

# Section 1: 8-K (FORM 8-K)

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

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## FORM 8-K CURRENT REPORT

Pursuant to Section 13 or 15(d) of the  
Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): **January 22, 2019**

**UNITED BANCSHARES, INC.**  
(Exact name of Registrant as specified in its Charter)

**Ohio**  
(State or other jurisdiction of  
incorporation)

**000-29283**  
(Commission File No.)

**34-1516518**  
(IRS Employer Identification Number)

**105 Progressive Drive, Columbus Grove, Ohio**  
(Address of principal executive offices)

**45830-1241**  
(Zip Code)

Registrant's telephone number, including area code:

**(419) 659-2141**

**N/A**  
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

**Item 2.02 Results of Operations and Financial Condition.**

On January 22, 2019, United Bancshares, Inc. issued an earnings release announcing its financial results for the quarter and year ended December 31, 2018. A copy of the earnings release (Exhibit 99.1) and unaudited financial information (Exhibit 99.2) are attached.

The information in this Item 2.02, including Exhibit 99.1 and Exhibit 99.2 furnished herewith, is being furnished and shall not be deemed to be “filed” for purposes of Section 18 of the Securities Exchange Act of 1934 (the “Exchange Act”) or otherwise subject to the liabilities of that Section, nor shall such information be deemed to be incorporated by reference in any registration statement or other document filed under the Securities Act of 1933 (the “Securities Act”) or the Exchange Act, except as otherwise stated in such filing.

**Item 7.01 Regulation FD Disclosure.**

On January 22, 2019, United Bancshares, Inc. issued an earnings release announcing its financial results for the quarter and year ended December 31, 2018. A copy of the release (Exhibit 99.1) and unaudited financial information (Exhibit 99.2) are attached.

The information in this Item 7.01, including Exhibit 99.1 and Exhibit 99.2 furnished herewith, is being furnished and shall not be deemed to be “filed” for purposes of Section 18 of the Exchange Act or otherwise subject to the liabilities of that Section, nor shall such information be deemed to be incorporated by reference in any registration statement or other document filed under the Securities Act or the Exchange Act, except as otherwise stated in such filing.

**Item 9.01 Financial Statements and Exhibits.**

(d) Exhibits

Exhibit No.	Description
99.1	<a href="#">Release dated January 22, 2019</a>
99.2	<a href="#">Unaudited Financial Information</a>

## 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.

United Bancshares, Inc.

Date: January 22, 2019

By: /s/ Brian D. Young

Brian D. Young

President and Chief Executive Officer

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## Section 2: EX-99.1 (EXHIBIT 99.1)

### Exhibit 99.1

On January 22, 2019, United Bancshares, Inc. issued the following release:

**United Bancshares, Inc.** (Nasdaq: UBOH – news), a bank holding company headquartered in Columbus Grove, Ohio with consolidated assets of \$830.3 million today announced operating results for the quarter and year ended December 31, 2018.

The operating results for the year ended December 31, 2018, as compared to 2017, were largely impacted by the September 8, 2017 acquisition of Benchmark Bancorp, Inc. and its wholly-owned subsidiary Benchmark Bank (together, “Benchmark”), which resulted in the Corporation acquiring assets with an estimated fair value of \$113.8 million. The post-September 8, 2017 operations for Benchmark are included in the operations of the Corporation.

Net income for the year ended December 31, 2018 totaled \$8,220,000, or \$2.51 basic earnings per share compared to \$3,846,000, or \$1.18 basic earnings per share for the same period in 2017. Compared with the same period in 2017, net income increased \$4,374,000, or 113.7%. The increase in operating results for the year ended December 31, 2018 as compared to the year ended December 31, 2017 was primarily attributable to increases in net interest income of \$5,553,000 and non-interest income of \$3,254,000 as well as a decrease in the provision for income taxes of \$1,350,000, offset by an increase in non-interest expenses of \$4,983,000 and a provision for loan losses of \$450,000 compared to a credit for loan losses of \$350,000 for the year ended December 31, 2017.

For the year ended December 31, 2018, non-interest income was \$9,428,000, compared to \$6,174,000 for the same period in 2017, an increase of \$3,254,000 (52.7%) which was primarily attributable to increases in gain on sales of loans of \$2,832,000 and other operating income of \$425,000, offset by a decrease in loss on sale of securities of \$3,000. The significant increase in gain on sale of loans was attributable to the mortgage operations acquired in connection with the Benchmark transaction.

For the year ended December 31, 2018, non-interest expenses totaled \$27,436,000, compared to \$22,453,000 for the same period of 2017, an increase of \$4,983,000 (22.2%). This increase is primarily attributable to the Benchmark operations and was mitigated by \$1,271,000 of acquisition costs incurred by the Corporation during the year ended December 31, 2017 in connection with the acquisition. The year over year results included increases in salaries and benefits expense of \$3,865,000 (32.1%), premises and equipment of \$239,000 (8.2%), advertising and promotion of \$647,000 and loan fees of \$501,000, offset by a decrease in consultant fees of \$590,000.

The provision for income taxes for the year ended December 31, 2018 decreased \$1,350,000 despite a \$3,022,000 increase in income before income taxes due to the impact of the Tax Cuts and Jobs Act, which was enacted in December 2017 and resulted in a \$1,136,000 reduction of the Corporation’s deferred tax assets at December 31, 2017, as well as a lowering of the Corporation’s effective federal tax rate from 34% to 21% effective January 1, 2018.

For the quarter ended December 31, 2018, the Corporation reported net income of \$2,435,000, or \$0.74 basic earnings per share. This compares to the fourth quarter of 2017 net income of \$865,000, or \$0.27 basic earnings per share. The increase in operating results for the fourth quarter of 2018 as compared to the same period in 2017 was primarily attributable to increases in net interest income of \$462,000 and non-interest income of \$124,000 as well as a reduction in the provision for income taxes of \$1,419,000 offset by increases in non-interest expenses of \$334,000 and a provision for loan losses of \$100,000.

For the quarter ended December 31, 2018, non-interest income was \$2,553,000, compared to \$2,430,000 for the fourth quarter of 2017, a \$123,000 (5.1%) increase, which was primarily attributable to increases in gain on sales of securities of \$113,000 and other operating income of \$137,000 offset by a decrease in gain on sales of loans of \$126,000.

For the quarter ended December 31, 2018, non-interest expenses were \$6,838,000, compared to \$6,504,000 for the fourth quarter of 2017, a \$334,000 (5.1%) increase. The quarter over quarter increase included increases in salaries and benefits expense of \$297,000 (7.9%), premises and equipment of \$53,000 (7.3%) and advertising and promotion of \$48,000 (15.4%), offset by decreases in legal fees of \$31,000, consultant fees of \$27,000 and deposit losses and recoveries of \$34,000.

Total assets amounted to \$830.3 million at December 31, 2018, compared to \$780.5 million at December 31, 2017, an increase of \$49.8 million (6.4%). The increase in total assets was primarily the result of an increase of \$54.5 million (10.8%) in net loans, \$5.3 million in loans held for sale and \$3.4 million in goodwill, offset by a decrease of \$10.8 million (39.6%) in cash and cash equivalents and a decrease of \$2.1 (1.2%) million in securities available-for-sale. Deposits during this same period increased \$35.7 million (5.7%) and other borrowings increased \$7.1 million (15.0%). In August, the Corporation completed a review of the accounting and tax implications of the Benchmark transaction and determined its liability for federal income tax associated with the transaction was greater than estimated at the time of the acquisition. As a result, consistent with measurement date purchase accounting adjustments for business combinations, the Corporation recorded the additional tax liability, as well as certain other measurement date deferred tax adjustments during the third quarter of 2018 with a corresponding \$3.4 million increase to goodwill.

Shareholders' equity increased from \$75.7 million at December 31, 2017 to \$80.9 million at December 31, 2018. This increase was primarily the result of net income during the year ended December 31, 2018 of \$8,220,000 offset by dividends paid of \$1,569,000 and a \$1,640,000 increase in unrealized securities losses, net of tax. The increase in unrealized securities losses during the year ended December 31, 2018, was the result of customary and expected changes in the bond market. Net unrealized gains and losses on securities are reported as accumulated other comprehensive income (loss) in the consolidated balance sheets.

United Bancshares, Inc. is the holding company of The Union Bank Company which serves Allen, Delaware, Franklin, Hancock, Marion, Putnam, Sandusky, Van Wert and Wood Counties in Ohio, with office locations in Bowling Green, Columbus Grove, Delaware, Delphos, Findlay, Gahanna, Gibsonburg, Kalida, Leipsic, Lima, Marion, Ottawa, Pemberville and Westerville Ohio.

This release may contain certain forward-looking statements that are provided to assist in the understanding of anticipated future financial performance. However, such performance involves risk and uncertainties that may cause actual results to differ materially. Factors that could cause actual results to differ from those discussed in the forward-looking statements include, but are not limited to, the strength of the local economies in which operations are conducted, the effects of and changes in policies and laws of regulatory agencies, inflation, and interest rates. For further discussion of certain factors that may cause such forward-looking statements to differ materially from actual results, refer to the 2017 Form 10-K.

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## Section 3: EX-99.2 (EXHIBIT 99.2)

### Exhibit 99.2

**United Bancshares, Inc.**

**Quarterly Report  
December 31, 2018**

Shareholders, Clients, and Team Members:

I am pleased to report that as a result of the effort and commitment of our team members your Company reported record pre-tax and net income of \$9.7 million and \$8.2 million, respectively in 2018. The Company's 2018 net income represented an increase of 114% and 49%, respectively, as compared to 2017 and 2016. Additionally the Company's Board of Directors approved a \$0.13 per common share dividend, which represents an 8.3% increase over the previous quarter.

During 2018, we continued the execution of our strategic initiatives to further increase the value of your Company through growth and targeted investments. In addition to record profitability, those efforts lead to positive results including loan and deposit growth of 10.9% and 5.7%, respectively. In addition to continued growth, the Company has been putting efforts into further development of our residential loan originations and governmental lending. During 2018, the Company invested \$250,000 to establish a residential loan production office in our Central Ohio market and added additional resources to our governmental lending team. While both of these initiatives required net investments for the year, we believe these areas will result in additional non-interest income through increased loan sale activity in the future. We believe by focusing the growth of these areas in our current markets, we will give the Company the opportunity to grow relationships not merely conduct transactions. Relationship banking is, has been and will continue to be the fundamental driver of our long-term profitability and success.

Our continued accomplishments is the undeniable result of the ongoing efforts of the Company's dedicated team members and Board of Directors in implementing our Strategic Plan. Their efforts and our strong corporate values of respect for and accountability to our shareholders, clients, colleagues, and communities are the foundation for the continued success of your Company. Thank you for your ongoing support and the trust you have placed in us.

Respectfully,

Brian D. Young  
President & CEO

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# United Bancshares, Inc. and Subsidiary

Financial Information (unaudited)

Twelve months  
ended  
December 31, 2018      December 31, 2017

(dollars in thousands, except per share data)

## CONDENSED STATEMENT OF INCOME

Interest income	\$ 34,365	\$ 25,772
Interest expense	6,158	3,118
Net interest income	28,207	22,654
Provision (credit) for loan losses	450	(350)
Net interest income after provision (credit) for loan losses	27,757	23,004
Non-interest income	9,428	6,174
Non-interest expenses	27,436	22,453
Income before income taxes	9,749	6,725
Provision for income taxes	1,529	2,879
Net income	\$ 8,220	\$ 3,846

Average common shares outstanding (basic)	3,268,667	3,267,305
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## PER COMMON SHARE

Net income	\$ 2.51	\$ 1.18
Book value	\$ 24.76	\$ 23.17
Tangible book value	\$ 15.71	\$ 15.11
Closing price	\$ 20.02	\$ 22.20

## FINANCIAL RATIOS

Return on average assets	1.02%	0.56%
Return on average tangible equity	16.79%	6.40%
Net interest margin	3.97%	3.76%
Efficiency ratio	72.03%	76.37%
Loans (including held for sale) to deposits	85.45%	80.69%

## PERIOD END BALANCES

	As of	As of
	<u>December 31, 2018</u>	<u>December 31, 2017</u>
Assets	\$ 830,300	\$ 780,450
Loans, gross	\$ 561,614	\$ 506,412
Deposits	\$ 666,236	\$ 630,548
Shareholders' equity	\$ 80,944	\$ 75,704
Common shares outstanding	3,269,358	3,267,643

## **UNITED BANCSHARES, INC.**

### **DIRECTORS**

Robert L. Benroth	Daniel W. Schutt – Chairman
Herbert H. Huffman	R. Steven Unverferth
H. Edward Rigel	Brian D. Young
David P. Roach	

### **OFFICERS**

Brian D. Young - President/CEO  
Heather M. Oatman - Secretary  
Daniel J. Lucke – Chief Financial Officer

## **THE UNION BANK COMPANY**

### **DIRECTORS**

Robert L. Benroth	H. Edward Rigel
Anthony M.V. Eramo	David P. Roach
Herbert H. Huffman	Robert M. Schulte, Sr.
Kevin L. Lammon	Daniel W. Schutt
William R. Perry	R. Steven Unverferth
Brian D. Young - Chairman/President/CEO	

### **INVESTOR MATERIALS:**

United Bancshares, Inc. has traded its common stock on the NASDAQ Markets Exchange under the symbol “UBOH” since March 2001. Annual and quarterly shareholder reports, regulatory filings, press releases, and articles about United Bancshares, Inc. are available in the Shareholder Information section of our website [www.theubank.com](http://www.theubank.com) or by calling 1-800-837-8111.

## Locations

1300 N. Main St.  
Bowling Green, OH 43402  
419-353-6088

100 S. High St.  
Columbus Grove, OH 45830  
419-659-2141

101 Progressive Dr.  
Columbus Grove, OH 45830  
419-659-4250

30 Coal Bend  
Delaware, OH 43015  
740-549-3400

114 E. 3rd St.  
Delphos, OH 45833  
419-692-2010

1500 Bright Rd.  
Findlay, OH 45840  
419-424-1400

461 Beecher Road  
Gahanna, OH 43230  
614-269-4400

230 W. Madison St.  
Gibsonburg, OH 43431  
419-637-2124

110 E. North St.  
Kalida, OH 45853  
419-532-3366

318 S. Belmore St.  
Leipsic, OH 45856  
419-943-2171

1410 Bellefontaine Ave.  
Lima, OH 45804  
419-229-6500

3211 Elida Rd.  
Lima, OH 45805  
419-331-3211

701 Shawnee Rd.  
Lima, OH 45805  
419-228-2114

111 S. Main St.  
Marion, OH 43302  
740-387-2265

220 Richland Rd.  
Marion, OH 43302  
740-386-2171

245 W. Main St.  
Ottawa, OH 45875  
419-523-2265

132 E. Front St.  
Pemberville, OH 43450

419-287-3211

468 Polaris Parkway  
Westerville, OH 43082  
614-269-4402

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