

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

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

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): **October 23, 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))

Securities registered or to be registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of Each Exchange
Common Stock, No Par Value	UBOH	NASDAQ Global Market

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 October 23, 2019, United Bancshares, Inc. issued an earnings release announcing its financial results for the quarter and nine month period ended September 30, 2019. 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 October 23, 2019, United Bancshares, Inc. issued an earnings release announcing its financial results for the quarter and nine month period ended September 30, 2019. 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	Release dated October 23, 2019
99.2	Unaudited Financial Information

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: October 23, 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 October 23, 2019, United Bancshares, Inc. issued the following release:

United Bancshares, Inc. (Nasdaq: UBOH – news), a financial holding company headquartered in Columbus Grove, Ohio with consolidated assets of \$875.8 million today announced operating results for the quarter and nine month period ended September 30, 2019.

For the quarter ended September 30, 2019, the Corporation reported net income of \$2,418,000, or \$0.74 basic earnings per share. This compares to the third quarter of 2018 net income of \$1,786,000, or \$0.55 basic earnings per share. The increase in operating results for the third quarter of 2019 as compared to the same period in 2018 was primarily attributable to increases in net interest income of \$199,000, and non-interest income of \$1,369,000, offset by increases in non-interest expenses of \$821,000, and provision for income taxes of \$115,000.

Net income for the nine months ended September 30, 2019 totaled \$6,517,000, or \$1.99 basic earnings per share compared to \$5,785,000, or \$1.77 basic earnings per share for the same period in 2018. Compared with the same period in 2018, net income increased \$732,000, or 12.7%. The increase in operating results for the nine month period ended September 30, 2019 as compared to the nine month period ended September 30, 2018 was primarily attributable to increases in net interest income of \$522,000 and non-interest income of \$2,599,000 offset by increases in non-interest expenses of \$2,185,000, provision for loan loss of \$50,000 and provision for income taxes of \$154,000.

For the quarter ended September 30, 2019, non-interest income was \$3,833,000, compared to \$2,464,000 for the third quarter of 2018, a \$1,369,000 (55.6%) increase, which was primarily attributable to increases in gain on sales of loans of \$1,316,000 (89.6%), as well as an increase in net securities gains (losses) of \$14,000, and other non-interest income of \$39,000. For the nine months ended September 30, 2019, non-interest income was \$9,474,000, compared to \$6,875,000 for same period in 2018, an increase of \$2,599,000 (37.8%) which was primarily attributable to increases in gain on sales of loans of \$2,984,000 (87.1%), and an increase in net securities gains (losses) of \$8,000, offset by a decrease in other non-interest income of \$393,000. The significant increase in gain on sale of loans was attributable to the residential mortgage and governmental lending operations.

For the quarter ended September 30, 2019, non-interest expenses were \$8,070,000, compared to \$7,249,000 for the third quarter of 2018, an \$821,000 (11.3%) increase. The quarter-over-quarter increases included salaries and benefits expense of \$910,000 (21.8%), data processing of \$36,000 (11.0%), advertising and promotion of \$41,000 (9.8%), and loan fees of \$154,000 (55.2%), offset by a decrease in the FDIC assessment of \$146,000, and a decrease in legal fees of \$142,000.

For the nine month period ended September 30, 2019, non-interest expenses totaled \$22,784,000, compared to \$20,599,000 for the same period of 2018, an increase of \$2,185,000 (10.6%) which was primarily attributable to increases in salaries and benefits expense of \$1,718,000 (14.5%), data processing of \$130,000 (13.5%), advertising and promotion of \$68,000 (5.2%), loan fees of \$307,000 (45.3%) and ATM processing expenses of \$80,000 (16.1%), offset by a decrease in the FDIC assessment of \$114,000 and a decrease in legal fees of \$70,000.

Total assets amounted to \$875.8 million at September 30, 2019, compared to \$830.3 million at December 31, 2018, an increase of \$45.5 million (5.5%). The increase in total assets was primarily the result of increases of \$11.2 million in cash and cash equivalents (due to deposit growth), \$11.2 million in net loans, \$10.1 million in loans held for sale and \$12.5 million in securities available-for-sale. Deposits during this same period increased \$40.1 million (6.0%).

Shareholders' equity increased from \$80.9 million at December 31, 2018 to \$91.2 million at September 30, 2019. This increase was primarily the result of net income during the nine month period ended September 30, 2019 of \$6,517,000 and an increase in unrealized securities gains, net of tax of \$4,742,000, offset by dividends paid of \$1,277,000. The increase in unrealized securities gains during the nine month period ended September 30, 2019, 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 2018 Form 10-K.

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Section 3: EX-99.2 (EXHIBIT 99.2)

Exhibit 99.2

United Bancshares, Inc.

Quarterly Report September 30, 2019

Shareholders, Clients and Team Members:

I am pleased to report on your Company's continued successes in 2019. Those successes include reporting year-to-date income before taxes of approximately \$7.7 million, a 12.9% increase compared to the same period in 2018, return on average tangible equity of 15.46%, and return on average assets of 1.02%. In addition, the Board of Directors declared a \$0.13 per share dividend, an 8.3% increase as compared to the third quarter of 2018.

The primary drivers of increased profitability were improvements in both net interest and non-interest income, which increased \$522,000 (2.5%) and \$2,599,000 (37.8%), respectively. These increases were the result of continued organic growth in loans and deposits and further expansion of your Company's governmental lending and residential mortgage origination teams in a favorable residential mortgage interest rate environment.

The continued long-term growth and success of your Company has been and will continue to be our ability to attract and retain the best and brightest team members. We are very excited about those that have chosen to be part of our team. Their passion, expertise and desire to serve others enables your Company to take advantage of growth opportunities in our current markets and beyond.

While economies, interest rates and the regulatory environment are ever changing, we believe it is our strong corporate values of respect for and accountability to our shareholders, clients, colleagues and communities that remain the most important components for the continued success of your Company.

As always, we greatly appreciate your continued support and the trust you have placed in us.

Respectfully,

Brian D. Young
President and CEO

United Bancshares, Inc.
and Subsidiaries

Financial Information (unaudited)

	Nine months ended September 30, 2019	Nine months ended September 30, 2018
	(dollars in thousands, except per share data)	
CONDENSED STATEMENT OF INCOME		
Interest income	\$ 28,051	\$ 25,210
Interest expense	6,600	4,281
Net interest income	21,451	20,929
Provision for loan losses	400	350
Net interest income after provision for loan losses	21,051	20,579
Non-interest income	9,474	6,875
Non-interest expenses	22,784	20,599
Income before income taxes	7,741	6,855
Provision for income taxes	1,224	1,070
Net income	\$ 6,517	\$ 5,785
Average common shares outstanding (basic)	3,271,028	3,268,435
PER COMMON SHARE		
Net income	\$ 1.99	\$ 1.77
Book value	\$ 27.87	\$ 23.54
Tangible book value (non-GAAP)*	\$ 18.87	\$ 14.48
Closing price	\$ 20.02	\$ 22.90
FINANCIAL RATIOS		
Return on average assets	1.02%	0.97%
Return on average tangible equity (non-GAAP)	15.46%	15.59%
Net interest margin	3.78%	3.98%
Efficiency ratio	72.57%	72.88%
Loans (including held for sale) to deposits	83.67%	84.38%
PERIOD END BALANCES		
	As of September 30, 2019	As of September 30, 2018
Assets	\$ 875,830	\$ 815,153
Loans, gross	\$ 573,210	\$ 550,777
Deposits	\$ 706,324	\$ 660,349
Shareholders' equity	\$ 91,185	\$ 76,956
Common shares outstanding	3,272,315	3,269,358

* Tangible book value per share is calculated by dividing tangible equity by average shares outstanding.

Reconciliation of shareholders' equity to tangible equity

	September 30, 2019	September 30, 2018
Shareholders' equity	\$ 91,185	\$ 76,956
Less goodwill and other intangibles	29,450	29,612
Tangible common equity	<u>\$ 61,735</u>	<u>\$ 47,344</u>
Average Shareholders' equity	\$ 85,566	\$ 76,058
Less average goodwill and other intangibles (a)	29,504	26,268
Average tangible common equity	<u>\$ 56,062</u>	<u>\$ 49,790</u>

(a) Goodwill and other intangibles for the September 30, 2019 period, as compared to the September 30, 2018 period, includes the impact of the \$3.2 million goodwill adjustment made in August 2018 as a result of a review of the accounting and tax implications of the September 2017 Benchmark Bancorp, Inc. transaction.

UNITED BANCSHARES, INC.

DIRECTORS

Robert L. Benroth
Herbert H. Huffman
H. Edward Rigel
David P. Roach

Daniel W. Schutt – Chairman
R. Steven Unverferth
Brian D. Young

OFFICERS

Brian D. Young - President/CEO
Heather M. Oatman - Secretary
Stacy A. Cox – Chief Financial Officer

THE UNION BANK COMPANY

DIRECTORS

Robert L. Benroth
Anthony M.V. Eramo
Herbert H. Huffman
Kevin L. Lammon
William R. Perry
Brian D. Young - Chairman/President/CEO

H. Edward Rigel
David P. Roach
Carol R. Russell
Daniel W. Schutt
R. Steven Unverferth

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 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

2660 US Hwy. 224, Ste. 3

Plymouth, OH 44865
419-659-2141

132 E. Front St.
Pemberville, OH 43450
419-287-3211

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

6797 N. High St., Ste. 238
Worthington, OH 43085
614-296-0252

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