



Shareholders:

The fourth quarter of 2022 was highlighted by continued strong growth in our balance sheet as we ended the year with assets of \$131.8 million, and our total loans exceeded \$100 million for the first time ending the year at \$107.2 million. We achieved record earnings of \$2.02 million for 2022, up over the \$1.55 million in 2021. The earnings this year were achieved despite the uncertainty in the economy we are experiencing. Here are a few highlights from the fourth quarter and year 2022:

- The end of year total assets of \$131.8 million far exceeded total assets of \$104.9 million on September 30, 2022 and our total of \$76.6 million at the end of 2021. The significant asset growth in 2022 has been primarily due to growth in our portfolio loans and deposits as noted below.
- Net income totaled \$259k for the fourth quarter, down from \$503k for the third quarter of 2022 due to the downturn in mortgage banking due to rate increases that began in mid-2022. However, United Trust Bank has now had 21 consecutive months of profitability, and earned a record \$2.02 million for 2022 due to very strong 1<sup>st</sup> and 2<sup>nd</sup> quarters this year.
- Despite the turmoil in the mortgage industry, we still processed \$92 million in mortgage loans during the fourth quarter of 2022, but down from the \$135 million in the third quarter. As reflective of the industry, we had processed \$252 million in mortgage loans during the fourth quarter of 2021.
- To offset the loan production decline experienced with our Mortgage Loans Held for Sale, we achieved record growth of \$30.0 million in portfolio loans during the fourth quarter of 2022 in our Community Bank. This followed growth of \$13.6 million and \$18.6 million the prior two quarters. This growth has been fueled by a new program generating specific 1-4 Family Residential Portfolio Loans in the purchase segment of the business.
- Deposits continued to grow as they climbed to \$93.8 million at the end of 2022, up from \$80.9 million at the end of September 2022 and \$64.7 million at the end of 2021. The majority of the growth in the fourth quarter was from organic time deposit growth.
- The loan growth mentioned above has transpired into significant growth in net interest income this year as it increased from \$1.61 million last year to \$2.85 million in 2022.

The organic deposit growth mentioned above is a testament to our service to our local customer base in our Palos Heights branch footprint. Our deposit growth this year has been highlighted by over \$7.4 million in demand deposit account growth. We have increased our time deposits by \$9.3 million not including wholesale deposit growth. We have utilized that local deposit growth by expanding our loan offerings of prime jumbo mortgages.

Our Mortgage team funded \$553 million in loan originations in 2022, along with \$65 million in brokered loans. As rates have increased dramatically since the second quarter of 2022, both United Trust Bank and the mortgage banking industry are seeing a deceleration in production and a dislocation of margins. Our Mortgage Banking Team has taken steps to modify expenses and manage through this dislocation. Based on these moves, we expect a rebound in our mortgage business for 2023.



Our Tier 1 Leverage Ratio as of December 31, 2022, is at 10.59%, up from 9.74% at the end of 2021, even with all of the significant asset growth we experienced. We enhanced capital through the \$2.02 million in earnings and raised \$2.40 million in additional capital. Our Total Risk Based Capital Ratio was 18.07% at the end of 2022 compared to 20.06% at the end of 2021.

We provided a strong \$200k provision to the Allowance for Loan Losses during the fourth quarter of 2022 for a year-to-date total provision of \$344k. Despite the strong portfolio loan growth, we were able to maintain an Allowance for Loan Losses as a percentage of loans of 0.70% on December 31, 2022. Our Allowance for Loan Losses as a percentage of Loans ended 2021 at 1.04% prior to all the current year loan growth. We have had no loan charge offs during 2022, and we continue to maintain excellent credit quality. Our Texas Ratio has continually and significantly declined since 2020, and at December 31, 2022 stood at 1.15%, down from 4.95% one year ago.

To summarize the continued improved performance at United Trust, here is a chart comparing our consolidated key operating ratios for 2022 to our annual performance in 2021:

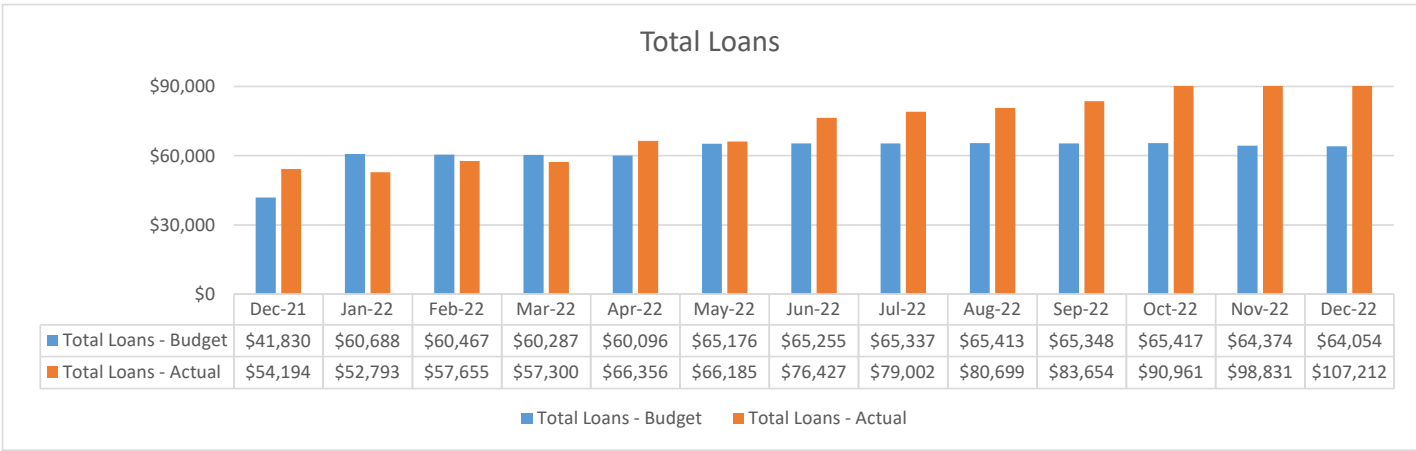
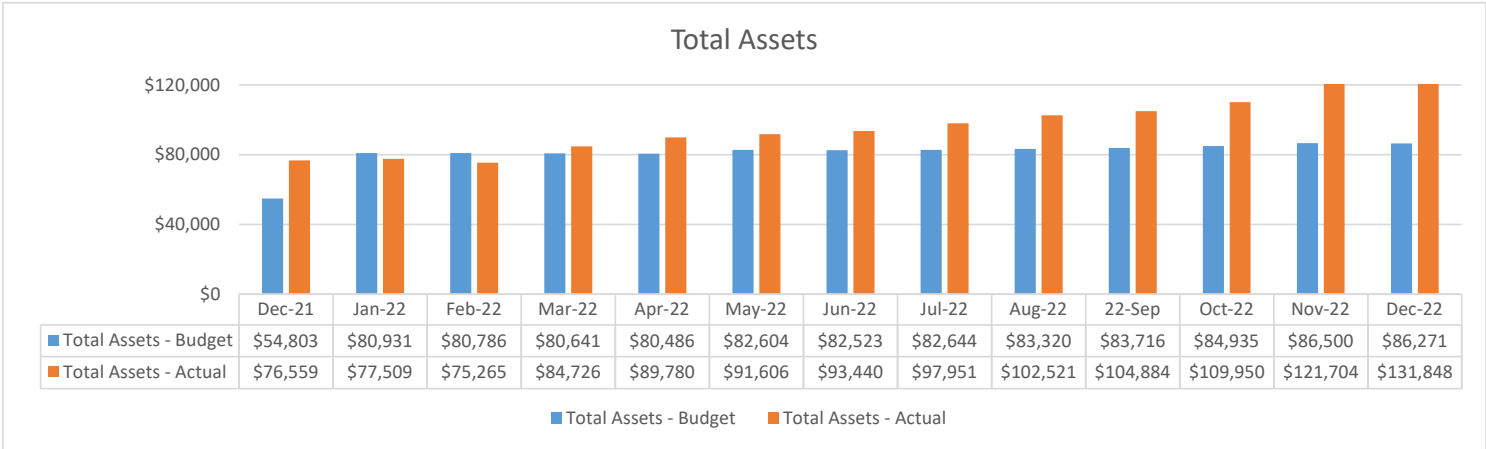
	<u>4th Qtr 2022</u>	<u>Year 2022</u>	<u>Year 2021</u>
Tier 1 Leverage (EOP)	10.59%	10.59%	9.74%
Total Risk Based Capital (EOP)	18.07%	18.07%	20.06%
Return on Assets (ROA)	0.91%	2.21%	2.40%
Return on Equity (ROE)	8.92%	20.29%	24.13%
ALLL (excluding LHFS)	0.70%	0.70%	1.04%
Net Interest Margin	3.20%	3.36%	2.90%
Efficiency Ratio	97.33%	92.59%	94.80%
Liquidity Ratio (Deposit & Borrowings)	16.62%	16.62%	28.44%

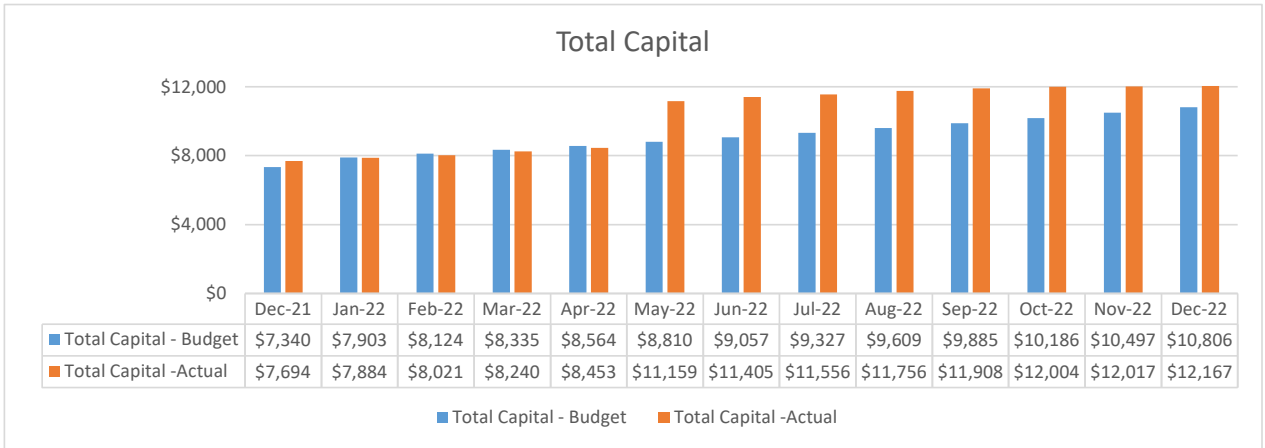
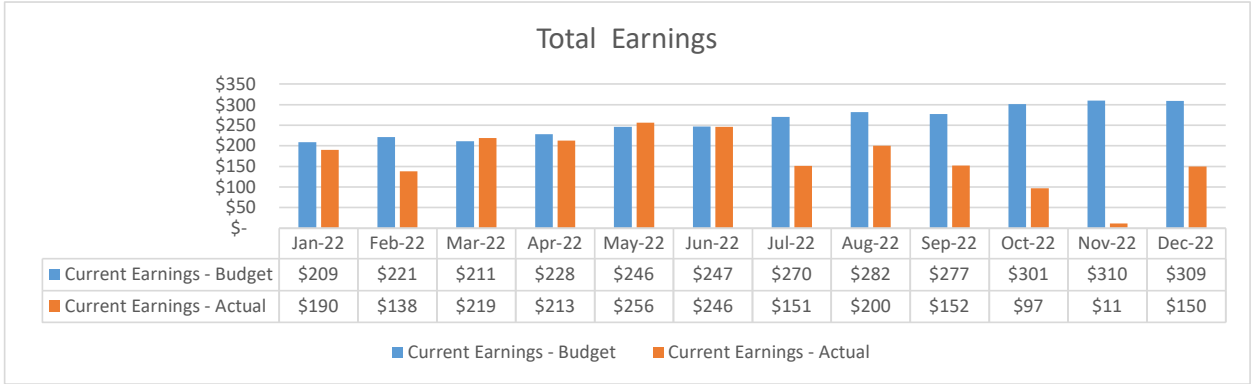
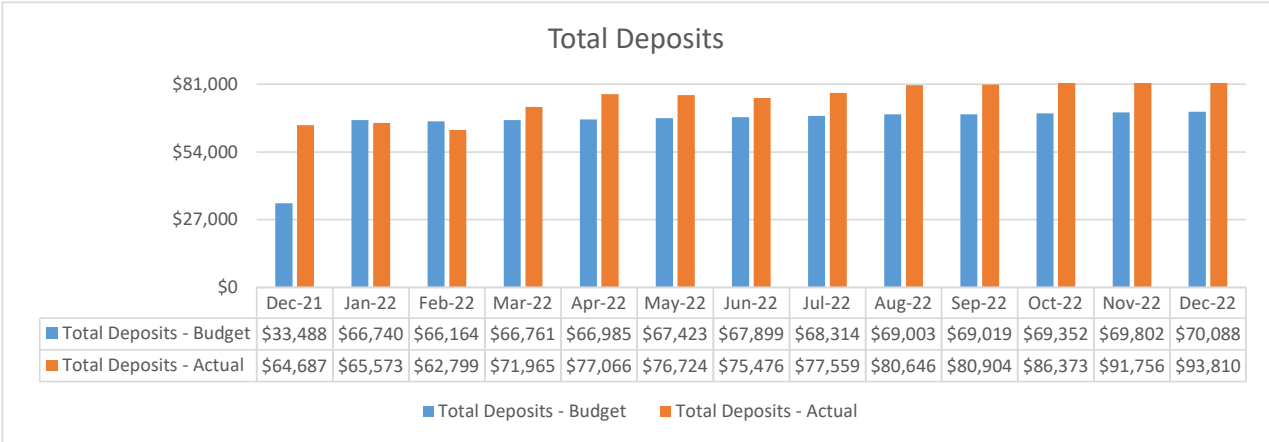
Additional support for our strong performance can also be found in the graphs and financial statements presented below. We believe that 2023 will bring even more success to United Trust and our customers. We appreciate you as a customer, and we will continue to strive to meet all your banking needs. We will also continue to increase the value to our shareholders, as our book value per share for United Bancorp, Inc. has increased to \$1.03 per share at December 31, 2022, up from \$0.81 per share at December 31, 2021.

Best Regards,

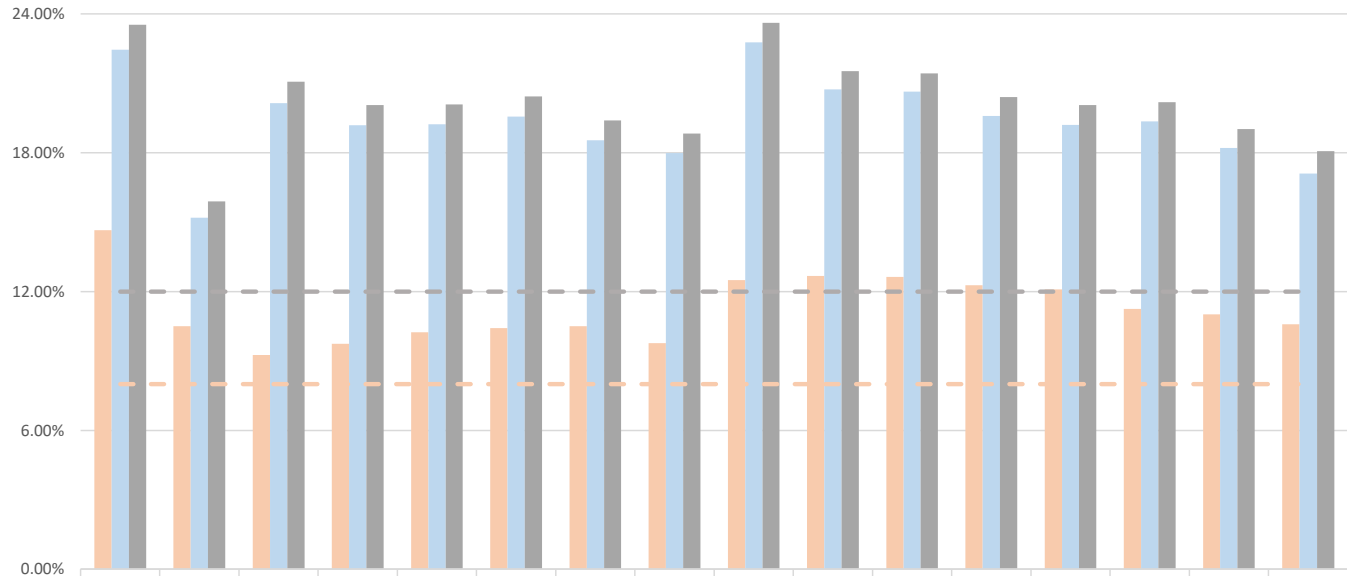
Charles K. Wagner,  
President and CEO







### Capital Ratios



	Mar-21	Jun-21	Sep-21	Dec-21	Jan-22	Feb-22	22-Mar	22-Apr	22-May	22-Jun	22-Jul	22-Aug	22-Sep	Oct-22	Nov-22	Dec-22
Actual Tier 1 Leverage Ratio	14.65%	10.51%	9.26%	9.74%	10.24%	10.42%	10.51%	9.77%	12.50%	12.67%	12.63%	12.28%	12.10%	11.25%	11.02%	10.59%
Actual Tier 1 Capital Ratio	22.46%	15.20%	20.14%	19.19%	19.23%	19.57%	18.54%	17.99%	22.77%	20.74%	20.64%	19.59%	19.21%	19.36%	18.21%	17.10%
Actual Total Risk Based	23.53%	15.90%	21.07%	20.06%	20.09%	20.44%	19.40%	18.83%	23.62%	21.53%	21.43%	20.41%	20.06%	20.19%	19.02%	18.07%
OCC Leverage Ratio	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%
OCC Total Risk Based	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%

■ Actual Tier 1 Leverage Ratio    
 ■ Actual Tier 1 Capital Ratio    
 ■ Actual Total Risk Based    
 - - - OCC Leverage Ratio    
 - - - OCC Total Risk Based

United Trust Bank  
Balance Sheet

	December 31, 2022	December 31, 2021
<b><u>Assets</u></b>		
Cash & Due	\$ 19,646	\$ 18,804
Securities		
Mortgage-Backed Securities	38	50
Gross Unrealized AFS G/L	-	-
Total Securities	\$ 38	\$ 50
Loans		
Commercial	1,789	1,002
Real Estate		
Commercial	11,828	13,153
Residential	744	18,542
Mortgage Loans HFS	8,489	20,673
Total Real Estate	\$ 103,860	\$ 52,368
Consumer	612	437
Nonaccrual Loans	145	184
Other Loans	805	203
Total Loans	\$ 107,212	\$ 54,194
Loan Loss Reserve	(693)	(349)
Net Loans and Leases	\$ 106,519	\$ 53,845
Fixed Assets	2,735	2,717
OREO	-	206
Equity Securities	1,175	185
Other Assets	1,735	751
<b>Total Assets</b>	<b>\$ 131,848</b>	<b>\$ 76,559</b>
<b><u>Liabilities</u></b>		
Demand Deposits	21,422	15,003
Interest Bearing Deposits		
NOW Accounts	1,904	2,186
Money Market Accounts	9,148	6,798
Savings	969	1,055
Time Deposits		
CD's > 250K	13,143	723
CD's 100K-250K	37,804	31,661
CDs < 100K	9,420	7,263
Total Time Deposits	\$ 60,367	\$ 45,062
Total Interest Bearing Deposits	\$ 72,388	\$ 49,685
Total Deposits	\$ 93,810	\$ 64,687
Borrowed Funds	24,621	1,600
Other Liabilities	1,251	2,577
<b>Total Liabilities</b>	<b>\$ 119,681</b>	<b>\$ 68,864</b>
<b><u>Capital</u></b>		
Common Stock	23,167	23,167
Undivided Profit	(13,024)	(17,022)
Current Earnings	2,024	1,549
Net Unrealized AFS G/L	-	-
<b>Total Capital</b>	<b>\$ 12,167</b>	<b>\$ 7,695</b>
<b>Total Liabilities &amp; Capital</b>	<b>\$ 131,848</b>	<b>\$ 76,559</b>

United Trust Bank  
Income Statement

	<u>4th Quarter 2022</u>	<u>4th Quarter 2021</u>	<u>Year To Date 2022</u>	<u>Year To Date 2021</u>
<b>Interest Income</b>				
Cash & Due	\$ 164,650	\$ 8,225	\$ 298,852	\$ 20,555
Securities				
Mortgage-Backed Securities	-186	109	352	514
Loans				
Commercial	37,495	21,554	123,352	80,441
Real Estate	1,184,427	521,722	3,371,028	1,728,698
Consumer	10,310	5,731	28,144	24,230
Other Loans	-	(5,214)	(3,728)	(15,837)
Total Loans	<u>\$ 1,232,232</u>	<u>\$ 523,592</u>	<u>\$ 3,518,796</u>	<u>\$ 1,817,532</u>
Equity Securities	5,138	1,783	9,951	6,194
<b>Total Interest Income</b>	<u><b>\$ 1,401,834</b></u>	<u><b>\$ 553,910</b></u>	<u><b>\$ 3,827,951</b></u>	<u><b>\$ 1,844,796</b></u>
<b>Interest Expense</b>				
NOW Accounts	641	835	3,440	3,217
Money Market Accounts	34,420	6,527	71,710	19,028
Savings	286	270	1216	1061
Time Deposits	279,416	58,361	503,425	194,286
Total Deposits	<u>\$ 314,763</u>	<u>\$ 65,993</u>	<u>\$ 579,791</u>	<u>\$ 217,592</u>
Borrowed Funds	248,140	5,275	395,070	17,559
<b>Total Interest Expense</b>	<u><b>\$ 562,902</b></u>	<u><b>\$ 71,269</b></u>	<u><b>\$ 974,861</b></u>	<u><b>\$ 235,151</b></u>
<b>Net Interest Income</b>	<u><b>\$ 838,932</b></u>	<u><b>\$ 482,641</b></u>	<u><b>\$ 2,853,090</b></u>	<u><b>\$ 1,609,645</b></u>
Loan Loss Provision	199,750	24,594	344,224	75,589
<b>Net Interest Income after Provision</b>	<u><b>\$ 639,182</b></u>	<u><b>\$ 458,047</b></u>	<u><b>\$ 2,508,866</b></u>	<u><b>\$ 1,534,055</b></u>
<b>Non-Interest Income</b>				
Service Charges	8,392	9,626	31,946	39,392
Fee Income				
Loan Fees (Not in NIM)	26,955	18,664	112,041	46,805
Brokered Fee Income	167,882	716,990	1,332,486	3,895,202
Gain on Sale Mortgage Loans	3,962,004	10,637,826	26,391,806	26,512,676
Other Fee Income	69,728	2,446	284,739	12,819
Total Fee Income	<u>\$ 4,226,569</u>	<u>\$ 11,375,930</u>	<u>\$ 28,121,070</u>	<u>\$ 30,467,500</u>
Other Income	47,533	21,995	135,888	61,930
<b>Total Non-Interest Income</b>	<u><b>\$ 4,282,494</b></u>	<u><b>\$ 11,407,547</b></u>	<u><b>\$ 28,288,906</b></u>	<u><b>\$ 30,568,824</b></u>
<b>Non-Interest Expense</b>				
Employee	2,496,586	7,977,922	17,184,112	21,384,839
Occupancy	257,061	256,508	1,039,256	835,100
Equipment Expense	172,268	257,426	849,337	728,135
Data Processing	71,719	52,508	268,360	194,871
Gain/Loss on sale of assets	0	7500	0	48380
Professional Fees	104,515	106,047	302,003	276,286
Marketing	1,311,417	1,783,197	6,625,007	4,446,164
Other Employee Expense	41,150	75,228	166,103	226,418
Loan Expense	394,347	598,838	2,006,557	1,812,340
Other Expense	137,578	161,791	553,157	601,752
<b>Total Non-Interest Expense</b>	<u><b>\$ 4,986,640</b></u>	<u><b>\$ 11,276,966</b></u>	<u><b>\$ 28,993,891</b></u>	<u><b>\$ 30,554,284</b></u>
Operating Income	(64,964)	588,628	1,803,880	1,548,595
Federal Tax	(360,326)	0	(360,326)	0
State Tax	36,733	0	140,984	0
<b>Net Income</b>	<u><u><b>\$ 258,628</b></u></u>	<u><u><b>\$ 588,628</b></u></u>	<u><u><b>\$ 2,023,223</b></u></u>	<u><u><b>\$ 1,548,595</b></u></u>