

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 24, 2024, for Q2 2024 compared to \$0.10 per share dividend paid in Q1 2024 and \$0.10 per share in Q2 2023.

Strength in Numbers: Exceeding Expectations at the Halfway Point

At Bank of Utah, financial strength is more than a measure of success; it's the very foundation that allows us to support our communities, customers and stakeholders. Metrics such as net income, loan growth and deposits are essential gauges that we meticulously track and analyze to inform our strategies and measure our progress. For the second quarter and first half of the year, those figures reflect a strong financial position, despite the pricing pressures that continue to be a national concern.

Success goes beyond the numbers, though.

Bank of Utah's true advantage is our collaborative culture. There's immense power in a large, talented team of employees working together toward common goals. This collaboration extends beyond traditional departmental boundaries. Our commercial lenders, mortgage loan officers and trust officers work hand-in-hand with branch personnel and relationship specialists to create comprehensive solutions for our customers. As a result, we are pleased to report growth in the following areas:

FINANCIAL HIGHLIGHTS

- **Net income** for Q2 2024 was \$10.2 million, up 10.1 percent from the previous quarter and stable year over year. Despite navigating a challenging economy, the Bank continues to perform strongly, with **total assets** now at \$3.3 billion, reflecting a remarkable 9.1 percent increase from Q1 2024 and 22.7 percent increase from Q2 2023. Growth in loans and core deposits, coupled with increased fee revenue from mortgage and trust activities, contributed significantly to our financial performance.
- **Deposit growth** exceeded expectations, reaching \$2.4 billion at the end of Q2 2024, up 7.2 percent from the previous quarter and 24.9 percent from the previous year. This notable increase is due to a concerted effort across the entire Bank. This only supports our loan growth but also strengthens our liquidity position, reducing reliance on external funding sources.
- **Loans** were \$2.5 billion, a 4.4 percent quarter-over-quarter increase and a 21.9 percent year-over-year increase. This demonstrates the continued hard work and success of our loan officers. We are committed to providing our customers with a consistent experience and continue to grow loans even as others pull back. At Bank of Utah, we take pride in being there for our customers when they need it most.

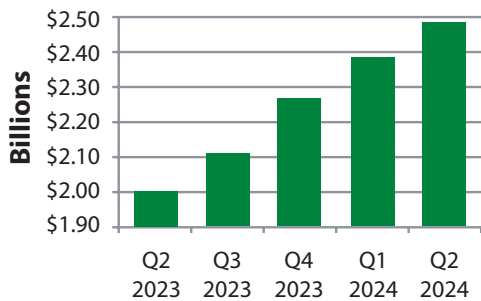
Our team's collaboration has driven exceptional first-half results. We're poised for sustained growth. Together, we'll exceed expectations for the betterment of our customers, employees and shareholders.

Q2 2024 FINANCIAL ANALYSIS

Lending

Loan types across the board have seen growth, with commercial real estate leading the charge. In addition to this dynamic market, Bank of Utah's loan experts continue to serve a diverse range of commercial lending needs, from municipal loans to multifamily housing and construction projects. Their community connections pushed our portfolio to \$2.5 billion by quarter's end, a 4.4 percent increase from the previous quarter and a significant 21.9 percent year-over-year jump. Nonperforming and delinquent loans remain exceptionally low at 0.0 percent of capital plus reserves.

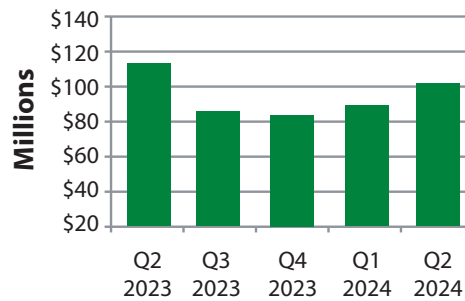
Period End Loans, Net of Unearned Income



Mortgage Production

Mortgage production reached \$104.0 million in Q2 2024, reflecting an 18.9 percent increase from the previous quarter and a 5.7 percent decrease from the previous year. However, production for the six-month period ending June 30, 2024, is up, signifying a possible return to a more balanced market. Through various initiatives, we strive to help make owning a home in Utah more accessible. Our efforts align with the positive momentum of Utah's own housing initiatives, as we work together to ensure homeownership remains a viable dream for all Utahns.

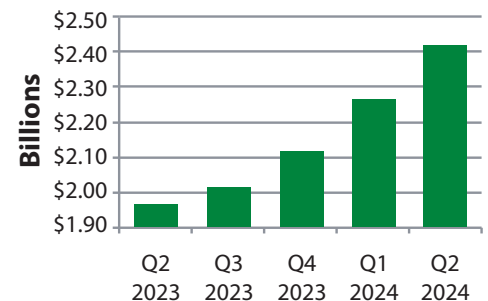
Mortgage Production



Deposits

Average deposits were \$2.4 billion, a 7.2 percent increase from the previous quarter and a 24.9 percent increase from second quarter 2023. This steady growth is largely fueled by our teams' success in cross-selling products, converting commercial loans to deposits and attracting trust assets. Additionally, our focus on expanding our digital branch offerings has yielded phenomenal results, with a significant increase in the number of new CDs, checking and savings accounts opened online. These efforts demonstrate our commitment to providing exceptional financial solutions and a seamless banking experience for customers.

Average Deposits



Corporate Trust

Corporate Trust achieved 18.0 percent year-over-year fee growth, with Q2's quarter-over-quarter increase primarily driven by activity in aircraft owner and security trusts. Commercial aircraft deliveries are exceeding 2023 levels as airlines seek to update their fleets. While all aircraft manufacturers have faced production challenges, the resulting market dynamics have led to increased activity and trading in the secondary market. Our international client base is also becoming more active.

Personal Trust

Personal trust assets under management reached \$764.3 million in the second quarter of 2024, flat compared to the previous quarter but up 6.5 percent year over year. This demonstrates clients' continued trust in the Bank's expertise and our commitment to effective asset management. To further enhance our services and maintain this positive trajectory, trust officers are focusing on several key areas: technology to streamline processes and training to ensure accuracy. These proactive steps will allow Bank of Utah to continue providing exceptional, local trust services to our clients across the state.

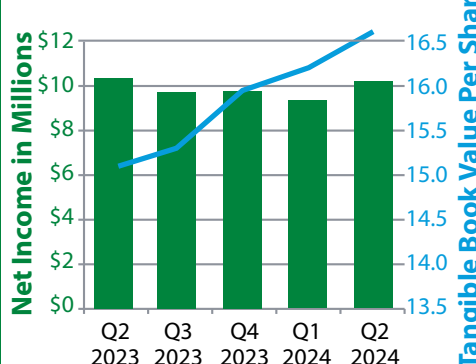
COMPANY NOTABLE POINTS

Total interest income continues to rise due to the Bank's strong lending performance. For the six months ending June 30, 2024, it reached \$79.9 million, a 34.9 percent increase over the same period last year. The offset, however, is total interest expense.

Interest expense was \$33.4 million for the six months ending June 30, 2024, a 211.3% increase from the prior year. This pressures earnings, but is necessary for retaining and gaining customers in the current market.

Total stockholders' equity increased to \$390.8 million in Q2 2024 from \$382.9 million in Q1 2024 and \$358.5 in Q2 2023. This represents an increase of 2.1 percent and 9.0 percent, respectively.

Net Income and Book Value



| | Q2 2024 | Q1 2024 | Q2 2023 |
|---------------------------|-----------|-----------|-----------|
| Return on Average Assets | \$1.31% | 1.25% | 1.61% |
| Return on Average Equity | 10.57% | 9.73% | 11.35% |
| Net Income | \$10.2MM | \$9.2MM | \$10.2MM |
| Net Interest Margin (FTE) | 3.39% | 3.58% | 4.20% |
| Net Interest Income (FTE) | \$25.1MM | \$25.0MM | \$25.1MM |
| Noninterest Income | \$6.5MM | \$5.7MM | \$5.8MM |
| Earnings Per Share | \$0.44 | \$0.40 | \$0.44 |
| Dividend Per Share | \$0.10 | \$0.10 | \$0.10 |
| Equity | \$390.8MM | \$382.9MM | \$358.5MM |
| Total Assets | \$3.3B | \$3.0B | \$2.7B |