For Immediate Release
Unity Bancorp, Inc. (NSDQ: UNTY)
April 24, 2018

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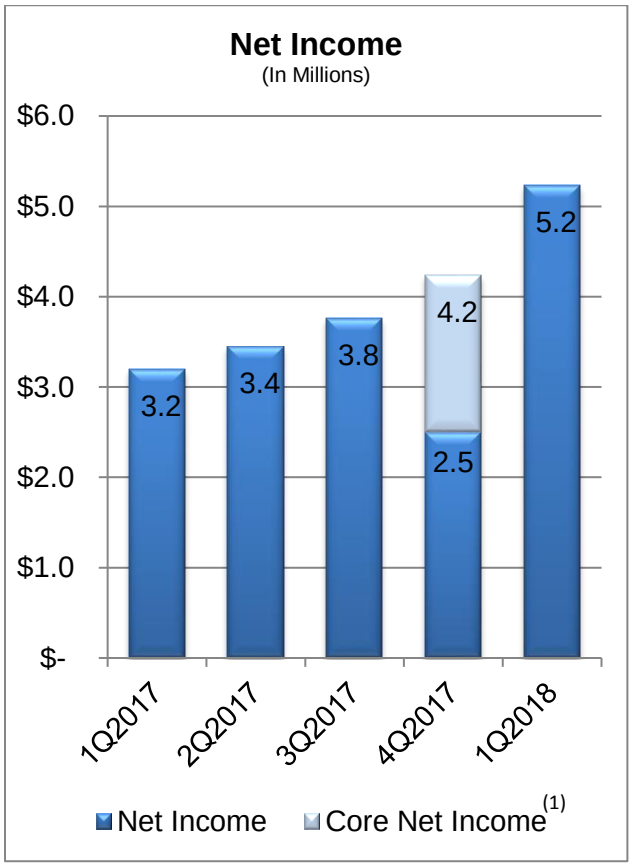
Unity Bancorp Reports Record Earnings up 64% over Prior Year Quarter

Net Income per Share = $0.48	ROA = 1.53%	ROE = 17.69%	Net Interest Margin = 3.99%

CEO COMMENTARY:

James A. Hughes, President and CEO said, "The bank had record earnings in the first quarter of 2018. Earnings per share, return on assets and return on equity surpassed our expectations. Hitting these financial milestones was a by-product of precision alignment with our core values; we are intensely focused on our customer base. Unity's fabric is woven with the threads of small businesses, entrepreneurs and consumers. I am confident we can continue to expand our franchise while we grow our profitability."

Mr. Hughes, added "It was a record quarter for Unity, partially due to the Tax Reform Act. In the spirit of sharing this benefit, Unity will give each employee a $250 bonus each quarter we achieve a return on assets of 1.50% or more. It is our employees who make our company great, and it only seems right to reward them for our extraordinary results. Thank you team for a job well done."



(1) Core Net Income is a Non-GAAP financial measure consisting of net income and the impact of the tax reform bill. See the reconcilement of GAAP and Non-GAAP financials.

Clinton, NJ, April 24, 2018 - Unity Bancorp, Inc. (NASDAQ: UNTY), parent company of Unity Bank, reported net income of $5.2 million, or $0.48 per diluted share, for the quarter ended March 31, 2018, compared to $3.2 million, or $0.30 per diluted share, for the prior year's first quarter. Approximately $590 thousand, or $0.05 per diluted share, of this increase was due to the lower effective tax rate due to the tax reform bill.

Earnings Highlights

- Net interest income, our primary driver of earnings, increased $2.5 million to $12.9 million for the quarter ended March 31, 2018 compared to the prior year's first quarter due to strong loan growth and an increased net interest margin.
- Net interest margin expanded 29 basis points to 3.99%, compared to 3.70% for the prior year's first quarter. Higher yields on our earning assets exceeded the rising costs of deposits.
- The provision for loan losses increased to $500 thousand during the quarter ended March 31, 2018 compared to $250 thousand in the prior year's quarter due to the growth in the loan portfolio.
- Noninterest expense increased $754 thousand compared to the prior year's quarter. During 2017, we added two branches and increased headcount which resulted in higher compensation, benefits and occupancy expenses.
- The effective tax rate declined to 19.1% as a result of the "Tax Cuts and Jobs Act", which was enacted December 22, 2017 and lowered the corporate tax rate. The Company expects an effective tax rate of 22% going forward. The effective tax rate in the first quarter benefited from the exercise of stock options.

Balance Sheet Highlights

- Total loans increased $24.4 million or 2.1%, from year-end 2017 to $1.2 billion at March 31, 2018. Residential mortgage, commercial and consumer loan portfolios increased $15.7 million, $8.1 million, and $3.4 million, respectively. Our pipeline in all categories remains strong.
- Total deposits increased $74.4 million, or 7.1%, to $1.1 billion at March 31, 2018. Time deposits, savings deposits and noninterest-bearing demand deposits have increased $55.6 million, $11.7 million and $9.2 million, respectively.
- Borrowed funds decreased $94.0 million to $181.0 million at March 31, 2018, due to decreased overnight borrowings and the maturity of a repo.
- Shareholders' equity was $123.1 million at March 31, 2018, an increase of $5.0 million from year-end 2017, due to retained net income.
- Book value per common share was $11.50 as of March 31, 2018.
- At March 31, 2018, the leverage, common equity Tier I, Tier I and Total Risk Based Capital ratios were 9.46%, 11.14%, 12.07% and 13.24% respectively, all in excess of the ratios required to be deemed "well-capitalized".
- Credit quality remains strong with nonperforming assets to total assets of 0.30% at March 31, 2018.

Other Highlights

- Named one of the Best Places to work in NJ from NJ BIZ for the second year in a row.
- Opened our 18th branch in Ramsey, NJ.
- Ranked 43rd by S&P Global of all community banks with assets between $1 billion and $10 billion, achieving Top 10%.

Unity Bancorp, Inc. is a financial service organization headquartered in Clinton, New Jersey, with approximately $1.4 billion in assets and $1.1 billion in deposits. Unity Bank provides financial services to retail, corporate and small business customers through its 18 retail service centers located in Bergen, Hunterdon, Middlesex, Somerset, Union and Warren Counties in New Jersey and Northampton County in Pennsylvania. For additional information about Unity, visit our website at www.unitybank.com , or call 800-618-BANK.

This news release contains certain forward-looking statements, either expressed or implied, which are provided to assist the reader in understanding anticipated future financial performance. These statements may be identified by use of the words "believe", "expect", "intend", "anticipate", "estimate", "project" or similar expressions. These statements involve certain risks, uncertainties, estimates and assumptions made by management, which are subject to factors beyond the company's control and could impede its ability to achieve these goals. These factors include those items included in our Annual Report on Form 10-K under the heading "Item IA-Risk Factors" as well as general economic conditions, trends in interest rates, the ability of our borrowers to repay their loans, our ability to manage and reduce the level of our nonperforming assets, and results of regulatory exams, among other factors.

This communication does not constitute an offer to sell or the solicitation of an offer to buy any securities, nor shall there be any sale of securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of such jurisdiction.



UNITY BANCORP, INC.
SUMMARY FINANCIAL HIGHLIGHTS
March 31, 2018

(In thousands, except percentages and per share amounts)	March 31, 2018	December 31, 2017	March 31, 2017	March 31, 2018 vs. December 31, 2017 %	March 31, 2018 vs. March 31, 2017 %
BALANCE SHEET DATA:					
Total assets	**$ 1,439,902**	$ 1,455,496	$ 1,226,168	(1.1) %	17.4 %
Total deposits	**1,117,514**	1,043,137	980,703	7.1	14.0
Total loans	**1,195,110**	1,170,674	1,000,677	2.1	19.4
Total securities	**67,521**	69,800	73,022	(3.3)	(7.5)
Total shareholders' equity	**123,104**	118,105	109,305	4.2	12.6
Allowance for loan losses	**(14,196)**	(13,556)	(12,681)	4.7	11.9
FINANCIAL DATA - QUARTER TO DATE:					
Income before provision for income taxes	**$ 6,464**	$ 6,408	$ 4,904	0.9	31.8
Provision for income taxes	**1,235**	2,175	1,712	(43.2)	(27.9)
Impact of Tax Reform Bill	**-**	1,733	-	(100.0)	0.0
Net income	**$ 5,229**	$ 2,500	$ 3,192	109.2	63.8
Net income per common share - Basic	**$ 0.49**	$ 0.24	$ 0.30	104.2	63.3
Net income per common share - Diluted	**$ 0.48**	$ 0.23	$ 0.30	108.7	60.0
Performance ratios:					
Return on average assets	**1.53 %**	0.74 %	1.07 %	106.8	43.0
Return on average equity	**17.69 %**	8.54 %	12.02 %	107.1	47.2
Efficiency ratio	**54.00 %**	52.45 %	59.08 %	3.0	(8.6)
Net interest margin	**3.99 %**	3.91 %	3.70 %	2.0	7.8
Noninterest expense to average assets	**2.40 %**	2.25 %	2.50 %	6.7	(4.0)
SHARE INFORMATION:					
Market price per share	**$ 22.00**	$ 19.75	$ 16.95	11.4	29.8
Dividends paid	**$ 0.06**	$ 0.06	$ 0.05	-	20.0
Book value per common share	**$ 11.50**	$ 11.13	$ 10.38	3.3	10.8
Average diluted shares outstanding (QTD)	**10,853**	10,794	10,705	0.5	1.4
CAPITAL RATIOS:					
Total equity to total assets	**8.55 %**	8.11 %	8.91 %	5.4	(4.0)
Leverage ratio	**9.46 %**	9.37 %	9.72 %	1.0	(2.7)
Common equity tier 1 risk-based capital ratio	**11.14 %**	10.81 %	11.46 %	3.1	(2.8)
Tier 1 risk-based capital ratio	**12.07 %**	11.75 %	12.53 %	2.7	(3.7)
Total risk-based capital ratio	**13.24 %**	12.87 %	13.78 %	2.9	(3.9)
CREDIT QUALITY AND RATIOS:					
Nonperforming assets	**$ 4,333**	$ 3,420	$ 8,930	26.7	(51.5)
QTD net chargeoffs (annualized) to QTD average loans	**(0.05) %**	0.02 %	0.06 %	(350.0)	(183.3)
Allowance for loan losses to total loans	**1.19 %**	1.16 %	1.27 %	2.6	(6.3)
Nonperforming assets to total loans and OREO	**0.36 %**	0.29 %	0.89 %	24.1	(59.6)
Nonperforming assets to total assets	**0.30 %**	0.23 %	0.73 %	30.4 %	(58.9) %

UNITY BANCORP, INC.
CONSOLIDATED BALANCE SHEETS
March 31, 2018

(In thousands, except percentages)	March 31, 2018	December 31, 2017	March 31, 2017	March 31, 2018 vs. December 31, 2017 %	March 31, 2018 vs. March 31, 2017 %
ASSETS					
Cash and due from banks	**$ 17,044**	$ 23,701	$ 18,345	(28.1) %	(7.1) %
Fed funds, interest-bearing deposits and repos	**99,243**	126,553	84,859	(21.6)	17.0
Cash and cash equivalents	**116,287**	150,254	103,204	(22.6)	12.7
Securities:					
Securities available for sale	**51,353**	53,493	52,246	(4.0)	(1.7)
Securities held to maturity	**16,168**	16,307	20,776	(0.9)	(22.2)
Total securities	**67,521**	69,800	73,022	(3.3)	(7.5)
Loans:					
SBA loans held for sale	**21,579**	22,810	12,163	(5.4)	77.4
SBA loans held for investment	**42,734**	43,999	42,403	(2.9)	0.8
Commercial loans	**636,684**	628,865	544,449	1.2	16.9
Residential mortgage loans	**380,857**	365,145	305,578	4.3	24.6
Consumer loans	**113,256**	109,855	96,084	3.1	17.9
Total loans	**1,195,110**	1,170,674	1,000,677	2.1	19.4
Allowance for loan losses	**(14,196)**	(13,556)	(12,681)	4.7	11.9
Net loans	**1,180,914**	1,157,118	987,996	2.1	19.5
Premises and equipment, net	**23,405**	23,470	23,261	(0.3)	0.6
Bank owned life insurance ("BOLI")	**24,398**	24,227	13,847	0.7	76.2
Deferred tax assets	**4,059**	4,017	5,552	1.0	(26.9)
Federal Home Loan Bank ("FHLB") stock	**9,308**	12,863	5,992	(27.6)	55.3
Accrued interest receivable	**5,898**	5,447	4,483	8.3	31.6
Other real estate owned ("OREO")	**56**	426	1,172	(86.9)	(95.2)
Goodwill	**1,516**	1,516	1,516	-	-
Other assets	**6,540**	6,358	6,123	2.9	6.8
Total assets	**$ 1,439,902**	$ 1,455,496	$ 1,226,168	(1.1) %	17.4 %
LIABILITIES AND SHAREHOLDERS' EQUITY					
Liabilities:					
Deposits:					
Noninterest-bearing demand	**$ 265,346**	$ 256,119	$ 220,750	3.6 %	20.2 %
Interest-bearing demand	**162,848**	164,997	146,091	(1.3)	11.5
Savings	**408,255**	396,557	389,802	2.9	4.7
Time deposits	**281,065**	225,464	224,060	24.7	25.4
Total deposits	**1,117,514**	1,043,137	980,703	7.1	14.0
Borrowed funds	**181,000**	275,000	120,000	(34.2)	50.8
Subordinated debentures	**10,310**	10,310	10,310	-	-
Accrued interest payable	**410**	436	405	(6.0)	1.2
Accrued expenses and other liabilities	**7,564**	8,508	5,445	(11.1)	38.9
Total liabilities	**1,316,798**	1,337,391	1,116,863	(1.5)	17.9
Shareholders' equity:					
Common stock	**87,361**	86,782	85,757	0.7	1.9
Retained earnings	**35,713**	31,117	23,414	14.8	52.5
Accumulated other comprehensive income	**30**	206	134	NM	NM
Total shareholders' equity	**123,104**	118,105	109,305	4.2	12.6
Total liabilities and shareholders' equity	**$ 1,439,902**	$ 1,455,496	$ 1,226,168	(1.1) %	17.4 %
Issued and outstanding common shares	**10,709**	10,615	10,535		

NM=Not meaningful

UNITY BANCORP, INC.
QTD CONSOLIDATED STATEMENTS OF INCOME
March 31, 2018

(In thousands, except percentages and per share amounts)	For the three months ended			March 31, 2018 vs. December 31, 2017		March 31, 2018 vs. March 31, 2017	
	March 31, 2018	**December 31, 2017**	**March 31, 2017**	**$**	**%**	**$**	**%**
INTEREST INCOME							
Fed funds, interest-bearing deposits and repos	**$ 205**	$ 257	$ 129	$ (52)	(20.2) %	$ 76	58.9 %
FHLB stock	**134**	119	93	15	12.6	41	44.1
Securities:							
Taxable	**492**	488	491	4	0.8	1	0.2
Tax-exempt	**31**	31	44	-	-	(13)	(29.5)
Total securities	**523**	519	535	4	0.8	(12)	(2.2)
Loans:							
SBA loans	**1,183**	1,023	854	160	15.6	329	38.5
Commercial loans	**7,726**	7,590	6,467	136	1.8	1,259	19.5
Residential mortgage loans	**4,340**	4,046	3,384	294	7.3	956	28.3
Consumer loans	**1,529**	1,490	1,132	39	2.6	397	35.1
Total loans	**14,778**	14,149	11,837	629	4.4	2,941	24.8
Total interest income	**15,640**	15,044	12,594	596	4.0	3,046	24.2
INTEREST EXPENSE							
Interest-bearing demand deposits	**224**	183	153	41	22.4	71	46.4
Savings deposits	**776**	744	583	32	4.3	193	33.1
Time deposits	**1,000**	837	804	163	19.5	196	24.4
Borrowed funds and subordinated debentures	**768**	780	664	(12)	(1.5)	104	15.7
Total interest expense	**2,768**	2,544	2,204	224	8.8	564	25.6
Net interest income	**12,872**	12,500	10,390	372	3.0	2,482	23.9
Provision for loan losses	**500**	500	250	-	-	250	100.0
Net interest income after provision for loan losses	**12,372**	12,000	10,140	372	3.1	2,232	22.0
NONINTEREST INCOME							
Branch fee income	**330**	354	331	(24)	(6.8)	(1)	(0.3)
Service and loan fee income	**564**	628	512	(64)	(10.2)	52	10.2
Gain on sale of SBA loans held for sale, net	**547**	268	485	279	104.1	62	12.8
Gain on sale of mortgage loans, net	**424**	343	532	81	23.6	(108)	(20.3)
BOLI income	**171**	181	88	(10)	(5.5)	83	94.3
Net security gains (losses)	**(15)**	(7)	-	(8)	(114.3)	(15)	(100.0)
Other income	**265**	270	256	(5)	(1.9)	9	3.5
Total noninterest income	**2,286**	2,037	2,204	249	12.2	82	3.7
NONINTEREST EXPENSE							
Compensation and benefits	**4,834**	4,455	4,095	379	8.5	739	18.0
Occupancy	**690**	591	600	99	16.8	90	15.0
Processing and communications	**689**	659	604	30	4.6	85	14.1
Furniture and equipment	**536**	542	511	(6)	(1.1)	25	4.9
Professional services	**251**	298	226	(47)	(15.8)	25	11.1
Loan collection & OREO expenses	**6**	(30)	341	36	120.0	(335)	(98.2)
Other loan expenses	**33**	38	83	(5)	(13.2)	(50)	(60.2)
Deposit insurance	**186**	170	76	16	9.4	110	144.7
Advertising	**319**	321	236	(2)	(0.6)	83	35.2
Director fees	**162**	141	197	21	14.9	(35)	(17.8)
Other expenses	**488**	444	471	44	9.9	17	3.6
Total noninterest expense	**8,194**	7,629	7,440	565	7.4	754	10.1
Income before provision for income taxes	**6,464**	6,408	4,904	56	0.9	1,560	31.8
Provision for income taxes	**1,235**	2,175	1,712	(940)	(43.2)	(477)	(27.9)
Impact of Tax Reform Bill	**-**	1,733	-	(1,733)	(100.0)	-	-
Net income	**$ 5,229**	$ 2,500	$ 3,192	$ 2,729	109.2 %	$ 2,037	63.8 %
Effective tax rate	**19.1 %**	61.0 %	34.9 %				
Net income per:							
Common share - basic	**$ 0.49**	$ 0.24	$ 0.30				
Common share - diluted	**$ 0.48**	$ 0.23	$ 0.30				
Weighted average common shares outstanding - Basic	**10,678**	10,604	10,509				
Weighted average common shares outstanding - Diluted	**10,853**	10,794	10,705				

UNITY BANCORP, INC.
QUARTER TO DATE NET INTEREST MARGIN
March 31, 2018

(Dollar amounts in thousands, interest amounts and interest rates/yields on a fully tax-equivalent basis)

	For the three months ended					
	March 31, 2018			December 31, 2017		
	Average Balance	Interest	Rate/Yield	Average Balance	Interest	Rate/Yield
ASSETS						
Interest-earning assets:						
Fed funds, interest-bearing deposits and repos	**$ 48,936**	**$ 205**	**1.70 %**	$ 61,621	$ 257	1.65 %
FHLB stock	**7,799**	**134**	**6.97**	7,523	119	6.28
Securities:						
Taxable	**63,393**	**492**	**3.15**	65,967	488	2.93
Tax-exempt	**5,349**	**38**	**2.88**	5,469	47	3.41
Total securities (A)	**68,742**	**530**	**3.13**	71,436	535	2.97
Loans:						
SBA loans	**68,376**	**1,183**	**7.02**	63,275	1,023	6.41
Commercial loans	**632,409**	**7,726**	**4.95**	611,863	7,590	4.92
Residential mortgage loans	**371,061**	**4,340**	**4.74**	344,636	4,046	4.66
Consumer loans	**110,947**	**1,529**	**5.59**	109,300	1,490	5.41
Total loans (B)	**1,182,793**	**14,778**	**5.07**	1,129,074	14,149	4.97
Total interest-earning assets	**$ 1,308,270**	**$ 15,647**	**4.85 %**	$ 1,269,654	$ 15,060	4.71 %
Noninterest-earning assets:						
Cash and due from banks	**23,244**			23,248		
Allowance for loan losses	**(13,949)**			(13,373)		
Other assets	**65,686**			65,785		
Total noninterest-earning assets	**74,981**			75,660		
Total assets	**$ 1,383,251**			$ 1,345,314		
LIABILITIES AND SHAREHOLDERS' EQUITY						
Interest-bearing liabilities:						
Total interest-bearing demand deposits	**$ 178,385**	**$ 224**	**0.51 %**	$ 167,918	$ 183	0.43 %
Total savings deposits	**403,222**	**776**	**0.78**	406,281	744	0.73
Total time deposits	**252,000**	**1,000**	**1.61**	220,062	837	1.51
Total interest-bearing deposits	**833,607**	**2,000**	**0.97**	794,261	1,764	0.88
Borrowed funds and subordinated debentures	**167,458**	**768**	**1.86**	166,669	780	1.86
Total interest-bearing liabilities	**$ 1,001,065**	**$ 2,768**	**1.12 %**	$ 960,930	$ 2,544	1.05 %
Noninterest-bearing liabilities:						
Noninterest-bearing demand deposits	**252,128**			258,616		
Other liabilities	**10,165**			9,615		
Total noninterest-bearing liabilities	**262,293**			268,231		
Total shareholders' equity	**119,893**			116,153		
Total liabilities and shareholders' equity	**$ 1,383,251**			$ 1,345,314		
Net interest spread		**$ 12,879**	**3.73 %**		$ 12,516	3.66 %
Tax-equivalent basis adjustment		**(7)**			(16)	
Net interest income		**$ 12,872**			$ 12,500	
Net interest margin			**3.99 %**			3.91 %

(A) Yields related to securities exempt from federal and state income taxes are stated on a fully tax-equivalent basis. They are reduced by the nondeductible portion of interest expense, assuming a federal tax rate of 21 percent in 2018 and 35 percent in 2017 and applicable state rates.
(B) The loan averages are stated net of unearned income, and the averages include loans on which the accrual of interest has been discontinued.

UNITY BANCORP, INC.
QUARTER TO DATE NET INTEREST MARGIN
March 31, 2018

(Dollar amounts in thousands, interest amounts and interest rates/yields on a fully tax-equivalent basis)

	For the three months ended					
	March 31, 2018			March 31, 2017		
	Average Balance	Interest	Rate/Yield	Average Balance	Interest	Rate/Yield
ASSETS						
Interest-earning assets:						
Fed funds, interest-bearing deposits and repos	**$ 48,936**	**$ 205**	**1.70 %**	$ 77,943	$ 129	0.67 %
FHLB stock	**7,799**	**134**	**6.97**	5,776	93	6.53
Securities:						
Taxable	**63,393**	**492**	**3.15**	64,148	491	3.10
Tax-exempt	**5,349**	**38**	**2.88**	6,443	67	4.22
Total securities (A)	**68,742**	**530**	**3.13**	70,591	558	3.22
Loans:						
SBA loans	**68,376**	**1,183**	**7.02**	57,960	854	5.98
Commercial loans	**632,409**	**7,726**	**4.95**	538,593	6,467	4.87
Residential mortgage loans	**371,061**	**4,340**	**4.74**	297,203	3,384	4.62
Consumer loans	**110,947**	**1,529**	**5.59**	94,217	1,132	4.87
Total loans (B)	**1,182,793**	**14,778**	**5.07**	987,973	11,837	4.86
Total interest-earning assets	**$ 1,308,270**	**$ 15,647**	**4.85 %**	$ 1,142,283	$ 12,617	4.48 %
Noninterest-earning assets:						
Cash and due from banks	**23,244**			23,578		
Allowance for loan losses	**(13,949)**			(12,785)		
Other assets	**65,686**			55,493		
Total noninterest-earning assets	**74,981**			66,286		
Total assets	**$ 1,383,251**			$ 1,208,569		
LIABILITIES AND SHAREHOLDERS' EQUITY						
Interest-bearing liabilities:						
Total interest-bearing demand deposits	**$ 178,385**	**$ 224**	**0.51 %**	$ 152,392	$ 153	0.41 %
Total savings deposits	**403,222**	**776**	**0.78**	378,439	583	0.62
Total time deposits	**252,000**	**1,000**	**1.61**	222,307	804	1.47
Total interest-bearing deposits	**833,607**	**2,000**	**0.97**	753,138	1,540	0.83
Borrowed funds and subordinated debentures	**167,458**	**768**	**1.86**	125,499	664	2.15
Total interest-bearing liabilities	**$ 1,001,065**	**$ 2,768**	**1.12 %**	$ 878,637	$ 2,204	1.02 %
Noninterest-bearing liabilities:						
Noninterest-bearing demand deposits	**252,128**			215,405		
Other liabilities	**10,165**			6,792		
Total noninterest-bearing liabilities	**262,293**			222,197		
Total shareholders' equity	**119,893**			107,735		
Total liabilities and shareholders' equity	**$ 1,383,251**			$ 1,208,569		
Net interest spread		**$ 12,879**	**3.73 %**		$ 10,413	3.46 %
Tax-equivalent basis adjustment		**(7)**			(23)	
Net interest income		**$ 12,872**			$ 10,390	
Net interest margin			**3.99 %**			3.70 %

(A) Yields related to securities exempt from federal and state income taxes are stated on a fully tax-equivalent basis. They are reduced by the nondeductible portion of interest expense, assuming a federal tax rate of 21 percent in 2018 and 35 percent in 2017 and applicable state rates.
(B) The loan averages are stated net of unearned income, and the averages include loans on which the accrual of interest has been discontinued.

UNITY BANCORP, INC.
QUARTERLY ALLOWANCE FOR LOAN LOSSES AND LOAN QUALITY SCHEDULES
March 31, 2018

Amounts in thousands, except percentages	**Mar. 31, 2018**	**Dec. 31, 2017**	**Sept. 30, 2017**	**Jun. 30, 2017**	**Mar. 31, 2017**
ALLOWANCE FOR LOAN LOSSES:					
Balance, beginning of period	**$ 13,556**	$ 13,113	$ 12,800	$ 12,681	$ 12,579
Provision for loan losses charged to expense	**500**	500	500	400	250
	14,056	13,613	13,300	13,081	12,829
Less: Chargeoffs					
SBA loans	**81**	-	34	150	109
Commercial loans	**-**	-	31	120	76
Residential mortgage loans	**-**	50	5	-	-
Consumer loans	**6**	83	170	17	66
Total chargeoffs	**87**	133	240	287	251
Add: Recoveries					
SBA loans	**64**	45	36	3	37
Commercial loans	**16**	31	15	3	53
Residential mortgage loans	**13**	-	-	-	12
Consumer loans	**134**	-	2	-	1
Total recoveries	**227**	76	53	6	103
Net chargeoffs (recoveries)	**(140)**	57	187	281	148
Balance, end of period	**$ 14,196**	$ 13,556	$ 13,113	$ 12,800	$ 12,681
LOAN QUALITY INFORMATION:					
Nonperforming loans (1)	**$ 4,277**	$ 2,994	$ 3,742	$ 5,681	$ 7,758
Other real estate owned ("OREO")	**56**	426	707	581	1,172
Nonperforming assets	**4,333**	3,420	4,449	6,262	8,930
Less: Amount guaranteed by SBA	**27**	27	27	41	60
Net nonperforming assets	**$ 4,306**	$ 3,393	$ 4,422	$ 6,221	$ 8,870
Loans 90 days past due & still accruing	**$ -**	$ 60	$ 2,216	$ 230	$ -
Performing Troubled Debt Restructurings (TDRs)	**$ 774**	$ 786	$ -	$ -	$ -
(1) Nonperforming TDRs included in nonperforming loans	**$ -**	$ -	$ -	$ -	$ -
Total TDRs	**$ 774**	$ 786	$ -	$ -	$ -
Allowance for loan losses to:					
Total loans at quarter end	**1.19 %**	1.16 %	1.20 %	1.22 %	1.27 %
Nonperforming loans (1)	**331.91**	452.77	350.43	225.31	163.46
Nonperforming assets	**327.63**	396.37	294.74	204.41	142.00
Net nonperforming assets	**329.68**	399.53	296.54	205.75	142.97
QTD net chargeoffs (annualized) to QTD average loans:					
SBA loans	**0.10 %**	(0.28) %	(0.01) %	1.06 %	0.50 %
Commercial loans	**(0.01)**	(0.02)	0.01	0.08	0.02
Residential mortgage loans	**(0.01)**	0.06	0.01	-	(0.02)
Consumer loans	**(0.47)**	0.30	0.62	0.07	0.28
Total loans	**(0.05) %**	0.02 %	0.07 %	0.11 %	0.06 %
Nonperforming loans to total loans	**0.36 %**	0.26 %	0.34 %	0.54 %	0.78 %
Nonperforming loans and TDRs to total loans	**0.42**	0.32	0.34	0.54	0.78
Nonperforming assets to total loans and OREO	**0.36**	0.29	0.41	0.60	0.89
Nonperforming assets to total assets	**0.30**	0.23	0.33	0.49	0.73

UNITY BANCORP, INC.
QUARTERLY FINANCIAL DATA
March 31, 2018

(In thousands, except percentages and per share amounts)	Mar. 31, 2018	Dec. 31, 2017	Sept. 30, 2017	Jun. 30, 2017	Mar. 31, 2017
SUMMARY OF INCOME:					
Total interest income	**$ 15,640**	$ 15,044	$ 14,195	$ 13,477	$ 12,594
Total interest expense	**2,768**	2,544	2,378	2,327	2,204
Net interest income	**12,872**	12,500	11,817	11,150	10,390
Provision for loan losses	**500**	500	500	400	250
Net interest income after provision for loan losses	**12,372**	12,000	11,317	10,750	10,140
Total noninterest income	**2,286**	2,037	2,008	2,021	2,204
Total noninterest expense	**8,194**	7,629	7,554	7,421	7,440
Income before provision for income taxes	**6,464**	6,408	5,771	5,350	4,904
Provision for income taxes	**1,235**	2,175	2,014	1,906	1,712
Impact of Tax Reform Bill	**-**	1,733	-	-	-
Net income	**$ 5,229**	$ 2,500	$ 3,757	$ 3,444	$ 3,192
Net income per common share - Basic	**$ 0.49**	$ 0.24	$ 0.36	$ 0.33	$ 0.30
Net income per common share - Diluted	**$ 0.48**	$ 0.23	$ 0.35	$ 0.32	$ 0.30
COMMON SHARE DATA:					
Market price per share	**$ 22.00**	$ 19.75	$ 19.80	$ 17.20	$ 16.95
Dividends paid	**$ 0.06**	$ 0.06	$ 0.06	$ 0.06	$ 0.05
Book value per common share	**$ 11.50**	$ 11.13	$ 10.94	$ 10.64	$ 10.38
Weighted average common shares outstanding - Basic	**10,678**	10,604	10,572	10,546	10,509
Weighted average common shares outstanding - Diluted	**10,853**	10,794	10,761	10,735	10,705
Issued and outstanding common shares	**10,709**	10,615	10,586	10,567	10,535
PERFORMANCE RATIOS (Annualized):					
Return on average assets	**1.53 %**	0.74 %	1.17 %	1.11 %	1.07 %
Return on average equity	**17.69**	8.54	13.00	12.47	12.02
Efficiency ratio	**54.00**	52.45	54.86	56.41	59.08
Noninterest expense to average assets	**2.40**	2.25	2.35	2.39	2.50
BALANCE SHEET DATA:					
Total assets	**$ 1,439,902**	$ 1,455,496	$ 1,329,834	$ 1,275,517	$ 1,226,168
Total deposits	**1,117,514**	1,043,137	1,043,632	1,003,967	980,703
Total loans	**1,195,110**	1,170,674	1,092,873	1,046,804	1,000,677
Total securities	**67,521**	69,800	72,105	75,066	73,022
Total shareholders' equity	**123,104**	118,105	115,814	112,447	109,305
Allowance for loan losses	**(14,196)**	(13,556)	(13,113)	(12,800)	(12,681)
TAX EQUIVALENT YIELDS AND RATES:					
Interest-earning assets	**4.85 %**	4.71 %	4.66 %	4.58 %	4.48 %
Interest-bearing liabilities	**1.12**	1.05	1.04	1.03	1.02
Net interest spread	**3.73**	3.66	3.62	3.55	3.46
Net interest margin	**3.99**	3.91	3.88	3.79	3.70
CREDIT QUALITY:					
Nonperforming assets	**$ 4,333**	$ 3,420	$ 4,449	$ 6,262	$ 8,930
QTD net (recoveries) chargeoffs (annualized) to QTD average loans	**(0.05) %**	0.02 %	0.07 %	0.11 %	0.06 %
Allowance for loan losses to total loans	**1.19**	1.16	1.20	1.22	1.27
Nonperforming assets to total loans and OREO	**0.36**	0.29	0.41	0.60	0.89
Nonperforming assets to total assets	**0.30**	0.23	0.33	0.49	0.73
CAPITAL RATIOS AND OTHER:					
Total equity to total assets	**8.55 %**	8.11 %	8.71 %	8.82 %	8.91 %
Leverage ratio	**9.46**	9.37	9.70	9.66	9.72
Common equity tier 1 risk-based capital ratio	**11.14**	10.81	11.27	11.32	11.46
Tier 1 risk-based capital ratio	**12.07**	11.75	12.26	12.34	12.53
Total risk-based capital ratio	**13.24**	12.87	13.30	13.59	13.78
Number of banking offices	**18**	18	17	17	17
Number of ATMs	**19**	19	18	18	18
Number of employees	**199**	199	166	186	181

UNITY BANCORP, INC.
Reconciliation of GAAP vs. Non-GAAP Financials
March 31, 2018

(In thousands, except percentages and per share amounts)	QTD Mar. 31, 2018	QTD Dec. 31, 2017	QTD Sept. 30, 2017	QTD Jun. 30, 2017	QTD Mar. 31, 2017
GAAP					
Income before provision for income taxes	$ 6,464	$ 6,408	$ 5,771	$ 5,350	$ 4,904
Provision for income taxes	1,235	3,908	2,014	1,906	1,712
Net income	$ 5,229	$ 2,500	$ 3,757	$ 3,444	$ 3,192
Effective tax rate	19.1 %	61.0 %	34.9 %	35.6 %	34.9 %
Net income per:					
Common share - Basic	$ 0.49	$ 0.24	$ 0.36	$ 0.33	$ 0.30
Common share - Diluted	$ 0.48	$ 0.23	$ 0.35	$ 0.32	$ 0.30
Performance ratios:					
Return on average assets	1.53 %	0.74 %	1.17 %	1.11 %	1.07 %
Return on average equity	17.69 %	8.54 %	13.00 %	12.47 %	12.02 %
NON-GAAP					
Income before provision for income taxes	$ 6,464	$ 6,408	$ 5,771	$ 5,350	$ 4,904
Provision for income taxes	1,235	3,908	2,014	1,906	1,712
Net income before nonrecurring adjustments (GAAP)	5,229	2,500	3,757	3,444	3,192
Nonrecurring adjustments:					
Impact of Tax Reform Bill	-	1,733	-	-	-
Core net income (Non-GAAP)	$ 5,229	$ 4,233	$ 3,757	$ 3,444	$ 3,192
Core effective tax rate	19.1 %	33.9 %	34.9 %	35.6 %	34.9 %
Core net income per:					
Common share - Basic	$ 0.49	$ 0.40	$ 0.36	$ 0.33	$ 0.30
Common share - Diluted	$ 0.48	$ 0.39	$ 0.35	$ 0.32	$ 0.30
Core performance ratios:					
Return on average assets	1.53 %	1.25 %	1.17 %	1.11 %	1.07 %
Return on average equity	17.69 %	14.46 %	13.00 %	12.47 %	12.02 %