



United Bancorp Inc. Shareholders/Customers:

For the first quarter of 2024, we have continued solid growth in our balance sheet as we ended the quarter with assets of \$163.2M (million), up from \$159.1M at the end of 2023, but have grown \$20.3M from first quarter 2023 total assets of \$142.9M. Total loans have grown from \$135.2M to \$139.1M in the last three months and deposits have grown from \$104.1M to \$110.2M over that same period.

We earned \$110k (thousand) for the first quarter of 2024, decreasing from the \$859k for the prior quarter which included the recognition of \$652k in Mortgage Servicing Asset income. First Quarter income is up from the \$74k that was earned in first quarter 2023.

With a current outlook of no immediate rate reductions for 2024 per economists, our focus will be on building our retail deposit base and reducing the associated cost of funds.

Here are a few financial highlights for the **First Quarter and Year 2024:**

- The total assets on March 31, 2024 of \$163.2M exceeded total assets of \$142.9M one year ago. The significant asset growth in the past year has been due to growth in our portfolio loans.
- United Trust Bank has now had 34 consecutive months of profitability. Net interest income totaled \$797k for the first quarter of 2024, lower than the \$826k a year ago due higher due to higher cost of funds.
- Supporting the bank in the profitability mentioned above, we processed \$92M in mortgage loans during the first quarter of 2024, compared to \$84M in the fourth quarter 2023 and \$83M for the first quarter of 2023. Our Gain on Sale of Mortgage Loans for first quarter 2024 was \$3.72M versus \$3.46M in the fourth quarter 2023. Compared to first quarter 2023 Gain on was \$163k higher as first quarter 2023 was \$3.56M.
- We achieved growth of \$1.7M in portfolio loans during the first quarter of 2024 in our Community Bank despite portfolio sales of \$1.2M in February. Growth has been fueled by Commercial and 1-4 Family Residential Portfolio Loans.
- Deposits increased to \$110.2M during the first quarter of 2024, up from \$104.1M at the end of the fourth quarter 2023 and \$96.1M one year ago. The deposit increase has been in Time Deposits.

Due to the continued balance sheet growth in the first quarter, our Tier 1 Leverage Ratio decreased to 8.65% on March 31, 2024. That ratio was 8.69% on December 31, 2023 and 10.59% on December 31, 2022. Our total capital base grew due to our profitability and was \$13.5M on March 31, 2024, up from \$12.2M one year ago. Our Total Risk Based Capital Ratio was 15.43% on March 31, 2024, down from 16.01% on December 2023 and 16.60% at the end of March 2023. These declines in ratios were due to a first quarter 2014 \$175k dividend up to our Holding Company.

We maintained an Allowance for Credit Losses as a percentage of loans of 0.63% on March 31, 2024, which was the same as December 31, 2023. Our Allowance for Credit Losses is further enhanced when you consider the additional reserves required with our purchased Consumer Loans in our portfolio increasing the ratio to 0.73%. We continued to have excellent credit quality over the quarter with our Texas Ratio on March 31, 2024 only slightly increasing to 3.92%, up from 3.91% last quarter.



To summarize the performance at United Trust, here is a chart comparing our consolidated key operating ratios for March Year-To-Date 2024 to our annual performance in 2023 and 2022:

	<u>Year 2024</u>	<u>Year 2023</u>	<u>Year 2022</u>
Tier 1 Leverage (EOP)	8.65%	8.69%	10.59%
Total Risk Based Capital (EOP)	15.43%	16.01%	18.07%
Return on Assets (ROA)	0.17%	0.93%	2.21%
Return on Equity (ROE)	2.03%	11.06%	20.29%
ALLL (excluding LHFS)	0.63%	0.63%	0.70%
Texas Ratio	3.92%	3.91%	1.15%
Net Interest Margin	2.08%	2.43%	3.36%
Efficiency Ratio	90.67%	91.78%	92.59%
Liquidity Ratio (to Deposits)	16.04%	16.70%	16.70%

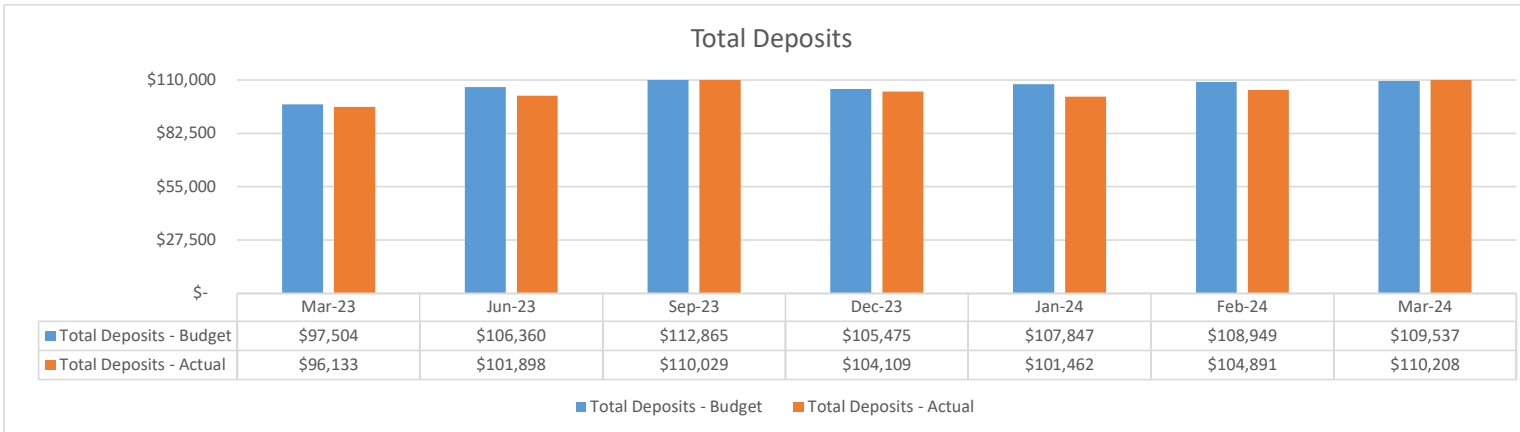
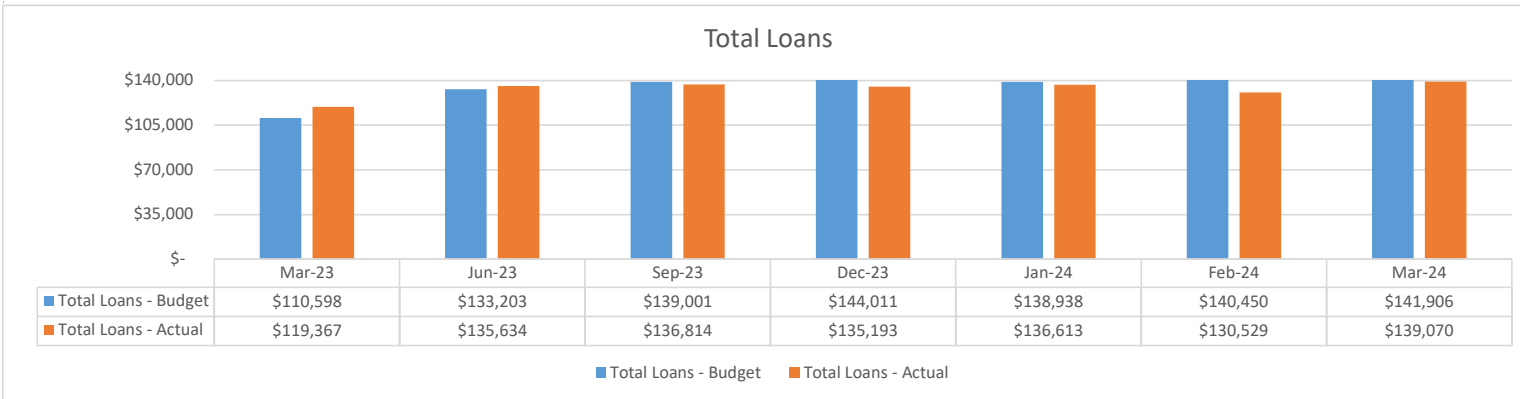
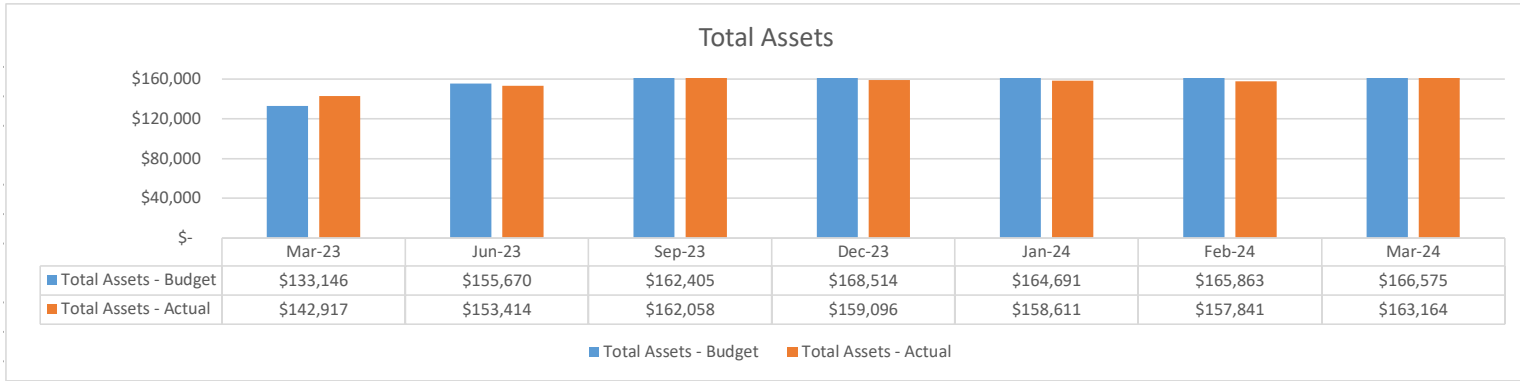
Additional support can also be found in the graphs and financial statements presented below. We believe that 2024 will bring even more success to United Trust and our customers. We appreciate you as a customer, and we will continue to strive to meet all your banking needs. We also continue to increase the value to our shareholders, as our book value per share for United Bancorp, Inc. increased to \$1.18 per share on March 31, 2024, up from \$1.17 per share on December 31, 2023, and up from \$1.03 per share on December 31, 2022.

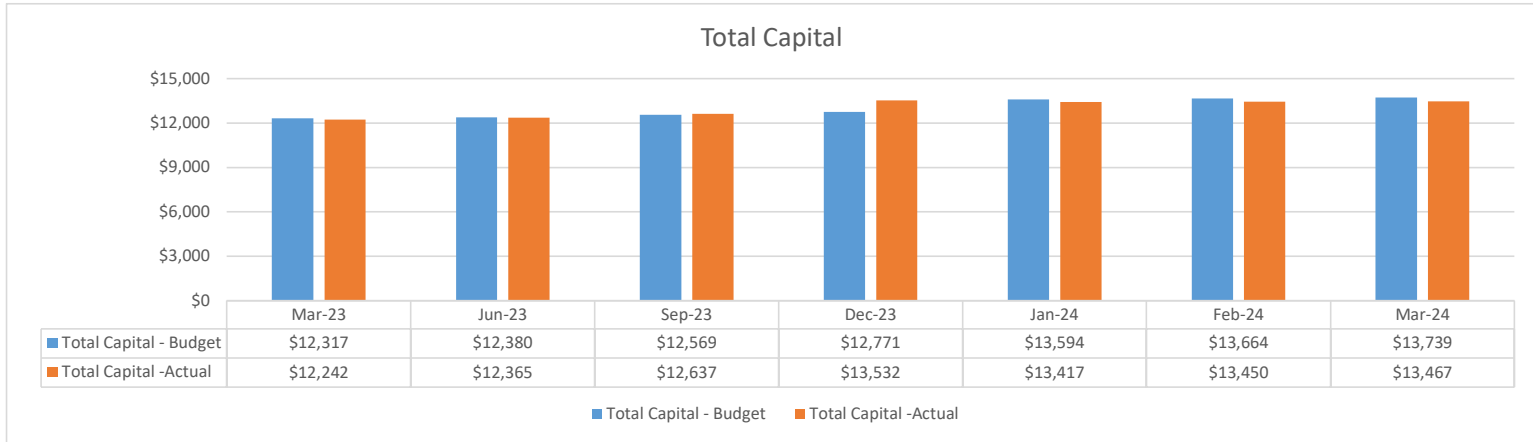
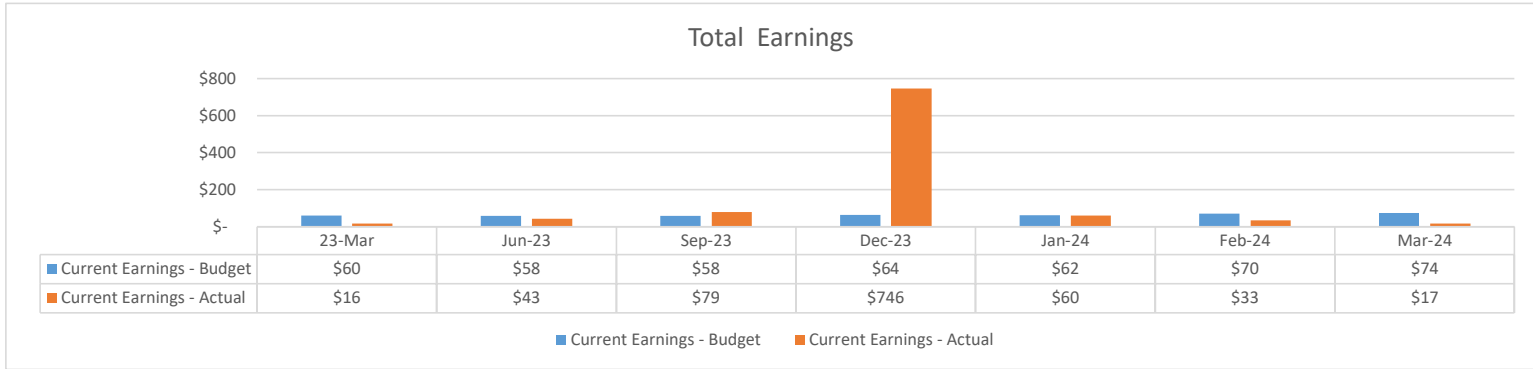
In closing, please consider an additional investment in United Trust as part of our capital raise. If interested, please contact me at 404-488-0178 or “[cwagner@utbhome.com](mailto:cwagner@utbhome.com)”.

Best Regards,

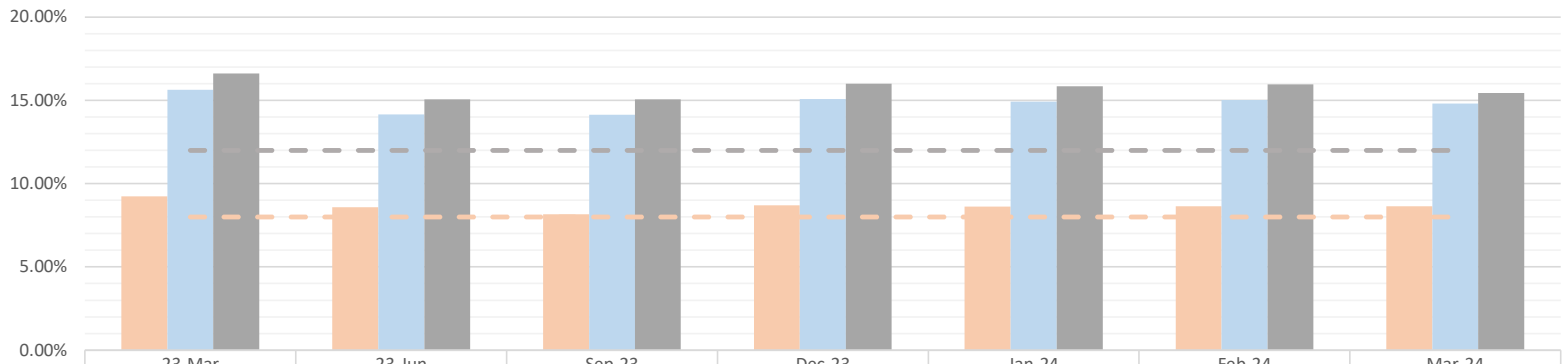
Charles K. Wagner,  
President and CEO







### Capital Ratios



Actual Tier 1 Leverage Ratio	9.23%	8.59%	8.17%	8.69%	8.63%	8.64%	8.65%
Actual Tier 1 Capital Ratio	15.64%	14.14%	14.13%	15.08%	14.91%	15.03%	14.80%
Actual Total Risk Based	16.60%	15.05%	15.06%	16.01%	15.84%	15.96%	15.43%
OCC Leverage Ratio	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%

■ 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

	March 31, 2024	March 31, 2023
<b><u>Assets</u></b>		
Cash & Due	\$ 17,647	\$ 18,207
Securities		
Mortgage-Backed Securities	30	37
Gross Unrealized AFS G/L	-	-
Total Securities	\$ 30	\$ 37
Loans		
Commercial	3,708	1,676
Real Estate		
Commercial	12,396	11,776
Residential	112,126	95,852
Mortgage Loans HFS	4,998	6,482
Total Real Estate	\$ 129,520	\$ 114,110
Consumer	4,760	2,703
Nonaccrual Loans	549	148
Other Loans	533	730
Total Loans	\$ 139,070	\$ 119,367
Loan Loss Reserve	(839)	(750)
Net Loans and Leases	\$ 138,231	\$ 118,617
Fixed Assets	2,701	2,711
OREO	-	-
Equity Securities	1,985	1,445
Mortgage Servicing Rights	635	-
Other Assets	1,935	1,901
<b>Total Assets</b>	<b>\$ 163,164</b>	<b>\$ 142,917</b>
 <b><u>Liabilities</u></b>		
Demand Deposits	23,474	22,361
Interest Bearing Deposits		
NOW Accounts	1,732	1,798
Money Market Accounts	7,052	8,229
Savings	785	984
Time Deposits		
CD's > 250K	21,903	16,771
CD's 100K-250K	42,218	35,571
CDs < 100K	13,044	10,418
Total Time Deposits	\$ 77,165	\$ 62,760
Total Interest Bearing Deposits	\$ 86,734	\$ 73,772
Total Deposits	\$ 110,208	\$ 96,133
Borrowed Funds	38,187	33,100
Other Liabilities	1,302	1,443
<b>Total Liabilities</b>	<b>\$ 149,697</b>	<b>\$ 130,676</b>
<b><u>Capital</u></b>		
Common Stock	23,167	23,167
Undivided Profit	(9,810)	(11,000)
Current Earnings	110	75
Net Unrealized AFS G/L	-	-
<b>Total Capital</b>	<b>\$ 13,467</b>	<b>\$ 12,242</b>
<b>Total Liabilities &amp; Capital</b>	<b>\$ 163,164</b>	<b>\$ 142,917</b>

United Trust Bank  
Income Statement

	<u>1st Quarter 2024</u>	<u>1st Quarter 2023</u>
<b>Interest Income</b>		
Cash & Due	\$ 157,048	\$ 168,833
Securities		
Mortgage-Backed Securities	450	451
Loans		
Commercial	62,725	34,671
Real Estate	1,881,310	1,480,111
Consumer	108,467	41,122
Other Loans	-	-
Total Loans	<u>\$ 2,052,502</u>	<u>\$ 1,555,904</u>
<b>Total Interest Income</b>	<u><b>\$ 2,210,000</b></u>	<u><b>\$ 1,725,188</b></u>
<b>Interest Expense</b>		
NOW Accounts	499	470
Money Market Accounts	66,846	54,840
Savings	181	240
Time Deposits	824,443	465,423
Total Deposits	<u>\$ 891,969</u>	<u>\$ 520,973</u>
Borrowed Funds	521,494	377,925
<b>Total Interest Expense</b>	<u><b>\$ 1,413,463</b></u>	<u><b>\$ 898,900</b></u>
<b>Net Interest Income</b>	<u>\$ 796,537</u>	<u>\$ 826,288</u>
Loan Loss Provision	5,106	56,799
<b>Net Interest Income after Provision</b>	<u><b>\$ 791,431</b></u>	<u><b>\$ 769,490</b></u>
<b>Non-Interest Income</b>		
Service Charges	9,514	10,709
Fee Income		
Loan Fees (Not in NIM)	(28,802)	(29,914)
Brokered Fee Income	29,391	60,406
Gain on Sale Mortgage Loans	3,703,665	3,558,534
Other Fee Income	70,152	51,396
Total Fee Income	<u>\$ 3,774,406</u>	<u>\$ 3,640,422</u>
Mortgage Servicing Income	-	-
Other Income	14,120	6,640
FHLB Stock Dividend	40,687	11,408
<b>Total Non-Interest Income</b>	<u><b>\$ 3,838,727</b></u>	<u><b>\$ 3,669,179</b></u>
<b>Non-Interest Expense</b>		
Employee	2,504,727	2,556,905
Occupancy	160,464	124,765
Equipment Expense	152,968	123,467
Data Processing	78,525	79,137
Professional Fees	63,377	61,193
Marketing	883,893	846,996
Other Employee Expense	50,561	22,746
Loan Expense	443,103	384,217
Other Expense	128,055	132,866
<b>Total Non-Interest Expense</b>	<u><b>\$ 4,465,673</b></u>	<u><b>\$ 4,332,292</b></u>
Operating Income	164,485	106,377
Federal Tax	38,349	22,339
State Tax	16,435	9,574
<b>Net Income</b>	<u><u><b>\$ 109,701</b></u></u>	<u><u><b>\$ 74,464</b></u></u>