

P R E S I D E N T ' S M E S S A G E



Branden P Hansen
President

SHAREHOLDER DIVIDEND

A dividend of \$0.10 per share was paid on June 26, 2023, for Q2 2023, compared to \$0.10 per share dividend paid in Q1 2023 and \$0.10 in Q2 2022.

Strong. Stable. Responsible.

For 71 years, individuals, families and businesses have looked to Bank of Utah to be a source of financial stability, to make meaningful decisions and to invest in customers and communities. In all of those regards, it's mostly business as usual for Bank of Utah in the second quarter of 2023. In an economic environment and banking industry that's been anything *but* usual, we have delivered robust financial results, all while fully supporting our customers, stakeholders and employees.

By continuing our responsible, conservative approach to balance sheet management, Bank of Utah's capital levels are the best in Bank history, significantly exceeding regulatory mandates. This has allowed us to be active lenders in the communities we serve, even when many institutions have scaled back their lending to navigate shifting economic conditions and liquidity positions. This has created opportunities to connect with new and existing customers and grow their whole relationship — business and personal — with Bank of Utah.

In doing so, we have helped customers work toward their goals and aspirations, extended our record of generating solid financial outcomes and strengthened the well-being of the Bank and our communities. Highlights of the second quarter include:

- **Consolidated net income** for Q2 2023 was \$10.2 million compared to \$11.2 million for Q1 2023 and \$7.4 million for Q2 2022, a decrease of 8.7 percent and an increase of 37.2 percent, respectively. For the six months ended June 30, 2023, consolidated net income was \$21.3 million compared to \$15.4 million for the same period in 2022 — a remarkable 39.0 percent increase.
- **Period end loans**, net of unearned income, totaled \$2.0 billion, representing a 10.4 percent increase over the previous quarter and a 28.0 percent increase over the second quarter of 2022.
- **Total interest income** rose to \$311 million in the second quarter of 2023, representing a 10.7 percent quarter-over-quarter increase and a 65.4 percent year-over-year increase.
- **Continued growth** in the Corporate Trust department — with a 1.2 percent quarter-over-quarter increase — reaffirmed the Bank's position as the industry leader in aviation trusts, effectively serving customers worldwide.

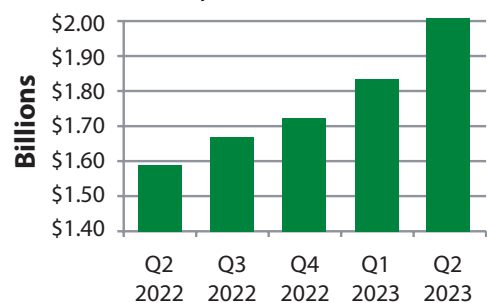
With a strong financial footing, I am confident in Bank of Utah's ability to navigate upcoming challenges and seize opportunities to grow purposefully. You can be confident knowing that every decision we make in the future will put the customer and the community first, just as we've done for over seven decades.

Q2 2023 FINANCIAL ANALYSIS

Lending

Commercial lenders worked diligently to add new, high-quality commercial relationships to the portfolio, pushing the loan portfolio over \$2.0 billion at the end of the second quarter, up from the previous quarter's \$1.8 billion. As a result, interest and fees on loans increased by \$3.2 million from Q1 2023. Net interest margin narrowed slightly to 4.2 percent from the previous quarter's 4.5 percent but widened by 0.7 basis points year-over-year. Loan quality remains excellent with nonperforming and delinquent loans to capital plus reserves holding steady at 0.4 percent.

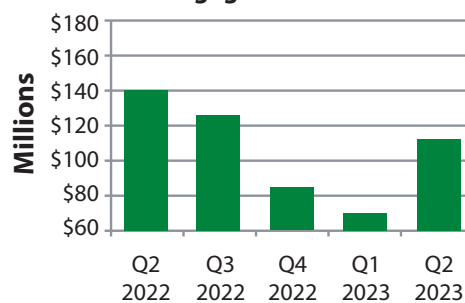
Period End Loans, Net of Unearned Income



Mortgage Production

After a series of economic-related declines, Bank of Utah bucked the trend in Q2 2023, with mortgage department production increasing to \$110.3 million. This reflects a 67.0 percent increase over the first quarter and a 22.0 percent decrease from Q2 2022. Gain on sale of loans increased 59.0 percent from the previous quarter. With inflation easing somewhat, forecasters are predicting mortgage rates will drop by year-end, but not below 5 percent. The positive mortgage production this quarter is partially the result of seasonal mortgage patterns, but also the efforts of our knowledgeable mortgage loan experts to help customers navigate the current high-rate environment.

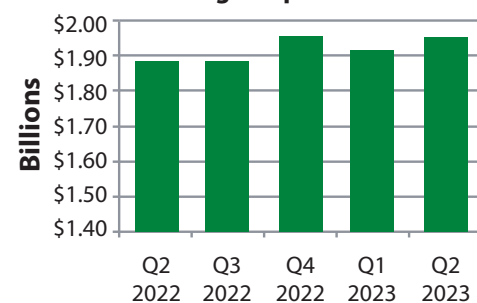
Mortgage Production



Deposits

Average deposits for the second quarter increased from \$1.91 billion in the first quarter to \$1.94 billion in Q2 2023. The 1.9 percent increase is notable considering the large outflow of deposits that many banks are encountering nationally. To stay competitive and to prevent our strong deposit base from shrinking, the Bank increased its core deposit pricing significantly over the first half of the year. As a result, our total interest expense increased 96.0 percent over Q1 2023 and 486.0 percent year to date. The return on investment, however, is continued customer loyalty.

Average Deposits



Corporate Trust

Throughout the first half of 2023, Corporate Trust has outpaced forecasted growth in both core business and deposit growth. The number of core accounts increased by 4.8 percent year over year while average deposits grew by 32.8 percent year over year. In addition, fee revenue is up 5.3 percent over the prior year. Both aircraft and life settlement lines of business were the primary driver behind this growth.

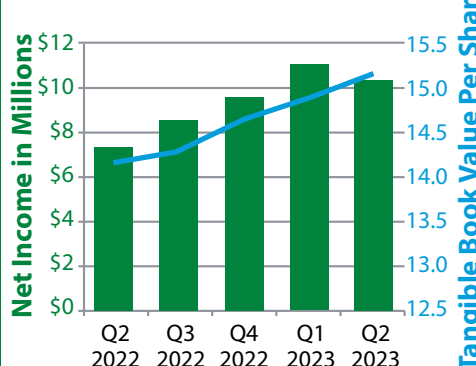
Personal Trust

Personal Trust assets for Q2 2023 were \$717.5 million, a 1.1 percent increase compared to the previous quarter and a 13.1 percent increase from the second quarter of 2022. Our trust professionals are known for maintaining the highest degree of care and ethics with their clients, earning them a number of referrals. The growing client base is critical to balance the fluctuations that naturally occur within the personal trust portfolio, as it's tied closely to the stock market.

COMPANY NOTABLE POINTS

- The Bank's tier 1 leverage ratio continues to be above our peer average at 14.37 percent for Q2 2023, compared to 14.86 percent in Q1 2023.
- The Bank added \$2.0 million to its loan loss provision, bringing the provision for loan loss to 1.39%. While loan quality is currently excellent, this ensures the safety of the Bank as higher interest rates continue to put pressure on borrowers.
- The Bank's efficiency ratio for Q2 2023 was 51.57 percent compared to 48.58 percent in the previous quarter. This is still considered optimal in terms of the Bank's ability to balance value and cost.

Net Income and Book Value



| | Q2 2023 | Q1 2023 | Q2 2022 |
|---------------------------|-----------|-----------|-----------|
| Return on Average Assets | 1.61% | 1.89% | 1.35% |
| Return on Average Equity | 11.35% | 12.93% | 11.90% |
| Net Income | \$10.2MM | \$11.2MM | \$7.4MM |
| Net Interest Margin (FTE) | 4.20% | 4.51% | 3.52% |
| Net Interest Income (FTE) | \$25.1MM | \$25.3MM | \$18.4MM |
| Noninterest Income | \$5.8MM | \$5.8MM | \$5.8MM |
| Earnings Per Share | \$0.58 | \$0.48 | \$0.45 |
| Dividend Per Share | \$0.10 | \$0.10 | \$0.10 |
| Equity | \$358.5MM | \$352.8MM | \$248.9MM |
| Total Assets | \$2.68B | \$2.54B | \$2.23B |