

Vision for Success



Financial Highlights			
For Years Ended December 31			
	2011	2010	% Change
Consolidated:			
Net Income	\$ 2,892,647	\$ 840,396	244.20%
Return on Average Equity	5.66%	1.86%	204.30%
Return on Average Assets	0.48%	0.14%	242.86%
Total Assets	\$ 564,628,063	\$ 643,454,680	(12.25%)
Loans	\$ 258,770,846	\$ 273,370,519	(5.34%)
Total Liabilities	\$ 502,682,162	\$ 600,581,532	(16.30%)
Total Stockholders' Equity	\$ 61,945,901	\$ 42,873,148	44.49%
Agent Federal Funds	\$ 400,000,000	\$ 420,000,000	(4.76%)
Common Stock Outstanding	51,224	40,488	26.52%
Consolidated Per Share Data:			
Weighted Earnings	\$ 62.92	\$ 20.76	203.08%
Book Value	\$ 1,209.31	\$ 1,058.91	14.20%
Dividends Declared	\$ -	\$ -	-
United Bankers' Bank:			
Leverage Ratio	8.98%	6.94%	29.39%
Tier 1 Risk Based Capital Ratio	17.24%	13.45%	28.18%
Total Risk Based Capital Ratio	18.52%	14.73%	25.73%

Dear Shareholders:

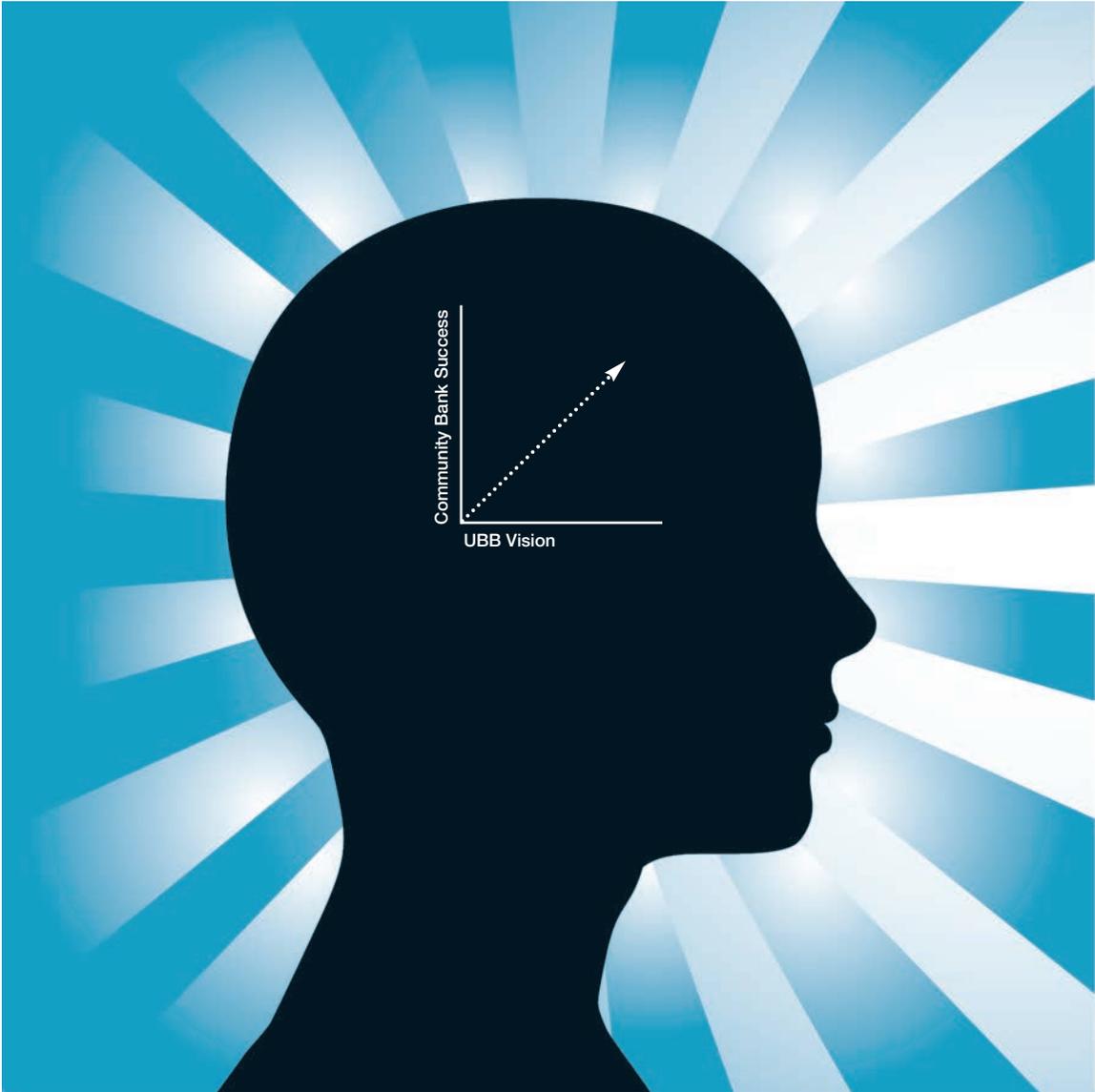
We come to you this year with renewed optimism about the future. Many of you have been reporting increased economic activity from the Main Streets in your communities: Retail sales are up, companies are hiring again, farm income remains high and even the housing market is showing signs of life. At the same time, we know the aftereffects of the recent recession will be with us a long time and have forever changed the formula for success in community banking.

During the past year, all of us at United Bankers' Bancorporation, Inc. (UBBI) and United Bankers' Bank (UBB) have doubled our efforts to help you meet the demands of tomorrow's marketplace. We continue to strengthen our capital base so we will always have the resources we need as your trusted ally in leveling the competitive playing field with the big banks. We finished a major overhaul of our electronic banking system to integrate all of our deposit, reporting and investment applications into one platform. And we continued improving our existing products and services at every level, while looking for new opportunities to improve profitability and shareholder value at your banks.

As always, we want to thank our knowledgeable Board of Directors, our dedicated employees and all of you – our loyal shareholders and customers – for your support and commitment to the ideals that drive this organization. If there is any silver lining to the economic turbulence the nation has recently endured, it is the recognition that banks built by and for the community are in the best interests of the people. We are delighted to be a part of the great traditions of community banking, and look forward to helping you achieve your vision for success!

Sincerely,
Larry J. Deutsch
Chairman

Sincerely,
William C. Rosacker
President



A Brave New World

The Great Recession – at 18 months, the longest since World War II – was declared officially over in June 2009. Yet, we’re still on the road back to full economic recovery more than two years later. As community bankers emerge from their foxholes, the economic, regulatory and competitive environment that greets them is worlds different than it was in 2007 before the crash. There are unprecedented challenges ahead as well as great opportunities. Those who *survive to thrive* will need a new game plan that starts with a clear *vision for success*.

In this annual report, we will explore this vision through the unique perspectives of pioneers both inside and outside United Bankers’ Bank. Collectively, they are setting the pace for product innovation, new technologies, steady growth and community service. Here are their stories...

Bank Midwest – Creating the “Great Experience!”

By combining the great traditions of community banking side by side with strategic innovation, Bank Midwest of northern Iowa and southern Minnesota is poised for success in the financial services marketplace of the future.

On the side of tradition, Bank Midwest traces its roots back 130 years to Wall Lake, Iowa, where cattleman R.L. Goodenow and a partner formed Wall Lake Savings to serve a growing railroad community. During a run on the bank in 1933, Bub Goodenow handled withdrawals, while his father Charles – in a scene reminiscent of the movie classic *It's a Wonderful Life* – worked the waiting crowd to build confidence. “By the end of the day, almost everybody who withdrew their funds began to redeposit them,” recalled John Goodenow, son of Charles Goodenow. Add in Steve Goodenow, John’s son and current CEO, and you have five generations of father-son Goodenows at the helm of Bank Midwest.

The special bond with its customers that saved the bank in 1933 is even stronger today at Bank Midwest. “It starts with a culture of employee involvement in the community,” according to Steve Goodenow, which he feels is amplified by 10 percent employee ownership in the bank. “We think that gives us a real competitive advantage,” he adds. It continues with Bank Midwest’s track record of support for numerous community projects in the arts, environment, recreation and

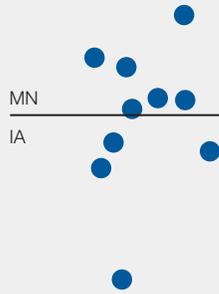
youth activities. Highlights include everything from leading the charge for a new health care center to donating a building for a new library to annual sponsorship of numerous community celebrations. “They give, they try, they’re involved,” observes Tom Rosen, local business owner and member of the bank’s Board of Directors.

On the side of strategic innovation, Bank Midwest wants to change the way people see a bank in form and function. “We created a concept we call the inner circle,” said Goodenow, “where we surround customers with all the financial services they need in one location: banking, investments, wealth management and insurance.” Bank Midwest is also extending this concept into the physical design of its “stores,” as Goodenow refers to the banks, by opening the layout so a customer can easily circulate between each service. Amenities such as free Internet stations, full-service coffee bars and circular service desks knock down the distance between customer and banker, he said. The net-net is a “great experience every time a customer comes into contact with the brand, whether in the bank, on the phone, on the Internet or in the community,” said Goodenow.

“I think it’s all about the customer. I think it’s all about the community. And I think it’s all about the employee. If you take care of those three, the shareholders will be taken care of, too,” summarized Goodenow.



Expansion Welcome

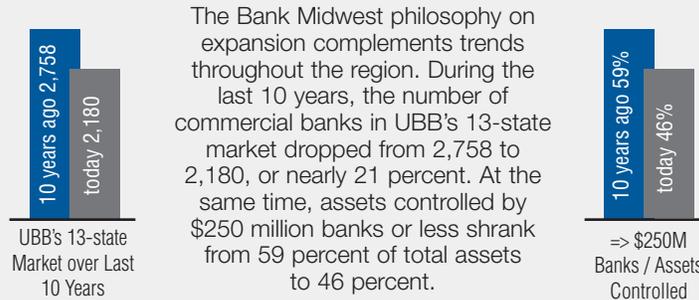


Bank Midwest now serves 10 communities and is interested in talking to other bankers who may want to partner for the future.

“We’ve tried to create a culture of transparency so other shareholder groups see opportunity in working with us, knowing that we will care about their community, their employees and their customers.”

Steve Goodenow
CEO / Bank Midwest

Around the Region



The Bank Midwest philosophy on expansion complements trends throughout the region. During the last 10 years, the number of commercial banks in UBB's 13-state market dropped from 2,758 to 2,180, or nearly 21 percent. At the same time, assets controlled by \$250 million banks or less shrank from 59 percent of total assets to 46 percent.

Securing Technology



Bank Midwest recently opened a high-security, fully expandable technology center for all of its locations.

“When you have 10 locations and 10 communities that are relying on you for information, you have to make sure you deliver.”

Steve Goodenow
CEO / Bank Midwest



UNETexchange® – Harnessing Technology for Tomorrow's Bank

The confident and steady gaze of Mary Sherman, UNETexchange manager, is focused on one place: the horizon. Sherman came to UBB in 2007 to launch the bank's nascent image exchange program. Since then UNETexchange, as it is known today, has grown into one of the nation's largest private exchange networks with monthly volumes now exceeding 7.5 million items.

Delighted bankers have watched processing fees drop and availability improve as in-network clearing rocketed from 20 percent in 2008 to more than 70 percent today. Meanwhile, total endpoints in the UNETexchange network have increased 2,391 percent from just 281 in 2008 to 7,000-plus now. Those are the kinds of numbers that will turn heads. And turn heads is exactly what Sherman and UNETexchange have done from Minneapolis to Texas – where UBB has earned a seat on the board of the prestigious Electronic Check Clearing House Organization (ECCHO) – to Washington, D.C., where UBB President William Rosacker was a member of the Technology and Payments Committee of the Independent Community Bankers of America (ICBA).

"We're the only voice for our 300 community banks on the ECCHO board," said Sherman, "surrounded by all these large national and regional banks who only speak for themselves. Occasionally, we have to remind them that the

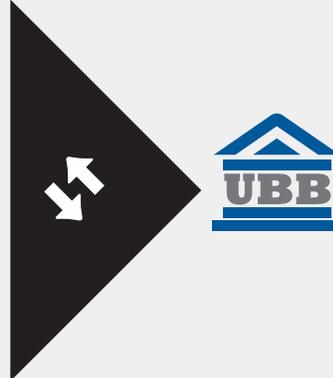
recommendations they make to benefit their few banks will adversely affect 300 of our banks, and that the standards should be the same for everybody. We also see what's coming next before it reaches our customer banks," she said, "which we think is a very valuable service."

Sherman was also front and center in 2011 as United Bankers' Bank began overhauling its electronic banking system in preparation for a 2012 launch. Integration is at the heart of the upgrade, which will allow users to access all of UBB's online applications from one dashboard, including the two primary deposit management services UNET.web and UBB.COM; UNETexchange, UNITY securities management and the online service center from ALMEdge®.

"We started talking to our customers about these changes more than two years ago," said Sherman, "so we think they will find the system much more intuitive with near real-time balances and upgraded reporting capabilities. It will also be easier to add new functionality in the future, a top priority for us," Sherman said. "For example, we upgraded UNETexchange to process payments common today like ACH, wires and check images, as well as those of the future like mobile banking and consumer capture. We'll be ready for whatever they throw at us," she said.

Going In-House

UNETexchange processing was previously outsourced but will move in-house in 2012. "This change will give us more program and pricing flexibility than we've had in the past," said Mary Sherman, UNETexchange manager. UBB also hired a C21 expert formerly with the Federal Reserve to help manage the exchange.

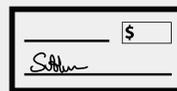


Core Processing Options



"There's a lot of banks out there that need another option for core processing," said Sherman. "They want to outsource because they can't keep up with the latest technologies, the changing regulations or the staffing requirements. But we think they are looking for alternatives to the big processors," said Sherman, "with services that are better tailored to meet the needs of a community bank. We'll be discussing possible interim solutions as part of our strategic planning process," she said.

An Imaged World



Implementation of check image exchange for collections is nearly complete across the banking industry with image returns not far behind, according to the CheckImage Collaborative. As of September 2011, more than 24,350 routing transit numbers are available to receive check images, and more than 11,200 for returns. The volume for the same month was \$1.78 trillion, or an estimated \$19.6 trillion on an annualized basis.

Atwater State Bank – Slaying the Regulatory Dragon

Bob Meyerson, president of Minnesota's Atwater State Bank, is slaying the regulatory dragon with the help of a full-time attorney / compliance officer that he hired and now outsources to other community banks in the region. To better understand the mind-set behind this arrangement, especially for banks the size of \$40 million Atwater and \$75 million State Bank of Kimball (also owned by Meyerson), look no further than the President's message on the Atwater State Bank website. In a remarkably candid section titled *A Word About Disclosure, Regulation, Paperwork and Other Gobbledygook*, Meyerson writes, "While setting up this website, we were confronted by an old nemesis: DISCLOSURE. For us it is a nuisance. It means smothering our customers in paper-based (or web-cluttering) legalese. It costs us time and money. It represents documentation busywork when we are audited by our bank regulators..."

He goes on to point out that the sins of a few created a more complicated regulatory environment, but nevertheless Atwater State Bank would do more than fully comply with regulatory requirements by adhering to the highest ethical standards. "And when we make a mistake (which is inevitable), we will make sure we correct it as quickly as possible. That is our pledge to you!" Not typical "banker talk," you might say, but Meyerson is not your typical banker, holding a doctorate in European intellectual history. Meyerson's deadpan reply when asked about the web passage above: "The compliance regulator wasn't too happy with it."

Meyerson's concerns about the rapidly expanding regulatory burden crushing community banks is universal to his colleagues and is cited by many as one reason some shareholders are deciding to sell or merge with larger institutions. The recently passed Dodd-Frank Consumer Protection Act, for example, is more than 2,000 pages long and includes 250 rules. As it is implemented, Dodd-Frank will likely produce

hundreds to thousands of new regulations, according to compliance lawyers, while at the same time launching the new Consumer Financial Protection Bureau. This comes on top of a raft of existing regulations already "bedeviling bankers in every aspect of our business," said Meyerson, "from cat-and-mouse loan loss reserve calculations to mark-to-market changes in FASB regulations to layers of new complexity in mortgage lending rules."

When a neighbor mentioned that his son had just graduated from law school and might help Meyerson overcome his regulatory hurdles, Meyerson's first thought was he couldn't afford it. "But since I was the compliance officer, I thought hiring a lawyer would lift the burden off my shoulders," he said, "and perhaps we could offer his services to other area banks." Enter attorney Joe Groshens, the neighbor's son and now the compliance officer for Atwater State Bank, the State Bank of Kimball and two other area banks. "All banks are required to have a compliance officer, and most are quite good," Meyerson said, "but as an attorney, Joe's conclusions carry more authority. He reads the regulations and related laws with a fine-tooth comb and might see issues, problems or daylight that I don't think someone without his legal training would see."

Groshens audits and monitors all compliance procedures at the bank, as well as answers any questions that come up on rules and regulations. If something new comes out, he will dig into the specifics, and then train appropriate staff to ensure they understand and implement new requirements. He serves as liaison with regulators from first request for documentation through examination, and tracks any violations to make sure they are corrected. "My goal is complete peace of mind for the board and the president," said Groshens, "knowing that there is a comprehensive plan in place to deal with anything related to compliance."

Heightened Regulatory Standards



According to the ICBA, five banks, or less than 1 percent of all U.S. banks, hold 40 percent of the nation's deposits, the top 10 banks 55 percent, the top 100 more than 80 percent. Irresponsible practices by some of these banks and other organizations prompted most of the burdensome regulations strangling bankers today, according to ICBA's CEO Cam Fine, including Dodd-Frank. Yet, thousands of community banks are paying the price in added staff time, consulting fees and hidden costs for retraining and retooling.

"And this is why ICBA has fought hard for a regulatory and examination system that recognizes that community banks are not the abusers and deserve a different regulatory standard."

Cam Fine
CEO / ICBA

Bank Cards – Adding “Spokes to the Payment Wheel”

Barter, salt, silver and gold, hard currency, checks, plastic – since the dawn of civilization, we’ve witnessed continual change in how goods and services are paid for. “Tomorrow will be no different,” says UBB Bank Cards guru Paul Jacobson, “and the community bank of the future will need to keep pace by offering its businesses and retail customers the same payment options as the competition. The more spokes in the payment wheel, the more likely customers will stay put and the easier it will be to attract new business. The greater risk,” warns Jacobson, “is that community banks lose their foothold in the payment system to nontraditional players and new technologies.”

Jacobson has been helping community bankers confidently add new spokes to their payment wheels since joining UBB in 2005. The UBB agent card program allows banks to offer branded Visa® business and retail cards to customers without taking on loans, providing operational support or sharing sensitive financial information with potential competitors. “This turnkey program really is *turn key*,” said Jacobson, “and includes all of the benefits customers expect with credit cards like online management and reward programs.” Jacobson also spearheaded the introduction of Visa gift and travel cards, helping many banks stay in front of customers who might cross the street to a big-bank competitor or buy from giant retailers like Walmart. Then in 2011, Jacobson and UBB launched the Visa Payroll Card for bankers who want to strengthen relationships with their business customers by providing them with a third payment option to paper checks and direct deposit.

This combination of product innovation, competitive pricing and safe-harbor service is a successful formula for Jacobson and UBB. From 2007 through 2011, the number of participating agent banks in UBB’s business card program nearly doubled from 61 to 103. Card accounts on file doubled again from 2,276 in 2007 to 4,612 in 2011. And sales volume on the business cards climbed from \$14.9 million to \$32.3 million during the same period.

Jacobson knows, however, that neither UBB Bank Cards nor its customers can rest on their laurels when it comes to the rapidly changing payment environment. Square, the current leader in mobile payment technologies, recently announced that more than 1 million merchants (out of 8 million) across the United States now accept card payments via its hugely popular mobile payment app. Volume in 2006 was \$1 million: just five years later, the company reported volume of \$4 billion... with a “B!” And there are plenty of heavy hitters in the wings with their own mobile and online payment initiatives, including PayPal Mobile, Intuit’s Go Payment and Google Wallet, retailers like Walmart and Target, and even social media giants like Facebook and Twitter. “Before, it was primarily a bank system,” said Jacobson, “but now some pretty formidable players want to take it away from us. So, together, we need to stay on top of these technologies. And we need to help our banks do a better job of marketing all the payment options to their customers.”

Recession Protection



From 2007 through 2011, the number of participating agent banks in UBB's business card program nearly doubled from 61 to 103. Card accounts on file doubled again from 2,276 in 2007 to 4,612 in 2011. And sales volume on the business cards climbed from \$14.9 million to \$32.3 million during the same period.



The recession actually drove card customers to community banks as many big-bank programs stopped issuing cards or drastically cut credit limits. Many businesses and local nonprofits, like area hospitals, schools, churches, police and fire departments, turned to their community bank for help.

"My phone was ringing, and we were glad to help out."

Paul Jacobson
UBB / Bank Cards Guru

Strength in Numbers

By combining business and retail cardholder accounts from more than 100 community banks into one program, UBB Bank Cards has the clout to negotiate competitive pricing for its customers. Centralizing the program also means member banks have a strong ally on compliance issues in this era of Dodd-Frank and the Durbin Amendment.

"We're a great alternative for banks that still own their card program, are tired of the regulatory and administrative hassles, but want a safe haven for their customers."

Paul Jacobson
UBB / Bank Cards Guru

< Downside | Upside >

Combined Accounts into One Program

Clout to Negotiate Competitive Pricing

Strong Ally on Compliance Issues

Reliabank – Ahead of Its Time

Reliabank Dakota is clearly a bank ahead of its time. In just 15 years, Reliabank has grown from \$40 million in assets with one location to \$250 million in assets with seven locations from Watertown south to Sioux Falls, S.D. “Our first branch opened in a prebuilt home in Watertown,” recalls Hugh Bartels, Reliabank president, “with offices in the bedrooms, the teller line on the kitchen counter, new accounts at the dining room table and the drive-up in the patio door. But in just 18 days, we were up to \$10 million in assets.”

The keys to Reliabank’s success – both in the past and as Bartels sees it in the future as well – are community service, managed growth, aggressive use of technology and marketing, product innovation and a willingness to get involved in public policy. “If community banks, family-owned banks, banks that care about the community are going to survive, we have to stay involved and get our story out there,” said Bartels. “The recession reaffirmed the difference in being a community bank versus the big banks and money centers. We didn’t set people up to fail with interest-only loans or other exotic programs,” he said. “We build relationships with our customers because we want them to start here, stay here, and bring their families and friends back here.”

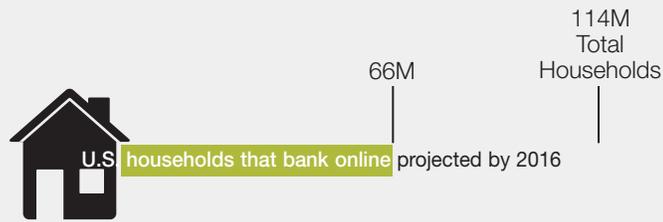
Bartels is also proud of his bank’s reputation as an early adopter of technology. “We’re not on the bleeding edge,” he likes to say, “but we’re not afraid of using technology if we think it can make it stickier for our customers to bank here.” Thus, Reliabank was one of the first to launch a website, to provide online banking services and most recently, to introduce an e-mobile application that allows customers to check balances, review

histories and transfer funds – all from a smartphone. Next up, according to Bartels, is Popmoney, a mobile payment service that allows the transfer of funds as easily as sending or receiving email or text messages.

On product mix, Reliabank has also set the bar high on creating what Bartels refers to as a financial center for its customers. “We have a Raymond James investment operation inside the bank,” Bartels said, “with two certified financial planners and a CPA who are full-time employees of Reliabank. Our insurance office has certified insurance counselors on staff who offer the full gamut from life insurance to annuities, all the way to property and casualty,” said Bartels. “These are growing and profitable parts of our business.”

Reliabank demonstrates its prowess in marketing and product innovation in the way it leverages the identity theft program from UBB’s United Bankers’ Agency called ID TheftSmart. “Our marketing people were looking for something that would address the growing concern about ID theft, while bringing customers into the bank,” explained Bartels. “We liked the way the UBB program was packaged and how it serviced customers. So we promoted it heavily in the rollout of a new product we call Ultimate Checking, providing it free to first-name signers.” Reliabank also cross-sells ID TheftSmart to second and third signers, to students going off to college, even to parents opening a savings account for their kids. “We’re always looking for products that are good for our customers, that are economically viable for the bank, and that we can make a little money on,” said Bartels.

.....Generation Next Rules.....



The focus on technology at Reliabank matches consumer trends. As baby boomers age and Generation X and Y move into the forefront, the number of U.S. households that bank online is projected to grow to 66 million out of 114 million by 2016, according to a study by Newcomb and Company.



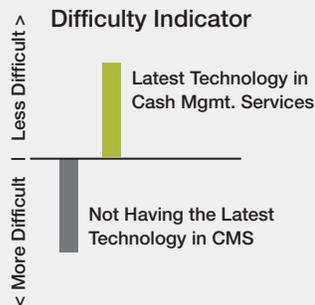
There are already 5.7 million people using mobile banking, according to Blue Flame Consulting.

.....Connecting Local Service Organizations.....

Reliabank offers its business customers the latest technologies in cash management services, including ACH deposits, debits and direct pay. The bank took it a step further by offering the same technologies to non-profits in their trade area, including the United Way, area schools and various government entities.

“We’ve tried to make their lives easier by donating connectivity and technical expertise.”

Hugh Bartels
President / Reliabank



United Bankers' Agency – Expanding Traditional Relationships

Banks have long looked to insurance as one strategy to increase noninterest income and maintain a competitive product mix. There is a logical connection between many banking products and the need for specific lines of property, casualty or personal insurance. When combined with investment and wealth management services, insurance allows a bank to market itself as a one-stop shop for all of a customer's financial needs. And offering insurance products creates another connection with customers, fortifying relationships and loyalty. Recognizing these market advantages, UBB created the United Bankers' Agency (UBA) to provide product support for bank agencies, specialty products for all banks, and individual lines for bank officers.

"I came on in 2007 to expand our product base," said Tim Henry, UBA's managing agent, "and try to uncover niches we could fill with products our banks might have a hard time accessing themselves. I soon discovered that UBB, representing hundreds of customer banks, commands a great deal of negotiating power." Henry put that advantage to work immediately and struck a deal with Kroll, Inc., the global leader in identity theft protection. Fueled by discounted rates and a national explosion in identity theft – soaring 33 percent from 2005 to 2010 and victimizing 8.6 million households, according to the U.S. Department of Justice – UBB's ID TheftSmart™ program was an overnight success. Today, there are more than 60 banks that provide identity theft coverage through ID TheftSmart, either free or at a nominal fee.

"Some of our banks offer ID TheftSmart to differentiate them from the competition or to attract new customers," Henry said. "Others are recouping lost fee revenue by throwing in identity theft protection as part of minimal fees for checking or other account services. We also have a number of banks that provide this service to comply with regulatory 'red flag rules' on identity theft."

Henry and UBA have followed the success of ID TheftSmart with other products that fit the community bank insurance sweet spot. "During the recession, banks had to buy forced placed policies on foreclosed properties," Henry said, "so we again took our bargaining power out onto the market and were able to cut the cost of this insurance. Savings of \$100 to \$200 a policy really add up when a bank is carrying 50 to 100 foreclosed properties." Other insurance products from UBA include cyber risk against computer attacks, plastic card holder for bank card fraud and executive benefits like bank-owned life insurance (BOLI), long-term care and succession planning. "Whether it's value added, whether it's saving them money, whether it's a revenue enhancer, our goal is to complement whatever the bank or bank agency is doing already," summarized Henry.

.....Impact of Agency on Bank Revenue.....



Tim Henry estimates that approximately 40 percent of UBB customer banks have their own agencies. “Revenues have improved as banks have become more savvy about due diligence before getting into insurance, and doing a better job managing the business once they do,” Henry said. According to a 2008 study by the Bank Insurance Market Research Group in New York, banks under \$250 million in assets with some insurance activity were more profitable than those that don’t offer insurance products.

“But I would say the majority of our customers are either breaking even or making a small profit. The real advantage, I think, is in creating another tie to customers so they’re less likely to go somewhere else.”

Tim Henry
Managing Agent /
United Bankers’ Agency

.....Exclusive Reseller.....



UBA is now the exclusive reseller of ID TheftSmart to community banks, according to Henry. Recently, UBA entered into an agreement with processing giant SHAZAM to offer ID TheftSmart to any of its 1,600 financial institutions and their 5 million customers.

“This will only further our leverage in this market.”

Tim Henry
Managing Agent /
United Bankers’ Agency

Five Year Summary of Selected Financial Data as of December 31

Consolidated Balance Sheets		2011
Assets		
Cash and Due From Banks		\$ 56,952,417
Available-for-sale Securities		203,281,109
Federal Funds Sold & Securities Purchased Under Agreements to Resell		29,604,000
Loans		258,770,846
Allowance for Loan Losses		(11,412,339)
Trading Account Securities		1,017,743
Other Assets		26,414,287
Total Assets		\$ 564,628,063
Liabilities & Stockholders' Equity		
Deposits:		
Noninterest-bearing Demand Deposits		\$ 453,254,549
Interest-bearing Time Deposits		-
Federal Funds Purchased		44,937,000
Other Liabilities		4,490,613
Stockholders' Equity		61,945,901
Total Liabilities and Stockholders' Equity		\$ 564,628,063
Loan Participations Sold		\$ 136,003,548
Agent Federal Funds (Average)		\$ 546,000,000
Common Stock Outstanding		51,224

2010	2009	2008	2007
\$ 57,615,312	\$ 78,956,867	\$ 157,557,503	\$ 15,338,620
257,836,475	70,017,889	2,167,531	11,803,515
34,890,000	57,994,000	105,562,000	74,010,000
273,370,519	319,307,711	313,779,672	237,391,904
(11,289,042)	(7,333,319)	(4,723,663)	(2,961,792)
143,912	2,243,911	999,000	1,587,502
30,887,504	18,656,095	12,803,266	11,202,137
\$ 643,454,680	\$ 539,843,154	\$ 588,145,309	\$ 348,371,886
\$ 442,647,372	\$ 487,773,533	\$ 328,802,591	\$ 145,262,896
-	-	119,743,000	-
151,370,000	3,422,000	91,517,000	156,724,000
6,564,160	3,459,705	3,216,221	3,700,500
42,873,148	45,187,916	44,866,497	42,684,490
\$ 643,454,680	\$ 539,843,154	\$ 588,145,309	\$ 348,371,886
\$ 163,167,074	\$ 189,043,778	\$ 185,516,601	\$ 156,114,787
\$ 703,000,000	\$ 723,000,000	\$ 584,000,000	\$ 639,000,000
40,488	40,488	40,488	41,351

Consolidated Statements of Income		2011
Interest Income:		
Loans, including fees		\$ 13,861,599
Securities/Other		3,781,633
Federal Funds Sold & Securities Purchased Under Agreements to Resell		230,152
		<u>17,873,384</u>
Interest Expense:		
Time Deposits		-
Federal Funds Purchased/Other		91,463
		<u>91,463</u>
Net Interest Income		17,781,921
Provision for Loan Losses		5,109,386
Noninterest Income:		
Service Charges		8,313,072
Trading Commissions		6,963,188
Other		1,466,316
		<u>16,742,576</u>
Noninterest Expense:		
Salaries & Employee Benefits		10,426,196
Federal Reserve Service Charges		3,148,021
Occupancy		2,341,951
Data Processing		3,179,476
FDIC Insurance		726,750
Other		4,902,629
		<u>24,725,023</u>
Net Income Before Tax		4,690,088
Provision for Income Taxes		1,797,441
Net Income		<u>\$ 2,892,647</u>

2010	2009	2008	2007
\$ 17,033,434	\$ 17,968,724	\$ 16,747,512	\$ 17,847,018
3,214,934	735,600	514,453	974,472
268,958	619,097	2,741,958	2,250,954
20,517,326	19,323,421	20,003,923	21,072,444
-	1,576,729	1,008,404	1,630,273
66,242	36,379	2,905,171	5,262,938
66,242	1,613,108	3,913,575	6,893,211
20,451,084	17,710,313	16,090,348	14,179,233
11,908,300	5,562,500	3,001,000	1,250,000
6,927,216	4,958,395	6,544,743	5,911,344
7,248,377	5,279,360	4,045,803	2,501,517
2,850,609	3,144,388	4,748,743	3,714,109
17,026,202	13,382,143	15,339,289	12,126,970
10,385,641	9,267,998	8,427,753	7,230,931
3,228,379	3,830,661	5,204,987	6,681,068
2,091,520	1,856,050	1,562,509	1,463,913
2,661,981	2,770,490	2,436,819	1,755,868
1,772,195	1,336,615	205,014	53,882
4,123,587	3,980,731	3,748,771	3,001,149
24,263,303	23,042,545	21,585,853	20,186,811
1,305,683	2,487,411	6,842,784	4,869,392
465,287	1,027,844	2,805,998	1,996,689
\$ 840,396	\$ 1,459,567	\$ 4,036,786	\$ 2,872,703

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Connie Weinman
Edina, MN

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Theodore Umhoefer
Annandale, MN

Gregory Traxler
First National Bank
of Le Center,
Le Center, MN

James A. Espeland
First National Bank
of Henning,
Henning, MN



Seated, Left to Right:

Wayne A. Finnern
Farmers State Bank of
Madelia, Madelia, MN
Vice Chair

Larry J. Deutsch
The Buffalo Ridge Bank,
Beardsley, MN
Chair



William C. Rosacker
United Bankers' Bank,
Bloomington, MN

Mission Statement

Provide the resources enabling community financial institutions to evolve and remain community based while building enhanced shareholder value and providing a rewarding workplace for employees.

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First National Bank of Henning,
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First National Bank of Le
Center, Le Center, MN

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