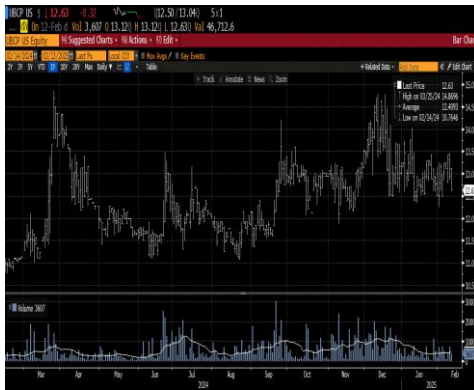


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Target Price	US\$ 20.00
Current Price	US\$ 12.95
Total Return	55%
Rating	BUY

Market Cap.	US\$77 mn
Shares Outstanding	5.9 mn
Free Float (%)	Approx. 88%
52 Week Range (US\$)	9.84 - 16.00
Avg. Daily Value	US\$ 19k
Russell 2000 Index	2,255
Insider Holding %	12%



#### Risk: Above Average Forecasting and Valuations

(US\$mn except ratios)	2025E	2026E
Net Interest Income	25.5	26.9
Net Income	7.7	8.9
EPS (US\$)	1.40	1.60
EPS Growth	12.6%	-13.9%
PE	9.3	8.1
Dividend Yield	6.7%	5.7%
Price/Book	1.1	1.0
ROE	12.0%	12.8%

#### Analyst:

Sandy Mehta,CFA  
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## United Bancorp Inc. [UBCP] Q4 FY2024 Earnings Update

Industry: Banking Regional

### UBCP Q4 [ended December] Results Update Note

#### Steady Q4 Results, 6.7% Yield on 19 Hikes

United Bancorp [UBCP] reported solid results for Q4 [ended December], which were slightly better than our expectations, and best described as “steady as she goes”. In a very challenging overall macro environment for the entire banking sector [large and small banks] due to sustained “higher for longer” Fed Reserve interest rates, just having consistent earnings without any untoward adverse surprises is a satisfactory outcome for management and shareholders alike. In times like this, and to use a sports parlance, the best offense is simply playing solid defense. In this regard, UBCP’s performance for both Q4 and YTD 2024 is commendable, and sets up the bank for stronger growth once broader bank sector conditions are more constructive, which is likely to emerge as this new year progresses.

UBCP reported \$0.31 for Q4, which was identical QoQ from \$0.31 in Q3, but lower than the record level of \$0.42 last year [which had benefited from large positive provisioning gains]. For full-year 2024, UBCP has reported \$1.27 in EPS, which was nominally higher than our most recent published estimates. It appears UBCP is seeing some “green shoots” with regard to loan growth, which grew 3.4% sequentially [or 13.4% annualized]. This follows strong 4.4% growth experienced during Q3. While the signs of loan growth picking up are still a bit tentative, it is nonetheless encouraging to see and is supported by high levels of optimism among small businesses nationwide.

In a strong statement of confidence in the long-term outlook, UBCP increased its dividend for the 19th time in a row a couple months back. The current run-rate dividend, including the special dividend announced earlier this year, is now 6.7%. The regular dividend is now 18.0 cents per quarter, and the annualized regular dividend is now \$0.72. Combined with the special dividend announced earlier in 2024, UBCP’s total annual run-rate dividend was \$0.87. The next

dividend [regular and possible special] payment occurs later this month, and it remains to be seen if UBCP's extraordinary streak can continue.

With regard to the balance sheet, UBCP performed very well, with solid capital and liquidity levels, ongoing low levels of NPLs, and an overall solidly upward trending book value per share – a key positive. Tangible book value per share increased 5.2% YoY to \$11.21 per share, and was up 3.4% sequentially as well. We expect book value per share to increase going forward as well, despite the high dividend yield on a healthy payout ratio.

Asset quality and interest income continued to be bright spots for UBCP throughout this past year, and this was seen in Q4 as well. While interest income rose slightly up 3.9% for the quarter [up 7.3% for the full year], it was offset by higher interest expenses, resulting in a –2.4% decline in overall net interest income. Importantly, the rate of decline in overall net interest income has diminished, and as the company anniversaries easier comps, net interest income will start to rise YoY again. As a reminder, the trends in net interest income for the entire banking industry, and not just UBCP, was due to high interest rates as a result of Fed policy, which despite the rate reduction, still sees the overall economy witnessing tight monetary conditions amid ongoing persistent inflation concerns.

We expect flat to higher net interest margins this new year, and this metric continues to be a bright spot for UBCP. While net interest margin was down [3.51% vs. 3.63%] YoY, on a positive note, UBCP's net interest margin was up nominally on a QoQ basis [3.51% vs. 3.50%], which is a much better performance than most peers. Overall, net interest margins have been relatively stable last year, which is encouraging in the context of the overall environment. The Feds initial easing should pave the way for a more supportive environment for both net interest income and net interest margins going forward.

We are in the process of updating our forecast model pending release of complete IS and BS details in the 10K or Annual Report.

### **\$20.00 Price Target implies 50% Total Return Potential**

We are maintaining our Buy rating and \$20.00 price target, implying over a 50% total return opportunity. Currently UBCP's stock is trading at modest P/E multiples of 10.2x on trailing/actual 2024 results, and 9.3x on our 2025 and 8.1x on 2026 estimates. On a Price/Book basis, the stock is trading at a modest 1.2x as of the December-end 2024 book value. Our \$20.00 target would suggest a reasonable and modest 12.5x P/E multiple on our forward 2026 estimate.

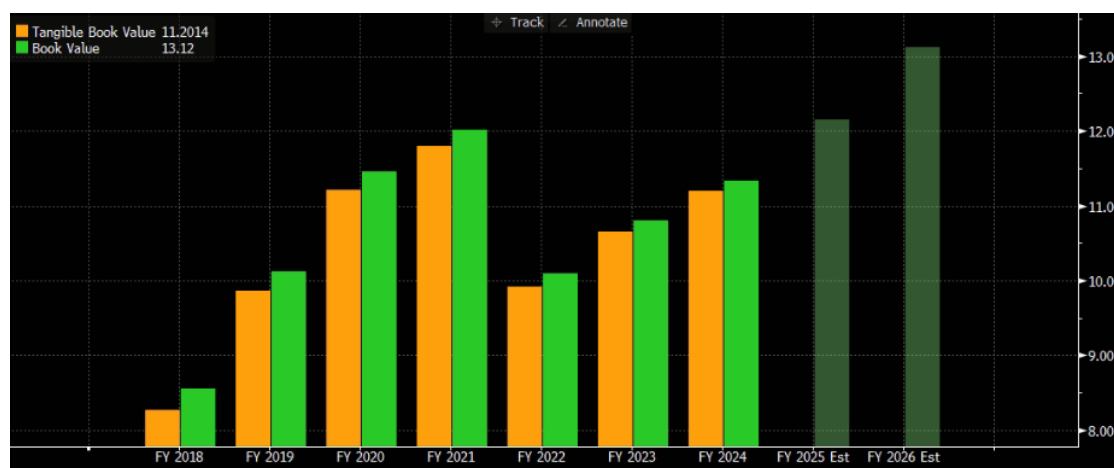
In terms of earnings, our 2025 estimate remains conservative due to the overall macro landscape, at \$1.40 in EPS. The “higher for longer” interest rate environment has no doubt pushed out an earnings recovery for the entire traditional bank sector. We do

expect a sharp rebound in earnings next year on a more favorable macro environment. We believe our price target is both credible and achievable, given UBCP's stock has actually traded as high as \$20.82 in 2022.

We continue to believe the risk-reward for UBCP's stock is extremely favorable here, with several catalysts including a growing dividend. UBCP continues to be an undiscovered investment opportunity, and Evaluate Research remains the only firm actively following the stock. Bank sector stocks are finally catching a bid and rising, and we would continue to encourage investors to buy UBCP shares, especially since they are being paid one of the highest dividend yields in the US while they wait for a stock price rebound.

### **Book Value Increases, Strong Capital Position & Liquidity**

As we had predicted in our prior Update Notes, UBCP's book value per share continues to rebound nicely. For Q3, book value stood at \$11.21, appreciating both YoY and QoQ. As seen in the following chart in the shaded estimates bars for 2025 and 2026, we expect book value to surpass prior peak levels going forward as the industry continues to recover.



UBCP has ample liquidity, with excess cash invested at the fed funds rate. Overall, capital adequacy at 13.4% total risk-based capital ratio and 13.4% Tier 1 capital [both as of most recent 10-Q disclosure at September-end] all remain at healthy levels, and considered “well capitalized” based on industry and regulatory norms. This level of capital is virtually identical with the prior quarter June-end disclosure as well.

While UBCP already maintains healthy metrics, we nonetheless still expect UBCP's overall capital ratios to increase back to the mid-to-high teens over time, given earnings growth and a moderate dividend payout ratio.

### **19 in a Row, 6.7% Yield, Top 6% of all USA Stocks**

UBCP's remarkable streak of dividend increases continues unabated, with an 19<sup>th</sup> consecutive hike announced a few months ago. The regular dividend is now 18.0 cents

per quarter, and was increased by 6.0% YoY. This was the 5th dividend hike last year. The annualized regular dividend is now \$0.72. Including the special dividend announcement early in 2024 of 15.0 cents, the full year run-rate 2024 regular plus special total dividend was \$0.87, or a 6.7% dividend yield. As we have previously emphasized, UBCP has now declared 7 Special Dividends during the past 8 years, which highlights the Board's keen focus on rewarding shareholders, especially retail investors, with a high yield.

This regular dividend increase was above our expectations, especially as the overall macro environment for the broad banking sector has become increasingly challenging as this year progresses. It remains to be seen whether this amazing streak – both regular as well as special dividends - can continue when UBCP declares its next dividend later this month.

The regular dividend annualized run-rate is now 5.6%. There are very few companies globally, especially in the banking and even the broad financial sector, that can boast of such prolific dividend increases during the past three years!!



The current regular dividend payout ratio remains moderate, and therefore quite sustainable in our view, at 57% of trailing 2024 results, and 51% of our current EPS forecast. As a reminder, UBCP had paid out as high as 63% of EPS via dividends in 2018. Including the special dividend, the payout is 68% of trailing earnings, which is towards the higher end of possible payout levels, in our opinion.

As can be seen in the following Bloomberg screen which we have updated, out of 14,166 stocks in the USA [which comprise 17% of the entire world's 81,736 listed stocks], only 876 stocks have dividend yields higher than UBCP's total full-year 6.7%

dividend. This is similar to the results when we last ran this screen three months back. Thus, UBCP is among the top 6% of all USA dividend yields:

Selected Screening Criteria		Matches
Security Universe		1657751
:: Trading Status: Active		551971
:: Security Attributes: Show Primary Security of company only		81736
:: Exchanges: United States		14166
:: Dividend Indicated Yield - Net > 6.7		876

## **Banks Stocks Finally Getting Some Respect**

This past year, bank stocks did show better stock market performance and investor interest, following the Fed rate cut and overall strong equity market results!!

2024 plus YTD 2025, regional bank stocks [the white line in the following chart] is up 27.6%, strong but still underperforming larger banks [spotted red line] which are up 49.2%. While regional banks are close to the broad S&P 500 Index which was up 23% in 2024, large banks are now clearly outperforming the broader market.



Bank stocks had an extremely difficult 2023, and many were trading close to multi-year lows. With last year's aforementioned better performance, banks stocks are now very close to prior 2021 highs, as is evident in the following chart of the KBW [the old Keefe Bruyette & Woods] Bank Index.





### **Net Interest Margins Stable Despite Higher Funding Costs**

During Q4, while UBCP's interest income increased by 3.9% YoY, interest expense surged even more rapidly up 16.5%. As mentioned, the YoY rise in interest expense is moderating, so showing clear signs of stabilization. Deposit flight is still a concern across the US banking industry, and many customers are switching from banks to seek higher yields elsewhere or by investing in the strong stock market. A lower interest rate environment, following the Feds rate cut, may help ease this margin pressure across the industry.

In this environment, it is comforting to see relative stability and consistency in UBCP's deposit base. Total deposits at December-end were \$613 million, which were modestly down about 2% both YoY and QoQ, and represented 75% of total BS liabilities. Going forward, we expect both the mix and costs of deposits to stabilize, given lower overall interest rates in the economy. We thus believe we have witnessed the worst of higher interest expense and related net interest margin pressure. UBCP's CDs [Certificates of Deposit] tend to have a maximum duration of 2 years, so it is our view that most of these have already been repriced higher by now.

The mix of deposits showed a distinct pattern of moving towards higher interest rates [such as Certificates of Deposit] as well as longer duration. Thus, time deposits and other non-interest or low interest-bearing deposits declined, while those with higher rates/duration and savings-type rose. The higher interest rates have impacted UBCP's overall net interest expense.

### **Focus on Growing Fee Income and Cost Control**

In its efforts to drive revenue and income growth, a new entity Unified Mortgage was set up several quarters ago, which is targeting mortgages and related services to residential consumers. In Q4 there was an increase in secondary mortgage products sales of \$453,000 [a jump of 28% QoQ, off of a small base], and there is an expectation that this will continue to grow. UBCP continues to emphasize basic "blocking and tackling" initiatives to improve revenues while curtailing expenses in order to optimize operational efficiency.

UBCP continues to develop its Treasury Management services which targets offering fee-based solutions to commercial and institutional customers in the areas of cash management and payments services that products noninterest income, in addition to an ancillary benefit of generating low or no-cost deposits for the bank.

Finally, the under-construction banking facility in the favorable and underserved location of Wheeling, West Virginia, which is anticipated to be complete by Q3 2025, should enhance existing relationships as well as offer new opportunities to grow clients and overall assets. We remain optimistic that more clarity on the economy, and

likely lower interest rates, will lead to decent overall growth in fee income and loan demand going forward.

### **Credit Quality & Provisioning Remain Solid**

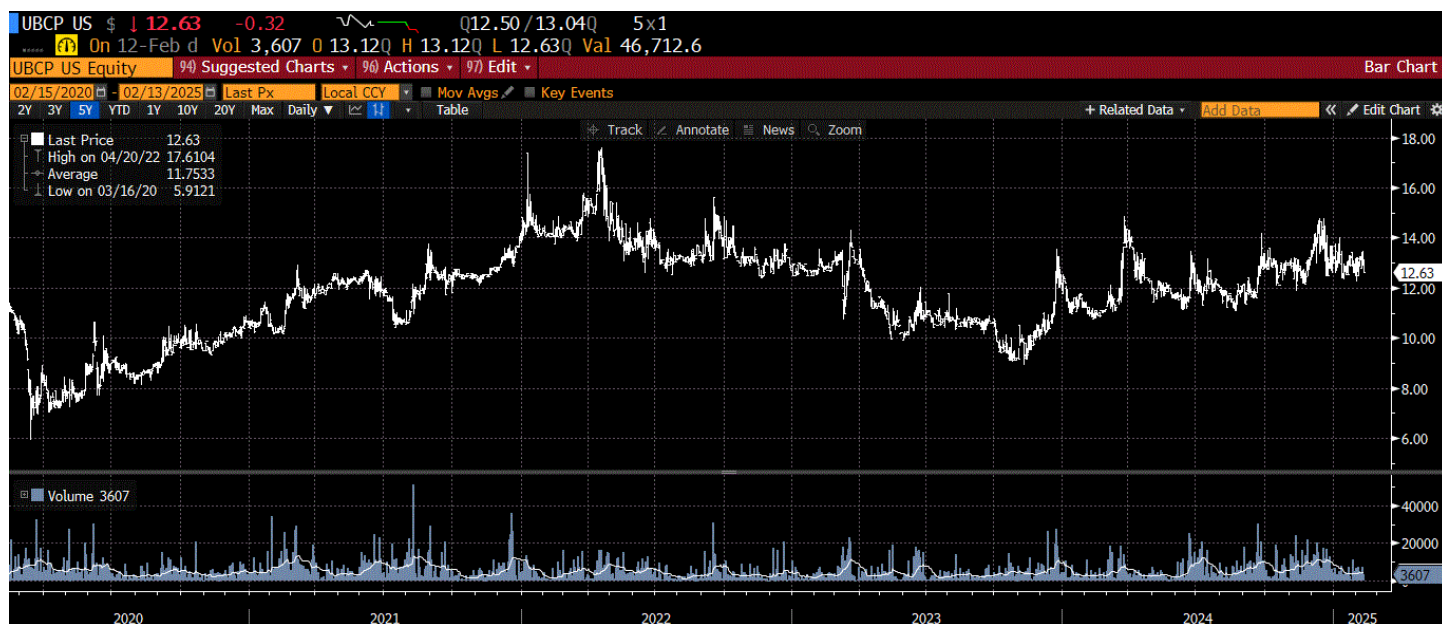
Credit quality continues to remain solid, requiring a low absolute level of provisioning expense on the income statement. After several quarters of zero or negative [positive line item on the income statement], UBCP recorded a second quarter in a row of slight provisioning of \$124,000 for Q4. This was an increase from the negative provisioning of last year. Still, the absolute level of provisioning remains low and well contained. For full year 2024, provisioning expense compared to the prior year had an approximate negative \$0.11 impact on EPS. Going forward, we continue to expect modest provisioning expenses, and no further positive credits. As loan growth picks up, so too should provisioning expenses looking ahead.

At December-end, nonaccrual loans [loans past due 30 days] stood at 0.21% of loans, which were slightly down YoY, and flat QoQ. Non-performing assets to total assets was 0.50%, flattish both YoY and QoQ. Net charge-offs remain low at \$204,000, or only -0.04% [annualized] of total loans, and due mainly to one client relationship.

Adopting new CECL [credit loss accounting standards], UBCP's total allowance for credit losses to total loans is 0.82% [similar level as the prior quarter] and total allowance for credit losses to nonperforming loans stands at 1,243%. According to management, they "firmly believe that we are presently well reserved with very strong coverage."

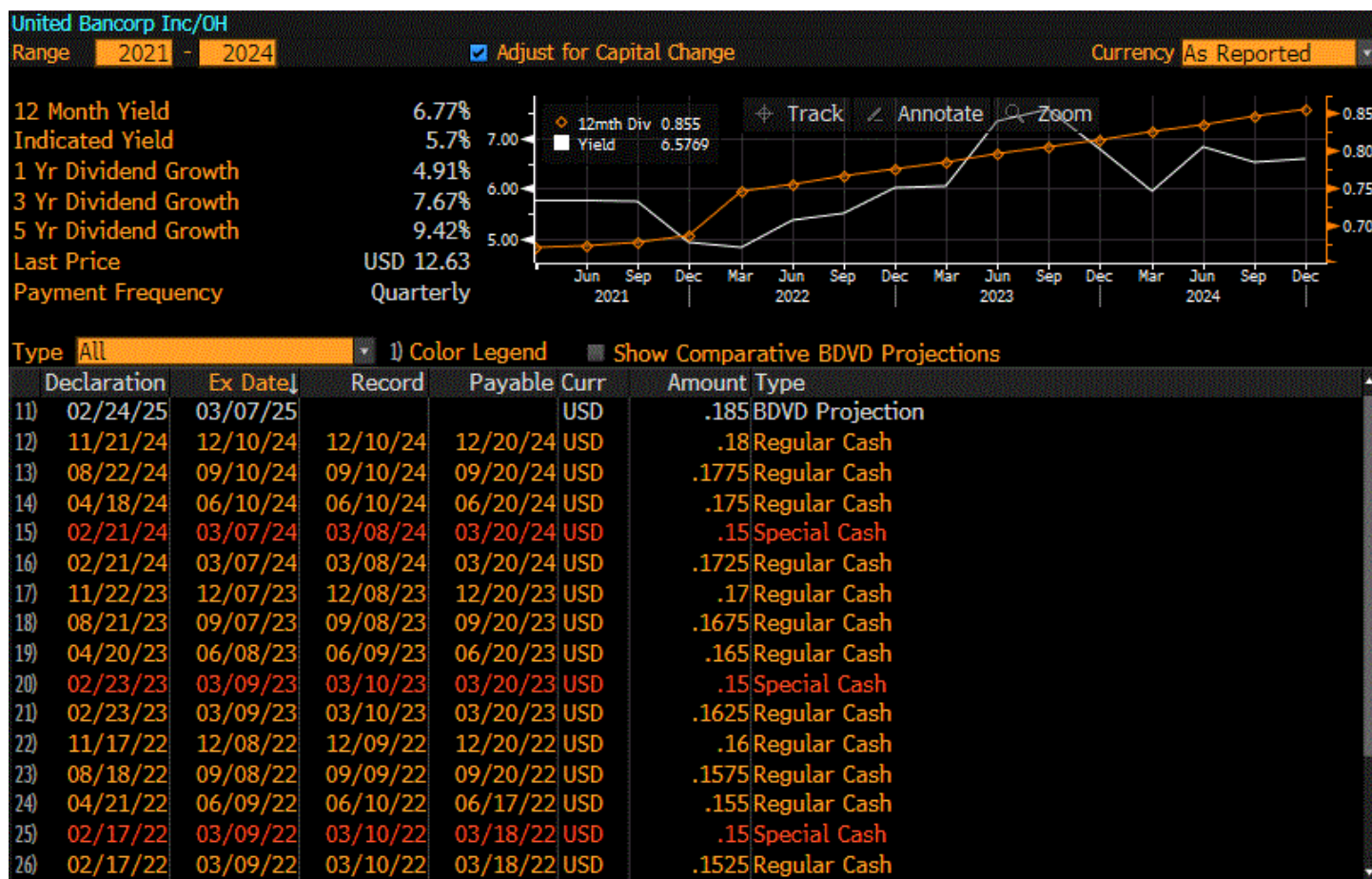
Unrealized losses on securities, a phenomenon impacting all banks globally resulting from higher market interest rates, are generally on securities UBCP intends to hold up to maturity, which will mitigate short-term notional losses. UBCP's investments tend to be in municipal bonds and other higher quality agencies, which are broadly diversified by issuer and geography. UBCP's accumulated other comprehensive loss, net of taxes remained relatively stable at \$7.2 million, as per latest Q3 10-Q disclosure. In our opinion, this exposure is manageable for UBCP, given its liquidity and capital reserves. Also, this notional loss should reduce rapidly once interest rate levels recede. In that sense, the worst is likely over in this regard. Finally, other banks, both large and small, have much greater relative exposure in this regard.

## 5 Year Price Chart





## Dividend History



**UNITED BANCORP UBCP**

Income Statement [US\$ Thousands]

	2017A	2018A	2019A	2020A	2021A	2022A	2023A	2024E	2025E	2026E	2027E	CAGR (FY19-23)
Average Loans	360,424	387,054	423,479	438,848	444,539	454,761	469,070	488,923	508,521	528,902	550,101	
Average interest-earning Assets	415,714	491,313	599,986	645,562	664,024	693,269	734,687	774,301	801,490	833,591	866,977	
Net Interest Margin	3.82%	3.84%	3.67%	3.76%	3.48%	3.67%	3.65%	3.45%	3.65%	3.74%	3.74%	
Interest Income												
Interest Expense	17,651	21,320	27,034	27,628	24,707	27,662	36,849	39,216	33,980	35,679	37,463	
<b>Net Interest Income</b>	<b>1,764</b>	<b>3,178</b>	<b>6,123</b>	<b>4,734</b>	<b>2,596</b>	<b>3,274</b>	<b>11,014</b>	<b>14,800</b>	<b>8,498</b>	<b>8,753</b>	<b>9,016</b>	
<b>Provision for Loan Losses</b>	<b>15,887</b>	<b>18,142</b>	<b>20,911</b>	<b>22,894</b>	<b>22,111</b>	<b>24,388</b>	<b>25,835</b>	<b>24,416</b>	<b>25,482</b>	<b>26,926</b>	<b>28,447</b>	5.4%
Customer Service Fees	100	297	908	3,337	(1,255)	(955)	(454)	(250)	(400)	(400)	(400)	
Earnings on bank-owned insurance	2,502	2,608	2,843	2,580	2,852	2,978	2,970	3,089	3,274	3,471	3,679	
Net gains on loan sales	471	477	533	706	802	708	694	777	777	777	777	
Other	98	66	54	180	272	36	29	31	33	35	37	
<b>Total Non-Interest Income</b>	<b>381</b>	<b>509</b>	<b>458</b>	<b>3,449</b>	<b>1,780</b>	<b>361</b>	<b>361</b>	<b>298</b>	<b>316</b>	<b>335</b>	<b>355</b>	
Salaries & Employee Benefits	3,452	3,660	3,888	6,915	5,706	4,083	4,054	4,195	4,400	4,617	4,847	1.0%
Premises Costs & Equipments	7,210	7,964	8,776	9,331	9,698	10,305	10,872	11,307	11,533	11,763	11,999	
Professional Fees	2,071	2,140	2,263	2,406	2,364	2,217	2,328	2,351	2,375	2,398	2,422	
Other G&A	825	2,173	1,292	1,232	1,217	1,451	1,495	1,539	1,586	1,633	1,682	
<b>Total Non-Interest Expenses</b>	<b>4,368</b>	<b>4,146</b>	<b>4,151</b>	<b>4,921</b>	<b>5,113</b>	<b>5,917</b>	<b>6,158</b>	<b>6,219</b>	<b>6,406</b>	<b>6,598</b>	<b>6,796</b>	
Other Impairment	13,649	16,423	16,482	17,890	18,392	19,890	20,852	21,416	21,899	22,393	22,899	6.1%
Profit from JVs and associates	-	-	-	-	-	-	-	-	-	-	-	
Income before Taxes	-	-	-	-	-	-	-	-	-	-	-	
Income Tax expense	5,590	5,082	7,409	8,582	10,681	9,536	9,491	7,444	8,383	9,550	10,796	
Effective tax rate	2,044	800	599	629	1,230	879	542	596	671	764	864	
Preferred Dividends	36.6%	15.7%	8.1%	7.3%	11.5%	9.2%	5.7%	8.0%	8.0%	8.0%	8.0%	
Non Controlling Interest	-	-	-	-	-	-	-	-	-	-	-	
- Less Non-vested Restricted Stock	-	-	-	-	-	-	-	-	-	-	-	
<b>Reported Net Income</b>	<b>(115)</b>	<b>(214)</b>	<b>(256)</b>	<b>(200)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>Underlying Net Income</b>	<b>3,431</b>	<b>4,068</b>	<b>6,554</b>	<b>7,753</b>	<b>9,451</b>	<b>8,657</b>	<b>8,949</b>	<b>6,849</b>	<b>7,712</b>	<b>8,786</b>	<b>9,932</b>	8.1%
YoY	3,431	4,068	6,554	7,753	9,451	8,657	8,949	6,849	7,712	8,786	9,932	8.1%
Shares Outstanding	-3.3%	18.6%	61.1%	18.3%	21.9%	-8.4%	3.4%	-23.5%	12.6%	13.9%	13.0%	
Diluted Shares Outstanding	4,982	4,953	5,526	5,479	5,479	5,483	5,492	5,492	5,492	5,492	5,492	
<b>Reported EPS</b>	<b>4,982</b>	<b>4,953</b>	<b>5,526</b>	<b>5,479</b>	<b>5,479</b>	<b>5,483</b>	<b>5,492</b>	<b>5,492</b>	<b>5,492</b>	<b>5,492</b>	<b>5,492</b>	
<b>Underlying EPS</b>	<b>0.69</b>	<b>0.82</b>	<b>1.19</b>	<b>1.39</b>	<b>1.62</b>	<b>1.50</b>	<b>1.57</b>	<b>1.25</b>	<b>1.40</b>	<b>1.60</b>	<b>1.81</b>	7.2%
YoY EPS Growth	0.69	0.82	1.19	1.39	1.62	1.50	1.57	1.25	1.40	1.60	1.81	7.2%
<b>Total Dividends per Share</b>	<b>-2.7%</b>	<b>19.3%</b>	<b>44.9%</b>	<b>16.8%</b>	<b>16.5%</b>	<b>-7.4%</b>	<b>4.7%</b>	<b>-20.6%</b>	<b>12.6%</b>	<b>13.9%</b>	<b>13.0%</b>	
Core Regular Dividend	0.510	0.570	0.545	0.570	0.685	0.770	0.815	0.860	0.730	0.750	0.770	
<b>Special Dividends</b>	<b>0.460</b>	<b>0.520</b>	<b>0.545</b>	<b>0.570</b>	<b>0.585</b>	<b>0.620</b>	<b>0.665</b>	<b>0.710</b>	<b>0.730</b>	<b>0.750</b>	<b>0.770</b>	
YoY Regular Div Growth [excl Specials]	0.050	0.050			0.100	0.150	0.150	0.150				
YoY Total Div Growth [incl Specials]	9.5%	13.0%	4.8%	4.6%	2.6%	6.0%	7.3%	6.8%	2.8%	2.7%	2.7%	
<b>Dividend Payout [Div/EPS]</b>	<b>8.5%</b>	<b>11.8%</b>	<b>-4.4%</b>	<b>4.6%</b>	<b>20.2%</b>	<b>12.4%</b>	<b>5.8%</b>	<b>5.5%</b>	<b>-15.1%</b>	<b>2.7%</b>	<b>2.7%</b>	
Shares for Book Value Computation	74%	69%	46%	41%	42%	51%	52%	69%	52%	47%	43%	
<b>Return on Average Common Equity</b>	<b>4,982</b>	<b>4,882</b>	<b>5,526</b>	<b>5,637</b>	<b>5,749</b>	<b>5,864</b>	<b>5,884</b>	<b>6,002</b>	<b>6,122</b>	<b>6,244</b>	<b>6,369</b>	
<b>Tangible Book Value per Share</b>	<b>7.9%</b>	<b>8.6%</b>	<b>11.9%</b>	<b>12.1%</b>	<b>13.5%</b>	<b>13.2%</b>	<b>17.1%</b>	<b>10.9%</b>	<b>12.0%</b>	<b>12.8%</b>	<b>13.5%</b>	
YoY	8.81	10.23	10.24	11.45	11.82	9.92	10.66	11.35	12.03	12.88	13.92	1.0%

**UNITED BANCORP UBCP**

	2017A	2018A	2019A	2020A	2021A	2022A	2023A	2024E	2025E	2026E	2027E
<b><u>Valuation Metrics</u></b>											
Price/Earnings - using Current Stock Price	17.7	13.4	10.9	9.3	8.0	8.6	8.2	10.4	9.2	8.1	7.2
Price/Book - using Current Stock Price	1.39	1.08	1.26	1.13	1.10	1.31	1.21	1.14	1.08	1.01	0.93
Dividend Yield - using Current Stock Price	4.2%	5.2%	4.2%	4.4%	5.3%	5.9%	6.3%	6.6%	5.6%	5.8%	5.9%
Book Value per Share	8.81	10.23	10.24	11.45	11.82	9.92	10.66	11.35	12.03	12.88	13.92
<b><u>Dividend Ratios</u></b>											
Core Dividend Growth [excluding Specials]	9.5%	13.0%	4.8%	4.6%	2.6%	6.0%	7.3%	6.8%	2.8%	2.7%	2.7%
Total Dividend [Core + Special] Growth	8.5%	11.8%	-4.4%	4.6%	20.2%	12.4%	5.8%	5.5%	-15.1%	2.7%	2.7%
Dividend Payout [Dividend/EPS]	74%	69%	46%	41%	42%	51%	52%	69%	52%	47%	43%
<b><u>Capital and Liquidity Ratios</u></b>											
Tier 1 Leverage Ratio	12.6%	11.5%	13.1%	13.3%	15.8%	13.0%	13.2%	12.4%	12.6%	13.0%	13.5%
Total Capital Ratio	13.2%	12.0%	19.0%	18.2%	21.0%	18.1%	18.1%	17.1%	17.2%	17.4%	17.7%
Leverage Ratio	10.6%	8.8%	9.6%	10.9%	11.0%	8.6%	8.4%	8.4%	8.6%	8.9%	9.4%
Tangible Common Equity/Tangible Assets	8.5%	8.7%	8.7%	9.9%	9.9%	7.9%	7.8%	7.5%	7.7%	7.9%	8.2%
<b><u>Growth Ratios</u></b>											
Average loan growth	5.8%	7.4%	9.4%	3.6%	1.3%	2.3%	3.1%	4.2%	4.0%	4.0%	4.0%
Average earning assets growth	6.6%	18.2%	22.1%	7.6%	2.9%	4.4%	6.0%	5.4%	3.5%	4.0%	4.0%
Average deposit growth	9.4%	25.8%	17.8%	5.0%	5.1%	5.9%	1.3%	-0.5%	3.5%	3.5%	3.5%
Net interest income growth	7.0%	14.2%	15.3%	9.5%	-3.4%	10.3%	5.9%	-5.5%	4.4%	5.7%	5.7%
EPS growth	-2.7%	19.3%	44.9%	16.8%	16.5%	-7.4%	4.7%	-20.6%	12.6%	13.9%	13.0%
<b><u>Asset Quality Ratios</u></b>											
NPA/Assets	0.42%	0.23%	0.60%	0.19%	0.30%	0.41%	0.35%	0.35%	0.35%	0.35%	0.35%
NPA/Loans [ending balance]	0.58%	0.50%	0.51%	0.14%	0.25%	0.58%	0.51%	0.51%	0.51%	0.51%	0.51%
Reserves/NPAs	110.3	147.0	154	816	280	195	153	155	154	154	154
<b><u>Performance Ratios</u></b>											
Return on Average Assets (RoAA)	0.76%	0.83%	1.07%	1.15%	1.33%	1.17%	1.14%	0.83%	0.91%	1.00%	1.09%
Return on Av. Equity (ROE)	7.9%	8.6%	11.3%	11.5%	13.5%	13.2%	14.5%	10.9%	12.0%	12.8%	13.5%
Yield on Av. Int-earnings asset	4.25%	4.34%	4.51%	4.28%	3.72%	3.99%	5.02%	5.06%	4.24%	4.28%	4.32%
Av. Rate on deposits & borrowings	0.49%	0.82%	1.44%	1.07%	0.58%	0.72%	2.33%	3.00%	1.66%	1.64%	1.63%
Net Interest Margin (NIM)	3.82%	3.84%	3.67%	3.76%	3.61%	3.67%	3.65%	3.45%	3.65%	3.74%	3.74%
Efficiency Ratio	70.6%	75.3%	66.5%	60.0%	66.1%	69.9%	69.8%	74.9%	73.3%	71.0%	68.8%
<b><u>Leverage Ratios</u></b>											
Loans/Deposit	94.9%	77.6%	80.2%	75.6%	74.5%	70.6%	77.1%	77.5%	77.9%	78.3%	78.7%
Av Loans/Av. Deposits	99.5%	84.9%	78.9%	77.8%	75.0%	72.5%	73.8%	77.3%	77.7%	78.1%	78.5%

**UNITED BANCORP UBCP**

Balance Sheet [US\$ Thousands]

	2017A	2018A	2019A	2020A	2021A	2022A	2023A	2024E	2025E	2026E	2027E	CAGR (FY19-23)
Commercial Loans	81,327	93,690	100,977	103,277	90,892	90,548	91,294	94,946	98,744	102,693	106,801	
Commercial Real Estate	198,936	223,461	240,842	246,167	266,777	270,312	291,859	303,533	315,675	328,302	341,434	
Residential Real Estate	75,853	78,767	84,893	85,789	90,132	94,012	93,364	97,099	100,983	105,022	109,223	
Installment Loans	12,473	13,765	14,836	8,258	6,571	6,003	6,719	6,988	7,267	7,558	7,860	
	-	-	-	-	-	-	-	-	-	-	-	
<b>Total Loans and Advances</b>	<b>368,589</b>	<b>409,683</b>	<b>441,548</b>	<b>443,491</b>	<b>454,372</b>	<b>460,875</b>	<b>483,235</b>	<b>502,565</b>	<b>522,668</b>	<b>543,575</b>	<b>565,318</b>	
- LESS Allowances	(2,122)	(2,043)	(2,231)	(5,113)	(3,673)	(2,052)	(3,918)	(4,036)	(4,157)	(4,281)	(4,410)	
<b>TOTAL Loans and Advances [Less Allowances]</b>	<b>366,467</b>	<b>407,640</b>	<b>439,317</b>	<b>438,378</b>	<b>450,699</b>	<b>458,823</b>	<b>479,317</b>	<b>498,530</b>	<b>518,511</b>	<b>539,293</b>	<b>560,908</b>	2.2%
Cash Equivalents & Due from Banks	4,662	15,573	5,697	11,637	7,653	8,279	7,352	-	-	-	-	
Interest-bearing Demand Deposits	9,653	9,680	9,288	39,955	75,346	21,801	33,418	34,755	36,145	37,591	39,094	
Available for sale Securities	44,959	123,991	188,785	158,067	146,313	217,624	242,760	252,470	262,569	273,072	283,995	
<b>TOTAL Interest-Earning Assets</b>	<b>425,741</b>	<b>556,884</b>	<b>643,087</b>	<b>648,037</b>	<b>680,011</b>	<b>706,527</b>	<b>762,847</b>	<b>785,755</b>	<b>817,226</b>	<b>849,956</b>	<b>883,997</b>	4.4%
Bank-owned Life Insurance	12,114	13,115	17,196	18,109	18,809	19,000	19,423	19,423	19,423	19,423	19,423	
Property, Plant and Equipment	11,740	12,117	12,402	13,743	12,757	12,144	14,984	14,984	14,984	14,984	14,984	
Federal Home Loan Bank stock	4,164	4,243	4,012	4,177	3,704	2,499	3,979	3,979	3,979	3,979	3,979	
Other Assets [accrued receivables, intangibles, etc]	5,573	6,854	6,854	9,336	9,175	17,230	18,216	6,854	6,854	6,854	6,854	
<b>TOTAL ASSETS</b>	<b>459,332</b>	<b>593,213</b>	<b>685,706</b>	<b>693,402</b>	<b>724,456</b>	<b>757,400</b>	<b>819,449</b>	<b>830,995</b>	<b>862,466</b>	<b>895,196</b>	<b>929,237</b>	4.6%
Demand Deposits	237,980	309,505	334,378	376,287	408,296	402,341	339,280	349,458	359,942	370,740	381,863	
Savings Deposits	82,169	111,251	108,218	122,549	140,598	145,836	130,821	134,746	138,788	142,952	147,240	
<b>Total Low Cost Deposits</b>	<b>320,149</b>	<b>420,756</b>	<b>442,596</b>	<b>498,836</b>	<b>548,894</b>	<b>548,177</b>	<b>470,101</b>	<b>484,204</b>	<b>498,730</b>	<b>513,692</b>	<b>529,103</b>	
Time Deposits	65,817	104,687	105,470	80,699	56,242	101,736	151,358	158,926	166,872	175,216	183,977	
<b>TOTAL Deposits</b>	<b>385,966</b>	<b>525,443</b>	<b>548,068</b>	<b>579,535</b>	<b>605,136</b>	<b>649,913</b>	<b>621,459</b>	<b>643,130</b>	<b>665,602</b>	<b>688,908</b>	<b>713,079</b>	3.2%
Subordinated Debenture & Long-term Debt	4,124	4,124	23,543	23,604	23,665	23,726	23,787	23,787	23,787	23,787	23,787	
<b>Total Non-Equity Funding</b>	<b>390,090</b>	<b>529,567</b>	<b>571,611</b>	<b>603,139</b>	<b>628,801</b>	<b>673,639</b>	<b>645,246</b>	<b>666,917</b>	<b>689,389</b>	<b>712,695</b>	<b>736,866</b>	3.1%
FHLB advances, repurchase agreements, deferred tax, etc	25,347	13,003	54,173	21,935	23,954	24,024	110,610	79,363	79,363	79,363	79,363	
<b>TOTAL Liabilities</b>	<b>415,437</b>	<b>542,570</b>	<b>625,784</b>	<b>625,074</b>	<b>652,755</b>	<b>697,663</b>	<b>755,856</b>	<b>746,280</b>	<b>768,752</b>	<b>792,058</b>	<b>816,229</b>	4.8%
Common Stock - Issued 5,926,851 shares in 2018	5,435	5,927	5,959	6,046	6,046	6,044	6,064	6,064	6,064	6,064	6,064	
Additional Paid-in Capital	18,020	22,556	22,871	23,166	23,635	24,814	25,913	22,556	22,556	22,556	22,556	
Retained Earnings & Other Equity	23,260	24,321	27,905	32,497	37,847	41,945	44,018	46,143	49,847	54,514	60,217	
- Less ESOP, Stock Deferred Comp, Treasury Shares	(2,820)	(2,161)	3,187	6,619	4,173	(13,066)	(12,402)	(12,402)	(12,402)	(12,402)	(12,402)	
<b>Total Stockholders Equity</b>	<b>43,895</b>	<b>50,643</b>	<b>59,922</b>	<b>68,328</b>	<b>71,701</b>	<b>59,737</b>	<b>63,593</b>	<b>62,361</b>	<b>66,065</b>	<b>70,732</b>	<b>76,435</b>	1.5%
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>459,332</b>	<b>593,213</b>	<b>685,706</b>	<b>693,402</b>	<b>724,456</b>	<b>757,400</b>	<b>819,449</b>	<b>830,995</b>	<b>862,466</b>	<b>895,196</b>	<b>929,237</b>	4.6%

## UNITED BANCORP UBCP

	2017A	2018A	2019A	2020A	2021	2022A	2023A	2024E	2025E	2026E	2027E
Average Loans	360,424	387,054	423,479	438,848	444,539	454,761	469,070	488,923	508,521	528,902	550,101
Average Non-Covered Loans	360,424	387,054	423,479	438,848	444,539	454,761	469,070	488,923	508,521	528,902	550,101
Average interest-earning Assets	415,714	491,313	599,986	645,562	664,024	693,269	734,687	774,301	801,490	833,591	866,977
Average Common Equity	43,268	47,269	55,283	64,125	70,015	65,719	61,665	62,977	64,213	68,398	73,583
Average Total Assets	448,675	526,273	639,460	689,554	708,929	740,928	788,425	825,222	846,730	878,831	912,217
Average Securities	50,843	94,142	165,872	198,048	209,841	230,542	257,802	281,702	292,970	304,688	316,876
Average Deposits	362,385	455,705	536,756	563,802	592,336	627,525	635,686	632,294	654,366	677,255	700,994
Average Customer Loans	362,655	389,136	425,616	442,520	448,932	457,624	472,055	492,900	512,617	533,121	554,446
Growth in Loans	3.4%	11.2%	7.8%	-0.2%	2.8%	1.8%	4.5%	4.0%	4.0%	4.0%	4.0%
Growth in Earning Assets	4.9%	30.8%	15.5%	0.8%	4.9%	3.9%	8.0%	3.0%	4.0%	4.0%	4.0%
Growth in Core Deposits	12.1%	31.4%	5.2%	12.7%	10.0%	-0.1%	-14.2%	3.0%	3.0%	3.0%	3.0%
Non-Interest Income / Revenue	17.8%	16.8%	15.7%	23.2%	20.5%	14.3%	13.6%	14.7%	14.7%	14.6%	14.6%
Efficiency Ratio	70.6%	75.3%	66.5%	60.0%	66.1%	69.9%	69.8%	74.9%	73.3%	71.0%	68.8%
Loans/Deposit	94.9%	77.6%	80.2%	75.6%	74.5%	70.6%	77.1%	77.5%	77.9%	78.3%	78.7%
Av Loans/Av. Deposits	99.5%	84.9%	78.9%	77.8%	75.0%	72.5%	73.8%	77.3%	77.7%	78.1%	78.5%
<b>% of total Loans</b>											
Commercial Loans	22.1%	22.9%	22.9%	23.3%	20.0%	19.6%	18.9%	18.9%	18.9%	18.9%	18.9%
Commercial Real Estate	54.0%	54.5%	54.5%	55.5%	58.7%	58.7%	60.4%	60.4%	60.4%	60.4%	60.4%
Residential Real Estate	20.6%	19.2%	19.2%	19.3%	19.8%	20.4%	19.3%	19.3%	19.3%	19.3%	19.3%
Installment Loans	3.4%	3.4%	3.4%	1.9%	1.4%	1.3%	1.4%	1.4%	1.4%	1.4%	1.4%
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
- LESS Allowances	-0.6%	-0.5%	-0.5%	-1.2%	-0.8%	-0.4%	-0.8%	-0.8%	-0.8%	-0.8%	-0.8%
<b>Total</b>	<b>99.4%</b>	<b>99.5%</b>	<b>99.5%</b>	<b>98.8%</b>	<b>99.2%</b>	<b>99.6%</b>	<b>99.2%</b>	<b>99.2%</b>	<b>99.2%</b>	<b>99.2%</b>	<b>99.2%</b>



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