

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

	September 30, 2019 (Unaudited)	September 30, 2018 (Unaudited)
<b>Assets</b>		
Cash and due from banks	\$ 26,817,775	\$ 23,692,655
Interest bearing deposits in banks	61,972,153	15,561,061
Federal funds sold	2,000,000	4,000,000
Cash and cash equivalents	90,789,928	43,253,716
Securities available for sale (amortized cost of \$116,802,969 and \$136,462,808 respectively)	117,966,859	130,736,058
Securities held to maturity (fair values of \$17,886,582 and \$18,534,901 respectively)	17,554,894	18,878,956
Loans held for sale	2,623	322,025
Loans held for investment	448,211,932	403,895,305
Less: Allowance for loan losses	4,801,883	4,238,387
Net loans	443,410,049	399,656,918
Premises and equipment, net	15,401,341	13,476,417
Interest receivable	3,880,685	3,461,321
Bank owned life insurance	11,628,077	11,298,575
Other real estate owned	1,768,681	1,616,888
Other assets	11,078,206	8,304,738
Total assets	713,481,344	631,005,612
<b>Liabilities and Stockholders' Equity</b>		
Deposits:		
Non-interest bearing	266,164,271	253,965,762
Interest bearing	345,354,352	314,667,757
Total deposits	611,518,624	568,633,519
Other borrowings	5,246,080	4,796,432
Interest payable	243,706	200,123
Accrued expenses and other liabilities	5,320,406	3,399,694
Note payable to Trust	10,310,000	10,310,000
Total liabilities	632,638,816	587,339,768
<b>Stockholders' equity</b>		
Preferred stock of \$.01 par value. Authorized 250,000 shares; no shares issued in 2019 and 2018, respectively	-	-
Class A common stock, \$0.01 par value. Authorized 5,000,000 shares; issued 3,682,171 and, 2,445,702 shares, respectively	37,634	24,351
Class B common stock, \$0.01 par value. Authorized 250,000 shares; no shares issued or outstanding	-	-
Additional paid in capital	32,922,636	7,661,285
Retained earnings	48,697,726	40,277,222
Accumulated other comprehensive loss net of tax	872,919	(4,295,063)
	82,530,915	43,667,795
Less: 239 and 239 treasury shares, at cost, respectively	1,951	1,951
Less: Unvested Restricted Stock and Unallocated ESOP shares	1,686,436	-
Total stockholders' equity	80,842,528	43,665,844
Total liabilities and stockholders' equity	\$ 713,481,344	\$ 631,005,612

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

	Three Months Ended September 30		Nine Months Ended September 30	
	2019 (Unaudited)	2018 (Unaudited)	2019 (Unaudited)	2018 (Unaudited)
Interest income:				
Interest and fees on loans	\$ 6,218,788	\$ 5,118,139	\$ 17,543,524	\$ 16,437,724
Interest on investment securities:				
Taxable	625,335	574,213	1,877,566	1,708,079
Nontaxable	210,041	219,872	635,586	660,954
Total investment income	835,376	794,085	2,513,152	2,369,033
Other interest income	300,167	180,833	749,428	475,278
Total interest income	<u>7,354,331</u>	<u>6,093,057</u>	<u>20,806,104</u>	<u>19,282,035</u>
Interest expense:				
Interest on deposits	724,510	521,029	1,952,428	1,359,819
Interest on other borrowed funds	132,889	161,571	430,570	481,386
Total interest expense	<u>857,399</u>	<u>682,600</u>	<u>2,382,998</u>	<u>1,841,205</u>
Net interest income	6,496,932	5,410,457	18,423,106	17,440,830
Provision for loan losses	<u>366,379</u>	<u>200,000</u>	<u>796,834</u>	<u>788,431</u>
Net interest income after provision for loan losses	<u>6,130,553</u>	<u>5,210,457</u>	<u>17,626,272</u>	<u>16,652,399</u>
Noninterest income:				
Service charge on deposits	622,375	550,652	1,807,846	1,581,900
Investment securities gains, net	122,369	-	117,512	24
Mortgage loan and related fees	287,258	267,361	724,270	655,406
Other	2,485,112	1,113,342	5,382,379	2,825,584
Capital Magnet Fund Award	-	0	-	4,000,000
Total noninterest income	<u>3,517,114</u>	<u>1,931,355</u>	<u>8,032,007</u>	<u>9,062,914</u>
Noninterest expense:				
Salaries and benefits	3,163,957	2,956,542	9,547,795	8,455,849
Net occupancy expense	552,840	494,019	1,578,523	1,369,439
Other	1,802,339	1,690,759	5,170,013	4,976,004
Total noninterest expense	<u>5,519,137</u>	<u>5,141,320</u>	<u>16,296,332</u>	<u>14,801,292</u>
Earnings before income tax expense	4,128,530	2,000,492	9,361,947	10,914,022
Income tax expense	883,511	418,910	2,019,325	2,491,038
Net earnings	<u>3,245,019</u>	<u>1,581,582</u>	<u>7,342,622</u>	<u>8,422,984</u>
Preferred stock dividends	-	-	-	-
Net earnings available to common shareholders	<u>\$ 3,245,019</u>	<u>\$ 1,581,582</u>	<u>\$ 7,342,622</u>	<u>\$ 8,422,984</u>
Basic earnings per share available to common shareholders	\$1.06	\$0.65	\$2.40	\$3.45
Diluted earnings per share available to common shareholders	\$1.06	\$0.65	\$2.40	\$3.45
Basic weighted average shares outstanding	<u>3,058,430</u>	<u>2,436,612</u>	<u>3,058,430</u>	<u>2,440,195</u>
Diluted weighted average shares outstanding	<u>3,058,430</u>	<u>2,436,612</u>	<u>3,058,430</u>	<u>2,440,592</u>
Cash dividend declared per share	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 0.080</u>	<u>\$ 0.075</u>

# United Bancorporation of Alabama, Inc.

## Quarterly Comparison

	9/30/2019	6/30/2019	3/31/2019	12/31/2018	9/30/2018
<b>Equity</b>					
Tier One Leverage	12.89%	12.60%	9.28%	9.15%	8.97%
Tier One Capital	17.14%	17.35%	13.20%	12.92%	12.74%
Equity to Total Assets	11.28%	11.37%	7.41%	7.29%	6.90%
<b>At Month End</b>					
Loans, net of unearned income	448,255,160	428,616,425	412,420,938	409,741,494	404,163,239
Total Deposits	611,518,624	582,004,983	606,765,960	573,154,928	570,354,481
Total Assets	713,481,344	677,213,627	674,982,030	637,584,383	632,679,819
<b>Earnings &amp; Performance Ratios</b>					
Net Income	3,058,430	2,455,395	1,642,258	1,563,782	1,581,582
Net Interest Margin	4.18%	4.05%	3.98%	3.96%	3.74%
Return on Average Equity	16.43%	13.27%	14.03%	13.99%	14.54%
Return on Average Assets	1.86%	1.44%	1.02%	0.97%	0.98%
Earnings per Share	1.06	0.89	0.67	0.64	0.65
Weighted Avg Shares Outstanding	3,058,430	2,745,324	2,440,571	2,440,592	2,436,612



## Quarterly Comparison

	9/30/2019	6/30/2019	3/31/2019	12/31/2018	9/30/2018
<b>Equity</b>					
Tier One Leverage	9.36%	9.04%	9.21%	9.45%	9.24%
Tier One Capital	12.60%	12.46%	13.18%	13.08%	13.00%
Equity/Assets	9.23%	9.21%	8.84%	9.08%	8.76%
<b>Cost of Funds</b>					
United Bank Cost of Funds	0.49%	0.44%	0.40%	0.37%	0.36%
AL Banks Peers Cost of Funds	n/a	0.86%	0.81%	0.75%	0.67%