

United Bancorporation of Alabama, Inc.
And Subsidiaries
Consolidated Balance Sheets
(Unaudited)

	June 30, 2020	June 30, 2019
Assets		
Cash and due from banks	\$ 41,866,652	\$ 23,900,944
Interest bearing deposits in banks	168,985,234	36,249,797
Federal funds sold	-	4,000,000
Cash and cash equivalents	210,851,886	64,150,741
Securities available for sale (amortized cost of \$107,880,423 and \$130,469,769 respectively)	111,016,900	131,001,690
Securities held to maturity (fair values of \$17,424,175 and \$17,841,896 respectively)	16,820,725	17,579,817
	127,837,625	148,581,507
Loans held for sale	1,327,317	559,750
Loans held for investment	512,361,189	428,616,425
Less: Allowance for loan losses	6,276,607	4,633,956
Net loans	506,084,582	423,982,469
NMTC Sub-CDE QLICI Loans	3,500,000	-
Premises and equipment, net	16,405,757	13,961,807
Interest receivable	4,119,626	3,609,045
Bank owned life insurance	11,871,450	11,545,252
Other real estate owned	962,500	1,433,167
Other assets	7,606,045	9,389,889
Total assets	890,566,788	677,213,627
Liabilities and Stockholders' Equity		
Deposits:		
Non-interest bearing	399,364,259	252,228,129
Interest bearing	371,649,652	329,776,854
Total deposits	771,013,911	582,004,983
Other borrowings	10,248,128	3,078,207
Interest payable	237,919	227,537
Accrued expenses and other liabilities	6,086,235	4,603,364
Note payable to Trust	10,310,000	10,310,000
Total liabilities	797,896,193	600,224,091
Stockholders' equity		
Preferred stock of \$.01 par value. Authorized 250,000 shares; no shares issued in 2020 and 2019, respectively	-	-
Class A common stock, \$.01 par value. Authorized 5,000,000 shares; issued 3,710,852 and, 3,656,758 shares, respectively	37,764	37,618
Class B common stock, \$.01 par value. Authorized 250,000 shares; no shares issued or outstanding	-	-
Additional paid in capital	33,261,848	32,882,495
Retained earnings	58,568,954	45,743,569
Accumulated other comprehensive loss net of tax	2,352,358	398,942
	94,220,924	79,062,624
Less: 239 and 239 treasury shares, at cost, respectively	1,951	1,951
Less: Unvested Restricted Stock and Unallocated ESOP shares	1,548,378	2,071,137
Total stockholders' equity	92,670,595	76,989,536
Total liabilities and stockholders' equity	\$ 890,566,788	\$ 677,213,627

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

	Three Months Ended June 30	
	2020	2019
Interest income:		
Interest and fees on loans	\$ 6,265,964	\$ 5,848,161
Interest on investment securities:		
Taxable	443,037	617,514
Nontaxable	201,243	213,419
Total investment income	644,280	830,933
Other interest income	27,344	287,264
Total interest income	6,937,588	6,966,358
Interest expense:		
Interest on deposits	646,446	652,501
Interest on other borrowed funds	145,184	134,263
Total interest expense	791,630	786,764
Net interest income	6,145,958	6,179,594
Provision for loan losses	300,000	155,455
Net interest income after provision for loan losses	5,845,958	6,024,139
Noninterest income:		
Service charge and fees	1,083,617	1,250,759
Investment securities gains, net	8,274	-
Mortgage loan and related fees	288,095	219,163
Other	446,794	402,528
CDFI Award Income	6,000,000	-
New market tax credit sub-allocation and placement fees	140,000	860,000
Total noninterest income	7,966,780	2,732,450
Noninterest expense:		
Salaries and benefits	3,515,822	3,186,526
Net occupancy expense	639,211	513,116
Other	1,924,357	1,887,459
Total noninterest expense	6,079,390	5,587,101
Earnings before income tax expense	7,733,348	3,169,488
Income tax expense	1,791,821	714,096
Net earnings	5,941,527	2,455,392
Preferred stock dividends	-	-
Net earnings available to common shareholders	\$ 5,941,527	\$ 2,455,392
Basic earnings per share available to common shareholders	\$1.60	\$0.67
Diluted earnings per share available to common shareholders	\$1.60	\$0.67
Basic weighted average shares outstanding	3,708,050	3,652,255
Diluted weighted average shares outstanding	3,708,050	3,652,255
Cash dividend declared per share	\$ 0.100	\$ 0.080

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

	Six Months Ended June 30	
	<u>2020</u>	<u>2019</u>
Interest income:		
Interest and fees on loans	\$ 12,488,651	\$ 11,324,735
Interest on investment securities:		
Taxable	1,017,550	1,236,466
Nontaxable	<u>396,540</u>	<u>425,545</u>
Total investment income	1,414,090	1,662,011
Other interest income	<u>286,899</u>	<u>465,040</u>
Total interest income	<u>14,189,640</u>	<u>13,451,786</u>
Interest expense:		
Interest on deposits	1,375,015	1,227,918
Interest on other borrowed funds	<u>299,414</u>	<u>297,681</u>
Total interest expense	<u>1,674,429</u>	<u>1,525,599</u>
Net interest income	12,515,211	11,926,187
Provision for loan losses	<u>1,000,000</u>	<u>430,455</u>
Net interest income after provision for loan losses	<u>11,515,211</u>	<u>11,495,732</u>
Noninterest income:		
Service charge and fees	2,261,646	2,366,781
Investment securities gains, net	215,729	(4,858)
Mortgage loan and related fees	548,497	437,012
Other	910,827	672,511
CDFI Award income	6,799,353	233,950
New market tax credit sub-allocation and placement fees	<u>560,000</u>	<u>860,000</u>
Total noninterest income	<u>11,296,052</u>	<u>4,565,396</u>
Noninterest expense:		
Salaries and benefits	6,837,721	6,139,721
Net occupancy expense	1,292,810	1,021,783
Other	<u>3,964,173</u>	<u>3,666,157</u>
Total noninterest expense	<u>12,094,704</u>	<u>10,827,661</u>
Earnings before income tax expense	10,716,559	5,233,467
Income tax expense	<u>2,405,565</u>	<u>1,135,814</u>
Net earnings	8,310,994	4,097,653
Preferred stock dividends	-	-
Net earnings available to common shareholders	<u>\$ 8,310,994</u>	<u>\$ 4,097,653</u>
Basic earnings per share available to common shareholders	\$2.24	\$1.34
Diluted earnings per share available to common shareholders	\$2.24	\$1.34
Basic weighted average shares outstanding	<u>3,706,246</u>	<u>3,052,940</u>
Diluted weighted average shares outstanding	<u>3,706,246</u>	<u>3,052,940</u>
Cash dividend declared per share	\$ 0.100	\$ 0.080

United Bancorporation of Alabama, Inc.

Quarterly Comparison

	6/30/20 No CMF Award	6/30/2020	3/31/2020	12/31/2019	9/30/2019	6/30/2019
Equity						
Tier One Leverage		12.10%	12.95%	12.70%	12.89%	12.60%
Tier One Capital		17.75%	17.99%	17.33%	17.14%	17.35%
Equity to Total Assets		10.44%	11.69%	11.29%	11.28%	11.37%
At Month End						
Loans, net of unearned income		512,361,189	459,649,937	455,066,647	448,255,160	428,616,425
Total Deposits		771,013,911	629,759,319	622,567,234	611,518,624	582,004,983
Total Assets		890,566,788	742,977,301	730,777,733	713,481,344	677,213,627
Earnings & Performance Ratios						
Net Income	1,307,067	5,941,527	2,369,468	2,418,150	3,245,019	2,455,395
Net Interest Margin	3.40%	3.40%	3.95%	4.08%	4.18%	4.05%
Return on Average Equity	5.81%	27.00%	11.22%	11.79%	16.43%	13.27%
Return on Average Assets	0.62%	2.87%	1.30%	1.32%	1.86%	1.44%
Earnings per Share	0.35	1.60	0.64	0.65	0.88	0.67
Weighted Avg Shares Outstanding	3,708,050	3,708,050	3,704,441	3,692,880	3,680,597	3,652,255

United Bank

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Quarterly Comparison

	6/30/20 No CMF Award	6/30/2020	3/31/2020	12/31/2019	9/30/2019	6/30/2019
Equity						
Tier One Leverage		9.36%	9.79%	9.60%	9.36%	9.04%
Tier One Capital		13.86%	13.73%	13.25%	12.60%	12.46%
Equity/Assets		8.99%	9.92%	9.57%	9.23%	9.21%
Cost of Funds						
United Bank Cost of Funds		0.39%	0.49%	0.50%	0.49%	0.44%
AL Banks Peers Cost of Funds		n/a	0.81%	0.79%	0.83%	0.86%