BOU BANCORP, INC.

BANK of UTAH

2013 Annual Report

Experience. Service.

ABOUT THE BANK

Bank of Utah was founded and organized by Frank M. Browning, an Ogden business executive. The Bank officially opened for business on December 1, 1952, with 16 employees and assets of less than $1 million. Today the Bank holds approximately $850 million in assets with approximately 300 employees. The Bank currently has 13 full-service branches along the Wasatch Front, mortgage offices throughout Utah and a corporate and personal trust team in Salt Lake City and Ogden.

Bank of Utah offers Personal Banking, Business Banking, Home Lending, Trust Management and Investment Services. Bank of Utah's products and services offer convenience, efficiency and profitability for your family and your business.

Experience

Experience is not only the number of employees who have many years of banking experience, but also the Bank's emphasis on ongoing education, regular training and employee recognition to keep our team at the top of their game. Bank of Utah strives to discover, understand and use new products, technologies and market trends. These factors all add up to EXPERIENCE.

Service

Great service is not readily tangible, it takes work. It takes employees who are responsive, personable, professional and ready to go the extra mile for every customer. Our product line is top-notch, we implement cutting-edge technology and our employees will work hard to serve your needs. Bank of Utah promises to provide its customers the SERVICE they deserve.

Experience. Service.

The Bank of Utah tagline combines EXPERIENCE and SERVICE. This is intentional; we are committed to helping you EXPERIENCE SERVICE every time you walk in the door of a branch, visit the website or call on the phone. Whatever your financial needs are, come into Bank of Utah and you will EXPERIENCE SERVICE.

Mission Statement

We are a community bank, dedicated to providing quality financial services through friendly, professional employees. We are responsive to our present and prospective customers and a major banking force in the Utah markets we serve.

Our products and services meet the needs of our customers in a rapidly changing environment. Three key elements dictate the Bank's planning, service and product design: safety, efficiency and profitability.

The honor, respect, and integrity of our employees, customers, and stockholders are of the highest priority to the Bank.

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2013 LETTER TO SHAREHOLDERS

Dear Shareholder,

On behalf of the Board of Directors and management team of BOU Bancorp, Inc. and Bank of Utah (Bank), we are pleased to report on the Bank's performance for the year ending December 31, 2013.

Providing a reasonable return to our shareholders is a top priority for the Bank's management team and Board of Directors. We exist to serve customers. It is the responsibility of management to do this in a manner resulting in increased shareholder value. This year's shareholder letter will briefly review how we are rewarding shareholders and discuss our operating performance in the context of Key Results and strategic goals.

The year 2013 continued to build on the significant improvement experienced 2012. We believe this to be an indication that the legacy issues of the Great Recession of 2008 are clearly in the rearview mirror, but not forgotten. Bank of Utah is primed for continued growth in 2014 and beyond. Cash dividend payout for 2013 was $1.70 per share. At book value, the 2013 dividend represents approximately a 2.6 percent annualized return.

In spite of some odd events such as the federal government shutdown, Utah's overall economic performance in 2013 was impressive as compared to the rest of the country. Utah ranks third in job growth with a recent unemployment rate of 4.3 percent. Most forecasts for 2014 show job growth above 3 percent and unemployment dropping to below 4 percent.

As you review the Bank's performance for 2013, we believe it is apparent the Bank of Utah team has done a tremendous job keeping the Bank at the top of its peer group and as a leading performer against our competition.

Key Results for 2013

Profitability, growth and customer relationship loyalty make up the Key Results goals for the Bank of Utah team. These metrics provide a good depiction of the progress and strength of the Bank. Our Key Results are highlighted by a 2013 year-end profitability measurement of 1.56 percent Return on Assets (ROA) resulting from the synergy of our business lines. Commercial lending grew at an annualized rate of 14.42 percent. Deposits, mortgage lending, and corporate and personal trust contributed to the overall growth of the Bank. The Bank's Key Results goals are not limited to growth and revenues, but also measurements of customer loyalty including Treasury Management and Private Banking client growth.

Profitability

Total net income for 2013 was $12.2 million. This income level represents a 1.56 percent ROA, just short of the Bank's target ROA of 1.60 percent. Return on Equity (ROE) for 2013 was 11.5 percent. ROE was 12.0 percent for 2012 year end.

The Bank's credit culture is built on recognition of the importance of strong asset credit quality and its vital role in profitability for the present and years to come. The Bank's nonperforming asset ratio, a measurement of credit quality, finished 2013 at 2.6 percent. This ratio continued to improve from 2012 at 3.4 percent. This is truly a noteworthy accomplishment, and when compared to the Bank's peers at 18.3 percent, it continues to qualify as one of the best of the peer group.

Core deposits are critical to the Bank's lending generators – it is the supply side of our business. It is not by chance that these valuable deposits find their way to the Bank. The Bank earns them by providing fair deposit interest rates, excellent treasury management solutions, and a long-term commitment to reinvest deposits back into the local business community. As deposits are deployed for new business lending, the franchise value of the Bank is greatly elevated. Total deposits ended the year 2013 at $681.1 million, significantly increasing over the $611.2 million ending 2012. The Bank remains in a strong liquidity position.

Growth

Competition for loans in our markets continues to put pressure on pricing and margins. Commercial relationship lending comes at a higher cost than more simple transaction lending and it provides many more opportunities to cross sell the Bank's other of lines-of-business. The challenge is to become more efficient at providing these highly valuable services. Making sound pricing decisions that balance term and rate affects future profitability. Commercial loan growth for 2013 achieved an annualized growth rate of 14.4 percent. This resulted in a year-end loan balance of $ 551.66 million as compared to 2012 year-end of $482.14 million. The loan growth target for 2013 was a 9 percent annual increase.

Putting liquidity to work by funding commercial loans is one of the formulas that produces high-performance returns to shareholders. The loans to deposits ratio provides a snapshot of the dynamics of lending and deposit growth. This metric ended fourth quarter 2013 at 81.14 percent, compared to nearly the same level (81.11 percent) at year-end 2012. Although we would like this ratio to increase, this demonstrates that loans and deposits grew consistently.

Mortgage production zoomed in the first half of 2013. However, in the face of higher interest rates, market uncertainties and new regulatory requirements, mortgage loan production pulled back some in the second half, but ended the year with loan originations of $276.38 million. This accomplishment easily eclipsed our target for 2013 of $240 million.

Customer Relationship Loyalty

At Bank of Utah, we distinguish ourselves through a consultative approach to delivery of financial services. This approach includes establishing a dialogue with our customers that includes superior credit delivery and business banking treasury management. Complimenting this strong recipe is our commitment to provide education and networking opportunities for our customers and the community.

Each team at Bank of Utah clearly understands the importance of driving customer loyalty. Our customers know they can count on the Bank for excellent service, products that meet their needs and fair pricing. Nowhere is this more important than the role of assisting customers in managing their cash – it is foundational to business banking.

The Bank is committed to seeing that all of our customers have access to the very best technology and solutions to effectively and safely manage their business. There was a time in banking that the term safety evoked the financial soundness of the institution. This is still important. However, today safety includes the soundness of online security. In 2013, highly publicized security breaches heightened the awareness of the importance of the safety of technology products. We have a talented team of professionals who are dedicated to protecting and guarding our customer's data, identity and assets.

The Bank's entire Treasury Management team is committed to educating customers on how Treasury Management products can help protect them. This kind of assurance drives loyalty. In 2013 our goal was to increase revenue growth in treasury management by over 12 percent, we ended the year at 7.25 percent. Private Banking is a customer relationship initiative started in 2013. Our goal was to have 100 customers in the program by year-end. Good progress was made with 76 members, but short of the goal. These growth goals have increased and continue in 2014. We are confident our team will meet these goals.

Capital

The Bank's capital ratios continue to reflect a strong institution. At the end of 2013, Tier 1 capital was 12.99 percent, nearly unchanged from the end of 2012 at 12.92 percent Tier 1 capital. Strength in capital represents the ability to take advantage of future opportunities for growth.

Relationships and Community

The Bank of Utah brand is not built on its logo or even a tag line. Our brand is built through customer interactions which collectively define the Bank. The Bank's values and its personality build the brand. Treatment of customers, interactions with community organizations, product offerings, leadership and the people we hire are the critical factors shaping the Bank's brand.

In addition to economic challenges, we are tested with constant change in our industry. Although there are significantly fewer banks than before the downturn, competition is fierce. The consumer is more informed than ever because of social media and the Internet – we welcome that. We see our regulators issuing new rules we must successfully navigate. We welcome the challenges.

The role of the branch in the retail channel mix is changing. We believe it will continue to play a role for dispensing advice and a lesser role for gathering deposits. Online and mobile banking with remote deposit, using a variety of devices will continue to grow and compliment the branch experience.

We continue to believe in the "community banking" concept of giving back to our communities. That includes making meaningful contributions, both monetary and employee participation. In 2013 the Bank contributed approximately $100,000 and our employees added nearly 660 hours of community service.

Candidly, Bank of Utah has one of the best stories in Utah banking. On behalf of our Board of Directors, management team and excellent employees, thank you for your continued trust and confidence. We are grateful for your support and excited about the future.

Sincerely,
Douglas L. DeFries, *President*
Frank W. Browning, *Chairman of the Board*

MOSS-ADAMS LLP
Certified Public Accountants | Business Consultants

REPORT OF INDEPENDENT AUDITORS

The Board of Directors and Stockholders
BOU Bancorp, Inc. and subsidiary

Report on Financial Statements

We have audited the accompanying consolidated financial statements of BOU Bancorp, Inc. and its subsidiary, which comprise the consolidated statements of condition as of December 31, 2013 and 2012, and the related consolidated statements of income, comprehensive income, changes in stockholders' equity, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained is sufficient and appropriate to provide a basis for our audit opinion.

REPORT OF INDEPENDENT AUDITORS
(continued)

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of BOU Bancorp, Inc. and subsidiary as of December 31, 2013 and 2012, and the results of their operations and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying consolidating schedules, statement of condition and statement of income are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Moss Adams LLP

Spokane, Washington
March 10, 2014

Consolidated Statements of Condition

December 31, 2013 and 2012

ASSETS	2013	2012
Cash and due from banks (note 2)	$ 6,299,361	8,521,111
Interest-bearing deposits in banks	106,958,898	83,818,293
Federal funds sold	187,116	1,030,464
Investment securities (notes 3 and 9):		
Held to maturity, at cost (fair value of $27,224,400 and $34,668,443 respectively)	26,817,870	33,665,813
Available for sale, at fair value	96,920,936	87,275,338
Total investment securities	123,738,806	120,941,151
Loans held for sale	7,862,556	23,294,256
Loans (note 4)	551,666,182	482,143,487
Less allowance for loan losses (note 5)	8,361,389	9,875,755
Net loans	543,304,793	472,267,732
Other real estate (note 7)	-	2,737,420
Accrued interest receivable	2,397,587	2,275,461
Goodwill	5,894,024	5,894,024
Bank owned life insurance	17,707,421	17,097,698
Premises and equipment, net (note 6)	12,944,944	13,114,854
Other assets	7,674,103	7,756,857
Total assets	$ 834,969,609	758,749,321

LIABILITIES AND STOCKHOLDERS' EQUITY		
Deposits:		
Non interest-bearing	$ 205,368,717	154,593,082
Interest-bearing (note 8)	475,712,117	456,605,334
Total deposits	681,080,834	611,198,416
Securities sold under agreements to repurchase (note 9)	35,568,499	36,655,751
Other borrowings (note 10)	-	48,412
Other liabilities	6,659,188	7,049,296
Total liabilities	723,308,521	654,951,875
Commitments and contingent liabilities (notes 11 and 13)		
Common stock, $1 par value, 5,000,000 shares authorized, 1,683,375 issued and outstanding at December 31, 2013 and 2012, respectively	1,683,375	1,683,375
Paid-in capital	4,333,954	4,333,954
Accumulated other comprehensive income (loss)	(588,206)	878,241
Retained earnings	106,231,965	96,901,876
Total stockholders' equity	111,661,088	103,797,446
Total liabilities and stockholders' equity	$ 834,969,609	758,749,321

See accompanying notes to consolidated financial statements.

Consolidated Statements of Income

Years ended December 31, 2013 and 2012

INTEREST INCOME:		2013	2012
Interest and fees on loans	$	26,764,571	25,741,706
Interest on investment securities:			
Taxable		1,256,805	1,619,310
Tax-exempt		743,757	881,071
Interest on loans held for sale		454,589	744,193
Interest on federal funds sold		877	246
Interest on interest-bearing deposits in banks		206,607	208,105
Total interest income		29,427,206	29,194,631
INTEREST EXPENSE:			
Interest on deposits		1,574,839	1,890,035
Interest on securities sold under agreements to repurchase		110,789	127,941
Interest on other borrowings		191	104
Total interest expense		1,685,819	2,018,080
Net interest income		27,741,387	27,176,551
Provision for (reversal of) loan losses (note 5)		(1,800,000)	700,000
Net interest income after provision for (reversal of) loan losses		29,541,387	26,476,551
OPERATING INCOME:			
Service charges on deposits		1,625,562	1,703,641
Gain on sale of loans		8,603,814	10,758,563
Trust fees		5,662,468	4,287,343
Cash surrender value increase of bank owned life insurance		609,722	1,417,680
Other		1,566,846	2,172,613
		18,068,412	20,339,840
OPERATING EXPENSES:			
Salaries and employee benefits		19,189,790	18,124,607
Net occupancy expense		2,129,695	2,295,759
Equipment expense		2,532,461	2,181,262
Professional fees and services		1,211,496	2,218,378
Other		3,962,513	5,453,133
		29,025,955	30,273,139
Income before provision for income taxes		18,583,844	16,543,252
Provision for income taxes (note 11)		6,392,017	4,674,509
Net income	$	12,191,827	11,868,743

See accompanying notes to consolidated financial statements.

BOU BANCORP, INC.
Consolidated Statements of Comprehensive Income
Years ended December 31, 2013 and 2012

	2013	2012
Net income	$ 12,191,827	11,868,743
Other comprehensive income:		
Net change in unrealized holding gain (loss) on securities available for sale, net of tax benefit of $546,985 and $74,575 as of December 31, 2013 and 2012, respectively	(1,451,653)	255,533
Realized gain on sale of securities available for sale, net of taxes	(14,794)	(455,465)
Total other comprehensive income	(1,466,447)	(199,932)
Comprehensive income	$ 10,725,380	11,668,811

See accompanying notes to consolidated financial statements.

BOU BANCORP, INC.
Consolidated Statements of Changes in Stockholders' Equity
Years ended December 31, 2013 and 2012

	Common stock	Paid-in capital	Accumulated other comprehensive income	Retained earnings	Total stockholders' equity
Balances, December 31, 2011	$ 1,683,375	4,333,954	1,078,173	87,558,195	94,653,697
Net income	-	-	-	11,868,743	11,868,743
Other comprehensive loss	-	-	(199,932)	-	(199,932)
Dividends paid	-	-	-	(2,525,062)	(2,525,062)
Balances, December 31, 2012	$ 1,683,375	4,333,954	878,241	96,901,876	103,797,446
Net income	-	-	-	12,191,827	12,191,827
Other comprehensive loss	-	-	(1,466,447)	-	(1,466,447)
Dividends paid	-	-	-	(2,861,738)	(2,861,738)
Balances, December 31, 2013	$ 1,683,375	4,333,954	(588,206)	106,231,965	111,661,088

See accompanying notes to consolidated financial statements.

Consolidated Statements of Cash Flows

Years ended December 31, 2013 and 2012

	2013	2012
OPERATING ACTIVITIES:		
Net income	$ 12,191,827	11,868,743
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	1,444,534	1,333,902
Provision for (reversal of) loan losses	(1,800,000)	700,000
Valuation allowance on other real estate	163,113	1,450,326
Net (gain) loss on other real estate sold	(327,445)	207,753
Increase in cash surrender value of bank owned life insurance	(609,723)	(658,839)
Net amortization of investment premiums and discounts	613,176	817,285
Gain on sale of available for sale securities	(23,595)	(726,420)
Gain on sale of loans	(8,603,814)	(10,758,563)
Proceeds from sales of loans held for sale	300,414,055	350,499,074
Origination of loans held for sale	(276,378,541)	(351,254,470)
(Gain) loss on sale of premises and equipment	5,554	(10,227)
Change in accrued interest receivable and other assets	833,010	3,238,856
Change in other liabilities	(390,107)	(812,659)
Net cash provided by operating activities	27,532,044	5,894,761
INVESTING ACTIVITIES:		
Proceeds from maturities of held to maturity securities	7,850,000	4,818,368
Proceeds from maturities of available for sale securities	15,460,915	63,633,062
Proceeds from sale of available for sale securities	375,953	13,476,031
Purchase of held to maturity securities	(1,291,500)	(8,785,830)
Purchase of available for sale securities	(28,121,434)	(60,720,055)
Net change in loans from loan originations and principal repayments	(70,080,971)	(75,028,133)
Net change in interest-bearing deposits in banks	(23,140,605)	51,312,051
Net change in federal funds sold	843,348	(159,452)
Proceeds from sale of premises and equipment	8,138	43,437
Proceeds from sale of other real estate	3,745,662	7,904,367
Purchase of premises and equipment	(1,288,316)	(2,680,408)
Net cash used in investing activities	(95,638,810)	(6,186,562)
FINANCING ACTIVITIES:		
Increase in demand, savings, and money market deposits	69,836,716	22,455,848
Proceeds from issuance of time deposits	11,005,839	7,603,193
Payments for maturing time deposits	(10,960,137)	(19,768,863)
Proceeds from issuance of other borrowings	-	48,412
Payments on other borrowings	(48,412)	-
Net change in securities sold under agreement to repurchase	(1,087,252)	(5,752,434)
Dividends paid to stockholders	(2,861,738)	(2,525,062)
Net cash provided by financing activities	65,885,016	2,061,094
Net change in cash and cash equivalents	(2,221,750)	1,769,293
Cash and cash equivalents, beginning of period	8,521,111	6,751,818
Cash and cash equivalents, end of period	$ 6,299,361	8,521,111
Supplemental Disclosure of Cash Flow Information		
Cash paid for interest	$ 1,690,361	2,048,112
Cash paid for income taxes	5,635,804	4,977,125
Supplemental Disclosure of Investing Activities		
Foreclosure of loans	$ 843,910	7,949,990
Loans made to finance sales of other real estate	-	120, 000
Net change in unrealized loss on securities available for sale, net of tax	(1,466,447)	(199,932)

See accompanying notes to consolidated financial statements.

(1) DESCRIPTION OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies followed by BOU Bancorp, Inc. (the Corporation) in the preparation of the accompanying consolidated financial statements are as follows:

Description of Business

The Corporation is a Utah state bank holding company formed in 2000. Bank of Utah, (the Subsidiary), is a Utah state-chartered commercial bank founded in 1952. The Corporation and its wholly-owned Subsidiary are collectively referred to as the Bank. The Bank, which is centered along Utah's Wasatch Front, focuses on providing community banking services including: 1) attracting deposits from the general public; 2) originating loans including residential mortgage loans; 3) providing treasury cash management products and services; and 4) personal and corporate trust management services.

Basis of Financial Statement Presentation

The accompanying consolidated financial statements include the accounts of BOU Bancorp, Inc. and Bank of Utah. All significant intercompany balances and transactions have been eliminated in consolidation. The consolidated financial statements have been prepared in conformity with U.S. generally accepted accounting principles. In preparing the consolidated financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, as of the date of the balance sheet and revenues and expenses for the period. Actual results could significantly differ from those estimates. Certain prior year amounts have been reclassified to conform to the current financial statement presentation. Such reclassifications had no impact on net income or stockholders' equity.

Material estimates that are particularly susceptible to significant change in the near-term relate to the determination of the allowance for loan losses, the valuation of real estate acquired in connection with foreclosures or in satisfaction of loans and determining the fair value of financial assets and liabilities. Management obtains independent appraisals for significant properties as one of the factors used in the determination of the allowance for loan losses and valuation of other real estate.

Management believes the allowance for loan losses, other real estate valuations and the fair value of financial assets and liabilities are adequate. While management uses available information to recognize losses on loans and other real estate, future additions to the allowance or valuation adjustments may be necessary, based on changes in economic conditions. In addition, various regulatory agencies, as an integral part of their examination process, periodically review the Bank's allowance for loan losses and valuation of other real estate.

Cash Equivalents

The Bank considers cash and due from banks to be cash equivalents all with maturities of three months or less.

Interest-Bearing Deposits

Interest-bearing deposits mature within one year and are carried at cost.

Investment Securities

The Bank classifies its investment securities in two categories: Held to maturity or available for sale. The Bank had no trading securities during 2013 or 2012. Held to maturity securities are stated at cost, net of unamortized premiums and unaccreted discounts. The Bank has the intent and ability to hold such securities to maturity. Securities held for investment are classified as available for sale and recorded at fair value. Unrealized holding gains and losses on available for sale securities are reported as a component of accumulated other comprehensive income (OCI). Realized gains and losses on available for sale securities are reported in the consolidated statements of income as other income.

Premiums and discounts are amortized or accreted over the life of the related security and recognized in interest income using the effective-interest method. Dividend and interest income are recognized when earned.

Any declines in the values of these securities that are considered to be other-than-temporary-impairment (OTTI) and credit-related OTTI is recognized in earnings. Noncredit-related OTTI on securities not expected to be sold is recognized in OCI. The review for OTTI is conducted on an ongoing basis and takes into account the severity and duration of the impairment, recent events specific to the issuer or industry, fair value in relationship to cost, extent and nature of change in fair value, creditworthiness of the issuer including external credit ratings and recent downgrades, trends and volatility of earnings, current analysts' evaluations, and other key measures. In addition, the Bank determines that it does not intend to sell the securities and it is more likely than not that it will not be required to sell the securities before recovery of their amortized cost basis. In making this determination, the Bank takes into account its balance sheet management strategy and consideration of current and future market conditions.

Federal Home Loan Bank (FHLB) and Federal Reserve Bank (FRB) Stock

FHLB of Seattle stock is a required investment for institutions that are members of the FHLB. The required investment in FHLB common stock is based on a predetermined formula and is carried at par value ($100 per share) on the consolidated statements of condition and is included in other assets. The Bank may request redemption at par value of any stock in excess of the amount the Bank is required to hold. FHLB stock is restricted as to purchase, sale, and redemption. The carrying amount of FHLB stock as of December 31, 2013 and 2012, respectively, was $1,997,600 and $2,072,400 and is reported on the consolidated statements of financial condition in other assets.

The Bank also holds Federal Reserve Bank stock as stipulated in the requirements of the Federal Reserve Act. FRB stock is reported on the consolidated statements of condition and is included in other assets. The carrying amount of FRB stock as of December 31, 2013 and 2012 was $365,700 and is reported on the consolidated statements of financial condition in other assets.

The Bank views its investment in FHLB and FRB stock as a long-term investment. Accordingly, when evaluating for impairment, the value is determined based on the ultimate recovery of the par value rather than recognizing temporary declines in value.

Loans Held for Sale

The Bank originates mortgage loans which are sold to investors in the secondary market. Loans held for sale are carried at the lower of cost or fair market value as determined by outstanding commitments from investors. The amount of the Bank's commitments to sell loans approximated the balance of loans held for sale on December 31, 2013. Gains and losses resulting from the sale of loans are determined on the specific-identification method and reflect the extent that the sale proceeds, based on the contractual commitment entered into by the Bank and investor exceed or are less than the Bank's investment in the loans. To the extent the sale of loans involve the sale of part of a loan or pool of loans with disproportionate credit risk, the cost basis of the loan is allocated based upon the relative fair value of the portion sold and the portion retained on the date such loans were made.

Loans

A substantial portion of the Bank's general overall lending territory is focused in Northern Utah in the counties where it maintains branch offices. However, the Bank also extends credit into other areas where a branch office is not maintained. The ability of the Bank's debtors to honor their loan agreements is dependent upon, among other things, the general economic conditions and the real estate values in these areas.

Loans are generally recorded at cost, net of discounts, deferred fees and related costs. Discounts and premiums on purchased loans are amortized using the interest method over the remaining contractual life, adjusted for actual prepayments.

The accrual of interest on loans is discontinued and the loan is considered impaired when, in the opinion of management, it is probable that the Bank will be unable to collect principal or interest when due according to the contractual terms of the loan agreement or when loans are contractually past due 90-days or more with respect to principal or interest. Thereafter, payments received are generally applied to principal. However, based on management's assessment of the ultimate collectability of an impaired or nonaccrual loan, interest income may be recognized on a cash basis.

Impaired and nonaccrual loans are returned to an accrual status when all delinquent principal and interest becomes current in accordance with the terms of the loan agreement and when management determines that circumstances have improved to the extent that there has been a sustained period of repayment performance, generally six months. Loans are placed on nonaccrual or charged off to the allowance for loan losses when, in the opinion of management, it is probable the Bank will be unable to collect contractual principal or interest on loans after a reasonable time for collection efforts.

In cases where a borrower experiences financial or legal difficulty and the Bank makes certain concessionary modifications to contractual terms, the loan is classified as a troubled debt restructuring (TDR). When the Bank modifies the terms of an existing loan that is not considered a TDR, the Bank accounts for the loan modification as a new loan if the terms of the new loan resulting from a loan refinancing or restructuring are at least as favorable to the Bank as the terms for comparable loans to other customers with similar risk characteristics who are not undergoing a refinancing or restructuring. The new loan is excluded from any impairment assessment.

Generally, a nonaccrual loan that is restructured remains on nonaccrual for a period of six months to demonstrate that the borrower can meet the restructured terms. However, performance prior to the restructuring or significant events that coincide with the restructuring, are included in assessing whether the borrower can meet the new terms and may result in the loan being returned to accrual at the time of restructuring or after a shorter performance period. If the borrower's ability to meet the revised payment schedule is uncertain, the loan remains classified as a nonaccrual loan.

Loan origination fees and certain direct origination costs are deferred and amortized as an adjustment of the yields of the loans over their contractual lives, adjusted for prepayment of the loans, using the interest method. In the event loans are sold, the deferred net loan origination fees or costs are recognized as a component of the gains or losses on the sales of loans.

In the normal course of business, the Bank periodically sells participating interests in loans to various other banks and investors. All new participations are sold on a proportionate (pro-rata) basis with all cash flows divided proportionately among the participating interest holders in an amount subordinate to the interest of another and no party has the right to pledge or exchange the entire financial asset without the consent of all the participating interest holders. Other than standard 90-day prepayment provisions and standard representations and warranties, participating interests are sold without recourse. Certain participating interests sold by the Bank are guaranteed by government agencies such as the Small Business Administration and U.S. Department of Agriculture.

The gain or loss on sale of the participating interest in loans is the difference between the proceeds from the sale and the basis of the assets sold. The Bank did not recognize any gains from the sale of such loans in 2013 or 2012.

The Bank continues to service approximately $57,184,857 and $53,934,744 in participating interests at December 31, 2013 and 2012, respectively, that have been accounted for as transfers of assets and not included in the Bank's statements of condition. The Bank's retained portion of participated loans was $56,045,598 and $49,174,188, respectively, at December 31, 2013 and 2012. The Bank recorded approximately $106,307 and $94,106 in servicing fee income during 2013 and 2012, respectively.

A servicing asset would be recorded if the Bank purchases or retains the right to service loans and receives servicing fees that exceed the going market rate. This asset would then be amortized as a reduction in fee income over the life of the servicing income. The Bank did not have any servicing assets recorded as of December 31, 2013 or 2012.

The Bank holds purchased participating interest in loans of $8,463,369 and $2,903,449 at December 31, 2013 and 2012, respectively.

Allowance for Loan Losses

The allowance for loan losses is based on management's estimate of probable losses inherent in the loan portfolio. In the opinion of management, the allowance is adequate to absorb estimated losses in the portfolio at the balance sheet date. While management uses available information to analyze losses on loans, future additions to the allowance may be necessary based on changes in economic conditions. In addition, various regulatory agencies, as an integral part of their examination process, periodically review the Bank's allowance for loan losses. In analyzing the adequacy of the allowance for loan losses, a comprehensive loan grading system to determine risk potential in loans is utilized together with the results of internal credit reviews.

To determine the adequacy of the allowance, the loan portfolio is broken into segments based on loan type. Historical loss experience factors by segment, adjusted for changes in trends and conditions, are used to determine an indicated allowance for each portfolio segment. These factors are evaluated and updated based on the composition of the specific loan segment. Other considerations include volumes and trends of delinquencies, nonaccrual loans, levels of bankruptcies, criticized and classified loan trends, expected losses on real estate secured loans, new credit products and policies, economic conditions, concentrations of credit risk, and the experience and abilities of the Bank's lending personnel. In addition to the segment evaluations, loans graded substandard or worse with a balance of $250,000 or more are individually evaluated based on facts and circumstances of the loan to determine if a specific allowance amount may be necessary. Specific allowances may also be established for loans whose outstanding balances are below the above threshold when it is determined that the risk associated with the loan differs significantly from the risk factor amounts established for its loan segment.

After a preliminary allowance has been established for loan portfolio segments, an additional review is performed on the adequacy of the allowance based on the portion of the loan portfolio collectively evaluated for impairment. This procedure helps to mitigate the imprecision inherent in most estimates of expected credit losses and also supplements the allowance. This supplemental portion of the allowance includes judgmental consideration of any additional amounts necessary for subjective factors such as the economy and loan concentration risks. The credit quality indicators supporting the supplemental portion of the allowance were evaluated at December 31, 2013.

Reserve for Unfunded Lending Commitments

The Bank also estimates a reserve for potential losses associated with off-balance sheet commitments and letters of credit. It is included in other liabilities in the Bank's consolidated balance sheet, with any related provisions to the reserve included in non-interest expense in the consolidated statements of income.

In determining the reserve for unfunded lending commitments, a process similar to the one used for the allowance for loan losses is employed. Based on historical experience, loss factors adjusted for expected fundings are applied to the Bank's off-balance sheet commitments and letters of credit to estimate the potential for losses.

Premises and Equipment

Premises and equipment are stated at net depreciated cost and are depreciated over their estimated useful lives that vary in term from one year to fifty years. Depreciation is provided on a straight-line basis. Leasehold improvements are stated at unamortized cost. Amortization is provided on the straight-line basis over the shorter of the asset life or the lease term. Costs for maintenance and repairs are expensed as incurred.

Other Real Estate

Other real estate includes properties acquired by the Bank through foreclosure or deed in lieu of foreclosure. Properties are carried at the lower of cost or estimated fair value. The value of the underlying loan is written down to the fair value of the property acquired, as determined by a recent appraisal, less reasonable selling costs by a charge to the allowance for loan losses, if necessary. Routine holding costs (net of rental income), subsequent declines in appraised value and net losses on disposal are included in non-interest expenses. Significant costs of development and improvement of ORE are capitalized.

Goodwill and Intangible Assets

Goodwill and intangible assets with indefinite useful lives are not amortized, but instead tested for impairment annually. Intangible assets with definite useful lives are amortized over their respective estimated useful lives to their estimated residual values, and reviewed for impairment. At December 31, 2013 and 2012, the Bank's goodwill totaled $5,894,024. There were no changes in the carrying amount of goodwill for the years ended December 31, 2013 and 2012. As of December 31, 2013, the Bank has identified its reporting unit as the Subsidiary and has allocated goodwill accordingly. Additionally, management evaluated the carrying value of the Bank's goodwill as of December 31, 2013 and 2012, and determined that no impairment existed. The Bank has no other intangible assets.

Bank Owned Life Insurance

The carrying amount of bank owned life insurance approximates its fair value. Fair value of bank owned life insurance is estimated using the cash surrender value, net of surrender charges.

Comprehensive Income

Comprehensive income consists of net income and other comprehensive income. Other comprehensive income includes unrealized gains and losses on securities available for sale.

Transfer of Financial Assets

Transfers of an entire financial asset, a group of entire financial assets, or a participating interest in an entire financial asset in which the transfer surrenders control over those financial assets, are accounted for as sales when control over the assets has been surrendered. Control over transferred assets is deemed to be surrendered when (1) the assets have been isolated from the Bank, (2) the transferee obtains the right (free of conditions that constrain it from taking advantage of that right) to pledge or exchange the transferred assets, and (3) the Bank does not maintain effective control over the transferred assets through an agreement to repurchase them before their maturity.

Financial Instruments

In the ordinary course of business, the Bank has entered into off-balance-sheet financial instruments consisting of commitments to extend credit and commitments under credit card arrangements. Such financial instruments are recorded in the financial statements when they are funded or when related fees are incurred or received.

Fair values of financial instruments are estimated using relevant market information and other assumptions (Note 12). Fair value estimates involve uncertainties and matters of significant judgment regarding interest rates, credit risk, prepayments, and other factors, especially in the absence of broad markets for particular items. Changes in assumptions or in market conditions could significantly affect these estimates.

Advertising Costs

Advertising costs are expensed as incurred. Advertising expenses are included in the accompanying financial statements as a component of other expense.

Income Taxes

Deferred income taxes are reported for temporary differences between items of income or expense reported in the financial statements and those reported for income tax purposes. Deferred taxes are estimated using the asset and liability approach. Under this method, a deferred tax asset or deferred tax liability is determined based on management's estimate of the enacted tax rates that will be in effect when the differences between the financial statement carrying amounts and tax basis of existing assets and liabilities are expected to be reported in the Bank's income tax returns. The deferred tax provision for the year is equal to the net change in the net deferred tax asset from the beginning of the year to the end of the year, less amounts applicable to the change in value related to investments available for sale. The effect on deferred taxes of a change in tax rates is recognized in income in the period that includes the enactment date. In addition, tax benefits related to positions considered uncertain are recognized only if, based on the technical merits of the issue, the Bank is more likely than not to sustain the position.

As of December 31, 2013, the Bank has no recorded unrecognized tax benefits. The Bank would recognize accrued interest and penalties related to unrecognized tax benefits within the consolidated statements of income as income tax expense. The Bank is subject to taxation in the U.S. Federal and Utah State jurisdictions. The Bank is no longer subject to U.S. Federal and Utah State examinations by tax authorities for years before 2010.

Trust Department Assets

The Bank acts in various capacities as fiduciary for customers' assets in the Trust department. Such assets are not included in the statements of condition. Trust fees and expenses are reported in the statements of income on an accrual basis.

Employee Stock Ownership Plan with 401(k) Provisions

The Bank has an employee stock ownership plan with 401(k) provisions (KSOP) for virtually all full-time Bank employees. Eligible employees may contribute up to five percent of compensation upon which the Bank makes a 100 percent matching contribution. The Bank's contributions are fully vested after six years and are used to purchase Corporation stock. Bank contributions were approximately $788,831 and $717,958 for the years ended December 31, 2013 and 2012, respectively. An independent valuation of the BOU Bancorp, Inc.'s stock held by the KSOP is obtained annually and resulted in a valuation of $86.45 per share at December 31, 2013. The KSOP owns 113,044 shares (6.72%) of BOU Bancorp, Inc. stock, all of which are allocated, at December 31, 2013.

Subsequent Events

Subsequent events are events or transactions that occur after the date of the consolidated statement of financial condition but before the financial statements are issued. The Bank recognizes in the consolidated financial statements the effects of all subsequent events that provide additional evidence about conditions that existed at the date of the consolidated statement of financial condition, including the estimates inherent in the process of preparing the consolidated financial statements. The Bank's consolidated financial statements do not recognized subsequent events that provide evidence about conditions that did not exist at the date of the consolidated statement of financial condition but arose after the date of the consolidated statement of financial condition and before the consolidated financial statements are available to be issued.

Subsequent events have been evaluated through March 10, 2014, the date these financial statements were available to be issued.

Recent Accounting Pronouncements

In January 2014, the FASB has issued ASU, No. 2014-02, *Intangibles - Goodwill and Other (Topic 350): Accounting for Goodwill.* This ASU permits a private company to subsequently amortize goodwill on a straight-line basis over a period of ten years, or less if the company demonstrates that another useful life is more appropriate. It also permits a private company to apply a simplified impairment model to goodwill. This ASU is a consensus of the Private Company Council (PCC) that was endorsed by the FASB.

Under the goodwill accounting alternative, goodwill should be tested for impairment when a triggering event occurs that indicates that the fair value of a company (or a reporting unit) may be below its carrying amount. A private company that elects the accounting alternative is further required to make an accounting policy election to test goodwill for impairment at either the company level or the reporting unit level.

The accounting alternative, if elected, should be applied prospectively to goodwill existing as of the beginning of the period of adoption and to new goodwill recognized in annual periods beginning after December 15, 2014, and in interim periods within annual periods beginning after December 15, 2015. Early application is permitted, including application to any period for which the entity's annual or interim financial statements have not been made available for issuance.

In January 2014, the FASB has issued Accounting Standards Update (ASU) No. 2014-04, Receivables - *Troubled Debt Restructurings by Creditors (Subtopic 310-40) - Reclassification of Residential Real Estate Collateralized Consumer Mortgage Loans upon Foreclosure.* The amendments are intended to clarify when a creditor should be considered to have received physical possession of residential real estate property collateralizing a consumer mortgage loan such that the loan should be derecognized and the real estate recognized.

These amendments clarify that an in substance repossession or foreclosure occurs, and a creditor is considered to have received physical possession of residential real estate property collateralizing a consumer mortgage loan, upon either: (a) the creditor obtaining legal title to the residential real estate property upon completion of a foreclosure; or (b) the borrower conveying all interest in the residential real estate property to the creditor to satisfy that loan through completion of a deed in lieu of foreclosure or through a similar legal agreement. Additional disclosures are required.

The amendments are effective for public business entities for annual periods and interim periods within those annual periods beginning after December 15, 2014. For all other entities, the amendments are effective for annual periods beginning after December 15, 2014, and interim periods within annual periods beginning after December 15, 2015.

In January 2013, the FASB issued Accounting Standards Update ("ASU") 2013-01, *Balance Sheet (Topic 210): Clarifying the Scope of Disclosures about Offsetting Assets and Liabilities*. The ASU clarifies implementation issues about the scope of ASU No. 2011-11, *Balance Sheet (Topic 210): Disclosures about Offsetting Assets and Liabilities*. The guidance in this ASU is effective for the first interim or annual period beginning on or after January 1, 2013, and should be applied retrospectively. ASU 2013-01 did not have a material impact on the Bank's financial condition or results of operations.

In February 2013, the FASB issued ASU 2013-02, *Comprehensive Income (Topic 220): Reporting of Amounts Reclassified Out of Accumulated Other Comprehensive Income*. The ASU adds new disclosure requirements for items reclassified out of accumulated other comprehensive income. The amendments do not change the current requirements for reporting net income or other comprehensive income in financial statements; rather, they require the entity to provide information about the amounts reclassified out of accumulated other comprehensive income by component. The guidance in this ASU is effective for fiscal years, and interim periods beginning after December 15, 2012. ASU 2013-02 did not have a material impact on the Bank's financial condition or results of operations.

In July 2013, the FASB issued ASU 2013-10, *Derivatives and Hedging (Topic 815): Inclusion of the Fed Funds Effective Swap Rate (or Overnight Index Swap Rate) as a Benchmark Interest Rate for Hedge Accounting Purposes.* Topic 815, Derivatives and Hedging, provides guidance on the risks that are permitted to be hedged in a fair value or cash flow hedge. The ASU allows entities to use the Fed Funds Effective Swap Rate as a U.S. benchmark interest rate for hedge accounting purposes, in addition to U.S. Treasury rates and LIBOR. The guidance in this ASU is effective prospectively for qualifying new or redesignated hedging relationships entered into on or after July 17, 2013. As the Bank does not currently engage in derivatives transactions that are accounted for as cash flow or fair value hedges, the adoption of this ASU did not have a material impact on the Bank's financial condition or results of operations.

In July 2013, the FASB issued ASU 2013-11, *Income Taxes (Topic 740): Presentation of an Unrecognized Tax Benefit When a Net Operating Loss Carryforward, A Similar Tax Loss, or a Tax Credit Carryforward Exists.* Topic 740, Income Taxes, does not include explicit guidance on the financial statement presentation of an unrecognized tax benefit when a net operating loss carryforward, a similar tax loss, or a tax credit carryforward exists. There is diversity in practice in the presentation of unrecognized tax benefits in those instances. Some entities present unrecognized tax benefits as a liability unless the unrecognized tax benefit is directly associated with a tax position taken in a tax year that results in, or that resulted in, the recognition of a net operating loss or tax credit carryforward for that year and the net operating loss or tax credit carryforward has not been utilized. Other entities present unrecognized tax benefits as a reduction of a deferred tax asset for a net operating loss or tax credit carryforward in certain circumstances. The objective of the amendments in this ASU is to eliminate that diversity in practice. The amendments in this ASU do not require new recurring disclosures. The guidance in this ASU is effective for fiscal years, and interim periods beginning after December 15, 2013. ASU 2013-11 is not expected to have a material impact on the Bank's financial condition or results of operations.

(2) CASH AND DUE FROM BANKS

The Bank is required to maintain certain daily reserve balances on hand in accordance with Federal Reserve Board requirements. The reserve balance maintained in accordance with such requirements was approximately $963,000 and $532,000 at December 31, 2013 and 2012, respectively.

(3) INVESTMENT SECURITIES

Investment securities as of December 31, 2013 are summarized as follows:

	Held to Maturity			
	Amortized cost	Unrealized gain	Unrealized loss	Fair value
U.S. Treasury	$ 1,000,678	17,760	-	1,018,438
Corporate bonds	5,073,470	7,753	9,835	5,071,388
States and political subdivisions	20,743,722	628,336	237,484	21,134,574
	$ 26,817,870	653,849	247,319	27,224,400

	Available for Sale			
	Amortized cost	Unrealized gain	Unrealized loss	Fair value
U.S. government agency	$ 73,445,231	181,552	1,026,462	72,600,321
U.S. government agency mortgage backed securities	19,308,335	279,802	108,953	19,479,184
Mutual fund	5,105,497	-	264,066	4,841,431
	$ 97,859,063	461,354	1,399,481	96,920,936

Investment securities as of December 31, 2012 are summarized as follows:

	Held to Maturity			
	Amortized cost	Unrealized gain	Unrealized loss	Fair value
U.S. Treasury	$ 1,001,485	37,105	-	1,038,590
Corporate bonds	5,176,882	4,868	16,925	5,164,825
States and political subdivisions	27,487,446	995,178	17,596	28,465,028
	$ 33,665,813	1,037,151	34,521	34,668,443

	Available for Sale			
	Amortized cost	Unrealized gain	Unrealized loss	Fair value
U.S. government agency	$ 65,562,350	528,613	16,563	66,074,400
U.S. government agency mortgage backed securities	20,312,285	888,653	-	21,200,938
	$ 85,874,635	1,417,266	16,563	87,275,338

During the years ended December 31, 2013 and 2012, U.S. government agency mortgage backed securities classified as available for sale, were sold. For the year ended December 31, 2013, total proceeds received from the sale were $375,953 and a gain of $23,595 was realized. For the year ended December 31, 2012, total proceeds received from the sale of securities were $13,654,742 and a gain of $726,420 was realized. Realized gains on available for sale securities are reported in the consolidated statements of income as other income.

A summary of investment securities with unrealized losses as of December 31, 2013, by the amount of unrealized losses and fair value by length of time that the securities have been in an unrealized loss position, follows:

	Held to Maturity					
	Less than 12 months		12 months or more		Total	
	Unrealized losses	Fair value	Unrealized losses	Fair value	Unrealized losses	Fair value
Corporate bonds	$ 9,835	2,490,165	-	-	9,835	2,490,165
States and political subdivisions	174,963	3,743,775	62,521	1,179,321	237,484	4,923,096
	$ 184,798	6,233,940	62,521	1,179,321	247,319	7,413,261

	Available for Sale					
	Less than 12 months		12 months or more		Total	
	Unrealized losses	Fair value	Unrealized losses	Fair value	Unrealized losses	Fair value
U.S. government agency	$ 1,026,462	37,197,006	-	-	1,026,462	37,197,006
U.S. government agency mortgage backed securities	108,953	8,628,239	-	-	108,953	8,628,239
Mutual fund	264,066	4,841,431	-	-	264,066	4,841,431
	$ 1,399,481	50,666,676	-	-	1,399,481	50,666,676

A summary of investment securities with unrealized losses as of December 31, 2012, by the amount of unrealized losses and the fair value by length of time that the securities have been in an unrealized loss position, follows:

	Held to Maturity					
	Less than 12 months		12 months or more		Total	
	Unrealized losses	Fair value	Unrealized losses	Fair value	Unrealized losses	Fair value
Corporate bonds	$ 16,925	2,483,075	-	-	16,925	2,483,075
States and political subdivisions	17,596	2,115,707	-	-	17,596	2,115,707
	$ 34,521	4,598,782	-	-	34,521	4,598,782

	Available for Sale					
	Less than 12 months		12 months or more		Total	
	Unrealized losses	Fair value	Unrealized losses	Fair value	Unrealized losses	Fair value
U.S. government agency	$ 16,563	5,205,450	-	-	16,563	5,205,450

Unrealized losses on investment securities result from the current market yield on securities being higher than the book yield on the securities. Based on past experience with these types of investments and the Bank's financial performance, the Bank does not intend to sell the securities and it is not more likely than not that the Bank will be required to sell the securities before recovery of their amortized cost basis. The Bank reviews these investment securities on an ongoing basis according to the policy described in Note 1. While such a review did not result in an other than temporary impairment adjustment as of December 31, 2013, and 2012, the Bank will continue to review these investment securities for possible adjustment in the future. The number of investment securities in an unrealized loss position for securities held to maturity at December 31, 2013 and 2012, respectively, was 17 and 8. The number of investment securities in an unrealized loss position for securities available for sale at December 31, 2013, and 2012, respectively, was 11 and 1.

A summary of the amortized cost and fair value of investment securities as of December 31, 2013, by contractual maturity, follows:

	Held to Maturity	
	Amortized cost	Fair value
Due in one year or less	$ 9,259,734	9,339,282
Due after one year through five years	13,318,788	13,872,548
Due after five years through ten years	4,239,348	4,012,570
	$ 26,817,870	27,224,400

	Available for Sale	
	Amortized cost	Fair value
Due in one year or less	$ 9,995,524	10,030,425
Due after one year through five years	53,471,440	53,037,211
Due after five years through ten years	9,978,267	9,532,685
Mortgage backed securities	19,308,335	19,479,184
Mutual fund	5,105,497	4,841,431
	$ 97,859,063	96,920,936

U.S. government agency securities with a book value of $45,227,080 and $40,340,119 at December 31, 2013 and 2012, respectively, were pledged to collateralize securities sold under agreements to repurchase and other borrowings. The fair value of such securities was $45,158,960 and $40,770,550 at December 31, 2013 and 2012, respectively. (See notes 9 and 10)

(4) LOANS

The following table summarizes the composition of the loan portfolio, excluding loans held for sale, as of December 31:

	2013	2012
Construction & development	$ 63,383,241	58,780,292
1-4 family real estate	51,933,540	51,177,178
Nonfarm nonresidential real estate	311,927,653	277,122,270
Commercial & industrial	55,629,326	46,469,699
States & political subdivisions	53,258,000	33,255,374
Other	16,341,122	16,072,907
	552,472,882	482,877,720
Less unearned fees, net	806,700	734,233
	$ 551,666,182	482,143,487

The Bank is party to financial instruments with off-balance-sheet risk in the normal course of business to meet the financing needs of its customers. These financial instruments include commitments to extend credit and letters of credit, and involve, to varying degrees, elements of credit risk. The Bank's exposure to credit loss in the event of nonperformance by the other party to the financial instrument for commitments to extend credit is represented by the contractual amount of those instruments. The Bank uses the same credit policies in making commitments and conditional obligations as it does for on-balance-sheet instruments.

Loans are made in the normal course of business to directors, executive officers and principal shareholders of the Bank. The terms of these loans, including interest rates and collateral, are similar to those prevailing for comparable transactions and do not involve more than a normal risk of collectability. A summary of the activity of such loans follows:

		2013	2012
Balance, beginning of year	$	397,147	452,993
New loans and advances		553,342	322,530
Payments		(640,755)	(378,376)
Balance, end of year	$	309,734	397,147

(5) ALLOWANCE FOR LOAN LOSSES, UNFUNDED LENDING COMMITMENTS AND IMPAIRED LOANS

Allowance for loan losses activity is summarized as of December 31 as follows:

		2013	2012
Balance, beginning of year	$	9,875,755	10,826,691
Provision for (reversal of) loan losses		(1,800,000)	700,000
Loans charged off		(369,676)	(3,238,998)
Recoveries on loans previously charged off		655,310	1,588,062
Balance, end of year	$	8,361,389	9,875,755

Combined allowances for loan losses and reserve for unfunded lending commitments is summarized as follows:

		2013	2012
Allowance for loan losses	$	8,361,389	9,875,755
Reserve for unfunded lending commitments		400,000	400,000
	$	8,761,389	10,275,755

Off balance-sheet loan commitments and letters of credit upon which the reserve for unfunded lending commitments was calculated, was $158,966,702 and $128,547,199 as of December 31, 2013 and 2012, respectively.

The following tables summarize the changes in the allowance for loan losses.

As of December 31, 2013:		Balance, beginning of year	Provision for (reversal of) loan losses	Loans charged off	Recoveries on loans previously charged off	Balance, end of year
Allowance for loan losses:						
Construction & development	$	2,598,649	(749,923)	(5,520)	19,662	1,862,868
1-4 family real estate		988,978	(158,733)	(86,340)	15,442	759,347
Nonfarm nonresidential real estate		4,698,750	(785,737)	(111,487)	372,850	4,174,376
Commercial & industrial		773,548	(262,654)	(150,069)	238,293	599,118
States & political subdivisions		359,128	49,809	-	-	408,937
Other		456,702	107,238	(16,260)	9,063	556,743
	$	9,875,755	(1,800,000)	(369,676)	655,310	8,361,389

As of December 31, 2012: Allowance for loan losses:		Balance, beginning of year	Provision for loan losses	Loans charged off	Recoveries on loans previously charged off	Balance, end of year
Construction & development	$	2,894,238	184,194	(1,579,104)	1,099,321	2,598,649
1-4 family real estate		1,086,549	70,100	(217,141)	49,470	988,978
Nonfarm nonresidential real estate		5,445,506	333,050	(1,179,806)	100,000	4,698,750
Commercial & industrial		637,256	54,830	(247,822)	329,284	773,548
States & political subdivisions		333,673	25,455	-	-	359,128
Other		429,469	32,371	(15,125)	9,987	456,702
	$	10,826,691	700,000	(3,238,998)	1,588,062	9,875,755

The following tables summarize the allowance for loan losses and outstanding loan balances, which were evaluated individually and collectively for impairment.

As of December 31, 2013: Allowance for loan losses:		Individually evaluated for impairment	Collectively evaluated for impairment	Total
Construction & development	$	47,544	1,815,324	1,862,868
1-4 family real estate		-	759,347	759,347
Nonfarm nonresidential real estate		21,133	4,153,243	4,174,376
Commercial & industrial		-	599,118	599,118
States & political subdivisions		-	408,937	408,937
Other		-	556,743	556,743
	$	68,677	8,292,712	8,361,389

As of December 31, 2013: Outstanding loan balances:		Individually evaluated for impairment	Collectively evaluated for impairment	Total
Construction & development	$	1,224,843	62,158,398	63,383,241
1-4 family real estate		167,290	51,766,250	51,933,540
Nonfarm nonresidential real estate		7,759,826	304,167,827	311,927,653
Commercial & industrial		401,392	55,227,934	55,629,326
States & political subdivisions		-	53,258,000	53,258,000
Other		-	16,341,122	16,341,122
	$	9,553,351	542,919,531	552,472,882

The following tables summarize the allowance for loan losses and outstanding loan balances, which were evaluated individually and collectively for impairment.

As of December 31, 2012: Allowance for loan losses:		Individually evaluated for impairment	Collectively evaluated for impairment	Total
Construction & development	$	3,709	2,594,940	2,598,649
1-4 family real estate		2,554	986,424	988,978
Nonfarm nonresidential real estate		91,661	4,607,089	4,698,750
Commercial & industrial		895	772,653	773,548
States & political subdivisions		-	359,128	359,128
Other		-	456,702	456,702
	$	98,819	9,776,936	9,875,755

As of December 31, 2012:		Individually evaluated for impairment	Collectively evaluated for impairment	Total
Outstanding loan balances:				
Construction & development	$	494,616	58,285,676	58,780,292
1-4 family real estate		187,305	50,989,873	51,177,178
Nonfarm nonresidential real estate		5,977,396	271,144,874	277,122,270
Commercial & industrial		259,114	46,210,585	46,469,699
States & political subdivisions		-	33,255,374	33,255,374
Other		-	16,072,907	16,072,907
	$	6,918,431	475,959,289	482,877,720

According to ASC 310, loans are considered to be impaired when it is determined that collection of all contractually owed amounts, including principal and interest, is unlikely. For nonaccrual loans with a balance greater than $250,000 or otherwise determined to be a Troubled Debt Restructure (TDR), the Bank considers the loan to be impaired and performs an impairment evaluation to determine the need for a specific reserve under the provisions of ASC 310-40. The specific reserve is equal to the portion of the loan found to be impaired based on the present value of discounted cash flows, the observable market price of the loan, or the fair value of the loan's underlying collateral less cost to sell. Payments received on impaired loans that are accruing are recognized in interest income, according to the loan agreement. Payments received on impaired loans that are on nonaccrual are not recognized in interest income, but are applied as a reduction to the principal outstanding.

The following presents a summary of impaired loans as of December 31, 2013:

		Unpaid principal balance	Recorded investment with no allowance	Recorded investment with an allowance	Total recorded investment	Total Allowance
Construction & development	$	1,224,843	-	1,224,843	1,224,843	47,544
1-4 family real estate		167,290	167,290	-	167,290	-
Nonfarm nonresidential real estate		7,759,826	5,017,350	2,742,476	7,759,826	21,133
Commercial & industrial		472,567	401,392	-	401,392	-
	$	9,624,526	5,586,032	3,967,319	9,553,351	68,677

The following presents a summary of impaired loans as of December 31, 2012:

		Unpaid principal balance	Recorded investment with no allowance	Recorded investment with an allowance	Total recorded investment	Total Allowance
Construction & development	$	494,616	-	494,616	494,616	3,709
1-4 family real estate		187,305	-	187,305	187,305	2,554
Nonfarm nonresidential real estate		6,625,094	3,893,837	2,083,559	5,977,396	91,661
Commercial & industrial		259,114	-	259,114	259,114	895
	$	7,566,129	3,893,837	3,024,594	6,918,431	98,819

The average recorded investment in impaired loans and the related interest income recognized for cash payments received as of December 31 were as follows:

	2013		2012	
	Average recorded investment	Interest income recognized	Average recorded investment	Interest income recognized
Construction & development	$ 656,590	2,933	5,446,415	109,825
1-4 family real estate	665,174	10,339	232,232	7,751
Nonfarm nonresidential real estate	5,090,012	215,291	2,584,215	99,059
Commercial & industrial	1,642,980	45,295	31,118	10,906
Other	2,572	184	118	-
	$ 8,057,328	274,042	8,294,098	227,541

Included in certain loan categories of impaired loans are TDRs on which the Bank has granted certain material concessions to the borrower as a result of the borrower experiencing financial difficulties. As of December 31, 2013, $1,962,832 of the Bank's loans were modified in TDRs and identified as nonaccrual loans. As of December 31, 2012, none of the Bank's loans were modified TDRs and identified as nonaccrual loans. As of December 31, 2013, $227,490 was committed to lend as additional funds to borrowers whose loans have been modified in a troubled debt restructuring. As of December 31, 2012, there were no commitments to lend additional funds to borrowers whose loans had been modified in a troubled debt restructuring. The concessions granted by the Bank may include, but are not limited to: (1) a modification in which the maturity date, timing of payments or frequency of payments is modified, (2) an interest rate lower than the current market rate for new loans with similar risk, or (3) a combination of the first two factors.

If a borrower on a restructured accruing loan has demonstrated performance under the previous terms, is not experiencing financial difficulty and shows the capacity to continue to perform under the restructured terms, the loan will remain on accrual status. Otherwise, the loan will be placed on nonaccrual status until the borrower demonstrates a sustained period of performance, which generally requires six consecutive months of payments. Loans identified as TDRs are evaluated for impairment using the present value of the expected cash flows or the estimated fair value of the collateral if the loan is collateral dependent. The fair value is determined, when possible, by an appraisal of the property less estimated costs related to liquidation of the collateral. The appraisal amount may also be adjusted for current market conditions. Adjustments to reflect the present value of the expected cash flows or the estimated fair value of collateral dependent loans are a component in determining an appropriate allowance for loan losses, and as such, may result in increases or decreases to the provision for loan losses in current and future earnings.

The following presents a summary of loans identified as TDRs for the year ended December 31, 2013:

	Number of loans	Pre-modification outstanding recorded investment	Post-modification outstanding recorded investment
Construction & development	1	$ 528,141	513,812
Nonfarm nonresidential real estate	2	2,983,427	2,912,993
	3	$ 3,511,568	3,426,805

The following presents a summary of loans identified as TDRs for the year ended December 31, 2012:

	Number of loans		Pre-modification outstanding recorded investment	Post-modification outstanding recorded investment
Construction & development	2	$	458,875	458,875
1-4 family real estate	2		187,305	187,305
Nonfarm nonresidential real estate	1		1,251,512	1,251,512
Commercial & industrial	1		133,594	133,594
	6	$	2,031,286	2,031,286

Loans modified as TDRs within the previous 12 months and for which there was a payment default, defined as being 30 days or more past due, during the period are summarized for the year ended December 31 as follows:

	2013			2012		
	Number of loans		Recorded investment	Number of loans		Recorded investment
Construction & development	1	$	1,224,843	3	$	609,083
1-4 family real estate	-		-	1		37,097
Nonfarm nonresidential real estate	-		-	1		1,251,512
	1	$	1,224,843	5	$	1,897,692

Loans are generally placed on nonaccrual status when they are past due for over 90 days unless they are adequately collateralized and are in the process of collection. No interest is accounted for as income on nonaccrual loans unless received in cash or until such time as the borrower demonstrates an ability to resume payments of principal and interest. Generally, interest previously accrued but not collected is reversed and charged against income when a loan is placed on nonaccrual.

Nonaccrual loans as of December 31 are summarized as follows:

		2013	2012
Construction & development	$	-	-
1-4 family real estate		77,232	162,195
Nonfarm nonresidential real estate		2,613,907	679,493
Commercial & industrial		299,031	-
Other		-	-
	$	2,990,170	841,688

The following tables present an aging analysis of loans as of December 31, 2013 and 2012, respectively. Nonaccrual loans that are current represents nonaccrual loans that are not past due more than 30 days; however, full payment of principal and interest is still not expected. As of December 31, 2013 there were $376,263 in nonaccrual loans considered current, $1,962,832 in nonaccrual loans 30-89 days past due and $651,075 in nonaccrual loans 90 days or more past due. There are no loans past due more than 90 days still accruing interest as of December 31, 2013 or 2012. As of December 31, 2012 there were $162,195 in nonaccrual loans considered current, $0 in nonaccrual loans 30-89 days past due and $679,493 in nonaccrual loans 90 days or more past due.

As of December 31, 2013:		Accruing loans 30-59 days past due	Accruing loans 60-89 days past due	Total nonaccrual loans	Total past due and nonaccrual loans	Current	Total loans
Construction & development	$	-	-	-	-	63,383,241	63,383,241
1-4 family real estate		-	-	77,232	77,232	51,856,308	51,933,540
Nonfarm nonresidential real estate		112,192	655,516	2,613,907	3,381,615	308,546,038	311,927,653
Commercial & industrial		1,300	116,829	299,031	417,160	55,212,166	55,629,326
States & political subdivisions		-	-	-	-	53,258,000	53,258,000
Other		-	-	-	-	16,341,122	16,341,122
	$	113,492	772,345	2,990,170	3,876,007	548,596,875	552,472,882

As of December 31, 2012:	Accruing loans 30-59 days past due	Accruing loans 60-89 days past due	Total nonaccrual loans	Total past due and nonaccrual loans	Current	Total loans
Construction & development	$ 35,741	-	-	35,741	58,744,551	58,780,292
1-4 family real estate	-	-	162,195	162,195	51,014,983	51,177,178
Nonfarm nonresidential real estate	920,492	169,414	679,493	1,769,399	275,352,871	277,122,270
Commercial & industrial	-	-	-	-	46,469,699	46,469,699
States & political subdivisions	-	-	-	-	33,255,374	33,255,374
Other	-	-	-	-	16,072,907	16,072,907
	$ 956,233	169,414	841,688	1,967,335	480,910,385	482,877,720

In addition to the past due and nonaccrual criteria, the Bank also evaluates loans according to its internal risk grading system. Loans are segregated between pass grade, special mention, substandard accruing, and substandard non-accruing categories. The definitions of those categories are as follows:

Pass: Loans that do not fit either of the other two categories listed below and for which likelihood of loss is considered to be remote.
Special mention: Loans with potential for deteriorating into a substandard classification without close supervision and monitoring. Loans remain in this category on a temporary basis and should be reclassified up or down, depending on improvement or continued deterioration.
Substandard accruing: Loans not adequately protected by sound current net worth or adequate repayment capacity of the borrower and/or of the collateral pledged. Substandard loans have well defined weaknesses that jeopardize the liquidation of the classified debt. A potential for loss exists if the deficiencies or weaknesses are not recognized and corrected.
Substandard non-accruing: Loans where an element of loss is present and collection is considered questionable. These loans will require vigorous attention to salvage.

Outstanding loan balances categorized by internal risk grades as of December 31, 2013 are summarized as follows:

	Pass	Special mention	Substandard accruing	Substandard non-accruing	Total
Construction & development	$ 57,033,831	5,073,008	1,276,402	-	63,383,241
1-4 family real estate	50,452,288	-	1,404,020	77,232	51,933,540
Nonfarm nonresidential real estate	298,211,684	-	11,102,062	2,613,907	311,927,653
Commercial & industrial	54,835,494	-	494,801	299,031	55,629,326
State & political subdivisions	53,258,000	-	-	-	53,258,000
Other	16,281,662	-	59,460	-	16,341,122
	$ 530,072,959	5,073,008	14,336,745	2,990,170	552,472,882

Outstanding loan balances categorized by internal risk grades as of December 31, 2012 are summarized as follows:

	Pass	Special mention	Substandard accruing	Substandard non-accruing	Total
Construction & development	$ 57,992,146	-	788,146	-	58,780,292
1-4 family real estate	48,558,726	-	2,456,257	162,195	51,177,178
Nonfarm nonresidential real estate	255,694,903	1,434,208	19,313,666	679,493	277,122,270
Commercial & industrial	43,383,778	-	3,085,921	-	46,469,699
State & political subdivisions	33,255,374	-	-	-	33,255,374
Other	16,063,920	-	8,987	-	16,072,907
	$ 454,948,847	1,434,208	25,652,977	841,688	482,877,720

(6) PREMISES AND EQUIPMENT

Premises and equipment as of December 31, is summarized as follows:

	2013	2012
Land	$ 3,485,878	3,485,878
Buildings and leasehold improvements	15,527,446	15,230,208
Furniture and equipment	10,234,490	10,457,080
	29,247,814	29,173,166
Less accumulated depreciation and amortization	16,302,870	16,058,312
	$ 12,944,944	13,114,854

(7) OTHER REAL ESTATE

Other real estate activity is summarized as follows:

	2013	2012
Balance, beginning of year	$ 2,737,420	4,349,876
Properties acquired	843,910	7,949,990
Properties sold	(3,745,662)	(7,904,367)
Net gain (loss) on properties sold	327,445	(207,753)
Changes in valuation	(163,113)	(1,450,326)
Balance, end of year	$ -	2,737,420

Expenses (net) incurred in the ownership of other real estate were $81,417 and $210,877 for the year ended December 31, 2013 and 2012, respectively and are recorded in other operating expense.

(8) INTEREST-BEARING DEPOSITS

Interest-bearing deposits as of December 31, are summarized as follows:

	2013	2012
Interest-bearing checking	$ 144,675,022	134,339,998
Insured money market	171,459,968	170,935,884
Savings accounts	88,714,884	79,158,041
Certificates of deposit greater than $100,000	42,206,211	40,093,734
Other certificates of deposit	28,656,032	32,077,677
	$ 475,712,117	456,605,334

As of December 31, 2013 and 2012, respectively, overdraft deposits totaling $21,805 and $16,879 were reclassified as loans.

A summary of the maturity of certificates of deposit as of December 31, 2013 follows:

	2013
Year ended December 31:	
2014	$ 45,768,021
2015	14,479,104
2016	3,738,487
2017	1,423,068
2018	5,453,563
Total	$ 70,862,243

The Bank accepts deposits from its executive officers, directors, and affiliated companies on substantially the same terms for comparable transactions with unrelated parties. The aggregate dollar amounts of these deposits were $7,700,046 and

(9) SECURITIES SOLD UNDER AGREEMENTS TO REPURCHASE

Securities sold under agreements to repurchase consists of sweep repurchase agreements that mature in less than 30-days with a weighted average interest rate of 0.34 percent and 0.35 percent at December 31, 2013 and 2012, respectively. The daily average borrowings and maximum borrowings outstanding at any month-end during 2013, did not significantly fluctuate from year-end balances.

The U.S. government securities transferred under agreements to repurchase are book entry securities delivered on behalf of depositors into the Bank's pledged safekeeping account maintained at a correspondent bank. The book value of the underlying securities that have been sold under agreements to repurchase were $45,227,080 and $40,340,119 at December 31, 2013 and 2012, respectively. The fair value of such securities was $45,158,960 and $40,770,550 at December 31, 2013 and 2012, respectively.

(10) OTHER BORROWINGS

Other borrowings as of December 31 are summarized as follows:

	2013	2012
0.55% weighted average rate, unsecured line of credit for overnight federal funds borrowed	$ -	48,412
	$ -	48,412

(11) INCOME TAXES

The provision for income tax expense for the year ended December 31 is summarized as follows:

	2013	2012
Current:		
Federal	$ 4,418,395	3,167,729
State	762,265	530,534
Deferred:		
Federal	1,048,977	845,382
State	162,380	130,864
Income tax expense	$ 6,392,017	4,674,509

A reconciliation of expected tax expense based on the federal rate of 34 percent to actual income tax expense for the years ended December 31 is summarized as follows:

	2013	2012
Expected federal tax expenses	$ 6,318,507	5,624,706
Increases (decreases) in taxes resulting from:		
Tax-exempt interest income	(687,138)	(581,369)
State taxes, net of federal benefit	529,756	445,301
Bank owned life insurance	(207,305)	(224,005)
Death benefits received on bank owned life insurance	-	(258,006)
Other	438,197	(332,118)
Income tax expense	$ 6,392,017	4,674,509

Temporary differences between the amounts reported in the financial statements and the tax bases of liabilities and assets result in deferred taxes. Deferred tax assets and deferred tax liabilities at December 31 are as follows:

	2013	2012
Deferred tax liabilities		
Net unrealized gain on investment securities available for sale	$ -	522,462
Premises and equipment	329,647	672,867
Deferred loan costs	814,732	693,765
Deferred income on FHLB stock	359,967	357,446
Other	173,831	123,052
	1,678,177	2,369,592
Deferred tax assets		
Net unrealized loss on investment securities available for sale	349,921	-
Allowance for loan losses	3,267,998	3,795,997
Deferred compensation	1,337,346	1,272,286
Other real estate	-	542,711
Other	108,459	337,176
	5,063,724	5,948,170
Net deferred tax asset	$ 3,385,547	3,578,578

Management believes that it is more likely than not that the results of future operations will generate sufficient taxable income to realize the deferred tax assets. The net deferred tax asset is included on the consolidated statements of condition as a component of other assets.

(12) FAIR VALUE

Fair value estimates are made at a specific point in time, based on relevant market information and information about the financial instrument. Fair value estimates are based on judgments regarding future expected loss experience, current economic conditions, risk characteristics of various financial instruments, and other factors. These estimates are subjective in nature and involve uncertainties and matters of significant judgment and, therefore, cannot be determined with precision. Changes in the underlying methodologies and assumptions used could significantly affect the estimates. Further, certain financial instruments and all nonfinancial instruments are excluded from the applicable disclosure requirements. Therefore, the fair value amounts shown in the table do not, by themselves, represent the underlying value of the Bank as a whole.

This summary excludes financial assets and liabilities for which carrying value approximates fair value. For financial assets, these include cash and due from banks, interest-bearing deposits in banks, and loans held for sale. For financial liabilities, these include non-interest bearing deposits. The estimated fair value of non-interest bearing deposits is the amount payable on demand at the reporting date. FASB ASC 820 requires the use of carrying value because the accounts have no stated maturity and the customer has the ability to withdraw funds immediately. Also excluded from the summary are financial instruments recorded at fair value on a recurring basis, as previously described.

The carrying amounts and estimated fair values of the Bank's financial instruments as of December 31 are as follows:

	2013		2012	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets:				
Investment securities, held to maturity	$ 26,817,870	27,224,400	33,665,813	34,668,443
Loans, net	543,304,793	545,635,656	472,267,732	481,257,270
Financial liabilities:				
Interest-bearing deposits	475,712,117	474,864,846	456,605,334	456,639,279
Securities sold under agreements to repurchase and other borrowings	35,568,499	35,568,499	36,704,163	36,704,163

The following methods and assumptions were used to estimate the fair values disclosed in the above table:

Investment securities, held to maturity – Fair values are based on quoted market prices, where available. These fair values are obtained primarily from third party pricing services, which generally use Level I or Level II inputs for the determination of fair value in accordance with FASB ASC 820. Third party pricing services normally derive the security prices through recently reported trades for identical or similar securities making adjustments through the reporting date based upon available market observable information.

Loans – The fair value is estimated by discounting future cash flows of certain groups of homogeneous loans using the current market rates. These future cash flows are then reduced by the estimated 'life-of-the-loan' aggregate credit losses in the loan portfolio. These adjustments for lifetime future credit losses are highly judgmental because the Bank does not have a validated model to estimate lifetime losses on large portions of its loan portfolio. Loans, other than those held for sale, are not normally purchased and sold by the Bank, and there are no active trading markets for most of this portfolio.

Interest-bearing deposits, securities sold under agreements to repurchase, and other borrowings - The fair value is estimated by discounting future cash flows using rates currently available to the Bank for debt with similar terms.

The carrying amount for cash and due from banks, interest-bearing deposits in banks, federal funds sold, FHLB stock, bank owned life insurance, available for sale securities, accrued interest receivable, accrued interest payable and loans held for sale, approximates fair value. Accordingly, these assets are not included in the above table.

Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. To measure fair value, a hierarchy has been established which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs. This hierarchy uses three levels of inputs to measure the fair value of assets and liabilities as follows:

Level 1 – Inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities in active markets.
Level 2 – Inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument; and
Level 3 – Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The following is a description of the valuation methodologies used for instruments measured at fair value, as well as the general classification of such instruments pursuant to valuation methodology:

Investment securities, available for sale – Where quoted prices are available in an active market, securities are classified within level 1 of the hierarchy. Level 1 includes securities that have quoted prices in an active market for identical assets. If quoted market prices are not available, then fair values are estimated using pricing models, quoted prices of securities with similar characteristics or discounted cash flows. The Bank has categorized its investment securities, available for sale as Level 2.

Impaired loans – Fair value applies to loans measured for impairment using the practical expedients permitted by FASB ASC 310, including impaired loans measured at an observable market price (if available) or at the fair value of the loan's collateral (if collateral dependent). Fair value of the loan's collateral is determined by appraisals or independent valuation which is then adjusted for the cost related to liquidation of the collateral. The Bank has categorized its impaired loans as Level 3.

Other real estate – Real estate acquired through foreclosure or deeds in lieu of foreclosure was written down to fair value based on property appraisals at the time of transfer and as appropriate thereafter, which is consistent with prior periods. Adjustments to write down the value at the time of transfer are made against the allowance for loan losses. Subsequent adjustments to the fair value are included in noninterest expense. The Bank has categorized its other real estate as Level 3.

Financial assets measured at fair value as of December 31 are summarized as follows:

		2013		
Description of Financial Instrument	Fair Value	Level 1	Level 2	Level 3
Recurring:				
Investment securities, available for sale				
U.S. government agency	$ 72,600,321	-	72,600,321	-
U.S. government agency mortgage backed securities	19,479,184	-	19,479,184	-
Mutual fund	4,841,431	-	4,841,431	-
Nonrecurring:				
Impaired loans with a specific valuation allowance	3,898,642	-	-	3,898,642

		2012		
Description of Financial Instrument	Fair Value	Level 1	Level 2	Level 3
Recurring:				
Investment securities, available for sale				
U.S. government agency	$ 66,074,400	-	66,074,400	-
U.S. government agency mortgage backed securities	21,200,938	-	21,200,938	-
Nonrecurring:				
Impaired loans with a specific valuation allowance	2,925,775	-	-	2,925,775
Other real estate	2,737,420	-	-	2,737,420

The following tables present information about significant unobservable inputs related to the Bank's categories of Level 3 financial assets measured on a nonrecurring basis:

As of December 31, 2013:	Fair value	Valuation technique	Unobservable inputs	Range of inputs	Weighted average discount
Impaired loans with a specific valuation allowance:					
Construction & development	$ 1,177,299	Income approach	Discounted cash flow analysis	2.71%	2.71%
Nonfarm nonresidential real estate	2,721,343	Income approach	Discounted cash flow analysis	.60% to 2.69%	.74%

As of December 31, 2012:	Fair value	Valuation technique	Unobservable inputs	Range of inputs	Weighted average discount
Impaired loans with a specific valuation allowance:					
Construction & development	$ 490,907	Income approach	Discounted cash flow analysis	.31% to 1.33%	.39%
1-4 family real estate	184,751	Income approach	Discounted cash flow analysis	1.11% to 1.66%	1.22%
Nonfarm nonresidential real estate	1,991,898	Income approach	Discounted cash flow analysis	0% to 6.13%	1.32%
		Market approach	Comparable market data for liquidation value	0% to 52.21%	3.15%
Commercial & industrial	258,219	Income approach	Discounted cash flow analysis	.04% to .57%	.30%
Other real estate					
Construction & development	456,069	Market approach	Comparable market data and agent analysis less selling costs	34% to 56%	44%
Nonfarm nonresidential real estate	2,281,351	Market approach	Comparable market data, agent analysis and offers less selling costs	32% to 38%	36%

(13) COMMITMENTS AND CONTINGENT LIABILITIES

The Bank is obligated under certain operating lease agreements for the rental of buildings that vary in terms from one to ten years. As of December 31, 2013, the minimum annual lease commitments under noncancellable operating leases (net of sublease income) are as follows:

Year ended December 31:

2014	$ 237,532
2015	261,069
2016	284,093
2017	288,005
2018	269,815
Thereafter	915,868
	$ 2,256,382

The Bank recorded lease expense (net of sublease income of approximately $33,000 and $66,000 in 2013 and 2012, respectively) under these agreements of approximately $504,000 and $623,000 in 2013 and 2012, respectively. Of these amounts, $14,400 was paid in 2013 and 2012, to related parties.

In the normal course of business, the Bank enters into commitments and contingent liabilities to extend credit under various lending agreements. Commitments on letters of credit totaled $4,082,543 and $2,489,677 as of December 31, 2013 and 2012, respectively, and $154,884,160 and $126,057,523, respectively, on all other variable rate loan commitments.

The Bank has lines of credit established with the Federal Home Loan Bank of Seattle for $164,780,760 (20 percent of total assets), Zions First National Bank for $15,000,000, Wells Fargo Bank for $15,000,000, and JP Morgan Chase for $10,000,000. The FHLB credit line is limited to the amount of pledged collateral which was $164,780,760 as of December 31, 2013. The lines of credit are reviewed on an annual basis and market interest rates are set at the time funds are borrowed. The Bank did not have outstanding borrowings from Federal Home Loan Bank of Seattle, Zions First National Bank, Wells Fargo Bank or JP Morgan Chase at December 31, 2013 or 2012, except as disclosed in note 10.

In the normal course of its business, the Bank becomes involved in litigation. In the opinion of management, based upon discussion with legal counsel, liabilities, if any, arising from these proceedings would not have a material adverse effect on the Bank's financial position or results of operations.

(14) REGULATORY CAPITAL REQUIREMENTS

The Corporation is subject to various regulatory capital requirements administered by the federal banking agencies. Failure to meet minimum capital requirements can initiate certain actions by regulators that, if undertaken, could have a direct material effect on the Corporation's financial statements. Under capital adequacy guidelines and the regulatory framework for prompt corrective action, the Bank must meet specific capital guidelines that involve quantitative measures of the Bank's assets, liabilities, and certain off-balance sheet items as calculated under regulatory accounting practices. The Bank's capital amounts and classification are also subject to qualitative judgments by the regulators about components, risk weightings, and other factors.

Quantitative measures established by regulation to ensure capital adequacy require the Corporation to maintain minimum amounts and ratios of Total and Tier 1 capital (as defined in the regulations) to risk-weighted assets (as defined), and of Tier 1 capital (as defined) to average quarterly assets (as defined). Management believes, as of December 31, 2013, that the Bank meets all minimum capital adequacy requirements to which it is subject.

As of December 31, 2013 and 2012, the most recent notification from the Federal Deposit Insurance Corporation categorized the Corporation as well capitalized under the regulatory framework for prompt corrective action. To be categorized as well capitalized, the Bank must maintain certain Total and Tier 1 capital to risk-weighted assets and Tier 1 capital to quarterly average asset ratios. There are no conditions or events since that notification that management believes have changed the Bank's category.

Dividends declared by the Corporation in any calendar year may not, without the approval of the federal regulatory agencies, exceed net income for that year combined with net income less dividends paid for the preceding two years. At December 31, 2013, the Bank had approximated $28,363,543 available for payment of dividends under the foregoing restrictions.

Capital amounts and ratios as of December 31, 2013 are summarized as follows:

	Actual		Minimum capital requirement		Minimum to be well capitalized under prompt corrective action provisions	
	Amount	Ratio	Amount	Ratio	Amount	Ratio
Total Capital						
(to risk weighted assets)						
Consolidated	$ 113,946,319	18.16%	50,200,231	8.0%	N/A	N/A
Bank of Utah	112,699,145	17.96%	50,200,231	8.0%	62,750,289	10.0%
Tier 1 Capital						
(to risk weighted assets)						
Consolidated	106,091,204	16.91%	25,100,116	4.0%	N/A	N/A
Bank of Utah	104,844,030	16.71%	25,100,116	4.0%	37,650,173	6.0%
Tier 1 Capital						
(to quarterly average assets)						
Consolidated	106,091,204	12.99%	32,674,888	4.0%	N/A	N/A
Bank of Utah	104,844,030	12.83%	32,674,888	4.0%	40,843,610	5.0%

Capital amounts and ratios as of December 31, 2012 are summarized as follows:

	Actual		Minimum capital requirement		Minimum to be well capitalized under prompt corrective action provisions	
	Amount	Ratio	Amount	Ratio	Amount	Ratio
Total Capital						
(to risk weighted assets)						
Consolidated	$ 103,993,196	18.77%	44,330,674	8.0%	N/A	N/A
Bank of Utah	103,486,250	18.68%	44,330,674	8.0%	55,413,342	10.0%
Tier 1 Capital						
(to risk weighted assets)						
Consolidated	97,025,181	17.51%	22,165,337	4.0%	N/A	N/A
Bank of Utah	96,518,235	17.42%	22,165,337	4.0%	33,248,005	6.0%
Tier 1 Capital						
(to quarterly average assets)						
Consolidated	97,025,181	12.92%	30,043,942	4.0%	N/A	N/A
Bank of Utah	96,518,235	12.85%	30,043,942	4.0%	37,554,927	5.0%

Consolidating Schedule - Statement of Condition

December 31, 2013

SCHEDULE 1

	BOU Bancorp, Inc.	Bank of Utah	Eliminations	Consolidated
ASSETS				
Cash and due from banks	$ 1,247,174	6,299,361	(1,247,174)	6,299,361
Interest-bearing deposits in banks	-	106,958,898	-	106,958,898
Federal funds sold	-	187,116	-	187,116
Investment securities:				
Held to maturity	-	26,817,870	-	26,817,870
Available for sale	-	96,920,936	-	96,920,936
Total investment securities	-	123,738,806	-	123,738,806
Loans held for sale	-	7,862,556	-	7,862,556
Loans	-	551,666,182	-	551,666,182
Less allowance for loan losses	-	8,361,389	-	8,361,389
Net loans	-	543,304,793	-	543,304,793
Investment in Bank of Utah	110,413,914	-	(110,413,914)	-
Accrued interest receivable	-	2,397,587	-	2,397,587
Goodwill	-	5,894,024	-	5,894,024
Bank owned life insurance	-	17,707,421	-	17,707,421
Premises and equipment, net	-	12,944,944	-	12,944,944
Other assets	-	7,674,103	-	7,674,103
	$ 111,661,088	834,969,609	(111,661,088)	834,969,609
LIABILITIES AND STOCKHOLDERS' EQUITY				
Deposits:				
Non interest-bearing	$ -	205,368,717	-	205,368,717
Interest-bearing	-	476,959,291	(1,247,174)	475,712,117
Total deposits	-	682,328,008	(1,247,174)	681,080,834
Securities sold under agreements to repurchase	-	35,568,499	-	35,568,499
Other liabilities	-	6,659,188	-	6,659,188
Total liabilities	-	724,555,695	(1,247,174)	723,308,521
Common stock	1,683,375	3,655,580	(3,655,580)	1,683,375
Paid-in capital	4,333,954	8,534,211	(8,534,211)	4,333,954
Accumulated other comprehensive income (loss)	(588,206)	(588,206)	588,206	(588,206)
Retained earnings	106,231,965	98,812,329	(98,812,329)	106,231,965
Total stockholders' equity	111,661,088	110,413,914	(110,413,914)	111,661,088
	$ 111,661,088	834,969,609	(111,661,088)	834,969,609

See accompanying independent auditors report.

Consolidating Schedule - Statement of Condition

SCHEDULE 1

December 31, 2012

	BOU Bancorp, Inc.	Bank of Utah	Eliminations	Consolidated
ASSETS				
Cash and due from banks	$ 506,946	8,521,111	(506,946)	8,521,111
Interest-bearing deposits in banks	-	83,818,293	-	83,818,293
Federal funds sold	-	1,030,464	-	1,030,464
Investment securities:				
Held to maturity	-	33,665,813	-	33,665,813
Available for sale	-	87,275,338	-	87,275,338
Total investment securities	-	120,941,151	-	120,941,151
Loans held for sale	-	23,294,256	-	23,294,256
Loans	-	482,143,487	-	482,143,487
Less allowance for loan losses	-	9,875,755	-	9,875,755
Net loans	-	472,267,732	-	472,267,732
Investment in Bank of Utah	103,290,500	-	(103,290,500)	-
Other real estate	-	2,737,420	-	2,737,420
Accrued interest receivable	-	2,275,461	-	2,275,461
Goodwill	-	5,894,024	-	5,894,024
Bank owned life insurance	-	17,097,698	-	17,097,698
Premises and equipment, net	-	13,114,854	-	13,114,854
Other assets	-	7,756,857	-	7,756,857
	$ 103,797,446	758,749,321	(103,797,446)	758,749,321
LIABILITIES AND STOCKHOLDERS' EQUITY				
Deposits:				
Non interest-bearing	$ -	154,593,082	-	154,593,082
Interest-bearing	-	457,112,280	(506,946)	456,605,334
Total deposits	-	611,705,362	(506,946)	611,198,416
Securities sold under agreements to repurchase	-	36,655,751	-	36,655,751
Other borrowings	-	48,412	-	48,412
Other liabilities	-	7,049,296	-	7,049,296
Total liabilities	-	655,458,821	(506,946)	654,951,875
Common stock	1,683,375	3,655,580	(3,655,580)	1,683,375
Paid-in capital	4,333,954	8,534,211	(8,534,211)	4,333,954
Accumulated other comprehensive income (loss)	878,241	878,241	(878,241)	878,241
Retained earnings	96,901,876	90,222,468	(90,222,468)	96,901,876
Total stockholders' equity	103,797,446	103,290,500	(103,290,500)	103,797,446
	$ 103,797,446	758,749,321	(103,797,446)	758,749,321

See accompanying independent auditors report

Consolidating Schedule - Statement of Income

Year ended December 31, 2013

SCHEDULE 2

	BOU Bancorp, Inc.	Bank of Utah	Eliminations	Consolidated
INTEREST INCOME:				
Interest and fees on loans	$ -	26,764,571	-	26,764,571
Interest on investment securities:				
Taxable	-	1,256,805	-	1,256,805
Tax-exempt	-	743,757	-	743,757
Interest on loans held for sale	-	454,589	-	454,589
Interest on federal funds sold	-	877	-	877
Interest on interest-bearing deposits in banks	1,844	206,607	(1,844)	206,607
	1,844	29,427,206	(1,844)	29,427,206
INTEREST EXPENSE:				
Interest on deposits	-	1,576,683	(1,844)	1,574,839
Interest on securities sold under agreement to repurchase	-	110,789	-	110,789
Interest on other borrowings	-	191	-	191
	-	1,687,663	(1,844)	1,685,819
Net interest income	1,844	27,739,543	-	27,741,387
Provision for (reversal of) loan losses	-	(1,800,000)	-	(1,800,000)
Net interest income after provision for (reversal of) loan losses	1,844	29,539,543	-	29,541,387
OPERATING INCOME:				
Dividend from Bank of Utah	3,746,969	-	(3,746,969)	-
Equity in undistributed income of Bank of Utah	8,589,861	-	(8,589,861)	-
Service charges on deposits	-	1,625,562	-	1,625,562
Gain on sale of loans	-	8,603,814	-	8,603,814
Trust fees	-	5,662,468	-	5,662,468
Cash surrender value increase of life insurance	-	609,722	-	609,722
Other	-	1,566,846	-	1,566,846
	12,336,830	18,068,412	(12,336,830)	18,068,412
OPERATING EXPENSES:				
Salaries and employee benefits	-	19,189,790	-	19,189,790
Net occupancy expense	-	2,129,695	-	2,129,695
Equipment expense	-	2,532,461	-	2,532,461
Professional fees and services	12,954	1,198,542	-	1,211,496
Other	133,893	3,828,620	-	3,962,513
	146,847	28,879,108	-	29,025,955
Income before income taxes	12,191,827	18,728,847	(12,336,830)	18,583,844
Income tax expense	-	6,392,017	-	6,392,017
Net income	$ 12,191,827	12,336,830	(12,336,830)	12,191,827

See accompanying independent auditors report.

Consolidating Schedule - Statement of Income

SCHEDULE 2

Year ended December 31, 2012

	BOU Bancorp, Inc.	Bank of Utah	Eliminations	Consolidated
INTEREST INCOME:				
Interest and fees on loans	$ -	25,741,706	-	25,741,706
Interest on investment securities:				
Taxable	-	1,619,310	-	1,619,310
Tax-exempt	-	881,071	-	881,071
Interest on loans held for sale	-	744,193	-	744,193
Interest on federal funds sold	-	246	-	246
Interest on interest-bearing deposits in banks	396	208,105	(396)	208,105
	396	29,194,631	(396)	29,194,631
INTEREST EXPENSE:				
Interest on deposits	-	1,890,431	(396)	1,890,035
Interest on securities sold under agreement to repurchase	-	127,941	-	127,941
Interest on other borrowings	-	104	-	104
	-	2,018,476	(396)	2,018,080
Net interest income	396	27,176,155	-	27,176,551
Provision for (reversal of) loan losses	-	700,000	-	700,000
Net interest income after provision for (reversal of) loan losses	396	26,476,155	-	26,476,551
OPERATING INCOME:				
Dividend from Bank of Utah	3,015,854	-	(3,015,854)	-
Equity in undistributed income of Bank of Utah	8,952,789	-	(8,952,789)	-
Service charges on deposits	-	1,703,641	-	1,703,641
Gain on sale of loans	-	10,758,563	-	10,758,563
Trust fees	-	4,287,343	-	4,287,343
Cash surrender value increase of life insurance	-	1,417,680	-	1,417,680
Other	25	2,172,588		2,172,613
	11,968,668	20,339,815	(11,968,643)	20,339,840
OPERATING EXPENSES:				
Salaries and employee benefits	-	18,124,607	-	18,124,607
Net occupancy expense	-	2,295,759	-	2,295,759
Equipment expense	-	2,181,262	-	2,181,262
Other	100,321	7,571,190	-	7,671,511
	100,321	30,172,818	-	30,273,139
Income before income taxes	11,868,743	16,643,152	(11,968,643)	16,543,252
Income tax expense	-	4,674,509	-	4,674,509
Net income	$ 11,868,743	11,968,643	(11,968,643)	11,868,743

See accompanying independent auditors report.

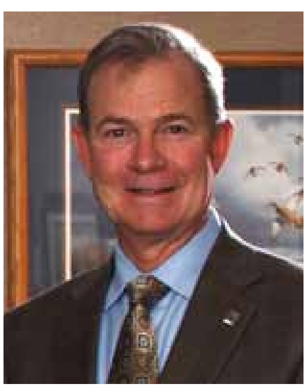
BOU BANCORP, INC.
Board of Directors and Officers

Frank W. Browning
Chairman of the Board
President

Douglas L. DeFries
Vice President

Jonathan W. Browning
Vice President
Secretary

Menah C. Strong
Treasurer



George E. Hall
Board Member

H. Dee Hutzley
Board Member

Paul T. Kunz
Board Member

BANK OF UTAH
Board of Directors

Frank W. Browning
Chairman of the Board, CEO
BOU Bancorp, Inc.

Douglas L. DeFries
President

Jonathan W. Browning
Secretary to the Board

Gary R. Gibbons
Physician

George E. Hall
General Partner
Elliott-Hall Company

H. Dee Hutzley
Grocer

Eugene B. Jones
Certified Public Accountant

Paul T. Kunz
Attorney

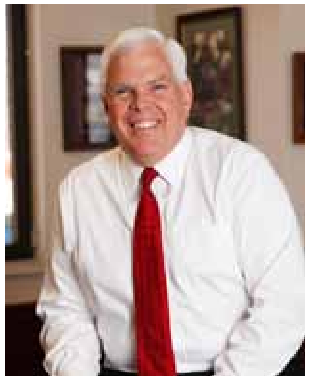
Bruce D. Stephens
Land Development
Southtown Properties

James C. Anderson
Banking

Seated (left to right): H. Dee Hutzley, Frank W. Browning, Douglas L. DeFries,Paul T. Kunz. Standing (left to right): Jonathan W. Browning, Bruce D. Stephens, Gary R. Gibbons, Eugene B. Jones, James C. Anderson, George E. Hall.

BANK OF UTAH
Executive Officers

Frank W. Browning
Chairman of the Board
Chief Executive Officer

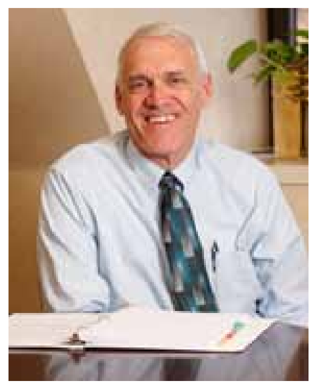


Douglas L. DeFries
President

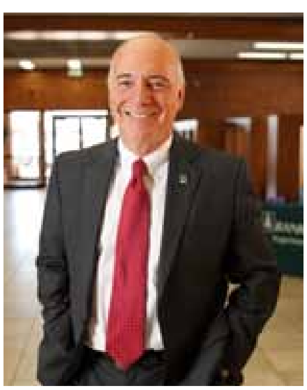
Taft G. Meyer
Executive Vice President
Chief Lending Officer

Roger G. Shumway
Executive Vice President
Chief Credit Officer

Branden P. Hansen
Senior Vice President
Chief Financial Officer/Residential Lending



K. Darrel May
Senior Vice President
Human Resources



Scott H. Parkinson
Senior Vice President
Marketing & Communications

T. Craig Roper
Senior Vice President
Chief Deposit Officer

Menah C. Strong
Senior Vice President
Chief Administrative Officer

Lending

Jared M. Anderson	Senior Vice President, Team Leader, Ogden
Roger L. Christensen	Senior Vice President, Regional Team Leader, South
Norman G. Fukui	Senior Vice President, Team Leader, North
Cari G. Fullerton	Senior Vice President, Team Leader, CRE, North
Krista L. Lewis	Senior Vice President, Team Leader, Logan
Russell W. Miller	Senior Vice President, Regional Credit Administrator, South
David K. Snow	Senior Vice President, Team Leader, Redwood
John W. Walton	Senior Vice President, Team Leader, 7th South
Eric S. Blanchard	Vice President, Relationship Manager
Gregory J. Brown	Vice President, Team Leader, Orem
Kelly D. Crane-Hale	Vice President, Relationship Manager
Steven P. Diamond	Vice President, Relationship Manager, CRE
M. Brady Fosmark	Vice President, Relationship Manager
Larry R. Hintze	Vice President, Relationship Manager
Michael D. Hoglund	Vice President, Relationship Manager
David E. Mumm	Vice President, Relationship Manager
Karl S. Robertson	Vice President, Relationship Manager
Kevin J. Williams	Vice President, Relationship Manager
Benjamin F. Browning	Assistant Vice President, Lending Administrator
Tiffany S. Hernandez	Assistant Vice President, Portfolio Manager
Jeffrey L. Norton	Assistant Vice President, Relationship Manager
Blake W. Ostler	Assistant Vice President, Relationship Manager
Spencer R. Richins	Assistant Vice President, Relationship Manager
T. Bart Tucker	Assistant Vice President, Relationship Manager, CRM

Branch Management

Ryan J. Granquist	Vice President, Branch Administrator
Ashley F. Massey	Vice President, Relationship Manager, Treasury Management
Wendy B. Parker	Vice President, Banking Operations
Sandi E. Jardine	Assistant Vice President, Branch Administrator, Northern Region
Connie L. Lynch	Assistant Vice President, Branch Manager, South Ogden
Mary M. Ryan	Assistant Vice President, Branch Administrator, Southern Region

Lending Administration

Daniel S. Boren	Vice President, Collections/Special Assets
Bruce G. Holbrook	Vice President, CRM Administrator
Dillon George	Vice President, Portfolio Manager, CRM
Colleen Schulthies	Vice President, Legal Counsel
Christina L. Thurnwald	Vice President, Loan Documentation Manager

BANK OF UTAH
Bank Officers

Corporate Administration

Eddie J. Cameron	Senior Vice President, Information Technology Manager
Jo C. Brown	Vice President, Bank Secrecy Act/CRA/Deposit Compliance Officer
Colby J. Dustin	Vice President, Enterprise Risk Manager
D. Scott Heninger	Vice President, Loan Review
Brian S. Stevens	Vice President, Controller
Elizabeth N. Warner	Vice President, Lending Compliance Officer
Christopher N. McIntyre	Assistant Vice President, IT Data Center Manager
Leon B. Trappett	Assistant Vice President, Information Technology Security Officer
Jay D. Weaver	Assistant Vice President, Network Manager

Mortgage & Residential Construction

Eric D. DeFries	Vice President, Mortgage and Consumer Finance
Kathy L. Robles	Vice President, Mortgage Operations Supervisor
Amber Wykstra	Vice President, Mortgage Loan Production Manager
Eric J. Allsop	Assistant Vice President, Mortgage Loan Office Manager, St. George
Katherine L. Davis	Assistant Vice President, Relationship Manager, Consumer
Jennifer H. Dee	Assistant Vice President, Supervisor Mortgage Loan Processing
W. Dan Farnsworth	Assistant Vice President, Mortgage Loan Office Manager, Logan
Michael R. Medsker	Assistant Vice President, Mortgage Loan Office Manager, Ogden
Russell G. Piggott	Assistant Vice President, Mortgage Loan Office Manager, Logan City Center
Linda C. Rose	Assistant Vice President, Mortgage Loan Office Manager, South Ogden

Trust & Investments

David B. Guzy	Senior Vice President, Senior Trust Officer
Paul R. Buchanan	Vice President, Trust Assistant Manager
Michael D. Hoggan	Vice President, Corporate Trust Counsel
Brett R. King	Vice President, Senior Corporate Trust Counsel
Lisa K. Mariano	Vice President, Trust Officer
C. Scott Nielsen	Vice President, Corporate Trust Marketing Officer
Craig A. Standing	Vice President, Trust Officer
Michael R. Bruschke	Assistant Vice President, Trust Officer
Arge Feotis	Assistant Vice President, Corporate Trust Administrative Officer
Sharlee M. Kuch	Assistant Vice President, Corporate Trust Administrative Officer
Jodie K. LeBlanc	Assistant Vice President, Trust Officer

BANK OF UTAH
Bank Offices with ATMs

Ogden (Main)
2605 Washington Blvd.
Ogden UT 84401
801-409-5000

Ben Lomond
115 Washington Blvd.
Ogden, UT 84404
801-399-4425

Brigham City
80 East 800 South
Brigham City, UT 84302
435-723-9313

Layton
717 West Antelope Dr.
Layton, UT 84041
801-773-2221

Logan
5 East 1400 North
Logan, UT 84341
435-752-7102

Orem
1000 West 800 North
Orem, UT 84057
801-765-4401

Providence
121 North Gateway Dr.
Providence, UT 84332
435-752-7198

Redwood
2309 South Redwood Rd.
Salt Lake City, UT 84119
801-973-2798

Roy
5741 South 1900 West
Roy, UT 84067
801-825-1647

Sandy
9320 South State
Sandy, UT 84070
801-562-5375

Seventh South
711 South State
Salt Lake City, UT 84111
801-532-7111

South Ogden
4605 Harrison Blvd. Suite 100
Ogden UT 84403
801-394-6611

Tremonton
25 North Tremont St.
Tremonton, UT 84337
435-257-3613

BANK OF UTAH
Mortgage Loan Production Offices

Logan
5 East 1400 North
Logan, UT 84341
435-752-7102

Logan City Center
45 East 200 North, Suite 102
Logan, Utah 84321
435-792-4600

Ogden (Main)
2627 Washington Blvd.
Ogden, UT 84401
801-409-5432

Price
475 East Main
Suite B
Price, UT 84501
435-637-3305

Providence
121 N Gateway Dr.
Providence, UT 84332
801-409-5370

Sandy
9320 South State Street
Sandy, UT 84070
801-562-5375

South Ogden
4605 Harrison Blvd., Suite 100
Ogden, UT 84403
801-409-5219

South Towne
230 West Towne Ridge Parkway, Suite 520
Sandy, UT 84070
801-285-5000

St. George
243 East St. George Blvd., Suite 110
St. George, UT 84790
435-986-7221

BANK OF UTAH
Trust Offices

Ogden
2627 Washington Blvd.
Ogden, 84401
801-409-5432

Salt Lake City
200 East South Temple
Suite 210
Salt Lake City, 84111
801-924-3690

BANK of UTAH
Experience. Service.