

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 April 1, 2024, for Q1 2024 compared to \$0.10 per share dividend paid in Q4 2023 and \$0.10 per share in Q1 2023.

From Decades of Trust to Billions in Growth: Celebrating a Historic Milestone

Since 1952, Bank of Utah has diligently cultivated trust with our customers and communities. This commitment has been instrumental in driving our growth. In 2016, we reached our first billion dollars in assets, which represented a significant milestone. That success doubled over the following five years when we hit \$2 billion in assets in 2021. In 2024, just a short three years later, we are pleased to announce another monumental accomplishment: **Bank of Utah has now surpassed \$3 billion in assets.**

We are excited to celebrate this achievement and are proud to provide enhanced value to our shareholders, customers and employees. While the financial landscape is ever-changing and continues to present unique challenges to community banks, our dedicated employees are meeting these challenges by building even stronger customer relationships and providing world-class service.

In Q1 2024, the Bank reported strong revenue from our core business lines, including growth in loan balances, mortgage production and trust fees. Consolidated net income is in line with our 2024 budget goal and, while slightly behind the prior year, reflects our strategic investments in talent and technology that will fortify the Bank's foundation for sustainable future growth.

FINANCIAL HIGHLIGHTS

- **Consolidated net income** for Q1 2024 was \$9.2 million compared to \$9.7 million for Q4 2023 and \$11.2 million for Q1 2023, a decrease of 4.6 percent and 17.3 percent, respectively.
- **Period end loans**, net of unearned income, totaled \$2.4 billion—a 3.9 percent increase from the previous quarter and an impressive 28.9 percent increase year over year.
- **Asset quality** remains outstanding with no nonperforming assets. The loan portfolio's pristine credit quality ranks among the best in the industry and reflects the Bank's sound underwriting standards.

Surpassing \$3 billion in assets unlocks exciting possibilities for the future: increased lending opportunities, possible expansion into new markets and diversified products and services that will strengthen the financial well-being of our customers. We will continue to be vigilant and agile as we navigate today's economic environment to ensure that we remain a steadfast and trustworthy partner to the communities and customers we serve.

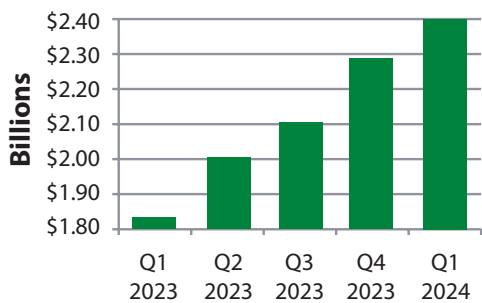
Together, let's approach the year ahead with confidence and determination.

Q1 2024 FINANCIAL ANALYSIS

Lending

Bank of Utah's dedication to understanding the lending needs of Utah communities translated to continued growth in loan activity. Demand was high throughout the quarter, leading to impressive production. As a result, our loan portfolio reached a record \$2.4 billion by the end of the period, reflecting an increase of 3.9 percent from the previous quarter and 28.9 percent year over year. Maintaining responsible lending practices remains a top priority. Loan quality remains excellent with nonperforming and delinquent loans to capital plus reserves at 0.0 percent.

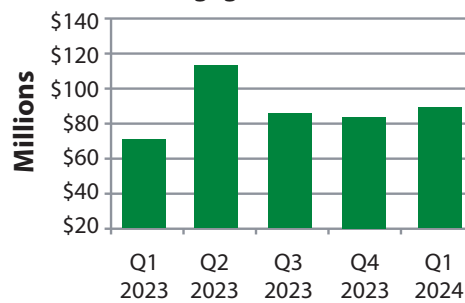
Period End Loans, Net of Unearned Income



Mortgage Production

Mortgage production was \$87.5 million, a 3.0 percent increase from the previous quarter and a 32.5 percent increase from the first quarter of 2023. This growth in loan origination demonstrates the Bank's commitment to supporting customers' homeownership goals, despite challenges in the housing market. As a result, gain on sale of loans increased 19.1 percent from Q4 2023 and 14.7 percent from Q1 2023. With efforts underway to make homeownership in Utah more affordable and signs of inflation slowing, we anticipate a resurgence in home buying activity.

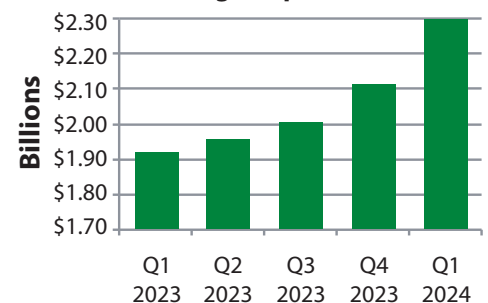
Mortgage Production



Deposits

Average deposits increased 6.8 percent quarter over quarter and 18.7 percent year over year to \$2.3 billion, showcasing growth despite a fiercely competitive environment where customers are actively rate shopping. Bank of Utah's commitment to exceptional service and proactive outreach to personal and business customers has contributed to maintaining this strong and stable deposit base. Total interest expense grew from \$3.6 million to \$15.2 million quarter over quarter. This significant 319.7 percent increase was primarily driven by market dynamics.

Average Deposits



Corporate Trust

In Q1 2024, revenue for corporate trust experienced a 10.7 percent increase from Q4 2023 and a 3.1 percent decrease compared to Q1 2023. This quarter-over-quarter growth was driven primarily by activities in life settlements and aircraft trusts. Bank of Utah remains a global leader in aircraft trusts. The commercial aircraft market is seeing strong demand from airlines. Despite this, major manufacturers are struggling to meet industry demands due to ongoing supply chain constraints. The team continues to closely monitor these market developments.

Personal Trust

Personal trust assets experienced growth, reaching \$758.4 million in the first quarter of 2024. This marks a 3.0 percent increase from the previous quarter and a 6.8 percent increase from the first quarter of 2023. This upward trajectory reflects our clients' confidence in our trust services and our ability to manage their assets effectively. Additionally, the Bank's trust officers are also seeing an uptick in new business from trust customers in different areas of the state, further reinforcing our commitment to providing exceptional, local trust services in Utah.

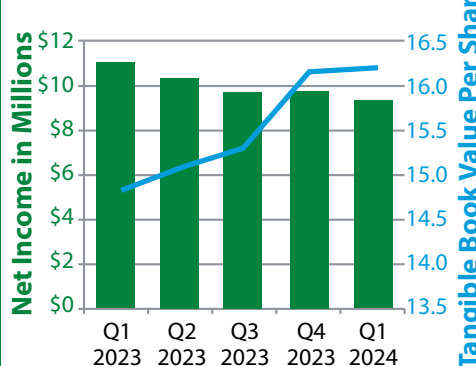
COMPANY NOTABLE POINTS

The Bank remains well leveraged based on its capital and assets, with a tier 1 leverage ratio of 13.08 percent. While the ratio declined slightly from the previous quarter's 13.66 percent, it still indicates a healthy capital position.

The significant 319.7 percent increase in interest expense quarter over quarter is putting pressure on the net interest margin. However, the current margin of 3.58 percent is an improvement over the figures prior to the onset of the recent rate hikes.

Total stockholders' equity increased to \$382.9 million in Q1 2024, up from \$377.0 million in Q4 2023 and \$352.8 million in Q1 2023. This represents an increase of 1.6 percent and 8.5 percent, respectively.

Net Income and Book Value



	Q1 2024	Q4 2023	Q1 2023
Return on Average Assets	1.25%	\$1.38%	1.89%
Return on Average Equity	9.73%	10.43%	12.93%
Net Income	\$9.3MM	\$9.7MM	\$11.2MM
Net Interest Margin (FTE)	3.58%	3.83%	4.51%
Net Interest Income (FTE)	\$25.0MM	\$25.5MM	\$25.3MM
Noninterest Income	\$5.7MM	\$5.9MM	\$5.8MM
Earnings Per Share	\$0.40	\$0.42	\$0.48
Dividend Per Share	\$0.10	\$0.10	\$0.10
Equity	\$382.9MM	\$377.0MM	\$352.8MM
Total Assets	\$3.0B	\$2.9B	\$2.5B