# UNITED BANCORP INC /OH/

## FORM 10-Q
(Quarterly Report)

Filed 05/14/25 for the Period Ending 03/31/25

| | |
|---|---|
| Address | 201 SOUTH FOURTH STREET |
| | P O BOX 10 |
| | MARTINS FERRY, OH, 43935 |
| Telephone | 7406330445 |
| CIK | 0000731653 |
| Symbol | UBCP |
| SIC Code | 6022 - State Commercial Banks |
| Industry | Banks |
| Sector | Financials |
| Fiscal Year | 12/31 |

**UNITED STATES**
**SECURITIES AND EXCHANGE COMMISSION**
**Washington, D.C. 20549**

**FORM 10-Q**

(Mark One)

☒ QUARTERLY REPORT PURSUANT TO 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended March 31, 2025

OR

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES AND EXCHANGE ACT

For the transition period from ___________ to___________

Commission File Number: 0-16540

# UNITED BANCORP, INC.

**(Exact name of registrant as specified in its charter)**

| | |
|---|---|
| Ohio | 34-1405357 |
| (State or other jurisdiction of incorporation or organization) | (IRS Employer Identification No.) |

201 South Fourth Street, Martins Ferry, Ohio 43935-0010
(Address of principal executive offices)

(740) 633-0445
(Registrant’s telephone number, including area code)

N/A
(Former name, former address and former fiscal year, if changed since last report)

Securities registered pursuant to Section 12(b) of the Act:

| Title of each class | Trading Symbol(s) | Name of each exchange on which registered |
|---|---|---|
| Common Stock, Par Value $1.00 | UBCP | NASDQ Capital Market |

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days.

Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).

Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, *or an emerging growth company*. See the definitions of “large accelerated filer,” “accelerated filer,” “smaller reporting company” and “emerging growth company” in Rule 12b-2 of the Exchange Act.

| | | | |
|---|---|---|---|
| Large accelerated filer | ☐ | Accelerated filer | ☐ |
| Non-accelerated filer | ☒ | | |
| Smaller Reporting Company ☒ | | Emerging growth company ☐ | |

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act)

Yes ☐ No ☒

Indicate the number of shares outstanding of the issuer’s classes of common stock as of the latest practicable date: As of May 1, 2025, 5,794,011 shares of the Company’s common stock, $1.00 par value, were issued and outstanding.

## ITEM 1. Financial Statements

### United Bancorp, Inc.
### Condensed Consolidated Balance Sheets
### (In thousands, except share data)

| | March 31, 2025 (Unaudited) | December 31, 2024 |
|---|---|---|
| **Assets** | | |
| Cash and due from banks | $ 7,905 | $ 8,171 |
| Interest-bearing demand deposits | 28,498 | 11,437 |
| Cash and cash equivalents | 36,403 | 19,608 |
| Available-for-sale securities, net of allowance of allowance for credit losses of $0 at March 31, 2025 and December 31, 2024 | 229,843 | 240,631 |
| Loans, net of allowance for credit losses of $4,095 and $4,026 at March 31, 2025 and December 31, 2024, respectively | 492,771 | 486,945 |
| Premises and equipment | 24,967 | 23,599 |
| Federal Home Loan Bank stock | 4,026 | 4,026 |
| Foreclosed assets held for sale, net | 3,328 | 3,363 |
| Core deposit other intangible asset | 85 | 122 |
| Goodwill | 682 | 682 |
| Accrued interest receivable | 3,499 | 4,322 |
| Deferred federal income tax | 2,516 | 4,011 |
| Bank-owned life insurance | 19,954 | 19,852 |
| Other assets | 12,607 | 9,495 |
| Total assets | $ 830,681 | $ 816,656 |
| **Liabilities and Stockholders' Equity** | | |
| **Liabilities** | | |
| Deposits | | |
| Demand | $ 323,030 | $ 320,690 |
| Savings | 124,244 | 125,120 |
| Time | 176,807 | 167,684 |
| Total deposits | 624,081 | 613,494 |
| Securities sold under repurchase agreements | 37,565 | 30,494 |
| Subordinated debentures | 23,863 | 23,847 |
| Advances Federal Home Loan Bank | 75,000 | 75,000 |
| Lease liability – finance lease | 2,893 | 2,873 |
| Interest payable and other liabilities | 6,478 | 7,491 |
| Total liabilities | 769,880 | 753,199 |
| **Stockholders' Equity** | | |
| Preferred stock, no par value, authorized 2,000,000 shares; no shares issued | — | — |
| Common stock, $1 par value; authorized 10,000,000 shares; issued 6,203,141 shares at March 31, 2025, and 6,203,141 shares at December 31, 2024; outstanding - 5,794,021 and 5,793,611 shares at March 31, 2025 and December 31, 2024, respectively | 6,203 | 6,203 |
| Additional paid-in capital | 26,543 | 26,373 |
| Retained earnings | 46,046 | 46,307 |
| Stock held by deferred compensation plan; 168,576 and 172,667 shares at March 31, 2025 and December 31, 2024, respectively | (2,159) | (2,078) |
| Accumulated other comprehensive loss | (12,535) | (10,100) |
| Treasury stock, at cost 240,544 and 236,863 shares at March 31, 2025 and December 31, 2024, respectively | (3,297) | (3,248) |
| Total stockholders' equity | 60,801 | 63,457 |
| Total liabilities and stockholders' equity | $ 830,681 | $ 816,656 |

*See Notes to Condensed Consolidated Financial Statements*

**United Bancorp, Inc.**
**Condensed Consolidated Statements of Income**
**Three Months Ended March 31, 2025 and 2024**
**(In thousands, except per share data)**
**(Unaudited)**

| | 2025 | 2024 |
|---|---|---|
| **Interest and Dividend Income** | | |
| Loans, including fees | $ 7,327 | $ 6,762 |
| Securities: | | |
| Taxable | 387 | 560 |
| Non-taxable | 1,896 | 1,714 |
| Federal funds sold | 138 | 487 |
| Dividends on Federal Home Loan Bank and other stock | 94 | 98 |
| Total interest and dividend income | 9,842 | 9,621 |
| **Interest Expense** | | |
| Deposits | 2,015 | 1,962 |
| Borrowings | 1,580 | 1,544 |
| Total interest expense | 3,595 | 3,506 |
| **Net Interest Income** | 6,247 | 6,115 |
| **Credit Loss Expense** | | |
| Provision for credit loss expense - loans | 96 | — |
| Provision for credit loss expense - off balance sheet commitments | — | — |
| **Provision for Credit Loss Expense** | 96 | — |
| **Net Interest Income After Provision for Credit Losses** | 6,151 | 6,115 |
| **Noninterest Income** | | |
| Service charges on deposit accounts | 733 | 703 |
| Realized gain (loss) on sale of available-for-sale securities | 143 | (194) |
| Realized gains on sales of loans | 84 | 77 |
| Earnings on bank-owned life insurance | 193 | 197 |
| Other income | 128 | 83 |
| Total noninterest income | 1,281 | 866 |
| **Noninterest Expense** | | |
| Salaries and employee benefits | 2,837 | 1,787 |
| Occupancy and equipment | 630 | 624 |
| Professional services | 342 | 610 |
| Data processing and related electronic services | 366 | 383 |
| FDIC insurance | 94 | 108 |
| Insurance | 162 | 150 |
| Franchise and other taxes | 145 | 148 |
| Advertising | 130 | 113 |
| Stationery and office supplies | 31 | 26 |
| Amortization of intangibles | 37 | 38 |
| Other expenses | 812 | 851 |
| Total noninterest expense | 5,586 | 4,838 |
| **Income Before Federal Income Taxes** | 1,846 | 2,143 |
| **(Benefit) provision for Federal Income Taxes** | (26) | 150 |
| **Net Income** | $ 1,872 | $ 1,993 |
| **Basic Earnings Per Share** | $ 0.32 | $ 0.35 |
| **Diluted Earnings Per Share** | $ 0.32 | $ 0.35 |
| **Dividends Per Share (including special dividend of $0.175 in March 2025 and $0.15 in March 2024)** | $ 0.3575 | $ 0.3225 |

*See Notes to Condensed Consolidated Financial Statements*

**United Bancorp, Inc.**
**Condensed Consolidated Statements of Comprehensive (Loss) Income**
**Three Months Ended March 31, 2025 and 2024**
**(In thousands, except per share data)**
**(Unaudited)**

| | 2025 | 2024 |
|---|---|---|
| **Net Income** | $ 1,872 | $ 1,993 |
| Other comprehensive income (loss), net of tax | | |
| Net realized (gain) loss included in net income, net of tax $ 30 and (benefits) of ($41) | (113) | 153 |
| Unrealized holding gain (loss) on available-for-sale securities during the period, net of taxes (benefits) of ($617) and ($129) for each respective period | (2,322) | (482) |
| **Other comprehensive loss** | (2,435) | (329) |
| **Comprehensive (Loss) income** | $ (563) | $ 1,664 |

*See Notes to Condensed Consolidated Financial Statements*

# United Bancorp, Inc.
## Consolidated Statements of Stockholders' Equity
## Three Months Ended March 31, 2025 and 2024
## (In thousands except per share data)
## (Unaudited)

| | Common Stock | Additional Paid-in Capital | Treasury Stock and Deferred Compensation | Retained Earnings | Accumulated Other Comprehensive Income (Loss) | Total |
|---|---|---|---|---|---|---|
| **Balance January 1, 2024** | $ 6,064 | $ 25,913 | $ (4,924) | $ 44,018 | $ (7,478) | $ 63,593 |
| Net income | — | — | — | 1,993 | — | 1,993 |
| Restricted stock issued | 124 | (124) | — | — | — | — |
| Other comprehensive loss | — | — | — | — | (329) | (329) |
| Cash dividends - $0.3225 per share | — | — | — | (1,938) | — | (1,938) |
| Repurchase of common stock | — | — | (656) | — | — | (656) |
| Shares purchased for deferred compensation plan | — | (334) | 334 | — | — | — |
| Expense related to share-based compensation plans | — | 543 | — | — | — | 543 |
| **Balance, March 31, 2024** | $ 6,188 | $ 25,998 | $ (5,246) | $ 44,073 | $ (7,807) | $ 63,206 |
| **Balance January 1, 2025** | 6,203 | 26,373 | (5,326) | 46,307 | (10,100) | 63,457 |
| Net income | — | — | — | 1,872 | — | 1,872 |
| Restricted stock issued | — | — | — | — | — | — |
| Other comprehensive loss | — | — | — | — | (2,435) | (2,435) |
| Cash dividends - $0.3575 per share | — | — | — | (2,133) | — | (2,133) |
| Repurchase of common stock | — | — | (49) | — | — | (49) |
| Shares purchased for deferred compensation plan | — | 81 | (81) | — | — | — |
| Expense related to share-based compensation plans | — | 89 | — | — | — | 89 |
| **Balance, March 31, 2025** | $ 6,203 | $ 26,543 | $ (5,456) | $ 46,046 | $ (12,535) | $ 60,801 |

*See Notes to Condensed Consolidated Financial Statements*

# United Bancorp, Inc.
## Condensed Consolidated Statements of Cash Flows
## Three Months Ended March 31, 2025 and 2024
## (In thousands except per share data)
## (Unaudited)

| | 2025 | 2024 |
|---|---|---|
| **Operating Activities** | | |
| Net income | $ 1,872 | $ 1,993 |
| Items not requiring (providing) cash | | |
| Depreciation and amortization | 290 | 261 |
| Amortization of intangible asset | 37 | 38 |
| Premium amortization on securities | 107 | 122 |
| Provision for credit loss expense | 96 | — |
| Gain on sale of loans | (84) | (77) |
| (Gain) loss on sale of available-for-sale securities | (143) | 194 |
| Expense related to share based compensation programs | 89 | 543 |
| Increase in value of bank-owned life insurance | (103) | (114) |
| Originations of loans held for sale | (2,378) | (1,970) |
| Proceeds from sale of loans held for sale | 2,462 | 2,047 |
| Amortization of debt instrument costs | 15 | 15 |
| Net change in accrued interest receivable and other assets | (222) | 931 |
| Net change in accrued expenses and other liabilities | (974) | (368) |
| Net cash provided by operating activities | 1,064 | 3,615 |
| **Investing Activities** | | |
| Purchase of available-for-sale securities | — | (34,905) |
| Proceeds from calls/redemptions of available-for-sale securities | 10 | 35 |
| Sale of available-for-sale securities | 7,733 | 25,091 |
| Net change in loans | (5,838) | 2,959 |
| Proceeds from sales of foreclosed assets | 28 | — |
| Purchases of premises and equipment | (1,658) | (3,392) |
| Net cash provided by (used in) investing activities | 275 | (10,212) |
| **Financing Activities** | | |
| Net change in deposits | 10,587 | 4,291 |
| Net change in securities sold under repurchase agreements | 7,071 | 11,024 |
| Net change in Federal Home Loan Bank advances | — | — |
| Finance lease principal payment | (20) | (17) |
| Repurchase of common stock | (49) | (656) |
| Cash dividends paid | (2,133) | (1,938) |
| Net cash provided by financing activities | 15,456 | 12,704 |
| **Increase in Cash and Cash Equivalents** | 16,795 | 6,107 |
| **Cash and Cash Equivalents, Beginning of Period** | 19,608 | 40,770 |
| **Cash and Cash Equivalents, End of Period** | $ 36,403 | $ 46,877 |
| **Supplemental Cash Flows Information** | | |
| Federal income taxes paid | $ — | $ — |
| Interest paid on deposits and borrowings | $ 6,243 | $ 3,477 |

*See Notes to Condensed Consolidated Financial Statements*

**United Bancorp, Inc.**
**Notes to Condensed Consolidated Financial Statements**
**Three Months Ended March 31, 2025 and 2024**
**(In thousands)**

**Note 1: Summary of Significant Accounting Policies**

These interim financial statements are prepared without audit and reflect all adjustments which, in the opinion of management, are necessary to present fairly the financial position of United Bancorp, Inc. ("Company") at March 31, 2025, and its results of operations and cash flows for the interim periods presented. All such adjustments are normal and recurring in nature. The accompanying condensed consolidated financial statements have been prepared in accordance with the instructions for Form 10-Q and, therefore, do not purport to contain all the necessary financial disclosures required by accounting principles generally accepted in the United States of America that might otherwise be necessary in the circumstances and should be read in conjunction with the Company's consolidated financial statements and related notes for the year ended December 31, 2024 included in its Annual Report on Form 10-K. Reference is made to the accounting policies of the Company described in the Notes to the Consolidated Financial Statements contained in its Annual Report on Form 10-K. The results of operations for the three months ended March 31, 2025, are not necessarily indicative of the results to be expected for the full year. The condensed consolidated balance sheet of the Company as of December 31, 2024 has been derived from the audited consolidated balance sheet of the Company as of that date.

***Principles of Consolidation***

The consolidated financial statements include the accounts of United Bancorp, Inc. ("United" or "the Company") and its wholly-owned subsidiary, Unified Bank of Martins Ferry, Ohio ("the Bank"). All intercompany transactions and balances have been eliminated in consolidation.

***Nature of Operations***

The Company's revenues, operating income and assets are almost exclusively derived from banking. Accordingly, all of the Company's banking operations are considered by management to be aggregated in one reportable operating segment. Customers are mainly located in Athens, Belmont, Carroll, Fairfield, Harrison, Jefferson and Tuscarawas Counties in Ohio and Marshall and Ohio Counties in West Virginia and the surrounding localities in northeastern, east-central and southeastern Ohio and include a wide range of individuals, businesses and other organizations. Unified Bank conducts its business through its main office in Martins Ferry, Ohio and branches in Bridgeport, Colerain, Dellroy, Dover, Glouster, Jewett, Lancaster Downtown, Lancaster East, Nelsonville, New Philadelphia, Powhatan Point, St. Clairsville East, St. Clairsville West, Sherrodsville, Strasburg, Tiltonsville, Ohio and Moundsville West Virginia.

The Company's primary deposit products are checking, savings and term certificate accounts and its primary lending products are residential real estate, commercial and industrial, commercial real estate and installment loans. Substantially all loans are secured by specific items of collateral including business assets, consumer assets and real estate. Commercial and industrial loans are expected to be repaid from cash flow from operations of businesses. Real estate loans are secured by both residential and commercial real estate. Net interest income is affected by the relative amount of interest-earning assets and interest-bearing liabilities and the interest received or paid on these balances. The level of interest rates paid or received by the Company can be significantly influenced by a number of environmental factors, such as governmental monetary and fiscal policies, that are outside of management's control.

**Revenue Recognition**

Accounting Standards Codification ("ASC") 606, *Revenue from Contracts with Customers* ("ASC 606"), establishes principles for reporting information about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts to provide goods or services to customers. The core principle requires an entity to recognize revenue to depict the transfer of goods or services to customers in an amount that reflects the consideration that it expects to be entitled to receive in exchange for those goods or services recognized as performance obligations are satisfied.

The majority of the Company's revenue-generating transactions are not subject to ASC 606, including revenue generated from financial instruments, such as loans, investment securities, as well as revenue related to mortgage banking activities, as these activities are subject to other GAAP discussed elsewhere within the Company's disclosures.

**United Bancorp, Inc.**
**Notes to Condensed Consolidated Financial Statements**
**Three Months Ended March 31, 2025 and 2024**
**(In thousands)**

Descriptions of the Company’s revenue-generating activities that are within the scope of ASC 606, which are presented in the income statements as components of non-interest income are as follows:

Service charges on deposit accounts - these represent general service fees for monthly account maintenance and activity- or transaction-based fees and consist of transaction-based revenue, time-based revenue (service period), item-based revenue or some other individual attribute-based revenue. Revenue is recognized when the performance obligation is completed which is generally monthly for account maintenance services or when a transaction has been completed (such as a wire transfer). Payment for such performance obligations are generally received at the time the performance obligations are satisfied.

*Use of Estimates*

To prepare financial statements in conformity with accounting principles generally accepted in the United States of America, management makes estimates and assumptions based on available information. These estimates and assumptions affect the amounts reported in the financial statements and the disclosures provided and future results could differ. The allowance for credit losses and fair values of financial instruments are particularly subject to change.

**Investment Securities**

Management determines the appropriate classification of debt securities at the time of purchase and re-evaluates such designation as of each balance sheet date.

Investment securities classified as available for sale are those securities that the Company intends to hold for an indefinite period of time but not necessarily to maturity. Securities available for sale are carried at fair value. Any decision to sell a security classified as available for sale would be based on various factors, including significant movements in interest rates, changes in the maturity mix of the Company’s assets and liabilities, liquidity needs, regulatory capital considerations, and other similar factors. Unrealized gains or losses are reported as increases or decreases in other comprehensive income (loss), net of the deferred tax effect. Realized gains or losses, determined on the basis of the cost of the specific securities sold, are included in earnings. Premiums and discounts are recognized in interest income using the interest method over the terms of the securities.

**Allowance for Credit Losses – Available for Sale Securities**

The Company measures expected credit losses on available-for-sale debt securities when the Company does not intend to sell, or when it is not more likely than not that it will be required to sell, the security before recovery of its amortized cost basis. If either of the criteria regarding intent or requirement to sell is met, the security’s amortized cost basis is written down to fair value through income. For available-for-sale debt securities that do not meet the aforementioned criteria, the Company evaluates whether the decline in fair value has resulted from credit losses or other factors. In making this assessment, the Company considers the extent to which fair value is less than amortized cost, any changes to the rating of the security by a rating agency, and adverse conditions specifically related to the security, among other factors. If this evaluation indicates that a credit loss exists, the present value of cash flows expected to be collected from the security are compared to the amortized cost basis of the security. If the present value of cash flows expected to be collected is less than the amortized cost basis, a credit loss exists and an allowance for credit losses is recorded for the credit loss, equal to the amount that the fair value is less than the amortized cost basis. The Company utilizes independent firms to evaluate the Company’s State and Municipal Obligations and Subordinated Notes to measure any expected credit losses. Any impairment that has not been recorded through an allowance for credit losses is recognized in other comprehensive income.

The allowance for credit losses on available-for-sale debt securities is included within investment securities available-for-sale on the consolidated balance sheet. Changes in the allowance for credit losses are recorded within provision for credit losses on the consolidated statement of income. Losses are charged against the allowance when the Company believes the collectability of an available-for-sale security is in jeopardy or when either of the criteria regarding intent or requirement to sell is met.

Accrued interest receivable on available-for-sale debt securities totaled $2.1 million at March 31, 2025 and $2.9 million at December 31, 2024 and is included within the line item accrued interest receivable on the consolidated balance sheet. This amount is excluded from the estimate of expected credit losses. Available-for-sale debt securities are typically classified as nonaccrual when the contractual payment of principal or interest has become 90 days past due or management has serious doubts about the further collectability of principal or interest. When available-for-sale debt securities are placed on nonaccrual status, unpaid interest credited to income is reversed.

***Loans***

Loans receivable that management has the intent and ability to hold for the foreseeable future or until maturity or payoff are stated at their outstanding unpaid principal balances, net of an allowance for credit losses and any deferred fees or costs. Accrued interest receivable totaled $1.4 million at March 31, 2025 and $1.4 million at December 31, 2024 and was reported in the line item accrued interest receivable on the Consolidated Balance Sheets and is excluded from the estimate of credit losses. Interest income is accrued on the unpaid principal balance. Loan origination fees, net of certain direct origination costs, are deferred and recognized as an adjustment of the yield (interest income) of the related loans. The Company is amortizing these amounts over the contractual life of the loan. Premiums and discounts on purchased loans are amortized as adjustments to interest income using the effective yield method.

The loans receivable portfolio is segmented into commercial and industrial, which are typically utilized for general business purposes and commercial real estate, which are collaterized by real estate. Homogenouse loans consisting similar products that are smaller in amount and distributed over a large number of individual borrowers include residential real estate and consumer loans.

For all classes of loans receivable, the accrual of interest is discontinued when the contractual payment of principal or interest has become 90 days past due or management has serious doubts about further collectability of principal or interest, even though the loan is currently performing. A loan may remain on accrual status if it is in the process of collection and is either guaranteed or well secured. When a loan is placed on nonaccrual status, unpaid interest credited to income in the current year is reversed and unpaid interest accrued in prior years is charged against the allowance for credit losses. Interest generally is either applied against principal or reported as interest income on a cash basis, according to management’s judgment as to the collectability of principal. Generally, loans are restored to accrual status when the obligation is brought current, has performed in accordance with the contractual terms for a reasonable period of time (generally six months), and the ultimate collectability of the total contractual principal and interest is no longer in doubt. The past-due status of all classes of loans receivable is determined based on contractual due dates for loan payments.

**Allowance for Credit Losses - Loans**

The allowance for credit losses (“ACL”) is a valuation reserve established and maintained by charges against income and is deducted from the amortized cost basis of loans to present the net amount expected to be collected on the loans. Loans, or portions thereof, are charged off against the ACL when they are deemed uncollectible. Expected recoveries do not exceed the aggregate of amounts previously charged-off and expected to be charged-off.

The ACL is an estimate of expected credit losses, measured over the contractual life of a loan, that considers our historical loss experience, current conditions and forecasts of future economic conditions. Determination of an appropriate ACL is inherently subjective and may have significant changes from period to period.

The methodology for determining the ACL has two main components: evaluation of expected credit losses for certain groups of homogeneous loans that share similar risk characteristics and evaluation of loans that do not share risk characteristics with other loans.

The allowance for credit losses is measured on a collective (pool) basis when similar risk characteristics exist. The Company uses the call report classification as its segment breakout and measures the allowance for credit losses using the Weighted Average Remaining Maturity method for all loan segments.

**United Bancorp, Inc.**
**Notes to Condensed Consolidated Financial Statements**
**Three Months Ended March 31, 2025 and 2024**
**(In thousands)**

Historical credit loss experience is the basis for the estimation of expected credit losses. We apply historical loss rates to pools of loans with similar risk characteristics. After consideration of the historic loss calculation, management applies qualitative adjustments to reflect the current conditions and reasonable and supportable forecasts not already reflected in the historical loss information at the balance sheet date. Our reasonable and supportable forecast adjustment is based on a 2 year unemployment forecast provided by Bloomberg and management judgment. For periods beyond our reasonable and supportable forecast, we revert back to historical annual loss rates for the remainder of the life of each pool after the forecast period. The qualitative adjustments for current conditions are based upon current level of inflation, changes in lending policies and practices, experience and ability of lending staff, quality of the Company's loan review system, value of underlying collateral, the existence of and changes in concentrations and other external factors. These modified historical loss rates are multiplied by the outstanding principal balance of each loan to calculate a required reserve.

The Company has elected to exclude accrued interest receivable from the measurement of its ACL. When a loan is placed on non-accrual status, any outstanding accrued interest is reversed against interest income.

The ACL for individual loans begins with the use of normal credit review procedures to identify whether a loan no longer shares similar risk characteristics with other pooled loans and therefore, should be individually assessed. We evaluate all commercial and industrial loans and residential and installment loans greater than $100,000 that meet the following criteria: 1) when it is determined that foreclosure is probable, 2) substandard, doubtful and nonperforming loans when repayment is expected to be provided substantially through the operation or sale of the collateral, 3) when it is determined by management that a loan does not share similar risk characteristics with other loans. Specific reserves are established based on the following three acceptable methods for measuring the ACL: 1) the present value of expected future cash flows discounted at the loan's original effective interest rate; 2) the loan's observable market price; or 3) the fair value of the collateral when the loan is collateral dependent. Our individual loan evaluations consist primarily of the fair value of collateral method because most of our loans are collateral dependent. Collateral values are discounted to consider disposition costs when appropriate. A specific reserve is established or a charge-off is taken if the fair value of the loan is less than the loan balance.

**Allowance for Credit Losses on Off-Balance Sheet Credit Exposures**

The Company estimates expected credit losses over the contractual period in which the Company is exposed to credit risk via a contractual obligation to extend credit, unless that obligation is unconditionally cancellable by the Company. The allowance for credit losses on off-balance sheet credit exposures is adjusted through credit loss expense. The estimate includes consideration of the likelihood that funding will occur and an estimate of expected credit losses on commitments expected to be funded over its estimated life.

***Earnings Per Share***

Earnings per share (EPS) were computed as follows:

| | Three Months Ended March 31, 2025 | | |
|---|---|---|---|
| | Net Income (In thousands) | Weighted-Average Shares | Per Share Amount |
| Net income | $ 1,872 | | |
| Less allocated earnings on non-vested restricted stock | — | | |
| Less allocated dividends on non-vested restricted stock | (103) | | |
| Net income allocated to common stockholders | 1,769 | | |
| | | 5,566,428 | |
| Basic and diluted earnings per share | | | $ 0.32 |

**United Bancorp, Inc.**
**Notes to Condensed Consolidated Financial Statements**
**Three Months Ended March 31, 2025 and 2024**
**(In thousands)**

| | Three Months Ended March 31, 2024 | | |
|---|---|---|---|
| | Net Income (In thousands) | Weighted-Average Shares | Per Share Amount |
| Net income | $ 1,993 | | |
| Less allocated earnings on non-vested restricted stock | (2) | | |
| Less allocated dividends on non-vested restricted stock | (88) | | |
| Net income allocated to common stockholders | 1,903 | | |
| | | 5,499,877 | |
| Basic and diluted earnings per share | | | $ 0.35 |

### *Income Taxes*

The Company is subject to income taxes in the U.S. federal jurisdiction, as well as various state jurisdictions. Tax regulations within each jurisdiction are subject to the interpretation of the related tax laws and regulations and require significant judgment to apply. With few exceptions, the Company is no longer subject to U.S. federal, state and local income tax examinations by tax authorities for the years before 2021.

## Note 2: Securities

The amortized cost and fair values, together with gross unrealized gains and losses of securities are as follows:

| | Amortized Cost | Gross Unrealized Gains | Gross Unrealized Losses | Fair Value |
|---|---|---|---|---|
| **Available-for-sale Securities:** | | | | |
| March 31, 2025: | | | | |
| U.S. government agencies | $ 12,500 | $ — | $ (160) | $ 12,340 |
| Subordinated notes | 26,928 | — | (2,500) | 24,428 |
| State and municipal obligations | 205,627 | 34 | (12,586) | 193,075 |
| Total debt securities | $ 245,055 | $ 34 | $ (15,246) | $ 229,843 |

| | Amortized Cost | Gross Unrealized Gains | Gross Unrealized Losses | Fair Value |
|---|---|---|---|---|
| | | (In thousands) | | |
| **Available-for-sale Securities:** | | | | |
| December 31, 2024: | | | | |
| U.S. government agencies | $ 12,500 | $ — | $ (246) | $ 12,254 |
| Subordinated notes | 26,942 | — | (2,824) | 24,118 |
| State and municipal obligations | 213,319 | 335 | (9,395) | 204,259 |
| Total debt securities | $ 252,761 | $ 335 | $ (12,465) | $ 240,631 |

There was no allowance for credit losses at March 31, 2025 or December 31, 2024.

**United Bancorp, Inc.**
**Notes to Condensed Consolidated Financial Statements**
**Three Months Ended March 31, 2025 and 2024**
**(In thousands)**

The amortized cost and fair value of available-for-sale securities at March 31, 2025, by contractual maturity, are shown below. Expected maturities will differ from contractual maturities because issuers may have the right to call or prepay obligations with or without call or prepayment penalties.

| | Amortized Cost | Fair Value |
|---|---|---|
| | (In thousands) | |
| Under one year | $ 4,235 | $ 4,194 |
| One to five years | 14,500 | 14,376 |
| Five to ten years | 27,037 | 24,329 |
| Over ten years | 199,283 | 186,944 |
| Totals | $ 245,055 | $ 229,843 |

The carrying value of securities pledged as collateral, to secure public deposits and for other purposes, was $118.7 million and $121.4 million at March 31, 2025 and December 31, 2024, respectively.

Certain investments in debt securities are reported in the consolidated financial statements at an amount less than their historical cost. The total fair value of these investments at March 31, 2025 was $221.7 million, which represented 96% of the Company's available-for-sale investment portfolio. The total fair value of these investments at December 31, 2024 was $208.8 million, which represented less than 87% of the Company's available-for-sale.

Based on evaluation of available evidence, including recent changes in market interest rates, credit rating information and information obtained from regulatory filings, management believes the declines in fair value for these securities are temporary and are a result of an increase in longer term interest rates.

The following tables show the Company's available for sale securities and the related gross unrealized losses and fair value,for which an allowance for credit losses has not been recorded, aggregated by investment category and length of time that individual securities have been in a continuous unrealized loss position at March 31, 2025 and December 31. 2024:

| | March 31, 2025 | | | | | |
|---|---|---|---|---|---|---|
| | Less than 12 Months | | 12 Months or More | | Total | |
| Description of Securities | Fair Value | Unrealized Losses | Fair Value | Unrealized Losses | Fair Value | Unrealized Losses |
| | | | (In thousands) | | | |
| U.S. Government agencies | $ — | $ — | $ 12,340 | $ (160) | $ 12,340 | $ (160) |
| Subordinated notes | — | — | 24,428 | (2,500) | 24,428 | (2,500) |
| State and municipal obligations | 133,752 | (4,706) | 51,152 | (7,880) | 184,904 | (12,586) |
| Total temporarily impaired securities | $ 133,752 | $ (4,706) | $ 87,920 | $ (10,540) | $ 221,672 | $ (15,246) |

| | December 31, 2024 | | | | | |
|---|---|---|---|---|---|---|
| | Less than 12 Months | | 12 Months or More | | Total | |
| Description of Securities | Fair Value | Unrealized Losses | Fair Value | Unrealized Losses | Fair Value | Unrealized Losses |
| | | | (In thousands) | | | |
| US government agencies | $ — | $ — | $ 12,254 | $ (246) | $ 12,254 | $ (246) |
| Subordinated notes | — | — | 24,118 | (2,824) | 24,118 | (2,824) |
| State and municipal obligations | 127,876 | (2,478) | 44,535 | (6,917) | 172,411 | (9,395) |
| Total temporarily impaired securities | $ 127,876 | $ (2,478) | $ 80,907 | $ (9,987) | $ 208,783 | $ (12,465) |

**United Bancorp, Inc.**
**Notes to Condensed Consolidated Financial Statements**
**Three Months Ended March 31, 2025 and 2024**
**(In thousands)**

The unrealized losses on the Company's 196 investments in available for sale securities were caused primarily by interest rate changes. The contractual terms of those investments do not permit the issuer to settle the securities at a price less than the amortized cost bases of the investments. Because the Company does not intend to sell the investments and it is not more likely than not the Company will be required to sell the investments before recovery of their amortized cost basis, which may be maturity, the Company does not consider those investments to require an allowance for credit losses to be recognized as of March 31, 2025 or December 31, 2024.

The Company recorded a gain on the sale of available - for - sale securities of approximately $143,000 for the three months ended March 31, 2025. The Company sold $140,000 in securities for a loss of $2,000 and sold $7,593,000 million in securities for a gain of $145,000. The Company wanted to rebalance a portion of its security portfolio during the first quarter of 2025. The Company recorded a loss on the sale of available-for-sale securities of approximately $194,000 for the three months ended March 31, 2024. The Company sold $20.3 million in securities for a loss of $228,000 and sold $5.0 million in securities for a gain of $34,000.

**Note 3: Loans and Allowance for Credit Losses**

Categories of loans by purpose include:

| | March 31, 2025 | December 31, 2024 |
|---|---|---|
| | (In thousands) | |
| Commercial and Industrial | $ 99,571 | $ 98,795 |
| Commercial real estate | 296,493 | 291,673 |
| Residential real estate | 92,709 | 91,737 |
| Consumer loans | 8,093 | 8,766 |
| Total gross loans | 496,866 | 490,971 |
| Less allowance for credit losses | (4,095) | (4,026) |
| Total loans | $ 492,771 | $ 486,945 |

The risk characteristics of each loan portfolio segment are as follows:

Commercial and Industrial, and Commercial Real Estate

Commercial loans are primarily based on the identified cash flows of the borrower and secondarily on the underlying collateral provided by the borrower. The cash flows of borrowers, however, may not be as expected and the collateral securing these loans may fluctuate in value. Most commercial loans are secured by the assets being financed or other business assets, such as accounts receivable or inventory, and may include a personal guarantee. Short-term loans may be made on an unsecured basis. In the case of loans secured by accounts receivable, the availability of funds for the repayment of these loans may be substantially dependent on the ability of the borrower to collect amounts due from its customers. Commercial real estate loans are viewed primarily as cash flow loans and secondarily as loans secured by real estate. Commercial real estate lending typically involves higher loan principal amounts and the repayment of these loans is generally dependent on the successful operation of the property securing the loan or the business conducted on the property securing the loan. Commercial real estate loans may be more adversely affected by conditions in the real estate markets or in the general economy. The characteristics of properties securing the Company's commercial real estate portfolio are diverse, but with geographic location almost entirely in the Company's market area. Management monitors and evaluates commercial real estate loans based on collateral, geography and risk grade criteria. In general, the Company avoids financing single purpose projects unless other underwriting factors are present to help mitigate risk. In addition, management tracks the level of owner-occupied commercial real estate versus nonowner-occupied loans.

**United Bancorp, Inc.**
**Notes to Condensed Consolidated Financial Statements**
**Three Months Ended March 31, 2025 and 2024**
**(In thousands)**

Residential Real Estate and Consumer

Residential real estate and consumer loans consist of two segments - residential mortgage loans and personal loans. For residential mortgage loans that are secured by 1-4 family residences and are generally owner-occupied, the Company generally establishes a maximum loan-to-value ratio and requires private mortgage insurance if that ratio is exceeded. Home equity loans are typically secured by a subordinate interest in 1-4 family residences, and consumer personal loans are secured by consumer personal assets, such as automobiles or recreational vehicles. Some consumer personal loans are unsecured, such as small installment loans and certain lines of credit. Repayment of these loans is primarily dependent on the personal income of the borrowers, which can be impacted by economic conditions in their market areas, such as unemployment levels. Repayment can also be impacted by changes in property values on residential properties. Risk is mitigated by the fact that the loans are of smaller individual amounts and spread over a large number of borrowers.

The following tables present the balance in the allowance for credit losses by collateral type and the recorded investment in loans by purpose based on portfolio segment and credit loss method as of March 31, 2025 and December 31, 2024.

| | March 31, 2025 | | | | |
|---|---|---|---|---|---|
| | Commercial and Industrial | Commercial Real Estate | Residential (In thousands) | Installment | Total |
| **Allowance for credit losses:** | | | | | |
| Balance, beginning of period | $ 699 | $ 1,488 | $ 1,708 | $ 131 | $ 4,026 |
| Provision for credit loss expense | 19 | (63) | 129 | 11 | 96 |
| Losses charged off | — | — | — | (34) | (34) |
| Recoveries | 1 | — | — | 6 | 7 |
| Balance, end of period | $ 719 | $ 1,425 | $ 1,837 | $ 114 | $ 4,095 |
| Ending balance: individually evaluated for credit losses | $ 111 | $ — | $ — | $ — | $ 111 |
| Ending balance: collectively evaluated for credit losses | $ 608 | $ 1,425 | $ 1,837 | $ 114 | $ 3,984 |
| **Loans:** | | | | | |
| Ending balance: individually evaluated for credit losses | $ 323 | $ 1,469 | $ — | $ 200 | $ 1,992 |
| Ending balance: collectively evaluated for credit losses | $ 99,248 | $ 295,024 | $ 92,709 | $ 7,893 | $ 494,874 |

**United Bancorp, Inc.**
**Notes to Condensed Consolidated Financial Statements**
**Three Months Ended March 31, 2025 and 2024**
**(In thousands)**

| | March 31, 2024 | | | | |
|---|---|---|---|---|---|
| | Commercial and Industrial | Commercial Real Estate | Residential | Installment | Total |
| | | | (In thousands) | | |
| **Allowance for credit losses:** | | | | | |
| Balance, beginning of period | $ 573 | $ 1,408 | $ 1,843 | $ 94 | $ 3,918 |
| Provision for credit loss expense | 15 | (31) | (60) | 76 | — |
| Losses charged off | — | — | — | (57) | (57) |
| Recoveries | 1 | — | — | 8 | 9 |
| Balance, end of period | $ 589 | $ 1,377 | $ 1,783 | $ 121 | $ 3,870 |
| Ending balance: individually evaluated for credit losses | $ 75 | $ — | $ — | $ — | $ 75 |
| Ending balance: collectively evaluated for credit losses | $ 514 | $ 1,377 | $ 1,783 | $ 121 | $ 3,795 |
| **Loans:** | | | | | |
| Ending balance: individually evaluated for credit losses | $ 141 | $ 8 | $ 235 | $ — | $ 384 |
| Ending balance: collectively evaluated for losses | $ 90,086 | $ 288,878 | $ 92,477 | $ 8,482 | $ 479,923 |

**Allowance for Loan Losses and Recorded Investment in Loans**
**As of December 31, 2024**

| | December 31, 2024 | | | | |
|---|---|---|---|---|---|
| | Commercial and Industrial | Commercial Real Estate | Residential | Installment | Total |
| | | | (In thousands) | | |
| **Allowance for credit losses:** | | | | | |
| Ending balance: individually evaluated for impairment | $ — | $ — | $ — | $ — | $ — |
| Ending balance: collectively evaluated for impairment | $ 699 | $ 1,488 | $ 1,708 | $ 131 | $ 4,026 |
| **Loans:** | | | | | |
| Ending balance: individually evaluated for impairment | $ — | $ — | $ 220 | $ — | $ 220 |
| Ending balance: collectively evaluated for impairment | $ 98,795 | $ 291,673 | $ 91,517 | $ 8,766 | $ 490,751 |

Table of Contents



The following tables show the portfolio quality indicators.

Based on the most recent analysis performed, the following table presents the recorded investment in non-homogeneous loans by internal risk rating system as of March 31, 2025 (in thousands):

| March 31, 2025 | 2025 | 2024 | 2023 | 2022 | 2021 | Prior | Revolving Loans Amortized Cost Basis | Revolving Loans Converted to Term | Total |
|---|---|---|---|---|---|---|---|---|---|
| **Commercial and Industrial** | | | | | | | | | |
| Risk Rating | | | | | | | | | |
| Pass | $ 6,512 | $ 21,013 | $ 17,007 | $ 10,640 | $ 7,088 | $ 18,425 | $ 17,491 | $ — | $ 98,176 |
| Special Mention | — | — | — | — | — | — | 1,072 | — | 1,072 |
| Substandard | — | — | 41 | 26 | — | 186 | 70 | — | 323 |
| Doubtful | — | — | — | — | — | — | — | — | — |
| Total | $ 6,512 | $ 21,013 | $ 17,048 | $ 10,666 | $ 7,088 | $ 18,611 | $ 18,633 | $ — | $ 99,571 |
| **Commercial and Industrial** | | | | | | | | | |
| Current period gross charge-offs | $ — | $ — | $ — | $ — | $ — | $ — | $ — | $ — | $ — |
| **Commercial real estate** | | | | | | | | | |
| Risk Rating | | | | | | | | | |
| Pass | $ 11,377 | $ 19,453 | $ 32,301 | $ 32,347 | $ 36,169 | $ 95,886 | $ 54,180 | $ — | $ 281,713 |
| Special Mention | — | — | — | 315 | — | 6,654 | 6,342 | — | 13,311 |
| Substandard | — | — | — | — | 377 | 1,092 | — | — | 1,469 |
| Doubtful | — | — | — | — | — | — | — | — | — |
| Total | $ 11,377 | $ 19,453 | $ 32,301 | $ 32,662 | $ 36,546 | $ 103,632 | $ 60,522 | $ — | $ 296,493 |
| **Commercial real estate** | | | | | | | | | |
| Current period gross charge-offs | $ — | $ — | $ — | $ — | $ — | $ — | $ — | $ — | $ — |
| **Total** | | | | | | | | | |
| Pass | $ 17,889 | $ 40,466 | $ 49,308 | $ 42,987 | $ 43,257 | $ 114,311 | $ 71,671 | $ — | $ 379,889 |
| Special Mention | — | — | — | 315 | — | 6,654 | 7,414 | — | 14,383 |
| Substandard | — | — | 41 | 26 | 377 | 1,278 | 70 | — | 1,792 |
| Doubtful | — | — | — | — | — | — | — | — | — |
| Total | $ 17,889 | $ 40,466 | $ 49,349 | $ 43,328 | $ 43,634 | $ 122,243 | $ 79,155 | $ — | $ 396,064 |
| Current period gross charge-offs | $ — | $ — | $ — | $ — | $ — | $ — | $ — | $ — | $ — |

**United Bancorp, Inc.**
**Notes to Condensed Consolidated Financial Statements**
**Three Months Ended March 31, 2025 and 2024**
**(In thousands)**

The Company monitors the credit risk profile by payment activity for residential and consumer loan classes. Loans past due 90 days or more and loans on nonaccrual status are considered nonperforming. Nonperforming loans are reviewed quarterly. The following table presents the amortized cost in residential and consumer loans based on payment activity:

| March 31, 2025 | 2025 | 2024 | 2023 | 2022 | 2021 | Prior | Revolving Loans Amortized Cost Basis | Revolving Loans Converted to Term | Total |
|---|---|---|---|---|---|---|---|---|---|
| **Residential Real Estate** | | | | | | | | | |
| Payment Performance | | | | | | | | | |
| Performing | $ 2,414 | $ 9,410 | $ 10,234 | $ 16,772 | $ 14,846 | $ 38,769 | $ — | $ — | $ 92,445 |
| Nonperforming | — | — | 21 | — | 16 | 227 | — | — | 264 |
| Total | $ 2,414 | $ 9,410 | $ 10,255 | $ 16,772 | $ 14,862 | $ 38,996 | $ — | $ — | $ 92,709 |
| | | | | | | | | | |
| **Residential real estate** | | | | | | | | | |
| Current period gross charge-offs | $ — | $ — | $ — | $ — | $ — | $ — | $ — | $ — | $ — |
| | | | | | | | | | |
| **Consumer** | | | | | | | | | |
| Payment Performance | | | | | | | | | |
| Performing | $ 418 | $ 4,099 | $ 1,199 | $ 698 | $ 305 | $ 980 | $ 375 | $ — | $ 8,074 |
| Nonperforming | — | — | 2 | — | — | 17 | — | — | 19 |
| Total | $ 418 | $ 4,099 | $ 1,201 | $ 698 | $ 305 | $ 997 | $ 375 | $ — | $ 8,093 |
| | | | | | | | | | |
| **Consumer** | | | | | | | | | |
| Current period gross charge-offs | $ 34 | $ — | $ — | $ — | $ — | $ — | $ — | $ — | $ 34 |
| | | | | | | | | | |
| **Total** | | | | | | | | | |
| Payment Performance | | | | | | | | | |
| Performing | $ 2,632 | $ 13,509 | $ 11,433 | $ 17,470 | $ 15,151 | $ 39,752 | $ 375 | $ — | $ 100,322 |
| Nonperforming | — | — | 23 | — | 16 | 241 | — | — | 280 |
| Total | $ 2,632 | $ 13,509 | $ 11,456 | $ 17,470 | $ 15,167 | $ 39,993 | $ 375 | $ — | $ 100,602 |

**United Bancorp, Inc.**
**Notes to Condensed Consolidated Financial Statements**
**Three Months Ended March 31, 2025 and 2024**
**(In thousands)**

The following tables show the portfolio quality indicators.

Based on the most recent analysis performed, the following table presents the recorded investment in non-homogeneous loans by internal risk rating system as of December 31, 2024 (in thousands):

| December 31, 2024 | 2024 | 2023 | 2022 | 2021 | 2020 | Prior | Revolving Loans Amortized Cost Basis | Revolving Loans Converted to Term | Total |
|---|---|---|---|---|---|---|---|---|---|
| **Commercial and industrial** | | | | | | | | | |
| Risk Rating | | | | | | | | | |
| Pass | $ 22,474 | $ 17,993 | $ 11,487 | $ 8,082 | $ 10,099 | $ 8,295 | $ 19,068 | $ — | $ 97,498 |
| Special Mention | — | — | 26 | — | — | 185 | 1,086 | — | 1,297 |
| Substandard | — | — | — | — | — | — | — | — | — |
| Doubtful | — | — | — | — | — | — | — | — | — |
| Total | $ 22,474 | $ 17,993 | $ 11,513 | $ 8,082 | $ 10,099 | $ 8,480 | $ 20,154 | $ — | $ 98,795 |
| **Commercial and industrial** | | | | | | | | | |
| Current period gross charge-offs | $ — | $ 127 | $ — | $ — | $ — | $ — | $ — | $ — | $ 127 |
| **Commercial real estate** | | | | | | | | | |
| Risk Rating | | | | | | | | | |
| Pass | $ 19,554 | $ 30,858 | $ 32,972 | $ 36,870 | $ 31,461 | $ 68,279 | $ 57,096 | $ — | $ 277,090 |
| Special Mention | — | — | 315 | 242 | — | 7,781 | 6,229 | — | 14,567 |
| Substandard | — | — | — | — | — | 16 | — | — | 16 |
| Doubtful | — | — | — | — | — | — | — | — | — |
| Total | $ 19,554 | $ 30,858 | $ 33,287 | $ 37,112 | $ 31,461 | $ 76,076 | $ 63,325 | $ — | $ 291,673 |
| **Commercial real estate** | | | | | | | | | |
| Current period gross charge-offs | $ — | $ — | $ — | $ — | $ — | $ — | $ — | $ — | $ — |
| **Total** | | | | | | | | | |
| Pass | $ 42,028 | $ 48,851 | $ 44,459 | $ 44,952 | $ 41,560 | $ 76,574 | $ 76,164 | $ — | $ 374,588 |
| Special Mention | — | — | 341 | 242 | — | 7,966 | 7,315 | — | 15,864 |
| Substandard | — | — | — | — | — | 16 | — | — | 16 |
| Doubtful | — | — | — | — | — | — | — | — | — |
| Total | $ 42,028 | $ 48,851 | $ 44,800 | $ 45,194 | $ 41,560 | $ 84,556 | $ 83,479 | $ — | $ 390,468 |
| Current period gross charge-offs | $ — | $ 127 | $ — | $ — | $ — | $ — | $ — | $ — | $ 127 |

**United Bancorp, Inc.**
**Notes to Condensed Consolidated Financial Statements**
**Three Months Ended March 31, 2025 and 2024**
**(In thousands)**

The Company monitors the credit risk profile by payment activity for residential and consumer loan classes. Loans past due 90 days or more and loans on nonaccrual status are considered nonperforming. Nonperforming loans are reviewed quarterly. The following table presents the amortized cost in residential and consumer loans based on payment activity (in thousands):

| December 31, 2024 | 2024 | 2023 | 2022 | 2021 | 2020 | Prior | Revolving Loans Amortized Cost Basis | Revolving Loans Converted to Term | Total |
|---|---|---|---|---|---|---|---|---|---|
| **Residential Real Estate** | | | | | | | | | |
| Payment Performance | | | | | | | | | |
| Performing | $ 9,480 | $ 10,469 | $ 16,912 | $ 15,174 | $ 17,401 | $ 21,993 | $ — | $ — | $ 91,429 |
| Nonperforming | — | 22 | — | 17 | — | 269 | — | — | 308 |
| Total | $ 9,480 | $ 10,491 | $ 16,912 | $ 15,191 | $ 17,401 | $ 22,262 | $ — | $ — | $ 91,737 |
| **Residential real estate** | | | | | | | | | |
| Current period gross charge-offs | $ — | $ — | $ — | $ — | $ — | $ 17 | $ — | $ — | $ 17 |
| **Consumer** | | | | | | | | | |
| Payment Performance | | | | | | | | | |
| Performing | $ 4,619 | $ 1,427 | $ 798 | $ 349 | $ 275 | $ 907 | $ 376 | $ — | $ 8,751 |
| Nonperforming | — | — | — | — | 15 | — | — | — | 15 |
| Total | $ 4,619 | $ 1,427 | $ 798 | $ 349 | $ 290 | $ 907 | $ 376 | $ — | $ 8,766 |
| **Consumer** | | | | | | | | | |
| Current period gross charge-offs | $ 144 | $ 72 | $ — | $ — | $ — | $ — | $ — | $ — | $ 216 |
| **Total** | | | | | | | | | |
| Payment Performance | | | | | | | | | |
| Performing | $ 14,099 | $ 11,896 | $ 17,710 | $ 15,523 | $ 17,676 | $ 22,900 | $ 376 | $ — | $ 100,180 |
| Nonperforming | — | 22 | — | 17 | 15 | 269 | — | — | 323 |
| Total | $ 14,099 | $ 11,918 | $ 17,710 | $ 15,540 | $ 17,691 | $ 23,169 | $ 376 | $ — | $ 100,503 |
| Current period gross charge-offs | $ 144 | $ 72 | $ — | $ — | $ — | $ 17 | $ — | $ — | $ 233 |

To facilitate the monitoring of credit quality within the loan portfolio, and for purposes of analyzing historical loss rates used in the determination of the allowance for credit losses, the Company utilizes the following categories of credit grades: pass, special mention, substandard, and doubtful. The four categories, which are derived from standard regulatory rating definitions, are assigned upon initial approval of credit to borrowers and updated periodically thereafter. Pass ratings, which are assigned to those borrowers that do not have identified potential or well defined weaknesses and for which there is a high likelihood of orderly repayment, are updated periodically based on the size and credit characteristics of the borrower. All other categories are updated on at least a quarterly basis.

The Company assigns a special mention rating to loans that have potential weaknesses that deserve management's close attention. If left uncorrected, these potential weaknesses may, at some future date, result in the deterioration of the repayment prospects for the loan or the Company's credit position.

The Company assigns a substandard rating to loans that are inadequately protected by the current sound worth and paying capacity of the borrower or of the collateral pledged. Substandard loans have well defined weaknesses or weaknesses that could jeopardize the orderly repayment of the debt. Loans and leases in this grade also are characterized by the distinct possibility that the Company will sustain some loss if the deficiencies noted are not addressed and corrected.

The Company assigns a doubtful rating to loans that have all the attributes of a substandard rating with the added characteristic that the weaknesses make collection or liquidation in full, on the basis of currently existing facts, conditions, and values, highly questionable and improbable. The possibility of loss is extremely high, but because of certain important and reasonable specific pending factors that may work to the advantage of and strengthen the credit quality of the loan or lease, its classification as an estimated loss is deferred until its more exact status may be determined. Pending factors may include a proposed merger or acquisition, liquidation proceeding, capital injection, perfecting liens on additional collateral or refinancing plans.

Table of Contents

**United Bancorp, Inc.**
**Notes to Condensed Consolidated Financial Statements**
**Three Months Ended March 31, 2025 and 2024**
**(In thousands)**

The Company evaluates the loan risk grading system definitions and allowance for credit losses methodology on an ongoing basis. No significant changes were made to either during the past year to date period.

**Loan Portfolio Aging Analysis**
**As of March 31, 2025**

| | 30-59 Days Past Due and Accruing | 60-89 Days Past Due and Accruing | Greater Than 90 Days and Accruing | Non Accrual | Total Past Due and Non Accrual | Current | Total Loans Receivable |
|---|---|---|---|---|---|---|---|
| | | | | (In thousands) | | | |
| Commercial and Industrial | $ 27 | $ — | $ — | $ 323 | $ 350 | $ 99,221 | $ 99,571 |
| Commercial real estate | 338 | — | — | 1,335 | 1,673 | 294,820 | 296,493 |
| Residential | 443 | 30 | — | 264 | 737 | 91,972 | 92,709 |
| Installment | 58 | 5 | 3 | 16 | 82 | 8,011 | 8,093 |
| Total | $ 866 | $ 35 | $ 3 | $ 1,938 | $ 2,842 | $ 494,024 | $ 496,866 |

**Loan Portfolio Aging Analysis**
**As of December 31, 2024**

| | 30-59 Days Past Due and Accruing | 60-89 Days Past Due and Accruing | Greater Than 90 Days and Accruing | Non Accrual | Total Past Due and Non Accrual | Current | Total Loans Receivable |
|---|---|---|---|---|---|---|---|
| | | | | (In thousands) | | | |
| Commercial and Insustrial | $ — | $ 43 | $ 41 | $ 170 | $ 254 | $ 98,541 | $ 98,795 |
| Commercial real estate | 48 | — | — | 258 | 306 | 291,367 | 291,673 |
| Residential | 95 | 30 | — | 308 | 433 | 91,304 | 91,737 |
| Installment | 15 | 2 | 15 | — | 32 | 8,734 | 8,766 |
| Total | $ 158 | $ 75 | $ 56 | $ 736 | $ 1,025 | $ 489,946 | $ 490,971 |

**Nonperforming Loans**

The following table present the amortized cost basis of loans on nonaccrual status and loans past due over 90 days still accruing interest as of March 31, 2025:

| | Nonaccrual with no ACL | Nonaccrual with ACL | Total Nonaccrual | Loans Past Due Over 90 Days Still Accruing | Total Nonperforming |
|---|---|---|---|---|---|
| | | (In thousands) | | | |
| Commercial and Industrial | $ 211 | $ 112 | $ 323 | $ — | $ 323 |
| Commercial real estate | 1,335 | — | 1,335 | — | 1,335 |
| Residential | 264 | — | 264 | — | 264 |
| Installment | 16 | — | 16 | 3 | 19 |
| Total | $ 1,826 | $ 112 | $ 1,938 | $ 3 | $ 1,941 |

**United Bancorp, Inc.**
**Notes to Condensed Consolidated Financial Statements**
**Three Months Ended March 31, 2025 and 2024**
**(In thousands)**

The Company recognized $103,000 interest income on nonaccrual loans during the period ended March 31, 2025.

The following table present the amortized cost basis of loans on nonaccrual status and loans past due over 90 days still accruing interest as of December 31, 2024:

| | Nonaccrual with no ACL | Nonaccrual with ACL | Total Nonaccrual | Loans Past Due Over 90 Days Still Accruing | Total Nonperforming |
|---|---|---|---|---|---|
| | | (In thousands) | | | |
| Commercial and Industrial | $ 170 | $ — | $ 170 | $ 41 | $ 211 |
| Commercial real estate | 258 | — | 258 | — | 258 |
| Residential | 308 | — | 308 | — | 308 |
| Consumer | — | — | — | 15 | 15 |
| Total | $ 736 | $ — | $ 736 | $ 56 | $ 792 |

The Company recognized approximately $4,000 interest income on nonaccrual loans during the the period ended December 31, 2024.

**Note 4: Benefit Plans**

Pension expense includes the following:

| | Three months ended March 31 | |
|---|---|---|
| | 2025 | 2024 |
| | (In thousands) | |
| Service cost | $ 87 | $ 81 |
| Interest cost | 98 | 81 |
| Expected return on assets | (178) | (156) |
| Amortization of prior service cost and net loss | (22) | (22) |
| | | |
| Pension (contra expense) expense | $ (15) | $ (16) |

All components of pension expense are reflected within the salaries and employee benefits line of the consolidated statement of income.

**Note 5: Off-balance-sheet Activities**

Some financial instruments, such as loan commitments, credit lines, letters of credit and overdraft protection, are issued to meet customer financing needs. These are agreements to provide credit or to support the credit of others, as long as conditions established in the contracts are met, and usually have expiration dates. Commitments may expire without being used. Off-balance-sheet risk to credit loss exists up to the face amount of these instruments, although material losses are not anticipated. The same credit policies are used to make such commitments as are used for loans, including obtaining collateral at exercise of the commitment.

**United Bancorp, Inc.**
**Notes to Condensed Consolidated Financial Statements**
**Three Months Ended March 31, 2025 and 2024**
**(In thousands)**

A summary of the notional or contractual amounts of financial instruments with off-balance-sheet risk at the indicated dates is as follows:

| | March 31, 2025 | December 31, 2024 |
|---|---|---|
| | (In thousands) | |
| Commercial loans unused lines of credit | $ 71,314 | $ 71,522 |
| Commitment to originate loans | 69,988 | 70,251 |
| Consumer open end lines of credit | 35,701 | 35,570 |
| Standby lines of credit | 11 | 136 |

During the three months ended March 31, 2025, there was no change in the provision for credit expense for off balance sheet exposure of $94,000.

**Allowance for Credit Losses on Off-Balance Sheet Commitments**

The following table present the activity in the allowance for credit losses related to off-balance sheet commitments, that is included in interest payable and other liabilities on the consolidated balance sheets of financial condition for the three months ended March 31, 2025 and 2024.

| | March 31, 2025 |
|---|---|
| Balance – December 31, 2024 | $ 94 |
| Provision for (reversal of) credit losses | — |
| Balance – March 31, 2025 | $ 94 |

| | March 31, 2024 |
|---|---|
| Balance – December 31, 2023 | $ 224 |
| Provision for (reversal of) credit losses | — |
| Balance – March 31, 2024 | $ 224 |

**Note 6: Accumulated Other Comprehensive Income (Loss)**

The components of accumulated other comprehensive income (loss), included in stockholders' equity, are as follows:

| | March 31, 2025 | December 31, 2024 |
|---|---|---|
| | (In thousands) | |
| Net unrealized loss on securities available-for-sale | $ (15,212) | $ (12,130) |
| Net unrealized loss for unfunded status of defined benefit plan liability | (654) | (654) |
| | (15,866) | (12,784) |
| Less: Tax effect | 3,331 | 2,684 |
| Net-of-tax amount | $ (12,535) | $ (10,100) |

**United Bancorp, Inc.**
**Notes to Condensed Consolidated Financial Statements**
**Three Months Ended March 31, 2025 and 2024**
**(In thousands)**

The changes in accumulated other comprehensive income (loss) by component shown of net of tax and parenthesis indicating debits as of March 31, 2025 and 2024.

| | Three months ended March 31, 2025 | | | Three months ended March 31, 2024 | | |
|---|---|---|---|---|---|---|
| **(In thousands)** | **Net unrealized (Loss) Gain on Available For Sale Securities** | **Defined Benefit Plan** | **Total** | **Net unrealized (Loss) Gain on Available For Sale Securities** | **Defined Benefit Plan** | **Total** |
| Beginning balance | $ (9,583) | $ (517) | $ (10,100) | $ (7,049) | $ (429) | $ (7,478) |
| Other comprehensive income (loss) before reclassification | (2,322) | — | (2,322) | (482) | — | (482) |
| Amounts reclassified from accumulated other comprehensive gain (loss) | (113) | — | (113) | 153 | — | 153 |
| Net current -period other comprehensive income (loss) | (2,435) | — | (2,435) | (329) | — | (329) |
| Ending balance | $ (12,018) | $ (517) | $ (12,535) | $ (7,378) | $ (429) | $ (7,807) |

**Note 7: Fair Value Measurements**

The Company defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Company also utilizes a fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value:

**Level 1** Quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date

**Level 2** Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities

**Level 3** Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities

Following is a description of the valuation methodologies used for assets measured at fair value on a recurring basis and recognized in the accompanying consolidated balance sheets, as well as the general classification of such instruments pursuant to the valuation hierarchy.

***Available-for-sale Securities***

Where quoted market prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. The Company’s equity securities are classified within Level 1 of the hierarchy. If quoted market prices are not available, then fair values are estimated by using quoted prices of securities with similar characteristics or independent asset pricing services and pricing models, the inputs of which are market-based or independently sourced market parameters, including, but not limited to, yield curves, interest rates, volatilities, prepayments, defaults, cumulative loss projections and cash flows. Such securities are classified in Level 2 of the valuation hierarchy.

**United Bancorp, Inc.**
**Notes to Condensed Consolidated Financial Statements**
**Three Months Ended March 31, 2025 and 2024**
**(In thousands)**

The following table presents the fair value measurements of assets recognized in the accompanying consolidated balance sheets measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at March 31, 2025 and December 31, 2024:

| | | Fair Value Measurements Using | | |
|---|---|---|---|---|
| | Fair Value | Quoted Prices in Active Markets for Identical Assets (Level 1) | Significant Other Observable Inputs (Level 2) | Significant Unobservable Inputs (Level 3) |
| | | (In thousands) | | |
| **March 31, 2025** | | | | |
| U.S. government agencies | $ 12,340 | $ — | $ 12,340 | $ — |
| Subordinated Notes | 24,428 | — | 24,428 | — |
| State and municipal obligations | 193,075 | — | 193,075 | — |
| | | | | |
| **December 31, 2024** | | | | |
| U.S. government agencies | $ 12,254 | $ — | $ 12,254 | $ — |
| Subordinated Notes | 24,118 | — | 24,118 | — |
| State and municipal obligations | 204,259 | — | 204,259 | — |

Following is a description of the valuation methodologies used for assets measured at fair value on a nonrecurring basis and recognized in the accompanying consolidated balance sheets, as well as the general classification of such assets pursuant to the valuation hierarchy. For assets classified within Level 3 of the fair value hierarchy, the process used to develop the reported fair value is described below.

***Collateral Dependent***

Collateral dependent loans consisted primarily of loans secured by nonresidential real estate. Management has determined fair value measurements on collateral dependent loans primarily through evaluations of appraisals performed. Due to the nature of the valuation inputs, impaired loans are classified within Level 3 of the hierarchy.

The Company considers the appraisal or evaluation as the starting point for determining fair value and then considers other factors and events in the environment that may affect the fair value. Appraisals of the collateral underlying collateral-dependent loans are obtained when the loan is determined to be collateral-dependent and subsequently as deemed necessary by the Company's Chief Lender. Appraisals are reviewed for accuracy and consistency by the Company's Chief Lender. Appraisers are selected from the list of approved appraisers maintained by management. The appraised values are reduced by discounts to consider lack of marketability and estimated cost to sell if repayment or satisfaction of the loan is dependent on the sale of the collateral. These discounts and estimates are developed by the Company's Chief Lender by comparison to historical results. At March 31, 2025, the Company has a $75,000 collateral dependent loan that is fully reserved. There were no collateral dependent loans at December 31, 2024.

***Foreclosed Assets Held for Sale***

Assets acquired through, or in lieu of, loan foreclosure are held for sale and are initially recorded at fair value (based on current appraised value) at the date of foreclosure, establishing a new cost basis. Subsequent to foreclosure, valuations are periodically performed by management and the assets are carried at the lower of carrying amount or fair value less cost to sell. Management has determined fair value measurements on other real estate owned primarily through evaluations of appraisals performed, and current and past offers for the other real estate under evaluation. Due to the nature of the valuation inputs, foreclosed assets held for sale are classified within Level 3 of the hierarchy.

**United Bancorp, Inc.**
**Notes to Condensed Consolidated Financial Statements**
**Three Months Ended March 31, 2025 and 2024**
**(In thousands)**

Appraisals of OREO are obtained when the real estate is acquired and subsequently as deemed necessary by the Company's Chief lender. Appraisals are reviewed for accuracy and consistency by the Company's Chief Lender and are selected from the list of approved appraisers maintained by management.

The following table presents the fair value measurements of assets recognized in the accompanying consolidated balance sheets measured at fair value on a nonrecurring basis and the level within the fair value hierarchy in which the fair value measurements fall at March 31, 2025 and December 31, 2024.

| | | Fair Value Measurements Using | | |
|---|---|---|---|---|
| | Fair Value | Quoted Prices in Active Markets for Identical Assets (Level 1) | Significant Other Observable Inputs (Level 2) | Significant Unobservable Inputs (Level 3) |
| | (In thousands) | | | |
| **March 31, 2025** | | | | |
| Collateral dependent loans | $ — | $ — | $ — | $ — |
| Foreclosed assets held for sale | — | — | — | — |
| **December 31, 2024** | | | | |
| Collateral dependent loans | $ — | $ — | $ — | $ — |
| Foreclosed assets held for sale | 120 | — | — | 120 |

***Unobservable (Level 3) Inputs***

The following table presents quantitative information about unobservable inputs used in recurring and nonrecurring Level 3 fair value measurements.

| | Fair Value at 3/31/25 | Valuation Technique | Unobservable Inputs | Range |
|---|---|---|---|---|
| | (In thousands) | | | |
| Collateral-dependent loans | $ — | Market comparable properties | Comparability adjustments | 5% – 10% |
| Foreclosed assets held for sale | — | Market comparable properties | Marketability discount | 10% – 35% |

| | Fair Value at 12/31/24 | Valuation Technique | Unobservable Inputs | Range |
|---|---|---|---|---|
| | (In thousands) | | | |
| Collateral-dependent loans | $ — | Market comparable properties | Comparability adjustments | 5% – 10% |
| Foreclosed assets held for sale | 120 | Market comparable properties | Marketability discount | 10% – 35% |

**United Bancorp, Inc.**
**Notes to Condensed Consolidated Financial Statements**
**Three Months Ended March 31, 2025 and 2024**
**(In thousands)**

| | Carrying Amount | Fair Value Measurements Using: Quoted Prices in Active Markets for Identical Assets (Level 1) | Significant Other Observable Inputs (Level 2) | Significant Unobservable Inputs (Level 3) |
|---|---|---|---|---|
| | | (In thousands) | | |
| **March 31, 2025:** | | | | |
| **Financial assets** | | | | |
| Cash and cash equivalents | $ 36,403 | $ 36,403 | $ — | $ — |
| Loans, net of allowance | 492,771 | — | — | 475,232 |
| Federal Home Loan Bank | 4,026 | — | 4,026 | — |
| Accrued interest receivable | 3,499 | — | 3,499 | — |
| **Financial liabilities** | | | | |
| Deposits | 624,081 | — | 622,690 | — |
| Securities sold under repurchase agreements | 37,565 | — | 37,805 | — |
| Subordinated debentures | 23,863 | — | 24,279 | — |
| Advance Federal Home Loan Bank | 75,000 | — | 75,205 | — |
| Interest payable | 612 | — | 612 | — |

| | Carrying Amount | Fair Value Measurements Using: Quoted Prices in Active Markets for Identical Assets (Level 1) | Significant Other Observable Inputs (Level 2) | Significant Unobservable Inputs (Level 3) |
|---|---|---|---|---|
| | | (In thousands) | | |
| **December 31, 2024:** | | | | |
| **Financial assets** | | | | |
| Cash and cash equivalents | $ 19,608 | $ 19,608 | $ — | $ — |
| Loans, net of allowance | 486,945 | — | — | 466,951 |
| Federal Home Loan Bank stock | 4,026 | — | 4,026 | — |
| Accrued interest receivable | 4,322 | — | 4,322 | — |
| **Financial liabilities** | | | | |
| Deposits | 613,494 | — | 614,869 | — |
| Short term borrowings | 30,494 | — | 30,494 | — |
| Subordinated debentures | 23,847 | — | 24,386 | — |
| Advance Federal Home Loan Bank | 75,000 | — | 74,728 | — |
| Interest payable | 831 | — | 831 | — |

The following methods and assumptions were used to estimate the fair value of each class of financial instruments.

***Cash and Cash Equivalents, Accrued Interest Receivable and Federal Home Loan Bank Stock***

The carrying amounts approximate fair value.

***Loans***

Fair values of loans are estimated on an exit price basis incorporating discounts for credit, liquidity and marketability factors.

***Deposits***

Deposits include demand deposits, savings accounts, NOW accounts and certain money market deposits. The carrying amount approximates fair value. The fair value of fixed-maturity time deposits is estimated using a discounted cash flow calculation that applies the rates currently offered for deposits of similar remaining maturities.

***Interest Payable***

The carrying amount approximates fair value.

***Short-term Borrowings, Federal Home Loan Bank Advances and Subordinated Debentures***

Rates currently available to the Company for debt with similar terms and remaining maturities are used to estimate the fair value of existing debt.

***Commitments to Originate Loans, Letters of Credit and Lines of Credit***

The fair value of commitments to originate loans is estimated using the fees currently charged to enter into similar agreements, taking into account the remaining terms of the agreements and the present creditworthiness of the counterparties. For fixed-rate loan commitments, fair value also considers the difference between current levels of interest rates and the committed rates. The fair values of letters of credit and lines of credit are based on fees currently charged for similar agreements or on the estimated cost to terminate or otherwise settle the obligations with the counterparties at the reporting date. Fair values of commitments were not material at March 31, 2025 and December 31, 2024.

**Note 8: Repurchase Agreements**

Securities sold under agreements to repurchase ("repurchase agreements") with customers represent funds deposited by customers, generally on an overnight basis that are collateralized by investment securities owned by the Company.

The following table presents the Company's repurchase agreements accounted for as secured borrowings:

**Remaining Contractual Maturity of the Agreement**

(In thousands)

| March 31, 2025 | Overnight and Continuous | Up to 30 Days | 30-90 Days | Greater than 90 Days | Total |
|---|---|---|---|---|---|
| Repurchase Agreements | | | | | |
| State and municipal obligations | $ 37,565 | $ — | $ — | $ — | $ 37,565 |
| Total | $ 37,565 | $ — | $ — | $ — | $ 37,565 |

| December 31, 2024 | Overnight and Continuous | Up to 30 Days | 30-90 Days | Greater than 90 Days | Total |
|---|---|---|---|---|---|
| Repurchase Agreements | | | | | |
| State and municipal obligations | $ 30,494 | $ — | $ — | $ — | $ 30,494 |
| Total | $ 30,494 | $ — | $ — | $ — | $ 30,494 |

**United Bancorp, Inc.**
**Notes to Condensed Consolidated Financial Statements**
**Three Months Ended March 31, 2025 and 2024**
**(In thousands)**

These borrowings were collateralized with state and municipal obligations with a carrying value of $124.9 million at March 31, 2025 and $124.3 million at December 31, 2024. Declines in the fair value would require the Company to pledge additional securities.

## Note 9: Core Deposits and Intangible Assets

The following table shows the changes in the carrying amount of goodwill for March 31, 2025 and December 31, 2024 (in thousands):

| | March 31, 2025 | December 31, 2024 |
|---|---|---|
| Balance beginning of year | $ 682 | $ 682 |
| Additions from acquisition | — | — |
| Balance, end of period | $ 682 | $ 682 |

Intangible assets in the consolidated balance sheets at March 31, 2025 and December 31, 2024 were as follows (in thousands):

| | Three Months Ended March 31, 2025 | | | Year Ended December 31, 2024 | | |
|---|---|---|---|---|---|---|
| | Gross Intangible Assets | Accumulated Amortization | Net Intangible Assets | Gross Intangible Assets | Accumulated Amortization | Net Intangible Assets |
| Core deposit intangibles | $ 1,041 | $ 956 | $ 85 | $ 1,041 | $ 919 | $ 122 |

The estimated aggregate future amortization expense for 2025 for intangible assets as of March 31, 2025 is as follows (in thousands):

| | |
|---|---|
| 2025 | $ 85 |

At each reporting date between annual goodwill impairment tests, the Company considers potential indicators of impairment. At the conclusion of the assessment, the Company determined that as of March 31, 2025 it was more likely than not that the fair value exceeded its carrying values. The Company will continue to monitor the overall economic conditions and any other triggering events or circumstances that may indicate an impairment of goodwill in the future.

## Note 10: Advances from the Federal Home Loan Bank

At March 31, 2025, advance from the Federal Home Loan Bank were $75 million. The Company had $75 million of advances from the Federal Home Loan Bank at December 31, 2024.

At March 31, 2025, required repayments on Federal Home Loan Bank advances were for year ending December 31, 2026 are $20 million (4.39% fixed rate), December 31, 2027 are $35 million (4.24% fixed rate) and December 31, 2028 are $20 million (4.11% fixed rate).

**United Bancorp, Inc.**
**Notes to Condensed Consolidated Financial Statements**
**Three Months Ended March 31, 2025 and 2024**
**(In thousands)**

## Note 11: Restricted Stock Plan

A summary of the status of the Company's nonvested restricted shares as of March 31, 2025, and changes during the three months ended March 31, 2025, is presented below:

| | Shares | Weighted-Average Grant-Date Fair Value |
|---|---|---|
| Nonvested, beginning of year | 287,790 | $ 11.68 |
| Granted | — | — |
| Vested | (10,000) | 9.00 |
| Forfeited | — | — |
| Nonvested, end of year | 277,790 | $ 11.78 |

Total compensation cost recognized in the income statement for share-based payment arrangements during the three months ended March 31, 2025 and 2024 was $89,000 and $543,000, respectively.

## Note 12: Premises and Equipment

Major classifications of premises and equipment, stated at cost, are as follows:

| | March 31, 2025 | December 31, 2024 |
|---|---|---|
| | (In thousands) | |
| Land, buildings and improvements | $ 32,609 | $ 31,727 |
| Furniture and equipment | 16,916 | 16,158 |
| Computer software | 2,695 | 2,680 |
| | 52,220 | 50,565 |
| Less accumulated depreciation | (27,253) | (26,966) |
| Net premises and equipment | $ 24,967 | $ 23,599 |

Depreciation and amortization charged to operations was $290,000 and $261,000 for the three months ended March 31, 2025 and December 31, 2024, respectively.

**United Bancorp, Inc.**
**Notes to Condensed Consolidated Financial Statements**
**Three Months Ended March 31, 2025 and 2024**
**(In thousands)**

**Note 13: Segment Reporting**

The Company's has one reportable segment ("Banking") as determined by the after considering the level of information to review and the performance of various componets of the business. The Company's Management will use the consolidated information to benchmark against similar entities to evaualte financial performance and budget to actual results. Accounting policies follolwaed by the Company are the same used for the single segment. The one segment identified is evaluated using net income, earnings per share, return of average assets and equity. Information used for performance assessment follows. Since reported consolidated financial results are used for the performance assessment, there are no reconciling items noted from our financial reporting results published and segment reporting financial information.

| | Quarters Ended March 31, 2025 | Quarters Ended March 31, 2024 |
|---|---|---|
| | (In thousands) | |
| **Banking Segment** | | |
| Total interest income | $ 9,842 | $ 9,621 |
| Total interest expense | 3,595 | 3,506 |
| Net interest income | 6,247 | 6,115 |
| Provision for credit loss expense | 96 | — |
| Net interest income after provision for (reversal of) credit losses | 6,151 | 6,115 |
| Noninterest income | 1,281 | 866 |
| Noninterest expense (including taxes) | 5,560 | 4,988 |
| Net income | 1,872 | 1,993 |
| Net income (consolidated statements of income) | $ 1,872 | $ 1,993 |
| Total assets Banking segment | $ 830,681 | $ 816,656 |
| Total assets (consolidated balance sheets) | $ 830,681 | $ 816,656 |

**United Bancorp, Inc.**
**Management's Discussion and Analysis of Financial**
**Condition and Results of Operations**

**ITEM 2. Management's Discussion and Analysis of Financial Condition and Results of Operation**

The following discusses the consolidated financial condition of the Company as of March 31, 2025, as compared to December 31, 2024, and the results of consolidated operations for the three months ended March 31, 2025, compared to the same period in 2024. This discussion should be read in conjunction with the interim condensed consolidated financial statements and related footnotes included herein.

**Introduction**

United Bancorp, Inc. (NASDAQ: UBCP) reported diluted earnings per share of $0.32 and net income of $1,872,000 for the three months ended March 31, 2025.

We are pleased to report on the earnings performance of United Bancorp, Inc. (UBCP) for the first quarter ended March 31, 2025. For the quarter, our Company achieved solid net income and diluted earnings per share results of $1,872,000 and $0.32. Although these earning metrics are respective decreases of $121,000, or 6.1%, and $0.03, or 8.6%, over the results achieved during the first quarter of last year, they are each respectively higher on a linked-quarter basis by $23,000 and $0.01. As we have previously disclosed, last year's first quarter financial performance results included non-recurring items that added approximately $271,000 to net income and $0.05 to diluted earnings per share. In this year's first quarter, our Company did have a net realized gain on the sale of available for sale securities, which added approximately $113,000 to net income and $0.02 to our diluted earnings per share. Netting these one-time, nonrecurring items out of our reported diluted earnings per share for both years results in "core" diluted earnings per share for each of these periods of $0.30. Considering, over the course of the past twelve months, we have undertaken several transformative projects that that have added to our noninterest expense levels, such as: the construction of our new Wheeling Banking Center, the development and scaling out of both Unified Mortgage and our Treasury Management Programs, the investment in new technology and digital transformation and the acquisition of a property in St. Clairsville, Ohio that will become our Unified Center which will house our Accounting, Information Technology and Customer Sales and Service Functions we are very happy with the present performance of our Company. With our unwavering focus on growing our Company through our investment in infrastructure, product development and delivery, we strongly believe that these current undertakings which are dilutive to current financial performance will provide a pathway to future growth and lead to increasingly higher performance over the course of the next twelve to twenty-four months, and help us to maintain our overall relevance for many years to come.

As we all know, the economic environment in which we are operating is posing challenges for all businesses with the present high degree of uncertainty that permeates our national and world economies as a result of the tariffs that were announced under the new administration and which are in the process of being enacted. This new trade policy coupled with a potentially slowing economic output and lingering inflation has led many of us to question the future direction of our economy and what impact it will have on the businesses that operate therein, including our Company. Even though we have dealt with changing fiscal and monetary policy over the course of the past couple of years, this new economic reality relating to trade policy has only recently been cast upon us. Thus far, our Company has responded in a positive fashion to this new economic uncertainty with which we have been confronted on both a year-over-year and linked-quarter basis. Year-over-year, as of the most recently ended quarter, the net interest income that our Company realized increased by $131,000, or 2.2%, and our net interest margin improved by fourteen (14) basis points to 3.60% from 3.46% the previous year. Even though our Company's total assets declined during this same time period by $3.3 million, or 0.40%, to a level of $830.7 million as of March 31, 2025, we were able to improve the level of net interest income earned by both increasing our gross loans outstanding by $16.6 million, or 3.5%, and having our loan portfolio continuing to reprice in a higher-rate environment. Accordingly, our total interest income increased year-over-year during the first quarter by $221,000 or 2.3%. Even though we continue to operate in a higher than previously anticipated interest rate environment on which we benefitted on the asset-side of the balance sheet, we were able to manage the liability-side of our balance sheet by selectively pricing our retail deposit offerings to manage our liquidity needs and control our overall interest expense levels. As of March 31, 2025, our total deposits decreased by ($1.7 million), or (0.27%), and our interest expense to average assets marginally increased by four (4) basis points, to 1.75%, year-over-year. In addition, on a linked quarter basis as of March 31, 2025, our Company experienced a decline in its interest expense to average assets of three (3) basis points from 1.78% the previous quarter and an increase in its net interest margin of nine (9) basis points, increasing from its previous quarter level of 3.51%. We are optimistic that this trend will continue into the coming quarters of the current year; especially, if the Federal Open Market Committee (FOMC) of the Federal Reserve gains more clarity on the direction of our economy and reduces their target for the Federal Funds Rate (FFR) in the coming months as the markets presently forecast.

**United Bancorp, Inc.**
**Management's Discussion and Analysis of Financial Condition and Results of Operations**

Even with many of our borrowers experiencing rate resets to levels that may be double their previous rates on their loans in this higher-rate environment and with the economic uncertainty that continues, we have successfully maintained credit-related strength and stability within our loan portfolio. As of March 31, 2025, our Company's total nonaccrual loans and loans past due 30 plus days were $2.8 million, or 0.57% of gross loans, which is up from last year by $1.4 million. Year-over-year, our loans past due thirty plus days actually decreased by ($50,000) or (5.2%). But, our nonaccrual loans increased by $1.5 million with a majority of this being attributed to one commercial relationship on which we are very well secured and the loss given default is extremely low. As of the end of the most recently completed quarter, our Company's nonperforming assets to total assets was 0.68%, an increase of seventeen (17) basis points from the previous year's level of 0.51%. These reported levels continue to be well-below historic levels and compare very favorably to peer. Further highlighting the overall strength of our loan portfolio, our Company had net loans charged off (excluding overdrafts) of ($3,000) for the first quarter of this year, which annualized is (0.02%) of average loans and is down from the previous year. Considering some of the economic uncertainty and macroeconomic trends in the current year along with the growth in our gross loans our Company had a provision for credit loss expense of $96,000 for the most recently ended quarter after not having a provision for credit loss expense for the same period the previous year. With the increased provision for credit losses this year and continued solid credit quality-related metrics as of quarter-end, our Company had a total allowance for credit losses to total loans of 0.82%, which is a one (1) basis point increase over the previous year, and our total allowance for credit losses to nonaccrual loans was 211% as of March 31, 2025. Overall, we firmly believe that we are presently well reserved with strong coverage. Also, our Company remains very well capitalized by regulatory standards with an equity to assets at period end of 7.32% as of the end of the first quarter of this year.

Although we have encountered many economic and policy-related challenges in recent years that commenced with the world-wide pandemic (ie: zero interest rate policy, excessive stimulus funding, extreme inflation and historically aggressive tightening of monetary policy), in a lot of ways the current economic challenges relating to the newly implemented trade policy of our country has created a level of uncertainty that, arguably, exceeds any other that occurred in recent years. Our Company, like most others, is keenly focused on what is presently occurring and will be ready to respond in an appropriate fashion as things develop more fully and we gain more clarity on the evolving situation. Even though we continue to operate in an environment emanating a heightened level of uncertainty, United Bancorp, Inc. (UBCP) is performing in an admirable fashion at present. In recent months, our Company has benefitted from the new direction of our country's monetary policy as the Federal Open Market Committee of the Federal Reserve (FOMC) has loosened this policy, somewhat, by lowering the target for the Federal Funds Rate (FFR) by one hundred (100) basis points since their September 18, 2024 meeting. This most recent moderating action taken by the FOMC has taken some of the pressure off of our net interest margin and has enabled our Company to generate higher levels of net interest income and experience an increase in its net interest margin for the first time in many quarters. These are positive trends that we anticipate continuing in the coming quarters of the current year for our Company. Even with all of the present uncertainty within both the national and global economies, we are happy to see the growth trends that we have seen over the course of the past two quarters in our gross loans and the current quality of the credit metrics of our loan portfolio that remain relatively stable and low by historic standards. With the stronger demand for our loan products that we are currently experiencing especially, in the relationship-driven, small-business oriented commercial portfolio, which accounts for approximately eighty percent (80%) of our total loans we can begin to focus on attracting more deposits to fund this increased loan demand and, once again, begin growing our Company and working toward achieving our goal of growing our total assets to a level of $1.0 billion or greater!

Under it's guiding principles and vision, United Bancorp, Inc. (UBCP) has had a growth-centric goal to grow its asset-base to a level of $1.0 billion (and, beyond) for the past several years. With all of the economic uncertainty and challenges within the past few years with which we have been confronted, our Company adopted a more defensive posture which sacrificed growth for the sake of maintaining sound performance with a more conservative balance sheet management approach. Beginning in 2024, we began to adopt a more offensive-oriented posture with a focus, once again, on driving the growth of the balance sheet of our Company, which we believe will lead to higher levels of earnings and profitability and ensure our long-term relevance. Several new initiatives (some of which we have previously announced and have already undertaken or begun) are key to driving this envisioned growth. A major initiative that our Company has undertaken as we put our proverbial "foot on the accelerator" to achieve our envisioned growth objective is the development and construction of a new regional banking center in the desirable market of Wheeling, West Virginia. We are excited with the progress that has been made on this highly-promising banking center, which is tentatively scheduled to open in the late third quarter of this year. Even though this banking center has not yet opened, some of the recent growth within our loan portfolio is directly attributed to this office through the efforts of our business development team that we already have in place. We firmly believe that within five years, this new banking center will be a top performer for UBCP! Another exciting initiative that we have undertaken and more fully developed over the course of the past year is our new Unified Mortgage Division. Last year, this new division helped our Company produce higher levels of fee income and we believe that as we scale this function more fully, it will only become more lucrative for us. We have also become more focused on developing our Treasury Management function, which focusses on helping our small business customers with cash management, merchant services and payments. Not only does this developing department within our Company help generate higher levels of fee income, it also is key to helping us grow our no or low-cost deposit base both of which lead to increased profitability. Also, over the course of the past year, UBCP has made a tremendous investment in the area of technology as we focus on digital transformation and omni-channel delivery, which will ensure that we meet the changing needs of our customer base and attract new customers to our Company. We are also in the process of implementing artificial intelligence (AI), which will help us better serve our customers by more effectively and efficiently answering customer inquiries on their terms and guide them to the best financial solutions to meet their current and changing needs. Lastly, we acquired a property in St. Clairsville, Ohio that will house the Accounting, Technology and Customer Support functions for our Company, which will be known as the Unified Center. As UBCP has grown and evolved over the course of the past several years (and, as we continue to do so), we have had a need for a facility such as this. We are most excited about the Customer Support function that we are developing at the Unified Center, which will centralize the service function of our Company with team members that are highly skilled and more capable of providing a more “Unified Experience” to our valued customers. In addition, it will have a sales-oriented function, which is anticipated to lead to additional business for our Company (with the help of our AI-solution) by routing inbound inquiries from any banking channel to a skilled sales professional. This process will focus on the development and expansion of relationships through more effective on-boarding practices and the cross-selling of additional products and services to our existing and newly prospected customers through this much more efficient and effective channel.

As always, our primary focus is protecting the investment of our shareholders in our Company and rewarding them in a balanced fashion by growing their value and paying an attractive cash dividend. In these areas, our shareholders have been nicely rewarded. In the first quarter of this year, we, once again, paid both our regular cash dividend, which increased by $0.0025 to a level of $0.1825, and a special cash dividend of $0.1750, an increase of $0.025 over the previous year for a total payout of $0.3575 for the quarter. This is a $0.035, or 10.9%, increase over the total cash dividend paid in the first quarter of the previous year and produces a near-industry leading total dividend yield of 6.7%. This total dividend yield is based on our first quarter cash dividend on a forward basis, plus the special dividend (which combined total $0.9050) and our quarter-end fair market value of $13.42. On a year-over-year basis as of March 31, 2025, the fair market value of our Company’s stock declined slightly from the previous year and our Company’s market price to book value was 132%, which compares favorably to current industry standards.

Considering that we continue to operate in a challenging and uncertain economic and a highly competitive industry-related environment, we are very pleased with our current performance and future prospects. Even with these present threats to which we are exposed, we are very optimistic about the future growth and earnings potential for United Bancorp, Inc. (UBCP). We firmly believe that with the challenges that our industry has experienced over the course of the past few years, our Company has evolved into a more fundamentally sound organization with a focus on evolving and growing in order to achieve greater efficiencies and scales and generate higher levels of revenue while prudently managing expenses and controlling overall costs. We have and continue to invest in areas that will lead to our continued and future relevancy within our industry. Although such initiatives can stress the short-term performance of our Company, we firmly believe that the will help us fulfil our intermediate and longer-term goals and produce above industry earnings and overall performance. As previously mentioned, we still have a vision of growing UBCP to an asset threshold of $1.0 billion or greater in the near term in a prudent and profitable fashion. We are truly excited about our Company’s direction and the potential that it brings. With a keen focus on continual process improvement, product development and delivery, we firmly believe the future for our Company is very bright.

**United Bancorp, Inc.**
**Management's Discussion and Analysis of Financial Condition and Results of Operations**

**Forward-Looking Statements**

When used in this document, the words or phrases "will likely result," "are expected to," "will continue," "is anticipated," "estimated," "projected" or similar expressions are intended to identify "forward looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements are subject to certain risks and uncertainties including changes in economic conditions in the Bank's market areas, changes in policies by regulatory agencies, fluctuations in interest rates, demand for loans in the Bank's market areas and competition, that could affect the Company's financial performance and cause actual results to differ materially from historical earnings and those presently anticipated or projected with respect to future periods. These risks and uncertainties should be considered in evaluating forward looking statements, and undue reliance should not be placed on such statements. Additional information concerning the Company and its business, including other factors that could materially affect the Company's financial results, is included in the Company's filings with the Securities and Exchange Commission.

The Company is not aware of any trends, events or uncertainties that will have or are reasonably likely to have a material effect on its financial condition, results of operations, liquidity or capital resources except as discussed herein. The Company is not aware of any current recommendation by regulatory authorities that would have such effect if implemented except as discussed herein.

The Company does not undertake, and specifically disclaims any obligation, to publicly revise any forward-looking statements to reflect events or circumstances after the date such statements were made or to reflect the occurrence of anticipated or unanticipated events.

**Critical Accounting Policies**

The Company's consolidated financial statements are prepared in accordance with accounting principles generally accepted in the United States of America. Management makes certain judgments that affect the amounts reported in the financial statements and footnotes. These estimates, assumptions and judgments are based on information available as of the date of the financial statements, and as this information changes, the financial statements could reflect different estimates, assumptions, and judgments.

See Note 1, "Summary of Significant Accounting Policies" Management considers the measurement of the allowance for credit losses on loans to be a critical accounting policy.

This discussion of the Company's critical accounting policies should be read in conjunction with the Company's consolidated financial statements and the accompanying notes presented elsewhere herein, as well as other relevant portions of Management's Discussion and Analysis of Financial Condition and Results of Operations.

**Analysis of Financial Condition**

***Earning Assets – Loans***

The Company's focus as a community bank is to meet the credit needs of the markets it serves. At March 31, 2025, gross loans were $496.9 million, compared to $491.0 million at December 31, 2024, an increase of $5.9 million after offsetting repayments for the period. The overall increase in the loan portfolio was comprised of a $5.6 million increase in commercial and commercial real estate loans and a $972,000 increase in real estate lending and a $673,000 million decrease in installment loans since December 31, 2024.

Commercial and commercial real estate loans comprised 79.7% of total loans at March 31, 2025, compared to 79.5% at December 31, 2024. Commercial and commercial real estate loans have increased $5.6 million, or approximately 1.4% since December 31, 2024. This segment of the loan portfolio includes originated loans in its market areas and purchased participations in loans from other banks for out-of-area commercial and commercial real estate loans to benefit from consistent economic growth outside the Company's primary market area.

Consumer loans represented 1.6% of total loans at March 31, 2025 and 1.8% at December 31, 2024. Some of the consumer loans carry somewhat more risk than real estate lending; however, it also provides for higher yields. Consumer loans have decreased $673,000, or 7.68%, since December 31, 2024. The targeted lending areas encompass four separate metropolitan areas, minimizing the risk to changes in economic conditions in the communities housing the Company's banking locations.

**United Bancorp, Inc.**
**Management's Discussion and Analysis of Financial Condition and Results of Operations**

Residential real estate loans were 18.8% of total loans at March 31, 2025 and 18.7% at December 31, 2024, representing an increase of $972,000, or 1.06% since December 31, 2024. At March 31, 2025, the Company did not hold any loans for sale.

As of March 31, 2025, the Company considered its concentration of credit risk to be acceptable. The highest concentrations are in 1st Lien 1-4 Family with $132.2 million of loans outstanding, or 26.6% of total loan outstanding at March 31, 2025, and Commercial and Industrial with loans outstanding of $96.7 million of 19.5% of loans outstanding. The following table presents additional detail regarding the Company's largest loan concentration as of March 31, 2025 and December 31, 2024.

| Account Type | March 31, 2025 Outstanding | March 31, 2025 Percent | December 31, 2024 Outstanding | December 31, 2024 Percent |
|---|---|---|---|---|
| | (Dollars, in thousands) | | | |
| 1st Lien 1-4 Family | $ 132,210 | 26.6 % | $ 118,731 | 24.2 % |
| Commercial & Industrial | 96,670 | 19.5 % | 96,299 | 19.6 % |
| Other Non Farm/Non Residential | 93,181 | 18.8 % | 96,172 | 19.6 % |
| Owner Occupied Non Farm/Non Residential | 90,189 | 18.2 % | 93,703 | 19.1 % |

The allowance for credit losses totaled $4.1 million at March 31, 2025, which represented 0.82% of total loans. The allowance represents the amount which management and the Board of Directors estimates is adequate to provide for probable losses inherent in the loan portfolio. The allowance balance and the provision charged to expense are reviewed by management and the Board of Directors monthly using a risk evaluation model that considers borrowers' past due experience, economic conditions and various other circumstances that are subject to change over time. Management believes the current balance of the allowance for credit losses is adequate to absorb credit losses over the life of the loan portfolio. Net loan (recoveries) charge-offs (exclusive of overdrafts net charge-offs of $24,000) for the three months ended March 31, 2025 were approximately $3,000. Net loans charged off (exclusive of overdrafts net charge-offs $20,000) was $28,000 for the three months ended March 31, 2024.

***Earning Assets – Securities***

The securities portfolio is comprised of U.S. Government agency-backed securities, tax-exempt obligations of state and political subdivisions and certain other investments. Securities available for sale at March 31, 2025 decreased approximately $10.8 million from December 31, 2024 totals.

***Sources of Funds – Deposits***

The Company's primary source of funds is core deposits from retail and business customers. These core deposits include all categories of interest-bearing and noninterest-bearing deposits, excluding certificates of deposit greater than $250,000. For the period ended March 31, 2025, total core deposits (interest and non interest bearing accounts and savings) increased approximately $5.3 million, or 2.9% from December 31, 2024 totals. The Company's savings accounts decreased $876,000 million or less than 1.0% from December 31, 2024 totals. The Company's interest-bearing and non-interest bearing demand deposits increased $2.3 million while certificates of deposit under $250,000 increased by $3.8 million.

The Company has a strong deposit base from public agencies, including local school districts, city and township municipalities, public works facilities and others that may tend to be more seasonal in nature resulting from the receipt and disbursement of state and federal grants. These entities have maintained fairly static balances with the Company due to various funding and disbursement timeframes.

Certificates of deposit greater than $250,000 are not considered part of core deposits, and as such, are used to balance rate sensitivity as a tool of funds management. At March 31, 2025, certificates of deposit greater than $250,000 increased $5.3 million or 14.8%, from December 31, 2024 totals.

***Sources of Funds – Securities Sold under Agreements to Repurchase and Other Borrowings***

Other interest-bearing liabilities include securities sold under agreements to repurchase and Federal Home Loan Bank ("FHLB") advances. The majority of the Company's repurchase agreements are with local school districts and city and county governments. The Company's repurchase agreements increased approximately $7.1 million from December 31, 2024 totals. At March 31, 2025, the Company has $75 million of fixed rate advances that mature over the next 1 to 3 years. Refer to footnote 10 for further information.

**United Bancorp, Inc.**
**Management's Discussion and Analysis of Financial Condition and Results of Operations**

**Results of Operations for the Three Months Ended March 31, 2025 and 2024**

***Net Income***

The reported diluted earnings per share was $0.32 for the quarter ended March 31, 2025 compared to $0.35 for the quarter ended March 31, 2024, a decrease of 8.6%.

***Net Interest Income***

Net interest income increased $132,000 or 2.2% for the three months ended March 31, 2025 compared to the same period in 2024.

***Provision for Credit Losses***

The Company had a provision for credit losses of $96,000 for the three months ended March 31, 2025. The Company did not record a provision for credit losses during the three months ended 2024.

***Noninterest Income***

Noninterest income of the Company increased $415,000 year-over-year. This increase was in part due to the Company $143,000 gain on the sale of available-fo-sale securities for the three months ended March 31, 2025 as compared the loss on the sale of available-for-sale securities of $194,000 for the three months ended March 31, 2024.

***Noninterest Expense***

The Company saw its noninterest expense increase by $748,000 or 15.5% year-over-year. Our Company was able to successfully apply and be approved for an Employee Retention Credit (ERC) in the first quarter of 2024 in the amount of $1,080,000 net of filing fees.

To be updated with Press Release

***Federal Income Taxes***

The provision for federal income taxes (benefits) was ($26,000) for the three months ended March 31, 2025. The Company had an income tax expense of $150,000 for the three months ended March 31, 2024.

***Capital Resources***

Internal capital growth, through the retention of earnings, is the primary means of maintaining capital adequacy for the Company. Stockholders' equity totaled $60.8 million at March 31, 2025, compared to $63.5 million at December 31, 2024, a $2.7 million decrease. Total stockholders' equity in relation to total assets was 7.32% at March 31, 2025 and 7.77% at December 31, 2024. The Company's Articles of Incorporation allows for a class of preferred shares with 2,000,000 authorized shares. This enables the Company, at the option of the Board of Directors, to issue series of preferred shares in a manner calculated to take advantage of financing techniques which may provide a lower effective cost of capital to the Company. The amendment also provides greater flexibility to the Board of Directors in structuring the terms of equity securities that may be issued by the Company. Although this preferred stock is a financial tool, it has not been utilized to date.

The Company has offered for many years a Dividend Reinvestment Plan ("The Plan") for shareholders under which the Company's common stock will be purchased by the Plan for participants with automatically reinvested dividends. The Plan does not represent a change in the Company's dividend policy or a guarantee of future dividends.

The Company is subject to the regulatory requirements of The Federal Reserve System as a bank holding company. The Bank is subject to regulations of the FDIC and the State of Ohio, Division of Financial Institutions. The most important of these various regulations address capital adequacy.

**United Bancorp, Inc.**
**Management's Discussion and Analysis of Financial Condition and Results of Operations**

On January 1, 2015, the final rules of the Federal Reserve Board went into effect implementing in the United States the Basel III regulatory capital reforms from the Basel Committee on Banking Supervision and certain changes required by the Dodd-Frank Wall Street Reform and Consumer Protection Act.

Under the final rule, minimum requirements increased for both the quality and quantity of capital held by banking organizations. The rule requires a new minimum ratio of common equity tier 1 capital to risk-weighted assets of 4.5 percent and a common equity tier 1 capital conservation buffer of 2.5 percent of risk-weighted assets that will apply to all supervised financial institutions. The rule also raises the minimum ratio of tier 1 capital to risk-weighted assets from 4 percent to 6 percent and includes a minimum leverage ratio of 4 percent for all banking organizations.

The Bank continues to be well-capitalized in accordance with Federal regulatory capital requirements as the capital ratios below show:

| | |
|---|---|
| Common equity tier 1 capital ratio | 12.66 % |
| Tier 1 capital ratio | 12.66 % |
| Total capital ratio | 13.33 % |
| Leverage ratio | 9.51 % |

***Liquidity***

Management's objective in managing liquidity is maintaining the ability to continue meeting the cash flow needs of its customers, such as borrowings or deposit withdrawals, as well as its own financial commitments. The principal sources of liquidity are net income, loan payments, maturing securities and sales of securities available for sale, federal funds sold and cash and deposits with banks. Along with its liquid assets, the Company has additional sources of liquidity available to ensure that adequate funds are available as needed. These include, but are not limited to, the purchase of federal funds, the ability to borrow funds under line of credit agreements with correspondent banks, a borrowing agreement with the Federal Home Loan Bank of Cincinnati and the adjustment of interest rates to obtain depositors. Management feels that it has the capital adequacy and profitability to meet the current and projected liquidity needs of its customers.

***Inflation and Economic Environment***

Inflation can directly impact the Company's performance by potentially reducing the spending power of its borrowers. Higher costs continue to present a risk to the economy. The Company continues to closely monitor and analyze the higher risk segments within the loan portfolio, tracking past due accounts. Based on the Company's capital levels, prudent underwriting policies, loan concentration diversification and our geographic footprint, senior management is cautiously optimistic that the Company is positioned to continue managing the impact of the varied set of risks and uncertainties currently impacting the economy and remain adequately capitalized. However, the Company may be required to make additional credit loss provisions as warranted by the extremely fluid economic condition.

**ITEM 3 Quantitative and Qualitative Disclosures About Market Risk**

Smaller Reporting Companies are not required to provide this disclosures.

**ITEM 4. Controls and Procedures**

The Company, under the supervision, and with the participation, of its management, including the Company's Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of the design and operation of the Company's disclosure controls and procedures pursuant to the requirements of Exchange Act Rule 13a-15. Based upon that evaluation, the Chief Executive Officer and Chief Financial Officer concluded that the Company's disclosure controls and procedures were effective as of March 31, 2025, in timely alerting them to material information relating to the Company (including its consolidated subsidiary) required to be included in the Company's periodic SEC filings. There were no changes in the Company's internal controls over financial that occurred during the Company's most recent completed fiscal quarterthat has materially or is reasonably likely to materially affect the Company's internal controls over financial reporting.

Table of Contents

**United Bancorp, Inc.**
**Part II – Other Information**

## ITEM 1. Legal Proceedings

None, other than ordinary routine litigation incidental to the Company's business.

## ITEM 1A. Risk Factors

Smaller reporting companies are not required to provide this information.

## ITEM 2. Unregistered Sales of Equity Securities and Use of Proceeds

ISSUER PURCHASES OF EQUITY SECURITIES

| Period | (a) Total Number of Shares (or Units) Purchased | (b) Average Price Paid Per Share (or Unit) | (c) Total Number of Shares (or Units) Purchased as Part Of Publicly Announced Plans Or Programs | (d) Maximum Number or Approximate Dollar Value) of Shares (or Units) that May Yet Be Purchased Under the Plans or Programs |
|---|---|---|---|---|
| Month #1 1/1/2025 to 1/31/2025 | — | — | — | — |
| Month #2 2/1/2025 to 2/29/2025 | — | — | — | — |
| Month #3 3/1/2025 to 3/31/2025 | — | — | — | — |

The Company adopted the United Bancorp, Inc. Affiliate Banks Directors and Officers Deferred Compensation Plan (the "Plan"), which is an unfunded deferred compensation plan. Amounts deferred pursuant to the Plan remain unrestricted assets of the Company, and the right to participate in the Plan is limited to members of the Board of Directors and Company officers. Under the Plan, directors or other eligible participants may defer fees and up to 50% of their annual incentive award payable to them by the Company, which are used to acquire common shares which are credited to a participant's respective account. Except in the event of certain emergencies, no distributions are to be made from any account as long as the participant continues to be an employee or member of the Board of Directors. Upon termination of service, the aggregate number of shares credited to a participant's account is distributed with any cash proceeds credited to the account which have not yet been invested in the Company's stock. All purchases under this deferred compensation plan are funded with either earned director fees or officer incentive award payments. No underwriting fees, discounts, or commissions are paid in connection with the Plan. The shares allocated to participant accounts have not been registered under the Securities Act of 1933 in reliance upon the exemption provided by Section 4(2) thereof. No pucahses were made under the plan during the most recently completed fiscal quarter.

## ITEM 3. Defaults Upon Senior Securities

Not applicable.

## ITEM 4. Mine Safety Disclosures

Not applicable.

## ITEM 5. Other Information

Not applicable.

Table of Contents

**United Bancorp, Inc.**
**Part II – Other Information**

**ITEM 6. Exhibits**

| | |
|---|---|
| EX-3.1 | Amended Articles of Incorporation of United Bancorp, Inc. (1) |
| EX-3.2 | Amended and Restated Code of Regulations of United Bancorp, Inc. (2) |
| EX-4.1 | Description of Registrant's Common Stock (3) |
| EX 4.2 | Forms of 6.00% Fixed to Floating Rate Subordinated Note due May 15, 2029 (4) |
| EX 31.1 | Rule 13a-14(a) Certification – CEO |
| EX 31.2 | Rule 13a-14(a) Certification – CFO |
| EX 32.1 | Section 1350 Certification – CEO |
| EX 32.2 | Section 1350 Certification – CFO |
| EX 101.INS | XBRL Instance Document |
| EX 101.SCH | XBRL Taxonomy Extension Schema Document |
| EX 101.CAL | XBRL Taxonomy Extension Calculation Linkbase Document |
| EX 101.DEF | XBRL Taxonomy Extension Definition Linkbase Document |
| EX 101.LAB | XBRL Taxonomy Extension Label Linkbase Document |
| EX 101.PRE | XBRL Taxonomy Extension Presentation Linkbase Document |
| 104 | Cover Page Interactive Data File (formatted as inline XBRL and contained in Exhibit 101) |

(1) Incorporated by reference to Appendix B to the registrant's Definitive Proxy Statement filed with the Securities and Exchange Commission on March 14, 2001.
(2) Incorporated by reference to Exhibit 3.2 to the registrant's Current Report on Form 8-K filed with the Securities and Exchange Commission on November 18, 2016.
(3) Incorporated by reference to Exhibit 4 to the registrant's Annual Report on Form 10-K filed with the Securities and Exchange Commission on March 20, 2020.
(4) Incorporated by reference to Exhibit 4.1 to the registrant's Current Report on Form 8-K filed with the Securities and Exchange Commission on May 14, 2019.

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

| | |
|---|---|
| | /s/ United Bancorp, Inc. |
| Date: May 14, 2025 | By: /s/Scott A. Everson<br>Scott A. Everson<br>President and Chief Executive Officer |
| Date: May 14, 2025 | By: /s/Randall M. Greenwood<br>Randall M. Greenwood<br>Sr Vice President and Chief Finanancial Officer |

**Exhibit 31.1**

## CERTIFICATIONS

I, Scott A. Everson, President and Chief Executive Officer of United Bancorp, Inc., certify that:

1. I have reviewed this Form 10-Q of United Bancorp, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 14, 2025

/s/ Scott A. Everson
Scott A. Everson, President and CEO

**Exhibit 31.2**

**CERTIFICATIONS**

I, Randall M. Greenwood, Chief Financial Officer of United Bancorp, Inc., certify that:

1. I have reviewed this Form 10-Q of United Bancorp, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 14, 2025

/s/ Randall M. Greenwood

Randall M. Greenwood
EXECUTIVE VICE PRESIDENT CHIEF FINANCIAL AND RISK OFFICER

**Exhibit 32.1**

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ENACTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of United Bancorp, Inc. (the "Company") on Form 10-Q for the period ending March 31, 2025 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Scott A. Everson, President and Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as enacted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Scott A. Everson

Scott A. Everson,
President and Chief Executive Officer

May 14, 2025

**Exhibit 32.2**

**CERTIFICATION PURSUANT TO**
**18 U.S.C. SECTION 1350,**
**AS ENACTED PURSUANT TO**
**SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of United Bancorp, Inc. (the “Company”) on Form 10-Q for the period ending March 31, 2025 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Randall M. Greenwood, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as enacted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Randall M. Greenwood
Randall M. Greenwood,
EXECUTIVE VICE PRESIDENT CHIEF FINANCIAL AND RISK OFFICER

May 14, 2025