

Q4 | BOU Bancorp, Inc.

2024 | FINANCIAL REPORT

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 Dec. 23, 2024, for Q4 2024 compared to \$0.10 per share dividend paid in Q3 2024 and \$0.10 per share in Q4 2023. Total dividends paid in 2024 were \$0.40 per share.

Climbing Higher: Reflecting on 2024 and Preparing for 2025

As we close out 2024, it feels like reaching a scenic overlook after a year of focused effort and teamwork. The climb had its challenges, but the view — a year marked by resilience, growth and innovation — is one we can all take pride in. The best part of reaching this point is realizing it's not the end but a moment to reflect and plan for what's next. As we look toward 2025, I'm excited about the opportunities waiting Bank of Utah, our clients and our communities.

FINANCIAL HIGHLIGHTS

This year, Bank of Utah came together to deliver a strong financial performance. Every department played a role in driving revenue growth, even as we faced the pressures of an inverted yield curve and heightened competition for products and services. Key highlights include:

- **Consolidated net income** for 2024 was \$40.2 million, a slight 1.0 percent decrease from 2023. Fourth quarter net income reached \$10.3 million, down 2.3 percent from the previous quarter but up 6.7 percent from the same period in 2023. Our team kept expenses under budget, delivering steady results in a challenging environment.
- **Total assets** were \$3.3 billion as of Dec. 31, 2024, marking a 13.9 percent year-over-year increase.
- **Average deposits** grew to \$2.7 billion, increasing 25.1 percent year over year and 4.0 percent compared to the previous quarter.
- **Period end loans** totaled \$2.6 billion, up 15.7 percent from last year and rising 2.9 percent quarter over quarter.

LOOKING AHEAD TO 2025

As we set our sights on the future, we've taken meaningful steps to position Bank of Utah for long-term success. Strategic updates to our leadership structure will help us operate more efficiently, think more innovatively and respond to the evolving needs of our clients.

The road ahead may bring twists and turns, but our mission remains clear: to balance financial strength with trusted relationships. Whether it's helping businesses grow, supporting families in achieving their dreams or introducing fresh solutions, we'll continue to approach each goal with care, collaboration and creativity.

A SHARED JOURNEY

I want to thank each of you — our clients, team members and stakeholders — for being part of this journey. Together, we've built something special, and together, we'll continue to explore new heights.

The view from here reveals endless possibilities on the horizon.

Q4 2024 FINANCIAL ANALYSIS

Lending

Period-end loans remained strong in Q4 2024, growing 2.9 percent quarter over quarter to \$2.64 billion and rising 15.7 percent year over year. Loan quality remains exceptional, with nonperforming and delinquent loans at 0.0 percent. Interest and fees on loans increased 30.3 percent year over year, reaching \$150.9 million in 2024. By working closely with clients to understand and meet their needs, the Bank continues to support businesses with tailored solutions, so they can thrive in Utah's robust environment.

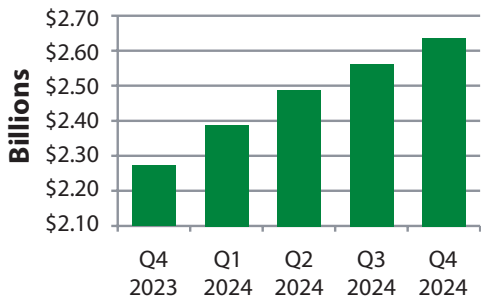
Mortgage Production

Mortgage production showed steady improvement in Q4 2024, increasing 8.2 percent from \$111.6 million in Q3 to \$120.8 million. Year over year, total mortgage production rose by 23.7 percent, from \$342.8 million to \$424.0 million. With Utah's strong economic growth, low unemployment and population expansion, the state remains an attractive market for homebuyers. As home sales are projected to rise and mortgage rates begin to moderate, Bank of Utah is ready to support clients as the housing market gains momentum in 2025.

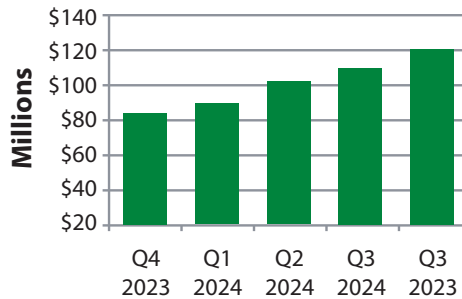
Deposits

Average deposits grew to \$2.7 billion in Q4 2024, a 4.0 percent increase from Q3 2024 and a 25.1 percent increase from Q4 2023. In a highly competitive environment, this growth reflects the success of thoughtful deposit rate adjustments and Bank of Utah's commitment to relationship banking — providing comprehensive solutions to support every aspect of our clients' financial needs. As we move into 2025, we remain dedicated to strengthening these relationships and driving growth through forward-thinking solutions tailored to our clients.

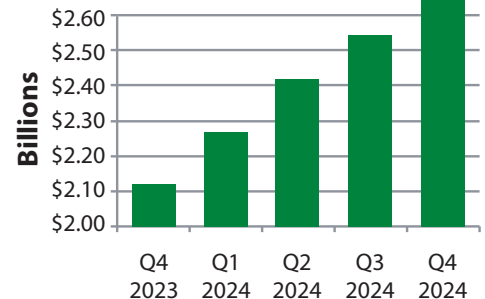
Period End Loans, Net of Unearned Income



Mortgage Production



Average Deposits



Corporate Trust

Q4 2024 was the department's strongest on record, with a 27 percent increase in transactions closed. Growth was driven by the aviation sector, where Bank of Utah provides trust services as trustee and in facility-based roles. Airlines and leasing companies continue to rely on the Bank's expertise for specialized trust structures, while corporate aircraft accounts grew significantly with tailored solutions. By engaging with clients, the Bank identified trends and adjusted products, reinforcing its position as a global leader in aircraft trusts.

Personal Trust

Personal trust assets under management totaled \$738.2 million in Q4 2024, reflecting a 6.54 percent quarter over quarter decline while remaining stable year over year, driven by challenging market conditions. To strengthen its commitment to clients, Bank of Utah added new trust officers in Q4, further enhancing its ability to deliver tailored solutions and provide the expert care clients expect. These additions ensure that clients' assets are managed with precision, dedication and a focus on their unique needs.

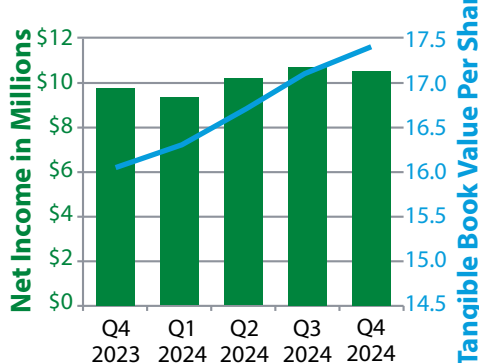
COMPANY NOTABLE POINTS

Stockholders' equity reached \$408.4 million in Q4 2024, an 8.3 percent increase year over year.

Net interest margin widened slightly quarter over quarter, increasing from 3.51 percent to 3.55 percent. However, year over year, the margin contracted from 4.09 percent to 3.51 percent. This reflects the ongoing effects of a competitive deposit environment and changing rate dynamics.

Noninterest income rose 17.6 percent, increasing from \$6.4 million in Q3 2024 to \$7.5 million in Q4. Compared to 2023, it grew 14.8 percent, reaching \$26.1 million.

Net Income and Book Value



	2024	2023
Return on Average Assets	1.26%	1.57%
Return on Average Equity	10.22%	11.27%
Net Income	\$40.2MM	\$40.7MM
Net Interest Margin (FTE)	3.51%	4.09%
Net Interest Income (FTE)	\$106.2MM	\$100.7MM
Noninterest Income	\$26.1MM	\$22.8MM
Earnings Per Share	\$1.74	\$1.75
Dividend Per Share	\$0.40	\$0.40
Equity	\$408.4MM	\$377.0MM
Total Assets	\$3.3B	\$2.9B