

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

	December 31, 2019 <u>(Unaudited)</u>	December 31, 2018 <u>(Audited)</u>
Assets		
Cash and due from banks	\$ 25,677,819	\$ 25,499,631
Interest bearing deposits in banks	70,755,507	15,880,420
Federal funds sold	<u>2,000,000</u>	<u>4,000,000</u>
Cash and cash equivalents	98,433,326	45,380,051
Securities available for sale (amortized cost of \$120,643,349 and \$134,269,600 respectively)	121,372,532	130,573,099
Securities held to maturity (fair values of \$17,658,034 and \$17,668,231 respectively)	<u>17,345,341</u>	<u>17,790,388</u>
	<u>138,717,873</u>	<u>148,363,487</u>
Loans held for sale	-	110,000
Loans held for investment	455,066,647	409,843,750
Less: Allowance for loan losses	<u>5,286,160</u>	<u>4,390,618</u>
Net loans	449,780,487	405,453,132
Premises and equipment, net	15,711,794	13,948,726
Interest receivable	4,099,374	3,669,215
Bank owned life insurance	11,709,616	11,381,988
Other real estate owned	1,083,359	1,257,359
Other assets	<u>11,241,804</u>	<u>8,020,425</u>
Total assets	<u>730,777,633</u>	<u>637,584,383</u>
Liabilities and Stockholders' Equity		
Deposits:		
Non-interest bearing	275,452,839	258,556,850
Interest bearing	<u>347,114,395</u>	<u>314,598,078</u>
Total deposits	622,567,234	573,154,928
Other borrowings	8,058,709	4,661,212
Interest payable	239,854	205,896
Accrued expenses and other liabilities	6,760,238	2,627,714
Note payable to Trust	<u>10,310,000</u>	<u>10,310,000</u>
Total liabilities	<u>647,936,035</u>	<u>590,959,750</u>
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 3,702,715 and 2,445,702 shares, respectively	37,744	24,457
Class B common stock, \$.01 par value. Authorized 250,000 shares; no shares issued or outstanding	-	-
Additional paid in capital	33,204,200	7,817,131
Retained earnings	50,636,597	41,647,425
Accumulated other comprehensive loss net of tax	<u>546,888</u>	<u>(2,772,374)</u>
	84,425,429	46,716,639
Less: 239 and 239 treasury shares, at cost, respectively	1,951	1,951
Less: Unvested Restricted Stock and Unallocated ESOP shares	<u>1,581,880</u>	<u>90,055</u>
Total stockholders' equity	<u>82,841,598</u>	<u>46,624,633</u>
Total liabilities and stockholders' equity	<u>\$ 730,777,633</u>	<u>\$ 637,584,383</u>

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

	Three Months Ended December 31		Twelve Months Ended December 31	
	2019 (Unaudited)	2018 (Audited)	2019 (Unaudited)	2018 (Audited)
Interest income:				
Interest and fees on loans	\$ 6,446,800	\$ 5,496,661	\$ 23,990,323	\$ 20,152,906
Interest on investment securities:				
Taxable	608,101	585,836	2,485,667	2,293,915
Nontaxable	195,760	218,168	831,346	879,121
Total investment income	803,861	804,004	3,317,013	3,173,036
Other interest income	296,821	143,899	1,046,248	631,328
Total interest income	<u>7,547,482</u>	<u>6,444,564</u>	<u>28,353,584</u>	<u>23,957,270</u>
Interest expense:				
Interest on deposits	742,949	542,793	2,695,378	1,902,612
Interest on other borrowed funds	150,385	163,078	580,956	644,464
Total interest expense	<u>893,334</u>	<u>705,871</u>	<u>3,276,334</u>	<u>2,547,076</u>
Net interest income	6,654,148	5,738,693	25,077,250	21,410,194
Provision for loan losses	890,530	340,000	1,687,364	1,128,431
Net interest income after provision for loan losses	<u>5,763,618</u>	<u>5,398,693</u>	<u>23,389,886</u>	<u>20,281,763</u>
Noninterest income:				
Service charges and fees	1,325,417	1,226,726	4,976,353	4,359,282
CDFI Award Income	305	674	479,802	4,234,061
New market tax credit sub-allocation and placement fees	-	320,000	1,880,000	2,001,191
Investment securities gains, net	-	(81,743)	117,512	(81,719)
Mortgage loan and related fees	261,692	177,662	985,962	833,318
Other	1,723,550	304,622	2,903,342	1,440,039
Total noninterest income	<u>3,310,964</u>	<u>1,947,941</u>	<u>11,342,971</u>	<u>12,786,172</u>
Noninterest expense:				
Salaries and benefits	3,646,571	3,321,261	13,194,365	11,687,096
Net occupancy expense	553,714	434,656	2,132,238	1,802,795
Other	1,795,028	1,600,842	6,965,042	6,672,689
Total noninterest expense	<u>5,995,313</u>	<u>5,356,759</u>	<u>22,291,646</u>	<u>20,162,580</u>
Earnings before income tax expense	3,079,268	1,989,876	12,441,212	12,905,355
Income tax expense	661,118	426,093	2,680,444	2,917,131
Net earnings	2,418,150	1,563,783	9,760,768	9,988,224
Preferred stock dividends	-	-	-	-
Net earnings available to common shareholders	<u>\$ 2,418,150</u>	<u>\$ 1,563,783</u>	<u>\$ 9,760,768</u>	<u>\$ 9,988,224</u>
Basic earnings per share available to common shareholders	\$0.65	\$0.64	\$2.89	\$4.09
Diluted earnings per share available to common shareholders	\$0.65	\$0.64	\$2.89	\$4.09
Basic weighted average shares outstanding	<u>3,692,880</u>	<u>2,445,463</u>	<u>3,372,444</u>	<u>2,440,195</u>
Diluted weighted average shares outstanding	<u>3,692,880</u>	<u>2,445,860</u>	<u>3,372,444</u>	<u>2,440,592</u>
Cash dividend declared per share	<u>\$ 0.130</u>	<u>\$ 0.080</u>	<u>\$ 0.210</u>	<u>\$ 0.155</u>