



United Bancorp Inc. Shareholders/Customers:

For the second quarter of 2024, we have reduced our balance sheet by selling portfolio loans for gain on sale income. We ended the quarter with assets of \$156.3M (million), down from \$163.2M at the end March 31, 2024, still up \$1.9M from the \$153.4M at June 2023. Total loans have declined from \$139.7M to \$129.8M in the last three months and deposits have declined from \$110.2M to \$106.2M over that same period. This decline was planned to prepare for an improving mortgage banking market in upcoming quarters.

We earned \$244k (thousand) for the second quarter of 2024, increasing from the \$110k for the prior quarter. Second quarter 2024 income is up from the \$124k that was earned in second quarter 2023.

For the second half of 2024, we will be continuing our focus on building our retail deposits and reducing our cost of funds.

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

- The total assets on June 30, 2024 of \$156.3M exceeded total assets of \$153.4M one year ago. The asset growth in the past year has been due to growth in our portfolio loans.
- United Trust Bank has now had 37 consecutive months of profitability. Net interest income totaled \$839k for the second quarter of 2024, lower than the \$874k a year ago due higher due to higher cost of funds.
- Supporting the bank in the profitability mentioned above, we processed \$94M in mortgage loans during the second quarter of 2024, compared to \$92M in the first quarter 2024 and \$96M for the second quarter of 2023. Our Gain on Sale of Mortgage Loans for second quarter 2024 was \$3.80M versus \$3.70M in the first quarter 2024. Gain on Sale second quarter 2024 compared to second quarter 2023 Gain on was \$120k higher as second quarter 2023 was \$3.68M.
- We had designed portfolio loan decline of \$7.4M during the second quarter of 2024 in the Community bank due to loan sales for gain on sale income.
- Deposits decreased to \$106.2M during the second quarter of 2024, down from \$110.2M at the end of the first quarter 2024. The deposit decrease has been in Demand Deposits and Time Deposits.

Our Tier 1 Leverage Ratio increased to 8.94% on June 30, 2024 from 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 \$13.7M on June 30, 2024, up from \$12.4M one year ago. Our Total Risk Based Capital Ratio was 16.49% on June 30, 2024, up from 16.01% on December 2023 and down from 16.60% at the end of March 2023. These declines in ratios were due to a first quarter 2024 \$175k dividend to the Holding Company for payments on Holding Company sub-debt.

The Allowance for Credit Losses as a percentage of loans increased to 0.65% on June 30, 2024, which was the same as March 31, 2024. When considering the additional reserves required with our purchased Consumer Loans in our portfolio the ratio increases to 0.73%. We continued to have excellent credit quality over the quarter with our Texas Ratio on June 30, 2024 decreasing significantly to 2.35% from 3.92% last quarter.



To summarize the performance at United Trust, here is a chart comparing our consolidated key operating ratios for June 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)	8.94%	8.69%	10.59%
Total Risk Based Capital (EOP)	16.49%	16.01%	18.07%
Return on Assets (ROA)	0.46%	0.93%	2.21%
Return on Equity (ROE)	5.34%	11.06%	20.29%
ALLL (excluding LHFS)	0.63%	0.63%	0.70%
Texas Ratio	2.35%	3.91%	1.15%
Net Interest Margin	2.25%	2.43%	3.36%
Efficiency Ratio	83.27%	91.78%	92.59%
Liquidity Ratio (to Deposits)	18.94%	16.70%	16.70%

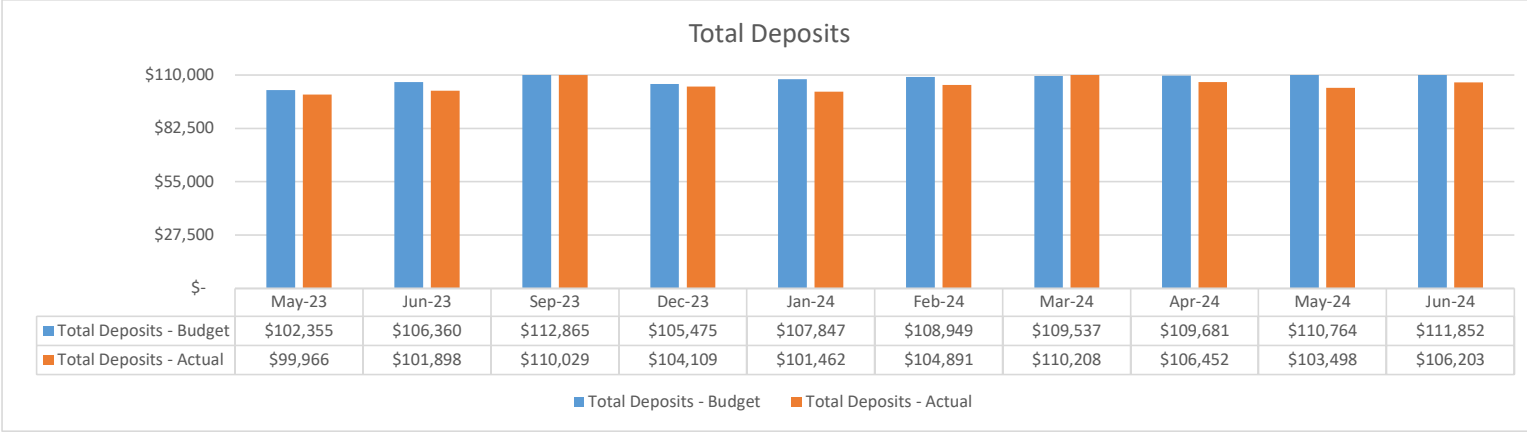
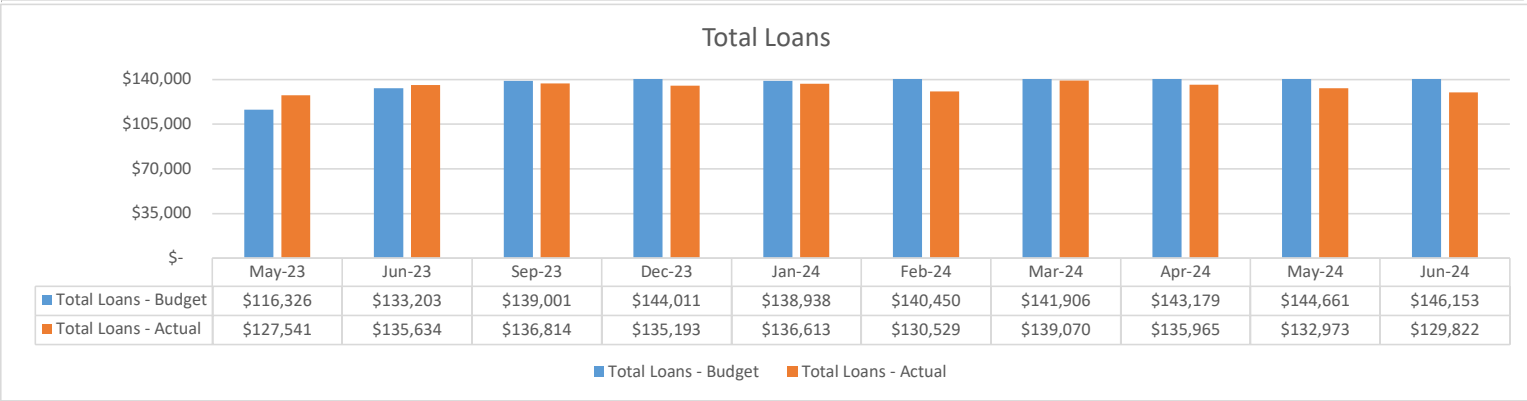
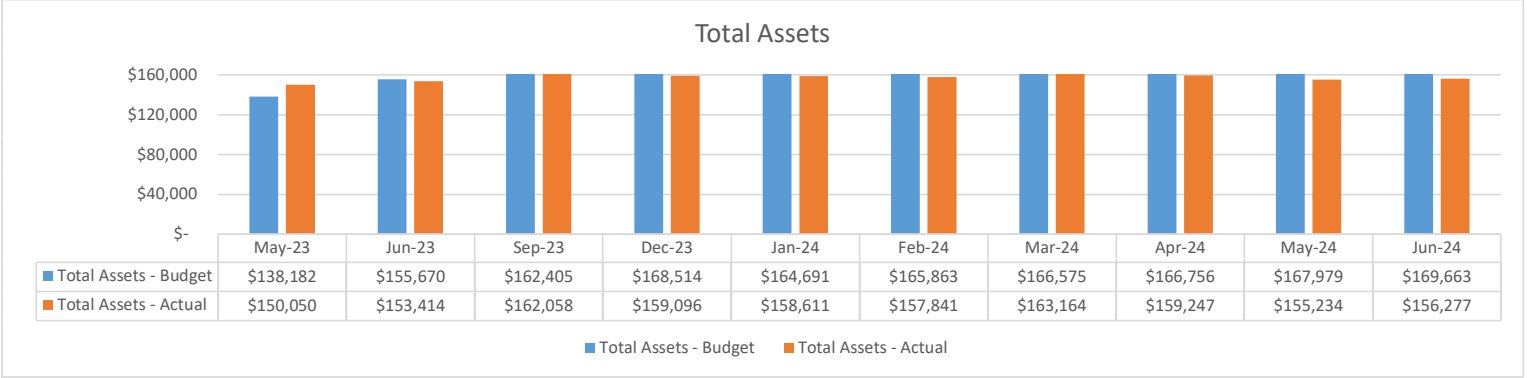
Additional support can also be found in the graphs and financial statements presented below. We believe that the second half of 2024 will bring more success to United Trust and our customers. We appreciate you as a customer, and we will continue to strive to meet all your banking needs. We have also continued to increase the value to our shareholders, as our book value per share for United Bancorp, Inc. increased to \$1.21 per share on June 30, 2024, up from \$1.17 per share on December 31, 2023, and up from \$1.03 per share on December 31, 2022.

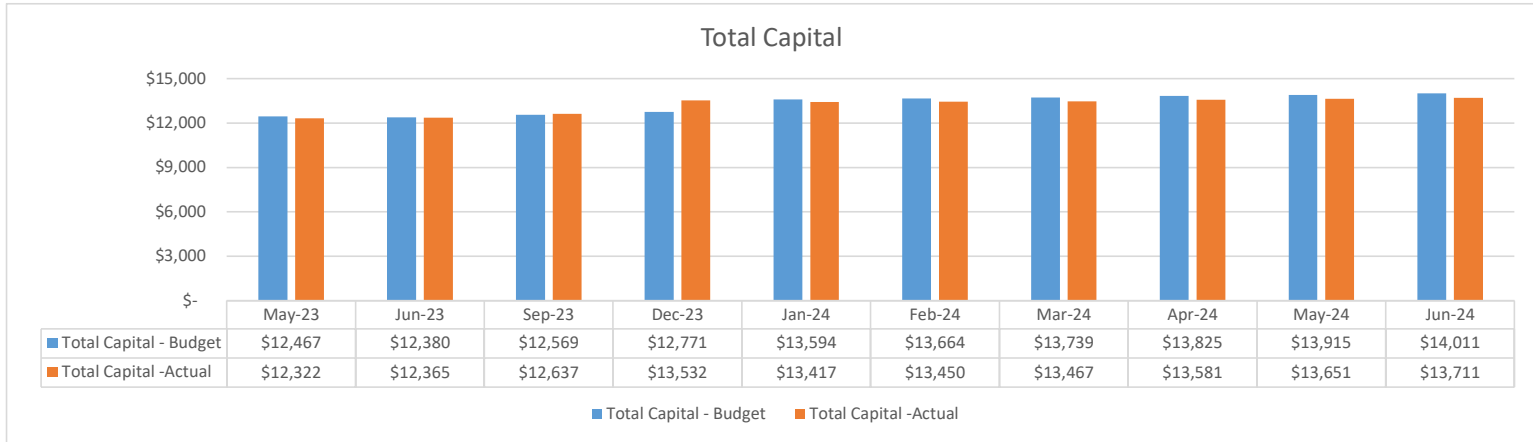
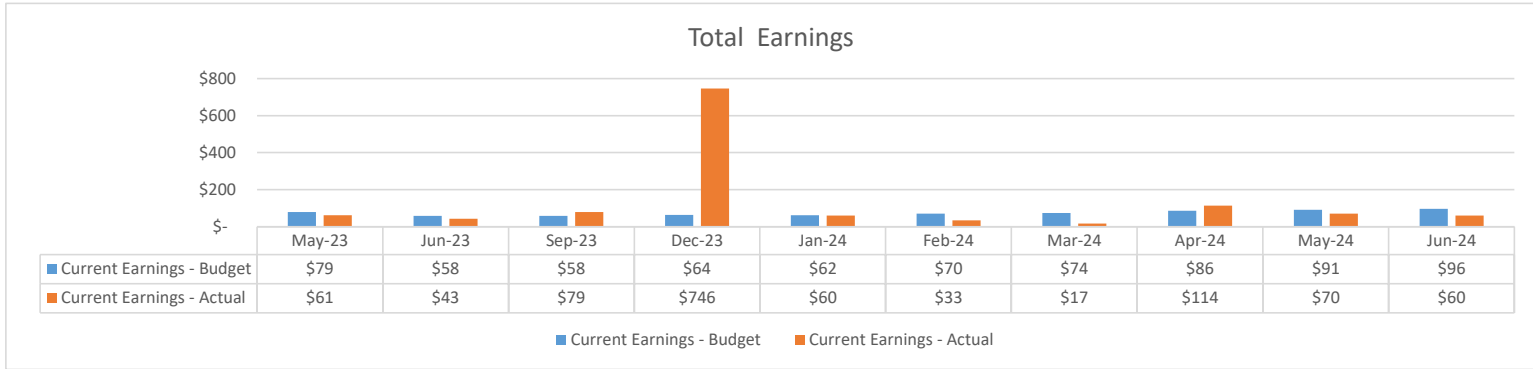
Thank you for your continued support. If I can answer any questions, please feel free to call me at 404-488-0178 or email me at "cwagner@utbhome.com".

Best Regards,

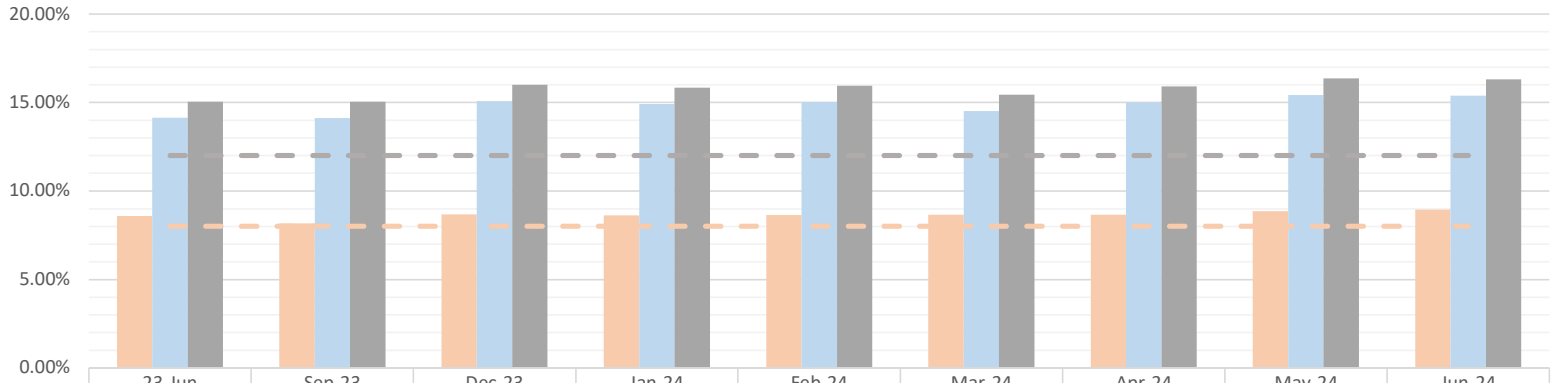
Charles K. Wagner,
President and CEO







Capital Ratios



	23-Jun	Sep-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24
Actual Tier 1 Leverage Ratio	8.59%	8.17%	8.69%	8.63%	8.64%	8.65%	8.66%	8.86%	8.94%
Actual Tier 1 Capital Ratio	14.14%	14.13%	15.08%	14.91%	15.03%	14.53%	15.01%	15.42%	15.39%
Actual Total Risk Based	15.05%	15.06%	16.01%	15.84%	15.96%	15.43%	15.92%	16.36%	16.31%
OCC Leverage Ratio	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%

■ 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

	June 30, 2024	June 30, 2023
<u>Assets</u>		
Cash & Due	\$ 20,082	\$ 12,096
Securities		
Mortgage-Backed Securities	29	35
Gross Unrealized AFS G/L	-	-
Total Securities	\$ 29	\$ 35
Loans		
Commercial	3,393	3,898
Real Estate		
Commercial	12,544	10,843
Residential	105,217	103,098
Mortgage Loans HFS	3,191	11,398
Total Real Estate	\$ 120,952	\$ 125,339
Consumer	4,622	5,292
Nonaccrual Loans	361	330
Other Loans	494	775
Total Loans	\$ 129,822	\$ 135,634
Loan Loss Reserve	(818)	(798)
Net Loans and Leases	\$ 129,004	\$ 134,836
Fixed Assets	2,720	2,692
OREO	-	-
Equity Securities	1,985	1,625
Mortgage Servicing Rights	616	-
Other Assets	1,841	2,130
Total Assets	\$ 156,277	\$ 153,414
 <u>Liabilities</u>		
Demand Deposits	21,753	22,901
Interest Bearing Deposits		
NOW Accounts	1,493	1,795
Money Market Accounts	7,496	8,980
Savings	727	809
Time Deposits		
CD's > 250K	21,422	17,958
CD's 100K-250K	40,810	37,983
CDs < 100K	12,502	11,471
Total Time Deposits	\$ 74,734	\$ 67,412
Total Interest Bearing Deposits	\$ 84,450	\$ 78,996
Total Deposits	\$ 106,203	\$ 101,897
Borrowed Funds	34,800	37,661
Other Liabilities	1,563	1,491
Total Liabilities	\$ 142,566	\$ 141,049
<u>Capital</u>		
Common Stock	23,167	23,167
Undivided Profit	(9,810)	(11,000)
Current Earnings	354	198
Net Unrealized AFS G/L	-	-
Total Capital	\$ 13,711	\$ 12,365
Total Liabilities & Capital	\$ 156,277	\$ 153,414

United Trust Bank
Income Statement

	2nd Quarter 2024	2nd Quarter 2023	Year To Date 2024	Year To Date 2023
Interest Income				
Cash & Due	\$ 148,998	\$ 181,846	\$ 306,046	\$ 350,680
Securities				
Mortgage-Backed Securities	432	475	882	927
Loans				
Commercial	84,331	39,045	147,056	73,716
Real Estate	1,893,167	1,666,297	3,774,477	3,146,407
Consumer	104,632	75,315	213,099	116,437
Other Loans	-	-	-	-
Total Loans	<u>\$ 2,082,130</u>	<u>\$ 1,780,657</u>	<u>\$ 4,134,632</u>	<u>\$ 3,336,560</u>
Total Interest Income	<u>\$ 2,231,560</u>	<u>\$ 1,962,978</u>	<u>\$ 4,441,560</u>	<u>\$ 3,688,167</u>
Interest Expense				
NOW Accounts	530	667	1,029	1,137
Money Market Accounts	73,204	81,918	140,050	136,759
Savings	184	216	365	456
Time Deposits	893,063	589,071	1,717,506	1,054,496
Total Deposits	<u>\$ 966,981</u>	<u>\$ 671,872</u>	<u>\$ 1,858,950</u>	<u>\$ 1,192,848</u>
Borrowed Funds	425,103	416,931	946,597	794,857
Total Interest Expense	<u>\$ 1,392,084</u>	<u>\$ 1,088,803</u>	<u>\$ 2,805,547</u>	<u>\$ 1,987,705</u>
Net Interest Income	<u>\$ 839,476</u>	<u>\$ 874,175</u>	<u>\$ 1,636,013</u>	<u>\$ 1,700,462</u>
Loan Loss Provision	(20,686)	48,500	(15,580)	105,299
Net Interest Income after Provision	<u>\$ 860,162</u>	<u>\$ 825,675</u>	<u>\$ 1,651,593</u>	<u>\$ 1,595,163</u>
Non-Interest Income				
Service Charges	12,282	12,218	21,796	22,927
Fee Income				
Loan Fees (Not in NIM)	(22,933)	(33,468)	(51,735)	(63,382)
Brokered Fee Income	28,696	201,920	58,087	262,326
Gain on Sale Mortgage Loans	3,797,525	3,677,378	7,501,190	7,235,913
Gain on Sale Portfolio Loans	45,951	-	60,062	-
Other Fee Income	(23,925)	39,483	32,116	90,880
Total Fee Income	<u>\$ 3,825,314</u>	<u>\$ 3,885,313</u>	<u>\$ 7,599,720</u>	<u>\$ 7,525,737</u>
Mortgage Servicing Income		-	-	\$ -
Other Income	57,827	6,630	71,947	13,269
FHLB Stock Dividend	48,976	28,719	89,663	40,127
Total Non-Interest Income	<u>\$ 3,944,399</u>	<u>\$ 3,932,880</u>	<u>\$ 7,783,126</u>	<u>\$ 7,602,060</u>
Non-Interest Expense				
Employee	2,505,591	2,849,480	5,010,318	5,406,385
Occupancy	163,627	164,708	324,091	289,473
Equipment Expense	152,846	143,535	305,814	267,002
Data Processing	77,209	69,879	155,734	149,016
Professional Fees	67,336	83,759	130,713	144,952
Marketing	864,819	732,148	1,748,712	1,579,143
Other Employee Expense	55,750	36,985	106,311	59,731
Loan Expense	487,148	387,221	930,251	771,439
Other Expense	133,100	114,359	261,155	247,225
Total Non-Interest Expense	<u>\$ 4,507,426</u>	<u>\$ 4,582,074</u>	<u>\$ 8,973,099</u>	<u>\$ 8,914,366</u>
Operating Income	297,135	176,481	461,620	282,857
Federal Tax	12,843	37,061	51,192	59,400
State Tax	39,955	15,883	56,390	25,457
Net Income	<u>\$ 244,337</u>	<u>\$ 123,537</u>	<u>\$ 354,038</u>	<u>\$ 198,000</u>