

## A Message From the President

As we begin 2018, United Bancorporation of Alabama's (OTCPNK: UBAB) performance continues the positive trends from previous quarters. This quarterly report will provide an update on all the areas of the bottom line focuses. During the quarter, the company was notified of two significant awards from the CDFI Fund. The company received its most recent New Market Tax Credit Allocation of \$55 million for use in the states of Alabama and Florida. In March, United Bank was awarded a \$4 million Capitol Magnet Fund Award in support of affordable home ownership and rental housing. These awards continue the Company's strategy of community development and strong financial performance. In January, the company paid a cash dividend to common shareholders of \$.07 per share. This dividend reflects an increase of \$.005 from the prior period, as well as a continuation of uninterrupted dividends dating back to 1983.

## Financial Performance

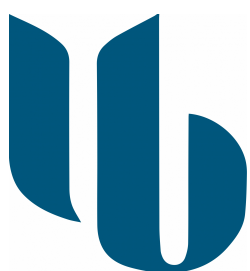
Assets as of the end of March were \$608 million, an increase of \$12 million over the end of the year. Net Income for the quarter was \$1.5 million, a 64.3% increase over the same period last year. This produced a Return on Assets (ROA) of 1.04%, which contains a trend of position improvement. The Net Interest Margin for the month of March was 3.99%. These results were driven by continued strong loan production across all major segments including seasonal advances on agricultural production loans. Loans have increased \$16 million since the end of the year to a balance of \$363 million. Despite the growth in assets, deposits and loans, Noninterest Expense has remained well contained. In fact, expenses for the first quarter were less than the same period in 2015. The combination of improved revenue and level expenses resulted in an Efficiency Ratio of 62.56%. More detailed statements and other information is available on the investor relations page at [www.unitedbank.com](http://www.unitedbank.com).

## Community Development

Communities thrive when its people work together to improve the quality of life. The Company's leadership role in this space enhances our communities, making them more attractive to businesses and builds resiliency in its people. An example of this passion includes Communities of Transformation, a nonprofit, who through a partnership with United Bank provided Wise Money Management to forty three individuals. Another example includes hosting Farm to Table events jointly with Feeding the Gulf Coast to promote grower connections while providing fresh produce for regional food banks. Additionally, Bank staff participated in a gleaning to assist a local farmer build a connection with the food bank, coordinated VITA sites with bank volunteers to help with income tax preparation, and hosted a class room instructional in support of the Teach Children to Save programs in area schools. Whether its financial literacy, operating the Church Street Incubator to help startup businesses or building connections, all of these efforts support the Triple Bottom Line of our Company.

## Economic Development

Consistent with our approach to building a stronger Company, the engagement in Economic Development has created new banking relationships across Alabama and Florida. The geographic range covers from the Tennessee River to the Gulf of Mexico. Companies and organizations involved in complex technology manufacturing, hospitality, health care, higher education and non-profits have all benefited from the New Market Tax Credit (NMTC) structure. The benefit to United Bank is an opportunity to establish a total banking relationship which drives improved financial performance. It is the alignment of economic development with traditional banking which created these unique opportunities. In addition to NMTC deals, the Bank has begun to deploy our Community Facilities Lending Program to assist in public projects in eligible communities. These efforts will be expanded over the balance of 2018. To gain more insight into this niche capability, visit [www.ubcommunitydevelopment.com](http://www.ubcommunitydevelopment.com). The site contains up to date information on projects as well as additional information explaining the Banks capabilities.



**UBAB (OTCPNK)**

**See More On Investors Relations @  
UnitedBank.Com**

**CONTACT US**

PO Box 8, Atmore, AL 36504  
251-446-6001