

United Bancorporation of Alabama, Inc.
And Subsidiaries
Consolidated Statements of Earnings
(Unaudited)

	Six Months Ended	
	June 30	
	2019	2018
Interest income:		
Interest and fees on loans	\$ 11,324,735	\$ 11,373,556
Interest on investment securities:		
Taxable	1,236,466	1,133,866
Nontaxable	425,545	441,081
Total investment income	1,662,011	1,574,947
Other interest income	465,040	294,445
Total interest income	<u>13,451,786</u>	<u>13,242,948</u>
Interest expense:		
Interest on deposits	1,227,918	838,790
Interest on other borrowed funds	297,681	319,815
Total interest expense	<u>1,525,599</u>	<u>1,158,605</u>
Net interest income	11,926,187	12,084,343
Provision for loan losses	430,455	588,431
Net interest income after provision for loan losses	<u>11,495,732</u>	<u>11,495,912</u>
Noninterest income:		
Service charge on deposits	2,366,781	2,108,362
Investment securities gains, net	(4,858)	24
Mortgage loan and related fees	437,012	388,045
Other	1,766,461	568,586
Capital Magnet Fund Award	-	4,000,000
Total noninterest income	<u>4,565,396</u>	<u>7,065,017</u>
Noninterest expense:		
Salaries and benefits	6,139,721	5,499,307
Net occupancy expense	1,021,783	875,421
Other	3,666,157	3,283,678
Total noninterest expense	<u>10,827,661</u>	<u>9,658,406</u>
Earnings before income tax expense	5,233,467	8,902,524
Income tax expense	1,135,814	2,061,122
Net earnings	4,097,653	6,841,402
Preferred stock dividends	-	-
Net earnings available to common shareholders	<u>\$ 4,097,653</u>	<u>\$ 6,841,402</u>
Basic earnings per share available to common shareholders	\$1.49	\$2.81
Diluted earnings per share available to common shareholders	\$1.49	\$2.81
Basic weighted average shares outstanding	<u>2,744,596</u>	<u>2,433,493</u>
Diluted weighted average shares outstanding	<u>2,744,596</u>	<u>2,433,640</u>
Cash dividend declared per share	<u>\$ 0.080</u>	<u>\$ 0.075</u>

**United Bancorporation of Alabama, Inc.
and Subsidiaries
Consolidated Balance Sheets**

	June 30, 2019 (Unaudited)	June 30, 2018
Assets		
Cash and due from banks	\$ 23,900,944	\$ 26,447,648
Interest bearing deposits in banks	36,249,797	44,660,946
Federal funds sold	4,000,000	4,000,000
Cash and cash equivalents	64,150,741	75,108,594
Securities available for sale (amortized cost of \$130,469,769 and \$135,157,998 respectively)	131,001,690	130,343,490
Securities held to maturity (fair values of \$17,841,896 and \$18,675,228 respectively)	17,579,817	18,914,131
Loans held for sale	559,750	380,000
Loans held for investment	428,616,425	391,015,341
Less: Allowance for loan losses	4,633,956	4,093,018
Net loans	423,982,469	386,922,323
Premises and equipment, net	13,961,807	13,435,760
Interest receivable	3,609,045	3,038,706
Bank owned life insurance	11,545,252	11,215,399
Other real estate owned	1,433,167	1,671,842
Other assets	9,389,889	10,086,117
Total assets	677,213,627	651,116,361
Liabilities and Stockholders' Equity		
Deposits:		
Non-interest bearing	252,228,129	270,170,463
Interest bearing	329,776,854	318,596,695
Total deposits	582,004,983	588,767,158
Other borrowings	3,078,207	4,930,353
Interest payable	227,537	164,056
Accrued expenses and other liabilities	4,603,364	4,024,366
Note payable to Trust	10,310,000	10,310,000
Total liabilities	600,224,091	608,195,933
Stockholders' equity		
Preferred stock of \$.01 par value. Authorized 250,000 shares; no shares issued in 2019 and 2018, respectively	-	-
Class A common stock, \$.01 par value. Authorized 5,000,000 shares; issued 3,656,758 and, 2,440,698 shares, respectively	37,618	24,334
Class B common stock, \$.01 par value. Authorized 250,000 shares; no shares issued or outstanding	-	-
Additional paid in capital	32,882,495	7,630,798
Retained earnings	45,743,569	38,878,130
Accumulated other comprehensive loss net of tax	398,942	(3,610,882)
	79,062,624	42,922,380
Less: 239 and 239 treasury shares, at cost, respectively	1,951	1,951
Less: Unvested Restricted Stock and Unallocated ESOP shares	2,071,137	-
Total stockholders' equity	76,989,536	42,920,429
Total liabilities and stockholders' equity	\$ 677,213,627	\$ 651,116,361