



United Bancorp Inc. Shareholders/Customers:

Net interest income management has been an integral part of maintaining our profitability due to the increased cost of funds. Third quarter net interest income totaled \$855k for the first quarter increasing from \$839k for the second quarter and \$797k for the first quarter of 2024. As the Federal Reserve decreases interest rates, we will continue to monitor interest rates closely to ensure that we maintain a healthy net interest margin through focusing on building our retail customer deposits to reduce our cost of funds.

For the third quarter of 2024, we ended the quarter with assets of \$168.6M (million), up from \$156.3M at the end June 30, 2024, and up \$6.5M from \$162.1M at September 2023.

We earned \$187k (thousand) for the third quarter of 2024, decreasing from the \$244k earned in second quarter, but increasing from the first quarter earnings of \$110k. Total YTD 2024 income is \$541k up \$70k from the third quarter 2023 income of \$471k.

A few financial highlights for the **Third Quarter and Year 2024** include:

- United Trust Bank has now had **40** consecutive months of profitability.
- Total loans have increased to \$143.8M from \$129.8M in the last three months despite portfolio loan sales contributing \$80k in gain on sale income year-to-date.
- Total deposits have increased \$5.1M in the third quarter to \$111.3M from \$106.2M in the second quarter. The deposit increase has been in Time Deposits with both institutional deposit and organic customer deposit growth.
- Supporting the bank in the profitability mentioned above, we processed \$100M in mortgage loans during the third quarter compared to \$94M the second quarter of 2024 and \$92M in the first quarter 2024. Our Gain on Sale of Mortgage Loans for third quarter 2024 was \$4.22M up from second quarter of \$3.75M and \$3.70M in the first quarter.

Our Tier 1 Leverage Ratio increased to 9.08% on September 30, 2024 up from 8.94% on June 30, 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 \$13.9M on September 30, 2024, up from \$12.6M one year ago. Our Total Risk Based Capital Ratio was 15.35% on September 30, 2024, down from 16.49% on June 30, 2024. That ratio was 16.01% on December 2023 and 18.07% at the end of December 2022. These changes are due to our Total Risk Weighted Assets increasing.

The Allowance for Credit Losses as a percentage of loans decreased to 0.64% on September 30, 2024, which was 0.65% as June 30, 2024. When considering the additional reserves required with our purchased Consumer Loans in our portfolio the ratio increases to 0.71%. We continued to have excellent credit quality over the quarter with our Texas Ratio on September 30, 2024 decreasing to 2.15% from 2.35% last quarter.



To summarize the performance at United Trust, here is a chart comparing our consolidated key operating ratios for September 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)	9.08%	8.69%	10.59%
Total Risk Based Capital (EOP)	15.35%	16.01%	18.07%
Return on Assets (ROA)	0.48%	0.93%	2.21%
Return on Equity (ROE)	5.48%	11.06%	20.29%
ALLL (excluding LHFS)	0.64%	0.63%	0.70%
Texas Ratio	2.15%	3.91%	1.15%
Net Interest Margin	2.30%	2.43%	3.36%
Efficiency Ratio	82.49%	91.78%	92.59%
Liquidity Ratio (to Deposits)	17.52%	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 \$1.22 per share on September 30, 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”.

Best Regards,

Charles K. Wagner,
President and CEO