 2009	6,241,453	\$ 624	\$ 8,170,415	\$ 3,687,794	\$ 6,371,546	6,354,078	\$ 635	\$ 12,637,158	\$ 2,274,181				
Income													
Losses:													
Net income		\$ 2,274	\$ 3,544	\$ 23	\$ 2	\$ 362	\$ 87	\$ 143	\$ 6,772				
Share-based compensation		(204)	(306)			(10)	(2)		(522)				
Dividends		4	3	2		8	10		27				
Other		(319)	121	2		(22)	429	(13)	300				
Ending balance	\$ 1,755	\$ 3,362	\$ 27	\$ 2	\$ 454	\$ 323	\$ 524	\$ 130	\$ 6,577				
Income:													
Net income		\$ 320	\$ 975	\$	\$	\$ 2	\$ 15	\$ 445	\$	\$	\$	\$ 1,757	
Income:													
Net income		\$ 1,435	\$ 2,387	\$ 27	\$ 2	\$ 452	\$ 308	\$ 79	\$ 130	\$	\$	\$ 4,820	
Income:													
Net income		\$ 77,481	\$ 297,373	\$ 30,304	\$ 1,724	\$ 49,778	\$ 24,115	\$ 7,895	\$	\$	\$	\$ 488,670	
Income:													
Net income		\$ 1,374	\$ 8,470	\$ 115	\$	\$ 17	\$ 335	\$ 585	\$	\$	\$	\$ 10,896	
Ending balance	\$ 76,107	\$ 288,903	\$ 30,189	\$ 1,724	\$ 49,761	\$ 23,780	\$ 7,310	\$	\$ 477,774				

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Table of Contents**MID PENN BANCORP, INC.****Notes to Consolidated Financial Statements (Unaudited)**

(Dollars in thousands) As of, and for the period ended, March 31, 2011	and industria Commercial	and industria Commercial real estate	and industria Commercial real estate - construction	and industria Lease financing	and industria Residential mortgage	and industria Home equity	and industria Consumer	and industria Unallocated	and industria Total
Allowance for loan and lease losses:									
Beginning Balance	\$ 2,447	\$ 3,616	\$ 159	\$ 1	\$ 219	\$ 363	\$ 61	\$ 195	\$ 7,061
Charge-offs		(40)			(32)		(51)		(123)
Recoveries	9	9		5	1	3	7		34
Provisions	(14)	248	22	(5)	122	(46)	32	(159)	200
Ending balance	\$ 2,442	\$ 3,833	\$ 181	\$ 1	\$ 310	\$ 320	\$ 49	\$ 36	\$ 7,172
Ending balance: individually evaluated for impairment	\$ 752	\$ 1,194	\$	\$	\$ 10	\$ 21	\$	\$	\$ 1,977
Ending balance: collectively evaluated for impairment	\$ 1,690	\$ 2,639	\$ 181	\$ 1	\$ 300	\$ 299	\$ 49	\$ 36	\$ 5,195
Loans receivables:									
Ending balance	\$ 71,917	\$ 302,938	\$ 23,382	\$ 2,252	\$ 42,976	\$ 21,508	\$ 7,937	\$	\$ 472,910
Ending balance: individually evaluated for impairment	\$ 1,733	\$ 10,379	\$ 925	\$ 170	\$ 79	\$ 132	\$	\$	\$ 13,418
Ending balance: collectively evaluated for impairment	\$ 70,184	\$ 292,559	\$ 22,457	\$ 2,082	\$ 42,897	\$ 21,376	\$ 7,937	\$	\$ 459,492

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(Dollars in thousands) As of December 31, 2011	Commercial and industrial	Commercial real estate	Commercial real estate - construction	Lease financing	Residential mortgage	Home equity	Consumer	Unallocated	Total
Allowance for loan and lease losses:									
Ending balance	\$ 2,274	\$ 3,544	\$ 23	\$ 2	\$ 362	\$ 337	\$ 87	\$ 143	\$ 6,772
Ending balance: individually evaluated for impairment	\$ 451	\$ 1,380	\$	\$	\$	\$ 15	\$	\$	\$ 1,846
Ending balance: collectively evaluated for impairment	\$ 1,823	\$ 2,164	\$ 23	\$ 2	\$ 362	\$ 322	\$ 87	\$ 143	\$ 4,926
Loans receivables:									
Ending balance	\$ 76,930	\$ 292,896	\$ 30,735	\$ 1,724	\$ 48,270	\$ 24,149	\$ 8,013	\$	\$ 482,717
Ending balance: individually evaluated for impairment	\$ 1,119	\$ 8,898	\$ 584	\$	\$	\$ 325	\$	\$	\$ 10,926
Ending balance: collectively evaluated for impairment	\$ 75,811	\$ 283,998	\$ 30,151	\$ 1,724	\$ 48,270	\$ 23,824	\$ 8,013	\$	\$ 471,791

Table of Contents**MID PENN BANCORP, INC.****Notes to Consolidated Financial Statements (Unaudited)**

The recorded investments in troubled debt restructured loans at March 31, 2012 and December 31, 2011 are as follows:

(Dollars in thousands)	Pre-Modification	Post-Modification	
	Outstanding	Outstanding	Recorded
March 31, 2012	Recorded	Recorded	Investment
	Investment	Investment	Investment
Commercial and industrial	\$ 40	\$ 35	\$ 32
Commercial real estate	8,315	4,568	3,896
Residential mortgage	558	482	462
Home equity	29	28	13
	\$ 8,942	\$ 5,113	\$ 4,403

(Dollars in thousands)	Pre-Modification	Post-Modification	
	Outstanding	Outstanding	Recorded
December 31, 2011	Recorded	Recorded	Investment
	Investment	Investment	Investment
Commercial and industrial	\$ 40	\$ 35	\$ 32
Commercial real estate	8,315	4,568	3,955
Residential mortgage	698	691	599
Home equity	29	28	16
	\$ 9,082	\$ 5,322	\$ 4,602

Mid Penn's troubled debt restructured loans at March 31, 2012 totaled \$4,403,000, of which seven loans, totaling \$436,000, are accruing residential mortgages in compliance with the terms of the modification. The remaining 15 loans totaling \$3,967,000 are nonaccrual impaired loans, and resulted in a collateral evaluation in accordance with the guidance on impaired loans. At December 31, 2011, troubled debt restructured loans totaled \$4,602,000, of which nine loans, totaling \$571,000, are accruing residential mortgages in compliance with the terms of the modification. The remaining 15 loans totaling \$4,031,000 are nonaccrual impaired loans, and resulted in a collateral evaluation in accordance with the guidance on impaired loans. As a result of the evaluations at March 31, 2012 and December 31, 2011, a specific allocation and, subsequently, charge offs have been taken as appropriate. As of March 31, 2012 and December 31, 2011, charge offs associated with troubled debt restructured loans while under a forbearance agreement totaled \$0 and there were no defaulted troubled debt restructured loans as all troubled debt restructured loans were current with respect to their associated forbearance agreements. Five of the current forbearance agreements were negotiated during 2009, while the remaining 17 were negotiated during 2010.

Mid Penn entered into forbearance agreements on all loans currently classified as troubled debt restructures and all of these agreements have resulted in additional principal repayment. The terms of these forbearance agreements vary whereby principal payments have been decreased, interest rates have been reduced and/or the loan will be repaid as collateral is sold.

As a result of adopting the amendments in ASU No. 2011-02, Mid Penn reassessed all restructurings that occurred on or after January 1, 2011 for identification as troubled debt restructurings. Mid Penn identified no loans for which the allowance for loan losses had previously been measured under a general allowance for credit losses methodology that are now considered troubled debt restructurings in accordance with ASU No. 2011-02.

4. Fair Value Measurements

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Fair value measurement and disclosure guidance defines fair value as the price that would be received to sell the asset or transfer the liability in an orderly transaction (that is, not a forced liquidation or distressed sale) between market participants at the measurement date under current market conditions. This guidance provides additional information on determining when the volume and level of activity for the asset or liability has significantly decreased. The guidance also includes information on identifying circumstances when a transaction may not be considered orderly.

Fair value measurement and disclosure guidance provides a list of factors that a reporting entity should evaluate to determine whether there has been a significant decrease in the volume and level of activity for the asset or liability in relation to normal market activity for the asset or liability. When the reporting entity concludes there has been a significant decrease in the volume and level of activity for the asset or liability, further analysis of the information from that market is needed and significant adjustments to the related prices may be necessary to estimate fair value in accordance with the fair value measurement and disclosure guidance.

Table of Contents**MID PENN BANCORP, INC.****Notes to Consolidated Financial Statements (Unaudited)**

This guidance clarifies that when there has been a significant decrease in the volume and level of activity for the asset or liability, some transactions may not be orderly. In those situations, the entity must evaluate the weight of the evidence to determine whether the transaction is orderly. The guidance provides a list of circumstances that may indicate that a transaction is not orderly. A transaction price that is not associated with an orderly transaction is given little, if any, weight when estimating fair value.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Inputs to valuation techniques refer to the assumptions that market participants would use in pricing the asset or liability. Inputs may be observable, meaning those that reflect the assumptions market participants would use in pricing the asset or liability developed based on market data obtained from independent sources, or unobservable, meaning those that reflect the reporting entity's own belief about the assumptions market participants would use in pricing the asset or liability based upon the best information available in the circumstances. Fair value measurement and disclosure guidance establishes a fair value hierarchy for valuation inputs that gives the highest priority to quoted prices in active markets for identical assets or liabilities and the lowest priority to unobservable inputs. The fair value hierarchy is as follows:

- Level 1 Inputs** - Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities;
- Level 2 Inputs** - Quoted prices in markets that are not active, or inputs that are observable either directly or indirectly, for substantially the full term of the asset or liability;
- Level 3 Inputs** - Prices or valuation techniques that require inputs that are both significant to the fair value measurement and unobservable (i.e., supported by little or no market activity).

A description of the valuation methodologies used for instruments measured at fair value, as well as the general classification of such instruments pursuant to the valuation hierarchy, is set forth below.

There were no transfers of assets between fair value Level 1 and Level 2 for the three months ended March 31, 2012. The following table illustrates the assets measured at fair value on a recurring basis segregated by hierarchy fair value levels:

(Dollars in thousands)	Fair value measurements at March 31, 2012 using:			
	Total carrying value at March 31, 2012	Quoted prices in active markets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets:				
U.S. Treasury and U.S. government agencies	\$ 27,549	\$	\$ 27,549	\$
Mortgage-backed U.S. government agencies	76,124		76,124	
State and political subdivision obligations	51,217		51,217	
Equity securities	392	392		
	\$ 155,282	\$ 392	\$ 154,890	\$

(Dollars in thousands)	Fair value measurements at December 31, 2011 using:			
	Total carrying value at December 31, 2011	Quoted prices in active markets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets:				
U.S. Treasury and U.S. government agencies	\$ 27,617	\$	\$ 27,617	\$

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Mortgage-backed U.S. government agencies	82,668		82,668
State and political subdivision obligations	48,366		48,366
Equity securities	392	392	
	\$ 159,043	\$ 392	\$ 158,651

Certain financial assets and financial liabilities are measured at fair value on a nonrecurring basis; that is, the instruments are not measured at fair value on an ongoing basis, but are subject to fair value adjustments in certain circumstances (for example, when there is evidence of impairment).

Table of Contents**MID PENN BANCORP, INC.****Notes to Consolidated Financial Statements (Unaudited)**

The following table illustrates the assets measured at fair value on a nonrecurring basis segregated by hierarchy fair value levels:

Fair value measurements at March 31, 2012 using:

(Dollars in thousands)

Assets:	Total carrying value at March 31, 2012	Quoted prices in active markets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Impaired Loans	\$ 5,195	\$	\$	\$ 5,195
Foreclosed Assets Held for Sale	230			230

Fair value measurements at December 31, 2011 using:

(Dollars in thousands)

Assets:	Total carrying value at December 31, 2011	Quoted prices in active markets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Impaired Loans	\$ 5,621	\$	\$	\$ 5,621
Foreclosed Assets Held for Sale	240			240

The following table presents additional quantitative information about assets measured at fair value on a nonrecurring basis and for which Mid Penn has utilized Level 3 inputs to determine the fair value:

(Dollars in thousands)

	Quantitative Information about Level 3 Fair Value Measurements			
	Fair Value Estimate	Valuation Technique	Unobservable Input	Range
March 31, 2012				
Impaired Loans	\$ 5,195	Appraisal of collateral (1)	Appraisal adjustments (2)	10% - 30%
Foreclosed Assets Held for Sale	230	Appraisal of collateral (1), (3)	Appraisal adjustments (2)	10% - 30%

- (1) Fair value is generally determined through independent appraisals of the underlying collateral, which generally includes various level 3 inputs which are not identifiable.
- (2) Appraisals may be adjusted by management for qualitative factors such as economic conditions and estimated liquidation expenses. The range of liquidation expenses and other appraisal adjustments are presented as a percent of the appraisal.
- (3) Includes qualitative adjustments by management and estimated liquidation expenses.

ASC Topic 825, *Financial Instruments*, requires disclosures about fair value of financial instruments for interim reporting periods of publicly traded companies as well as in annual financial statements.

The following methodologies and assumptions were used to estimate the fair value of Mid Penn's assets and liabilities:

Cash and Cash Equivalents:

The carrying value of cash and cash equivalents is considered to be a reasonable estimate of fair value.

Interest-bearing Balances with other Financial Institutions:

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The estimate of fair value was determined by comparing the present value of quoted interest rates on like deposits with the weighted average yield and weighted average maturity of the balances.

Securities Available for Sale:

The fair value of securities classified as available for sale is determined by obtaining quoted market prices on nationally recognized securities exchanges (Level 1), or matrix pricing (level 2), which is a mathematical technique used widely in the industry to value debt securities without relying exclusively on quoted market prices for the specific securities but rather relying on the securities' relationship to other benchmark quoted prices.

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MID PENN BANCORP, INC.

Notes to Consolidated Financial Statements (Unaudited)

Impaired Loans:

Mid Penn's rating system assumes any loans classified as sub-standard non-accrual to be impaired, and all of these loans are considered collateral dependent; therefore, all of Mid Penn's impaired loans, whether reporting a specific allocation or not, are considered collateral dependent.

It is Mid Penn's policy to obtain updated third party valuations on all impaired loans collateralized by real estate within 30 days of the credit being classified as sub-standard non-accrual. Prior to receipt of the updated real estate valuation Mid Penn will use any existing real estate valuation to determine any potential allowance issues; however no allowance recommendation will be made until which time Mid Penn is in receipt of the updated valuation.

In some instances Mid Penn is not holding real estate as collateral and is relying on business assets (personal property) for repayment. In these circumstances a collateral inspection is performed by Mid Penn personnel to determine an estimated value. The value is based on net book value, as provided by the financial statements, and discounted accordingly based on determinations made by management. Occasionally, Mid Penn will employ an outside service to provide a fair estimate of value based on auction sales or private sales. Management reviews the estimates of these third parties and discounts them accordingly based on management's judgment, if deemed necessary. Mid Penn considers the estimates used in its impairment analysis to be Level 3 inputs.

Mid Penn actively monitors the values of collateral on impaired loans. This monitoring may require the modification of collateral values over time or changing circumstances by some factor, either positive or negative, from the original values. All collateral values will be assessed by management at least every 18 months for possible revaluation by an independent third party.

Mid Penn does not currently, or plan to in the future, use automated valuation methodologies as a method of valuing real estate collateral.

Loans:

For variable-rate loans that reprice frequently and which entail no significant changes in credit risk, carrying values approximated fair value. The fair value of other loans are estimated by calculating the present value of the cash flow difference between the current rate and the market rate, for the average maturity, discounted quarterly at the market rate.

Foreclosed Assets Held for Sale:

Assets included in foreclosed assets held for sale are carried at fair value and accordingly is presented as measured on a non-recurring basis. Values are estimated using Level 3 inputs, based on appraisals that consider the sales prices of property in the proximate vicinity.

Accrued Interest Receivable and Payable:

The carrying amount of accrued interest receivable and payable approximates their fair values.

Restricted Investment in Bank Stocks:

The carrying amount of required and restricted investment in correspondent bank stock approximates fair value, and considers the limited marketability of such securities.

Mortgage Servicing Rights:

The fair value of servicing rights is based on the present value of estimated future cash flows on pools of mortgages by rate and maturity date.

Deposits:

The fair value for demand deposits (e.g., interest and noninterest checking, savings, and money market deposit accounts) is by definition, equal to the amount payable on demand at the reporting date (i.e. their carrying amounts). Fair value for fixed-rate certificates of deposit was estimated using a discounted cash flow calculation by combining all fixed-rate certificates into a pool with a weighted average yield and a weighted

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average maturity for the pool and comparing the pool with interest rates currently being offered on a similar maturity.

Long-term Debt:

The estimated fair values of long-term debt were determined using discounted cash flow analysis, based on currently available borrowing rates for similar types of borrowing arrangements.

Commitments to Extend Credit and Letters of Credit:

The fair value of commitments to extend credit is estimated using the fees currently charged to enter into similar agreements, taking into account market interest rates, the remaining terms and present credit worthiness of the counterparties. The fair value of guarantees and letters of credit is based on fees currently charged for similar agreements.

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The following table summarizes the carrying value and fair value of assets and liabilities at March 31, 2012 and December 31, 2011.

(Dollars in thousands)	March 31, 2012		December 31, 2011	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial assets:				
Cash and cash equivalents	\$ 19,839	\$ 19,839	\$ 17,841	\$ 17,841
Interest-bearing balances with other financial institutions	25,892	25,892	27,477	27,477
Investment securities	155,282	155,282	159,043	159,043
Net loans and leases	482,093	501,150	475,945	498,029
Restricted investment in bank stocks	2,965	2,965	3,120	3,120
Accrued interest receivable	3,011	3,011	3,067	3,067
Mortgage servicing rights	180	137	173	123
Financial liabilities:				
Deposits	\$ 636,571	\$ 641,971	\$ 634,055	\$ 644,474
Long-term debt	22,654	24,434	22,701	24,609
Accrued interest payable	1,002	1,002	1,064	1,064
Off-balance sheet financial instruments:				
Commitments to extend credit		\$	\$	\$
Financial standby letters of credit				

The following presents the carrying amount, fair value, and placement in the fair value hierarchy of Mid Penn's financial instruments as of March 31, 2012. This table excludes financial instruments for which the carrying amount approximates fair value.

(Dollars in thousands)	Carrying Amount	Fair Value	Fair Value Measurements		
			Quoted Prices in Active Markets for Identical Assets or Liabilities (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
March 31, 2012					
Financial instruments - assets					
Net loans and leases	\$ 482,093	\$ 501,150	\$	\$	\$ 501,150
Mortgage servicing rights	180	137		137	
Financial instruments - liabilities					
Deposits	636,571	641,971		641,971	
Long-term debt	22,654	24,434		24,434	

Table of Contents**MID PENN BANCORP, INC.****Notes to Consolidated Financial Statements (Unaudited)****5. Guarantees**

In the normal course of business, Mid Penn makes various commitments and incurs certain contingent liabilities, which are not reflected in the accompanying consolidated financial statements. The commitments include various guarantees and commitments to extend credit. Commitments to extend credit are agreements to lend to a customer as long as there is no violation of any condition established in the contract. Commitments generally have fixed expiration dates or other termination clauses and may require payment of a fee. Mid Penn evaluates each customer's credit-worthiness on a case-by-case basis. The amount of collateral obtained, if deemed necessary upon extension of credit, is based on management's credit evaluation of the customer. Standby letters of credit and financial guarantees written are conditional commitments to guarantee the performance of a customer to a third party. Those guarantees are primarily issued to support public and private borrowing arrangements. The credit risk involved in issuing letters of credit is essentially the same as that involved in extending loans to customers. Mid Penn had \$7,432,000 and \$7,320,000 of standby letters of credit outstanding as of March 31, 2012 and December 31, 2011, respectively. Mid Penn does not anticipate any losses because of these transactions. The current amount of the liability as of March 31, 2012 for payment under standby letters of credit issued was not material.

6. Long-term Debt

During the three months ended March 31, 2012, the Bank entered into no additional long-term borrowings with the Federal Home Loan Bank of Pittsburgh. During the same time period, no long-term borrowings with the Federal Home Loan Bank of Pittsburgh matured.

7. Defined Benefit Plans

Mid Penn has an unfunded noncontributory defined benefit retirement plan for directors. The plan provides defined benefits based on years of service. In addition, Mid Penn sponsors a defined benefit health care plan that provides post-retirement medical benefits and life insurance to qualifying full-time employees. These health care and life insurance plans are noncontributory. A December 31 measurement date for our plans is used.

The components of net periodic benefit costs from these benefit plans are as follows:

(Dollars in thousands)	Three Months Ended March 31,			
	Pension Benefits		Other Benefits	
	2012	2011	2012	2011
Service cost	\$ 6	\$ 6	\$ 5	\$ 5
Interest cost	12	13	9	11
Amortization of prior service cost	5	5		
Amortization of net gain				
Net periodic benefit cost	\$ 23	\$ 24	\$ 14	\$ 16

8. Accumulated Other Comprehensive Income

The components of accumulated other comprehensive income, net of taxes are as follows:

(Dollars in thousands)	Unrealized Gain on Securities	Defined Benefit Plan Liability	Accumulated Other Comprehensive Income
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Balance - March 31, 2012	\$ 2,125	\$ (150)	\$ 1,975
Balance - December 31, 2011	\$ 2,044	\$ (128)	\$ 1,916

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MID PENN BANCORP, INC.

Notes to Consolidated Financial Statements (Unaudited)

9. Preferred Stock

On December 19, 2008, Mid Penn entered into and closed a Letter Agreement with the United States Department of the Treasury (the Treasury) pursuant to which the Treasury invested \$10,000,000 in Mid Penn under the Treasury's Capital Purchase Program (the CPP).

Under the CPP, the Treasury received (1) 10,000 shares of Series A Fixed Rate Cumulative Perpetual Preferred Stock, \$1,000 liquidation preference, and (2) Warrants to purchase up to 73,099 shares of Mid Penn's common stock at an exercise price of \$20.52 per share. The \$10,000,000 in new capital is treated as Tier 1 Capital.

The Series A Preferred Stock pays cumulative dividends at a rate of 5% per annum for the first five years and 9% per annum thereafter. Pursuant to the American Recovery and Reinvestment Act of 2009, the Secretary of the Treasury is required to permit, subject to consultation with the appropriate Federal banking agency, Mid Penn to redeem the Series A Preferred Stock. Mid Penn may do so without regard to the source of the funds to be used to redeem the Series A Preferred Stock or any minimum waiting period. If Mid Penn elects to redeem the Series A Preferred Stock prior to February 15, 2012, and receives approval from the Treasury and the Board of Governors of the Federal Reserve System, it must redeem at least \$2,500,000 of the Series A Preferred Stock. Upon redemption of the Series A Preferred Stock, the Secretary of the Treasury must liquidate the warrants associated with Mid Penn's participation in the CPP at the current market price. Upon the appropriate approval, Mid Penn may redeem the Series A Preferred Stock at the original purchase price plus accrued but unpaid dividends, if any. The related Warrants expire in ten years and are immediately exercisable upon their issuance.

To participate in the program, Mid Penn is required to meet certain standards, including: (1) ensuring that incentive compensation for senior executives does not encourage unnecessary and excessive risk that threaten the value of Mid Penn; (2) requiring a clawback of any bonus or incentive compensation paid to a senior executive based on statements of earnings, gains or other criteria that are later proven to be materially inaccurate; (3) prohibiting Mid Penn from making any golden parachute payment to specified senior executives; and (4) agreeing not to deduct for tax purposes executive compensation in excess of \$500,000 for each senior executive.

Based on the Program term sheet provided by the Treasury, the following are the effects on holders of common stock from the issuance of Senior Preferred stock to the Treasury under the Program:

Restrictions on Dividends

For as long as any Senior Preferred shares are outstanding, no dividends can be declared or paid on common shares, nor can Mid Penn repurchase or redeem any common shares, unless all accrued and unpaid dividends for all past dividend periods on the Senior Preferred shares have been fully paid. In addition, the consent of the Treasury is required for any increase in the per share dividends on common shares until the third anniversary of the date of the Senior Preferred investment unless prior to such third anniversary, the Senior Preferred shares have been redeemed in whole or the Treasury has transferred all of the Senior Preferred shares to third parties.

Repurchases

The Treasury's consent is required for any share repurchases (other than (1) repurchases of the Senior Preferred shares and (2) repurchases of common shares in connection with any benefit plan in the ordinary course of business consistent with past practice) until the third anniversary of the date of this investment unless prior to such third anniversary the Senior Preferred shares have been redeemed in whole or the Treasury has transferred all of the Senior Preferred shares to third parties. In addition, there can be no share repurchases of common shares if prohibited as described under Restrictions on Dividends above.

Voting Rights

The Senior Preferred shares are non-voting, other than class voting rights on (1) any authorization or issuance of shares ranking senior to the Senior Preferred shares, (2) any amendment to the rights of Senior Preferred, or (3) any merger, exchange or similar transaction which would adversely affect the rights of the Senior Preferred. If dividends on the Senior Preferred shares are not paid in full for six dividend periods, whether or not consecutive, the Senior Preferred shareholder(s) have the right to elect two directors. The right to elect directors would end when full dividends have been paid for four consecutive dividend periods.

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MID PENN BANCORP, INC.

Notes to Consolidated Financial Statements (Unaudited)

10. Earnings per Common Share

Earnings per common share is computed by dividing net income available to common shareholders by the weighted average number of common shares outstanding during each of the periods presented giving retroactive effect to stock dividends and stock splits. The following data show the amounts used in computing basic and diluted earnings per common share. As shown in the table that follows, diluted earnings per common share is computed using weighted average common shares outstanding, plus weighted average common shares available from the exercise of all dilutive stock warrants issued to the U.S. Treasury under the provisions of the Capital Purchase Program, based on the average share price of Mid Penn's common stock during the period.

The computations of basic earnings per common share follow:

(Dollars in thousands, except per share data)	Three Months Ended March 31,	
	2012	2011
Net Income	\$ 1,134	\$ 1,000
Less: Dividends on preferred stock	(125)	(125)
Accretion of preferred stock discount	(3)	(3)
Net income available to common shareholders	\$ 1,006	\$ 872
Weighted average common shares outstanding	3,484,538	3,480,738
Basic earnings per common share	\$ 0.29	\$ 0.25

The computations of diluted earnings per common share follow:

(Dollars in thousands, except per share data)	Three Months Ended March 31,	
	2012	2011
Net income available to common shareholders	\$ 1,006	\$ 872
Weighted average number of common shares outstanding	3,484,538	3,480,738
Dilutive effect of potential common stock arising from stock warrants:		
Exercise of outstanding stock warrants issued to U.S. Treasury under the Capital Repurchase Program		
Adjusted weighted-average common shares outstanding	3,484,538	3,480,738
Diluted earnings per common share	\$ 0.29	\$ 0.25

As of March 31, 2012, Mid Penn had 73,099 warrants that were anti-dilutive because the fair value of the common stock was below the \$20.52 exercise price of these warrants.

11. Recent Accounting Pronouncements

There were no new accounting pronouncements affecting Mid Penn during the period that were not already incorporated into the disclosures.

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MID PENN BANCORP, INC.

Management's Discussion and Analysis

ITEM 2 MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following is Management's Discussion of Consolidated Financial Condition as of March 31, 2012, compared to year-end 2011, and the Results of Operations for the three months ended March 2012, compared to the same period in 2011.

This discussion should be read in conjunction with the financial tables, statistics, and the audited financial statements and notes thereto included in Mid Penn's Annual Report on Form 10-K for the year ended December 31, 2011. The results of operations for interim periods are not necessarily indicative of operating results expected for the full year.

Certain of the matters discussed in this document and in documents incorporated by reference herein, including matters discussed under the caption Management's Discussion and Analysis of Financial Condition and Results of Operations, may constitute forward-looking statements for purposes of the Securities Act of 1933, as amended, and the Securities Exchange Act of 1934, as amended, and as such may involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of Mid Penn to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. The words "expect", "anticipates", "intend", "plan", "believe", "estimate", and similar expressions are intended to identify such forward-looking statements.

Mid Penn's actual results may differ materially from the results anticipated in these forward-looking statements due to a variety of factors, including, without limitation:

The effects of economic deterioration on current customers, specifically the effect of the economy on loan customers' ability to repay loans;

Governmental monetary and fiscal policies, as well as legislative and regulatory changes, including the effects of the Dodd-Frank Wall Street Reform and Consumer Protection Act;

The effect of changes in accounting policies and practices, as may be adopted by the regulatory agencies, as well as the Financial Accounting Standards Board and other accounting standard setters;

The risks of changes in interest rates on the level and composition of deposits, loan demand, and the values of loan collateral, securities and interest rate protection agreements, as well as interest rate risks;

The effects of competition from other commercial banks, thrifts, mortgage banking firms, consumer finance companies, credit unions, securities brokerage firms, insurance companies, money market and other mutual funds and other financial institutions operating in Mid Penn's market area and elsewhere, including institutions operating locally, regionally, nationally and internationally, together with such competitors offering banking products and services by mail, telephone, computer and the internet;

The costs and effects of litigation and of unexpected or adverse outcomes in such litigation;

Technological changes;

Acquisitions and integration of acquired businesses;

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The failure of assumptions underlying the establishment of reserves for loan and lease losses and estimations of values of collateral and various financial assets and liabilities;

Acts of war or terrorism;

Volatilities in the securities markets; and

Deteriorating economic conditions.

Mid Penn undertakes no obligation to publicly revise or update these forward-looking statements to reflect events or circumstances that arise after the date of this report. Readers should carefully review the risk factors described in the documents that we periodically file with the SEC, including Mid Penn's Annual Report on Form 10-K for the year ended December 31, 2011.

Critical Accounting Estimates

Mid Penn's consolidated financial statements are prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) and conform to general practices within the banking industry. Application of these principles involves significant judgments and estimates by management that have a material impact on the carrying value of certain assets and liabilities. The judgments and estimates that we used are based on historical experiences and other factors, which are believed to be reasonable under the circumstances. Because of the nature of the judgments and estimates that we have made, actual results could differ from these judgments and estimates, which could have a material impact on the carrying values of assets and liabilities and the results of our operations.

Management of Mid Penn considers the accounting judgments relating to the allowance for loan and lease losses, the evaluation of Mid Penn's investment securities for other-than-temporary impairment, and the assessment of goodwill for impairment to be the accounting areas that require the most subjective and complex judgments.

The allowance for loan and lease losses represents management's estimate of probable incurred credit losses inherent in the loan and lease portfolio. Determining the amount of the allowance for loan and lease losses is considered a critical accounting estimate because it requires significant judgment and the use of estimates related to the amount and timing of expected future cash flows on impaired loans, estimated losses on pools of homogeneous loans based on historical loss experience, and consideration of current economic trends and conditions, all of which may be susceptible to significant change. The loan and lease portfolio also represents the largest asset type on the consolidated balance sheet. Throughout the remainder of this report, the terms "loan" or "loans" refers to both loans and leases.

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Valuations for the investment portfolio are determined using quoted market prices, where available. If quoted market prices are not available, investment valuation is based on pricing models, quotes for similar investment securities, and observable yield curves and spreads. In addition to valuation, management must assess whether there are any declines in value below the carrying value of the investments that should be considered other than temporary or otherwise require an adjustment in carrying value and recognition of the loss in the consolidated statement of operations.

Accounting Standards Codification (ASC) Topic 350, *Intangibles-Goodwill and Other*, requires that goodwill is not amortized to expense, but rather that it be tested for impairment at least annually. Impairment write-downs are charged to results of operations in the period in which the impairment is determined. Mid Penn did not identify any impairment on its outstanding goodwill from its most recent testing, which was performed as of December 31, 2011. If certain events occur which might indicate goodwill has been impaired, the goodwill is tested when such events occur.

Results of Operations**Overview**

Net income available to common shareholders was \$1,006,000, \$0.29 per common share, for the quarter ended March 31, 2012, as compared to net income available to common shareholders of \$872,000, or \$0.25 per common share, for the quarter ended March 31, 2011; an increase of 15.4% on a quarter-to-quarter basis.

Net interest income increased \$694,000, or 13.9%, to \$5,677,000 for the quarter ended March 31, 2012 from \$4,983,000 during the quarter ended March 31, 2011. This increase has been spurred by a moderating cost of funds and increasing levels of average earning assets.

The provision for loan and lease losses in the first quarter of 2012 was \$300,000, compared to \$200,000 in the first quarter of 2011.

Net income as a percent of average assets (return on average assets or ROA) and shareholders' equity (return on average equity or ROE) were as follows on an annualized basis:

	Three Months Ended March 31,	
	2012	2011
Return on average assets	0.64%	0.62%
Return on average equity	8.42%	8.34%

Total assets increased \$2,242,000 to \$717,625,000 at March 31, 2012, from \$715,383,000 at December 31, 2011. This increase is moderate compared to the growth in recent quarters, and was mainly driven by growth in loans, increasing \$5,953,000 from \$482,717,000 at December 31, 2011 to \$488,670,000 at March 31, 2012. Total deposits also increased during the first quarter of 2012, increasing by \$2,516,000 from \$634,055,000 at December 31, 2011 to \$636,571,000 at March 31, 2012; this growth was mainly in core deposits. In order to continue improving net interest margin within the current environment, we have chosen to manage the balance sheet in such a way that loan and deposit growth in 2012 remain closely matched, and because of this strategy, our asset growth rate has moderated in the first quarter.

Deposit growth has slowed, as noted above, during the first three months of 2012. This has allowed us to maintain a closer match between funding sources and funding uses and reduce the balance of overnight funding, which has been advantageous from a net interest margin perspective. Numerous deposit repricing opportunities remain throughout 2012, which will continue to help improve our cost of funds as well as overall net interest margin despite continued downward pressure on asset yields.

Net Interest Income/Funding Sources

Net interest income, Mid Penn's primary source of revenue, is the amount by which interest income on loans and investments exceeds interest incurred on deposits and borrowings. The amount of net interest income is affected by changes in interest rates and changes in the volume and mix of interest-sensitive assets and liabilities. Net interest income and corresponding yields are presented in the analysis below on a taxable-equivalent basis. Income from tax-exempt assets, primarily loans to or securities issued by state and local governments, is adjusted by an amount equivalent to the federal income taxes which would have been paid if the income received on these assets was taxable at the statutory

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rate of 34%. The following table includes average balances, rates, interest income and expense, interest rate spread, and net interest margin:

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MID PENN BANCORP, INC.

Management's Discussion and Analysis

Average Balances, Effective Interest Differential and Interest Yields

Interest rates and interest differential - taxable equivalent basis

(Dollars in thousands)	For the Three Months Ended March 31, 2012			For the Three Months Ended March 31, 2011		
	Average	Interest	Rate (%)	Average	Interest	Rate (%)
ASSETS:						
Interest Earning Balances	\$ 27,786	\$ 65	0.94%	\$ 59,622	\$ 162	1.10%
Investment Securities:						
Taxable	109,366	441	1.62%	49,814	225	1.83%
Tax-Exempt	48,634	619	5.12%	28,777	488	6.88%
Total Investment Securities	158,000			78,591		
Federal Funds Sold	6,125	4	0.26%	15,587	8	0.21%
Loans and Leases, Net	484,415	6,883	5.71%	467,858	6,830	5.92%
Restricted Investment in Bank Stocks	3,055	1	0.13%	3,750		0.00%
Total Earning Assets	679,381	8,013	4.74%	625,408	7,713	5.00%
Cash and Due from Banks	8,096			6,957		
Other Assets	24,716			25,672		
Total Assets	\$ 712,193			\$ 658,037		
LIABILITIES & SHAREHOLDERS' EQUITY:						
Interest Bearing Deposits:						
NOW	\$ 85,281	55	0.26%	\$ 46,519	18	0.16%
Money Market	270,588	629	0.93%	230,547	773	1.36%
Savings	28,736	4	0.06%	26,690	4	0.06%
Time	195,677	1,101	2.26%	213,820	1,400	2.66%
Short-term Borrowings	140		0.00%	882	2	0.92%
Long-term Debt	22,677	244	4.33%	25,304	273	4.38%
Total Interest Bearing Liabilities	603,099	2,033	1.36%	543,762	2,470	1.84%
Demand Deposits	48,972			59,030		
Other Liabilities	5,970			6,635		
Shareholders' Equity	54,152			48,610		
Total Liabilities and Shareholders' Equity	\$ 712,193			\$ 658,037		
Net Interest Income		\$ 5,980		\$ 5,243		
Net Yield on Interest Earning Assets:						
Total Yield on Earning Assets			4.74%			5.00%
Rate on Supporting Liabilities			1.36%			1.84%
Average Interest Spread			3.38%			3.16%
Net Interest Margin			3.54%			3.40%

For the three months ended March 31, 2012, Mid Penn's taxable-equivalent net interest margin increased to 3.54%, from 3.40%, as compared to the three months ended March 31, 2011, driven primarily by a reduction in cost of supporting liabilities. Net interest income, on a

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taxable-equivalent basis, in the first three months of 2012, increased to \$5,980,000 from \$5,243,000 in the first three months of 2011, related to the changing composition of interest bearing liabilities and the growth in average earning assets, which increased 8.6% from March 31, 2011 to March 31, 2012.

Although the effective interest rate impact on earning assets and funding sources can be reasonably estimated at current interest rate levels, the options selected by customers, and the future mix of the loan, investment, and deposit products in the Bank's portfolios, may significantly change the estimates used in the simulation models. In addition, our net interest income may be impacted by further interest rate actions of the Federal Reserve Bank.

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MID PENN BANCORP, INC.

Management's Discussion and Analysis

Provision for Loan Losses

The provision for loan and lease losses is the expense necessary to maintain the allowance for loan and lease losses at a level adequate to absorb management's estimate of probable losses in the loan and lease portfolio. Mid Penn's provision for loan and lease losses is based upon management's monthly review of the loan portfolio. The purpose of the review is to assess loan quality, identify impaired loans and leases, analyze delinquencies, ascertain loan and lease growth, evaluate potential charge-offs and recoveries, and assess general economic conditions in the markets we serve.

During the first three months of 2012, Mid Penn continued to experience a challenging economic and operating environment both on a national and local level. Given the economic pressures that impact some borrowers, Mid Penn has increased the allowance for loan and lease losses in accordance with Mid Penn's assessment process, which took into consideration the decrease in collateral values from December 31, 2011 to March 31, 2012. The provision for loan and lease losses was \$300,000 for the three months ended March 31, 2012, as compared to \$200,000 for the three months ended March 31, 2011. For further discussion of factors affecting the provision for loan and lease losses please see *Credit Quality, Credit Risk, and Allowance for Loan and Lease Losses* in the Financial Condition section of this Management's Discussion and Analysis.

Noninterest Income

Noninterest income decreased \$20,000, or 2.6%, during the first quarter of 2012 versus the first quarter of 2011. The following components of noninterest income showed significant changes:

(Dollars in Thousands)

	Three Months Ended March 31,			
	2012	2011	\$ Variance	% Variance
Income from fiduciary activities	\$ 112	\$ 95	\$ 17	17.9%
Service charges on deposits	129	183	(54)	-29.5%
Net gain on sales of investment securities	16	16	NA	NA

Income from fiduciary activities increased during the three months ended March 31, 2012 versus the same period in 2011. This increase was the result of greater sales of third party mutual funds during the first quarter of 2012. Service charges on deposits, primarily fees from insufficient funds, have decreased during three months ended March 31, 2012. During this period of economic downturn, customers seem to have become more conscientious about their account balances and avoiding unnecessary charges related to insufficient funds. Mid Penn recognized investment security gains in the first quarter of 2012 as a result of efforts to position the portfolio to provide earnings and cash flow in support of anticipated loan growth.

Noninterest Expenses

Noninterest expenses increased \$438,000 or 10.2% during the first quarter of 2012, versus the same period in 2011. The changes were primarily a result of the following components of noninterest expense:

(Dollars in Thousands)

	Three Months Ended March 31,			
	2012	2011	\$ Variance	% Variance
Salaries and employee benefits	\$ 2,596	\$ 2,201	\$ 395	17.9%
Equipment expense	294	344	(50)	-14.5%
Loss (gain) on sale/write-down of foreclosed assets	8	(28)	36	128.6%
Loan collection costs	109	41	68	165.9%

Salaries and employee benefits increased during the three months ended March 31, 2012, primarily due to the hiring of experienced team members to bolster compliance functions and to add depth to the sales and support areas of Mid Penn. Equipment expense for the three months ended March 31, 2012 declined by \$50,000 from the same period in 2011, mainly because depreciation expense has been declining as older assets become fully depreciated faster than newly acquired assets have been added. A negative variance during the three months ended March 31, 2012 was the loss (gain) on sale/write-down of foreclosed assets. Real estate values for these distressed properties have declined,

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though their liquidation has been able to proceed in a more orderly manner. The escalation in loan collection costs for the three months ended March 31, 2012 is attributed to the portfolio of problem credits migrating through the collection process.

Income Taxes

The provision for income taxes was \$243,000 for the three months ended March 31, 2012, as compared to the provision for income taxes of \$241,000 in the same period last year. The effective tax rate for the three months ended March 31, 2012, was 17.6% compared to 19.4% for the three months ended March 31, 2011. Generally, our effective tax rate is below the statutory rate due to earnings on tax-exempt loans, investments, and bank-owned life insurance, as well as the impact of tax credits. The realization of deferred tax assets is dependent on future earnings. We currently anticipate that future earnings will be adequate to fully utilize deferred tax assets.

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MID PENN BANCORP, INC.

Management's Discussion and Analysis

Financial Condition**Loans**

During the first three months of 2012, Mid Penn experienced an increase in loans outstanding. Commercial real estate, as well as commercial, industrial, and agricultural balances showed modest increases as requests from creditworthy borrowers has begun to increase. Balances in the other components of the loan portfolio have eroded through contractual payments and the refinancing of real estate secured debt by borrowers with equity in their properties. While loan demand has shown modest improvement, Mid Penn experienced weaker than normal loan demand during the first three months of 2012 despite a desire to sensibly lend to support creditworthy existing and new customers in our marketplace.

(Dollars in thousands)	March 31, 2012		December 31, 2011	
	Amount	%	Amount	%
Commercial real estate, construction and land development	\$ 253,121	51.8%	\$ 249,204	51.6%
Commercial, industrial and agricultural	81,460	16.7%	78,655	16.3%
Real estate - residential	146,202	29.9%	146,847	30.4%
Consumer	7,887	1.6%	8,011	1.7%
	\$ 488,670	100.0%	\$ 482,717	100.0%

Most of Mid Penn's lending activities are with customers located within the trading area of Dauphin County, lower Northumberland County, western Schuylkill County and eastern Cumberland County, Pennsylvania. This region currently, and historically, has lower unemployment than the U.S. as a whole. This is due in part to a diversified manufacturing and services base and the presence of state government offices which help shield the local area from national trends. At March 31, 2012, the unadjusted unemployment rate for the Harrisburg/Carlisle area was 7.4% versus the seasonally adjusted national unemployment rate of 8.2%.

Credit Quality, Credit Risk, and Allowance for Loan and Lease Losses

During the first three months of 2012, Mid Penn had net charge-offs of \$495,000 compared to net charge-offs of \$89,000 during the same period of 2011. Loans charged off during the first three months of 2012 were comprised of nine commercial real estate loans totaling \$306,000. Three of these loans totaling \$70,000 were to a single borrower with the remaining loans to unrelated borrowers. In addition, there were charge-offs for three commercial loans to unrelated borrowers totaling \$204,000, two residential real estate loans to unrelated borrowers totaling \$10,000, and two consumer loans to unrelated borrowers totaling \$2,000. In spite of the higher levels of net charge-offs during the first three months of 2012 than in the same period of 2011, the ratio of allowance for loan losses to net loans at end of period declined to 1.35% from 1.52%. This ratio and the level of net charge-offs may not move in concert with one another due to the many factors, outlined further below in this section, that influence the level of allowance for loan and lease losses required on the portfolio at a given time. Mid Penn may need to make future adjustments to the allowance and the provision for loan and lease losses if economic conditions or loan credit quality differs substantially from the assumptions used in making Mid Penn's evaluation of the level of the allowance for loan losses as compared to the balance of outstanding loans.

Changes in the allowance for loan and lease losses for the three months ended March 31, 2012 and 2011 are summarized as follows:

Analysis of the Allowance for Loan and Lease Losses:

(Dollars in thousands)	Three Months Ended March 31, 2012	Three Months Ended March 31, 2011
Average total loans outstanding (net of unearned income)	\$ 484,415	\$ 467,858
Period ending total loans outstanding (net of unearned income)	\$ 488,670	\$ 472,910
Balance, beginning of period	\$ 6,772	\$ 7,061

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Loans charged off during period	(522)	(123)
Recoveries of loans previously charged off	27	34
Net chargeoffs	(495)	(89)
Provision for loan and lease losses	300	200
Balance, end of period	\$ 6,577	\$ 7,172
Ratio of net loans charged off to average loans outstanding (annualized)	0.41%	0.08%
Ratio of allowance for loan losses to net loans at end of period	1.35%	1.52%

Table of Contents**MID PENN BANCORP, INC.****Management's Discussion and Analysis**

Other than as described herein, we do not believe there are any trends, events or uncertainties that are reasonably expected to have a material impact on future results of operations, liquidity, or capital resources. Further, based on known information, we believe that the effects of current and past economic conditions and other unfavorable business conditions may influence certain borrowers' abilities to comply with their repayment terms. Mid Penn continues to monitor closely the financial strength of these borrowers. Mid Penn does not engage in practices which may be used to artificially shield certain borrowers from the negative economic or business cycle effects that may compromise their ability to repay. Mid Penn does not structure construction loans with interest reserve components. Mid Penn has not in the past performed any commercial real estate or other type loan workouts whereby an existing loan was restructured into multiple new loans. Also, Mid Penn does not extend loans at maturity due to the existence of guarantees, without recognizing the credit as impaired. While the existence of a guarantee may be a mitigating factor in determining the proper level of allowance once impairment has been identified, the guarantee does not affect the impairment analysis.

At March 31, 2012, total nonperforming loans amounted to \$12,192,000, or 2.49% of loans and leases net of unearned income, as compared to levels of \$12,371,000, or 2.56%, at December 31, 2011 and \$15,660,000, or 3.31%, at March 31, 2011.

Schedule of Nonperforming Assets:

(Dollars in thousands)

	March 31, 2012	December 31, 2011	March 31, 2011
Nonperforming Assets:			
Nonaccrual loans	\$ 11,756	\$ 11,800	\$ 15,024
Loans renegotiated with borrowers	436	571	636
Total nonperforming loans	12,192	12,371	15,660
Foreclosed real estate	889	931	643
Total non-performing assets	13,081	13,302	16,303
Accruing loans 90 days or more past due			392
Total risk elements	\$ 13,081	\$ 13,302	\$ 16,695
Nonperforming loans as a % of total loans outstanding	2.49%	2.56%	3.31%
Nonperforming assets as a % of total loans outstanding and other real estate	2.67%	2.76%	3.44%
Ratio of allowance for loan losses to nonperforming loans	53.95%	54.74%	45.80%

Table of Contents**MID PENN BANCORP, INC.****Management's Discussion and Analysis**

Mid Penn assesses a specific allocation for both commercial loans and commercial real estate loans prior to charging down or charging off the loan. Once the charge down is taken, the remaining balance remains a nonperforming loan with the original terms and interest rate intact and is not treated as a restructured credit. The following table provides additional analysis of partially charged-off loans:

Schedule of Partially Charged Off Loans:

(Dollars in thousands)

	March 31, 2012	December 31, 2011
Period ending total loans outstanding (net of unearned income)	\$ 488,670	\$ 482,717
Allowance for loan and lease losses	6,577	6,772
Total Nonperforming loans	12,192	12,371
Nonperforming and impaired loans with partial charge-offs	4,787	4,505
Ratio of nonperforming loans with partial charge-offs to total loans	0.98%	0.93%
Ratio of nonperforming loans with partial charge-offs to total nonperforming loans	39.26%	36.42%
Coverage ratio net of nonperforming loans with partial charge-offs	88.82%	86.09%
Ratio of total allowance to total loans less nonperforming loans with partial charge-offs	1.36%	1.42%

Mid Penn has not experienced any additional charge-offs on loans for which a partial charge-off had originally been taken.

Mid Penn considers a commercial loan or commercial real estate loan to be impaired when it becomes 90 days or more past due and not in the process of collection. This methodology assumes the borrower cannot or will not continue to make additional payments. At that time the loan would be considered collateral dependent as the discounted cash flow (DCF) method indicates no operating income is available for evaluating the collateral position; therefore, all impaired loans are deemed to be collateral dependent.

Mid Penn evaluates loans for charge-off on a monthly basis. Policies that govern the recommendation for charge-off are unique to the type of loan being considered. Commercial loans rated as nonaccrual or lower will first have a collateral evaluation completed in accordance with the guidance on impaired loans. Once the collateral evaluation has been completed, a specific allocation of allowance is made based upon the results of the evaluation. In the event the loan is unsecured, the loan would have been charged-off at the recognition of impairment. If the loan is secured, it will undergo a 90 day waiting period to ensure the collateral shortfall identified in the evaluation is accurate and then charged down by the specific allocation. Once the charge down is taken, the remaining balance remains a nonperforming loan with the original terms and interest rate intact (not restructured). Commercial real estate loans rated as impaired will also have an initial collateral evaluation completed in accordance with the guidance on impaired loans. An updated real estate valuation is ordered and the collateral evaluation is modified to reflect any variations in value. A specific allocation of allowance is made for any anticipated collateral shortfall and a 90 day waiting period begins to ensure the accuracy of the collateral shortfall. The loan is then charged down by the specific allocation. Once the charge down is taken, the remaining balance remains a nonperforming loan with the original terms and interest rate intact (not restructured). The process of charge-off for residential mortgage loans begins upon a loan becoming delinquent for 90 days and not in the process of collection. The existing appraisal is reviewed and a lien search is obtained to determine lien position and any instances of intervening liens. A new appraisal of the property will be ordered if deemed necessary by management and a collateral evaluation is completed. The loan will then be charged down to the value indicated in the evaluation. Consumer loans are recommended for charge-off after reaching delinquency of 90 days and the loan is not in the process of collection. The entire balance of the consumer loan is recommended for charge-off at this point.

As noted above, Mid Penn assesses a specific allocation for both commercial loans and commercial real estate loans prior to charging down or charging off the loan. Once the charge down is taken, the remaining balance remains a nonperforming loan with the original terms and interest rate intact (not restructured). In addition, Mid Penn takes a preemptive step when any commercial loan or commercial real estate loan becomes classified under its internal classification system. A preliminary collateral evaluation in accordance with the guidance on impaired loans is prepared using the existing collateral information in the loan file. This process allows Mid Penn to review both the credit and documentation files to determine the status of the information needed to make a collateral evaluation. This collateral evaluation is preliminary but allows Mid Penn to determine if any potential collateral shortfalls exist.

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Larger groups of small-balance loans, such as residential mortgages and consumer installment loans are collectively evaluated for impairment. Accordingly, individual consumer and residential loans are not separately identified for impairment disclosures unless such loans are the subject of a restructuring agreement.

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MID PENN BANCORP, INC.

Management's Discussion and Analysis

Mid Penn's rating system assumes any loans classified as sub-standard non-accrual to be impaired, and all of these loans are considered collateral dependent; therefore, all of Mid Penn's impaired loans, whether reporting a specific allocation or not, are considered collateral dependent.

It is Mid Penn's policy to obtain updated third party valuations on all impaired loans collateralized by real estate within 30 days of the credit being classified as sub-standard non-accrual. Prior to receipt of the updated real estate valuation Mid Penn will use any existing real estate valuation to determine any potential allowance issues; however no allowance recommendation will be made until which time Mid Penn is in receipt of the updated valuation. The credit department employs an electronic tracking system to monitor the receipt of and need for updated appraisals. To date, there have been no significant time lapses noted with the above processes.

In some instances Mid Penn is not holding real estate as collateral and is relying on business assets (personal property) for repayment. In these circumstances a collateral inspection is performed by Mid Penn personnel to determine an estimated value. The value is based on net book value, as provided by the financial statements, and discounted accordingly based on determinations made by management. Occasionally, Mid Penn will employ an outside service to provide a fair estimate of value based on auction sales or private sales. Management reviews the estimates of these third parties and discounts them accordingly based on management's judgment, if deemed necessary.

For impaired loans with no valuation allowance required, Mid Penn's practice of obtaining independent third party market valuations on the subject property within 30 days of being placed on non-accrual status sometimes indicates that the loan to value ratio is sufficient to obviate the need for a specific allocation in spite of significant deterioration in real estate values in Mid Penn's primary market area. These circumstances are determined on a case by case analysis of the impaired loans.

Mid Penn actively monitors the values of collateral on impaired loans. This monitoring may require the modification of collateral values over time or changing circumstances by some factor, either positive or negative, from the original values. All collateral values will be assessed by management at least every 18 months for possible revaluation by an independent third party.

Mid Penn does not currently, or plan in the future to, use automated valuation methodologies as a method of valuing real estate collateral.

As of March 31, 2012, Mid Penn had several unrelated loan relationships, with an aggregate carrying balance of \$10,896,000, deemed impaired. This pool of loans is further broken down into a group of loans with an aggregate carrying balance of \$4,747,000 for which specific allocations totaling \$1,757,000 have been included within the loan loss reserve for these loans. The remaining \$6,149,000 of loans requires no specific allocation within the loan loss reserve. The \$10,896,000 pool of impaired loan relationships is comprised of \$8,441,000 in real estate secured commercial relationships and \$2,455,000 in business relationships. There are specific allocations against the real estate secured pool totaling \$929,000, spread among sixteen relationships; one large relationship accounts for \$445,000 of the total pool attributed to this segment. The group of impaired business relationships with specific allocations is made up of seven unaffiliated relationships primarily engaged in various forms of manufacturing and a specific allocation of \$828,000 has been set aside against these credits. Six unrelated manufacturing relationships account for \$256,000 of the specific allocations due to the negative effects of the economy on their businesses and the subsequent collateral devaluation. One additional large commercial participation loan in this pool has shown exceptional collateral devaluation and is responsible for a specific allocation of \$572,000 of the total pool attributable to this segment. Management currently believes that the specific reserves are adequate to cover probable future losses related to these relationships.

The allowance for loan losses is a reserve established in the form of a provision expense for loan and lease losses and is reduced by loan charge-offs net of recoveries. In conjunction with an internal loan review function that operates independently of the lending function, management monitors the loan portfolio to identify risk on a monthly basis so that an appropriate allowance is maintained. Based on an evaluation of the loan portfolio, management presents a monthly review of the allowance for loan and lease losses to the Board of Directors, indicating any changes in the allowance since the last review. In making the evaluation, management considers the results of recent regulatory examinations, which typically include a review of the allowance for loan and lease losses an integral part of the examination process.

In establishing the allowance, management evaluates on a quantitative basis individual classified loans and nonaccrual loans, and determines an aggregate reserve for those loans based on that review. In addition, an allowance for the remainder of the loan and lease portfolio is determined based on historical loss experience within certain components of the portfolio. These allocations may be modified if current conditions indicate that loan and lease losses may differ from historical experience.

In addition, a portion of the allowance is established for losses inherent in the loan and lease portfolio which have not been identified by the quantitative processes described above. This determination inherently involves a higher degree of subjectivity, and considers risk factors that

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may not have yet manifested themselves in historical loss experience. These factors include:

Changes in local, regional, and national economic and business conditions affecting the collectability of the portfolio, the values of underlying collateral, and the condition of various market segments.

Changes in the volume and severity of past due loans, the volume of nonaccrual loans, and the volume and severity of adversely classified loans.

Changes in the experience, ability, and depth of lending management and other relevant staff as well as the quality of the institution's loan review system.

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MID PENN BANCORP, INC.

Management's Discussion and Analysis

Changes in the nature and volume of the portfolio and the terms of loans generally offered.

The existence and effect of any concentrations of credit and changes in the level of such concentrations.

While the allowance for loan and lease losses is maintained at a level believed to be adequate by management for covering estimated losses in the loan and lease portfolio, determination of the allowance is inherently subjective, as it requires estimates, all of which may be susceptible to significant change. Changes in these estimates may impact the provisions charged to expense in future periods.

Management believes, based on information currently available, that the allowance for loan and lease losses of \$6,577,000 is adequate as of March 31, 2012.

Liquidity

Mid Penn Bank's objective is to maintain adequate liquidity to meet funding needs at a reasonable cost and to provide contingency plans to meet unanticipated funding needs or a loss of funding sources, while minimizing interest rate risk. Adequate liquidity provides resources for credit needs of borrowers, for depositor withdrawals and for funding corporate operations. Sources of liquidity are as follows:

A growing core deposit base;

Proceeds from the sale or maturity of investment securities;

Proceeds from certificates of deposit in other financial institutions;

Payments received on loans and mortgage-backed securities; and,

Overnight correspondent bank borrowings on various credit lines; and,

Borrowing capacity available from the FHLB.

We believe that our core deposits are stable even in periods of changing interest rates. Liquidity and funds management are governed by policies and are measured on a monthly basis. These measurements indicate that liquidity generally remains stable and exceeds our minimum defined levels of adequacy. Other than the trends of continued competitive pressures and volatile interest rates, there are no known demands, commitments, events, or uncertainties that will result in, or that are reasonably likely to result in, liquidity increasing or decreasing in any material way.

Capital Resources

Shareholders' equity, or capital, is evaluated in relation to total assets and the risk associated with those assets. The greater a corporation's capital resources, the more likely it is to meet its cash obligations and absorb unforeseen losses. Too much capital, however, indicates that not enough of the corporation's earnings have been invested in the continued growth of the business or paid to shareholders. The buildup makes it difficult for a corporation to offer a competitive return on the shareholders' capital going forward. For these reasons capital adequacy has been, and will continue to be, of paramount importance.

Shareholders' equity increased during the three months ended March 31, 2012 by \$905,000 or 1.7%, from December 31, 2011. Capital has been positively impacted in 2012 by positive earnings of \$1,006,000, which offset the common dividend payment of \$174,000.

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Mid Penn maintained the following regulatory capital levels, leverage ratios, and risk-based capital ratios in its bank subsidiary as of March 31, 2012, and December 31, 2011, as follows:

(Dollars in thousands)

	Capital Adequacy					
	Actual:		Minimum Capital Required:		To Be Well-Capitalized Under Prompt Corrective Action Provisions:	
	Amount	Ratio	Amount	Ratio	Amount	Ratio
As of March 31, 2012:						
Tier 1 Capital (to Average Assets)	\$ 51,087	7.2%	\$ 28,293	4.0%	\$ 35,367	5.0%
Tier 1 Capital (to Risk Weighted Assets)	51,087	10.4%	19,611	4.0%	29,417	6.0%
Total Capital (to Risk Weighted Assets)	57,206	11.7%	39,222	8.0%	49,028	10.0%
As of December 31, 2011:						
Tier 1 Capital (to Average Assets)	\$ 50,265	7.1%	\$ 28,326	4.0%	\$ 35,408	5.0%
Tier 1 Capital (to Risk Weighted Assets)	50,265	10.4%	19,367	4.0%	29,051	6.0%
Total Capital (to Risk Weighted Assets)	56,327	11.6%	38,735	8.0%	48,419	10.0%

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MID PENN BANCORP, INC.

Management's Discussion and Analysis

Capital Purchase Program Participation

On December 19, 2008, Mid Penn entered into an agreement (including the Securities Purchase Agreement Standard Terms) (the Purchase Agreement) with the United States Department of the Treasury (the Treasury) pursuant to which the Treasury invested \$10,000,000 in Mid Penn under the Treasury's Capital Purchase Program (the CPP).

Under the Purchase Agreement, the Treasury received (1) 10,000 shares of Series A Fixed Rate Cumulative Perpetual Preferred Stock, \$1,000 liquidation preference, and (2) Warrants to purchase up to 73,099 shares of the Mid Penn's common stock at an exercise price of \$20.52 per share.

The preferred shares pay cumulative dividends at a rate of 5% per annum for the first five years and 9% per annum thereafter. The preferred shares are non-voting, other than class voting rights on certain matters that could adversely affect the preferred shares. If dividends on the preferred shares have not been paid for an aggregate of six quarterly dividend periods or more, whether consecutive or not, Treasury will have the right to appoint two members of Mid Penn's Board of Directors to serve until all accrued and unpaid dividends on the preferred shares have been paid.

Mid Penn is generally permitted, subject to consultation with the appropriate Federal banking agency, to redeem the Series A Preferred Stock without regard to the source of the funds to be used to redeem the Series A Preferred Stock or any minimum waiting period. If Mid Penn elects to redeem the Series A Preferred Stock prior to February 15, 2012, and receives approval from the Treasury and the Board of Governors of the Federal Reserve System, it must redeem at least \$2,500,000 of the Series A Preferred Stock. Upon redemption of the Series A Preferred Stock, the Secretary of the Treasury is required to liquidate the warrants associated with Mid Penn's participation in the CPP at the current market price.

Any redemption is subject to the consent of the Board of Governors of the Federal Reserve System. Until December 19, 2011, or such earlier time as all preferred shares have been redeemed by Mid Penn or transferred by Treasury to third parties that are not affiliated with Treasury, Mid Penn may not, without Treasury's consent, increase its dividend rate per share of common stock above the per share quarterly amount in effect immediately prior to October 14, 2008 (\$0.20 per share) or, with certain limited exceptions, repurchase its common stock.

The warrants are immediately exercisable and have a 10-year term. The exercise price and number of shares subject to the warrants are both subject to anti-dilution adjustments. Treasury has agreed not to exercise voting power with respect to any shares of common stock issued upon exercise of the warrants; however, this agreement not to vote the shares does not apply to any person who may acquire such shares.

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MID PENN BANCORP, INC.

ITEM 3 QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

There has been no material change in market risk since December 31, 2011, as reported in Mid Penn's Form 10-K filed with the SEC on March 26, 2012.

ITEM 4 CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

Mid Penn maintains controls and procedures designed to ensure that information required to be disclosed in the reports that Mid Penn files or submits under the Securities Exchange Act of 1934 is recorded, processed, summarized, and reported within the time periods specified in the rules and forms of the Securities and Exchange Commission. Based upon their evaluation of those controls and procedures as of March 31, 2012, Mid Penn's management, with the participation of the Principal Executive Officer and Principal Financial and Accounting Officer, concluded that the disclosure controls and procedures were effective as of such date.

Changes in Internal Controls

During the three months ended March 31, 2012, there were no changes in Mid Penn's internal control over financial reporting, that have materially affected, or are reasonable likely to materially affect, Mid Penn's internal control over financial reporting.

PART II OTHER INFORMATION

ITEM 1 LEGAL PROCEEDINGS

Management is not aware of any litigation that would have a material adverse effect on the consolidated financial position of Mid Penn. There are no proceedings pending other than the ordinary routine litigation incident to the business of Mid Penn. In addition, management does not know of any material proceedings contemplated by governmental authorities against Mid Penn or any of its properties.

ITEM 1A RISK FACTORS

Management has reviewed the risk factors that were previously disclosed in the Annual Report on Form 10-K for the fiscal year ended December 31, 2011. There are no material changes from the risk factors as previously disclosed in the Form 10-K.

ITEM 2 UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

None

ITEM 3 DEFAULTS UPON SENIOR SECURITIES

None

ITEM 4 MINE SAFETY DISCLOSURES

Not Applicable

ITEM 5 OTHER INFORMATION

None

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MID PENN BANCORP, INC.

ITEM 6 EXHIBITS

Exhibit 3(i) The Registrant's amended Articles of Incorporation (Incorporated by reference to Exhibit 3(i) to Registrant's Quarterly Report on Form 10-Q filed with the Securities and Exchange Commission on May 11, 2009.)

Exhibit 3(ii) Statement with Respect to Shares for Series A Preferred Stock. (Incorporated by reference to Exhibit 3.1 to Registrant's Current Report on Form 8-K as filed with the Securities and Exchange Commission on December 22, 2008.)

Exhibit 3(iii) The Registrant's By-laws (Incorporated by reference to Exhibit 3(ii) to Registrant's Current Report on form 8-K filed with the Securities and Exchange Commission on August 30, 2010.)

Exhibit 4 Warrants for Purchase of Shares of Common Stock. (Incorporated by reference to Exhibit 4.1 to Registrant's Current Report on Form 8-K as filed with the Securities and Exchange Commission on December 22, 2008).

Exhibit 11 Statement re: Computation of Per Share Earnings. (Incorporated by reference to Part I Item 1 of this Quarterly Report on Form 10-Q.)

Exhibit 31.1 Certification of Principal Executive Officer Pursuant to Exchange Act Rules 13a-14(a)/15d-14(a) as added by Section 302 of the Sarbanes-Oxley Act of 2002.

Exhibit 31.2 Certification of Principal Financial Officer Pursuant to Exchange Act Rules 13a-14(a)/15d-14(a) as added by Section 302 of the Sarbanes-Oxley Act of 2002.

Exhibit 32 Certification of Principal Executive Officer and Principal Financial Officer Pursuant to 18 U.S.C. Section 1350 as added by Section 906 of the Sarbanes-Oxley Act of 2002.

Exhibit 101.LAB XBRL Taxonomy Extension Label Linkbase

Exhibit 101.PRE XBRL Taxonomy Extension Presentation Linkbase

Exhibit 101.INS XBRL Instance Document

Exhibit 101.SCH XBRL Taxonomy Extension Schema

Exhibit 101.CAL XBRL Taxonomy Extension Calculation Linkbase

Exhibit 101.DEF XBRL Taxonomy Extension Definition Linkbase

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MID PENN BANCORP, INC.

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 thereunto duly authorized.

Mid Penn Bancorp, Inc.
(Registrant)

By /s/ Rory G. Ritrievi
Rory G. Ritrievi
President and CEO
(Principal Executive Officer)

Date: May 15, 2012

By /s/ Kevin W. Laudenslager
Kevin W. Laudenslager
Treasurer
(Principal Financial and Principal Accounting
Officer)

Date: May 15, 2012