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Target Price	US\$ 22.00
Current Price	US\$ 14.45
Total Return	53%
Rating	BUY

Market Cap.	US\$85 mn
Shares Outstanding	5.5 mn
Free Float (%)	Approx. 82%
52 Week Range (US\$)	14.24 / 20.70
Avg. Daily Value	US\$ 19k
Russell 2000 Index	1,886
Insider Holding %	18%



**Risk: Above Average
Forecasting and Valuations**

(US\$mn except ratios)	2022E	2023E
Net Interest Income	24.4	24.4
Profit Before Tax	9.5	9.0
EPS (US\$)	1.50	1.40
EPS Growth	-8.3%	-11.6%
PE	9.6	10.3
Dividend Yield	5.3%	4.4%
Price/Book	1.46	1.26
ROE	13.3%	12.6%

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United Bancorp Inc. [UBCP] Q4FY2022 Earnings Update

Industry: Banking Regional

In-line Q4 Results, Rising Interest Rates a Positive

United Bancorp [UBCP] reported in-line results for Q4, which capped off the 2nd best year in UBCP's history, despite an overall challenging macro environment with sharply higher rates. For Q4, UBCP reported \$0.40 in EPS, which was comparable to prior year's Q4 of \$0.41. UBCP was up against difficult comparisons with last year's record high EPS, which included several one-time gains. Last year's Q4 benefited from about \$0.11 in one-time gains, most notably related to negative provision expenses [i.e., positive impact on the income statement] and profits on various marketable security sales. Even after factoring in these items, Q4 results were virtually flat with last year, and full-year EPS of \$1.50 was also in-line with our expectations, which is a favorable outcome overall, in our view.

On a positive note, interest income increased 28.8% YoY during Q4, and this continues a trend witnessed over the full year, which saw a 12.0% rise. As we have emphasized in prior update notes, the biggest driver of results going forward, especially in a world characterized by high inflation and surging interest rates, is that UBCP is once again able to grow its balance sheet, and deploy funds in higher yielding securities. Specifically, securities and other restricted stock balances increased by 50.5% YoY to \$220 million as of December 2022. This line item now represents 29% of UBCP's year-end total balance sheet assets, and is the 2nd largest component after loans. Given these dynamics, the trend towards higher interest income should continue going forward, and CFO Randy Greenwood has stated, "As we enter the new year, we believe that the increase in the level of the interest income that we realize will outpace the degree to which interest expense rises; thus continuing the positive trend relating to the improvement in the level of net interest income that our company realizes."

The 5.5% run-rate dividend [regular + Special] is also very attractive for investors, and UBCP now has had 9 consecutive dividend hikes during 2021 and 2022, including two Special dividends! A few months back, UBCP increased its quarterly regular dividend to \$0.16 per share, or an annualized \$0.64 run-rate. In addition, including the \$0.15 Special Dividend declared last year, UBCP has now paid 6 Special Dividends during the past 7 years, which highlights the Board's keen focus on rewarding shareholders with a high yield. Both this regular dividend increase, as well as the Special Dividend announcement, were above our expectations. The regular dividend annualized run-rate is now 4.4%. We

discuss UBCP's strong dividend focus further in this report. We are in the process of fine-tuning our forecast model pending release of the Annual Report/10K with detailed December-end IS and BS line items.

On balance, the overall outlook going forward remains favorable, with the normal macro/recession caveat, driven by several key catalysts. We are reiterating our \$22.00 price target, and our earnings estimates for the full year 2023 have factoring in still tough YoY comparisons, as well as a sluggish macro outlook with clearly some Fed interest rate overshoot risks. Our estimates for 2023 and 2024 are \$1.40 and \$1.65 respectively. Capital ratios remain robust with total capital at 19.1%, and credit quality solid, as UBCP recorded minimal provisioning expense of only \$15,000 in Q4, exactly matching the amount from Q3 sequentially, suggesting continued solid asset quality and loan loss reserves – further details in this report.

With this earnings report, and in our regular conversations with UBCP senior management, it is clear to us that they have been correctly positioned for the falling interest rate scenario a couple years ago, as well as the present rising rate environment. UBCP has been able to invest surplus liquidity into higher yielding bonds [higher quality and relatively low risk bonds such as tax-free municipals, agency securities, etc.] this past year, thus enhancing interest income. UBCP has been patient in this reinvestment process, avoiding such investments during the abnormally low interest rate period in 2021, in order to try and secure higher reinvestment yields.

Net interest margins continue to steadily increase, at 3.67% for Q4, up sequentially from 3.60% in Q3, and Q2's level of 3.54%. Q4 2022's net interest margin was up 19 basis points YoY from Q4 2021 levels. As mentioned, management has stated that they expect this trend to continue during 2023 as well. We would concur with this view, and anticipate further gradual improvement in the net interest margin, and it should be noted that UBCP's margins have typically been in the ~3.80% range during normal interest rate and economic environments. While UBCP has historically paid its depositors competitive rates on deposits and CDs, and is quite focused on continuing to do so in order to not lose customers, it nonetheless appears likely to us that net interest income will rise faster than net interest expense, thus providing an upward bias to margins. This is evidenced by UBCP seeing a 16.0% YoY increase in Q4 pre-provisioning net interest income, a slight acceleration from the 13.6% YoY increase seen in Q3.

While UBCP's stock has delivered +40% total return since our initial recommendation in November 2019 [despite the pandemic], we see another 50% upside based on our unchanged \$22.00 price target. UBCP continues to be a relatively undiscovered investment opportunity, and Evaluate Research remains the only firm actively following the stock. We believe our price target is imminently achievable, given UBCP's stock has already traded as high as \$20.82 this past year, despite very weak overall equity markets. Currently UBCP's stock is trading at modest P/E multiples of 9.6x on trailing/actual 2022 results, and 10.3x on our 2023 and 8.8x on 2024 estimates. Our \$22.00 target would suggest a reasonable 13.3x P/E multiple on our forward 2024 estimates. With the decent Q4 and 2022 results, our estimates now stand at \$1.40 for fiscal 2023, and we expect \$1.65 looking forward to 2024. We currently don't expect any significant macroeconomic

recession nor interest rate impact on 2023 results, but this is a factor to monitor closely.

While 2023 will not be without challenges given the overall economic backdrop, UBCP is nonetheless seeing opportunities to prudently grow its income statement and balance sheet. Following two years, FYs 2020 and 2021, of robust record earnings performance, YTD 2022 has produced decent results. In light of the bank's EPS growth and nine positive dividend increases [including two Special Dividends] during the past one year, it is clearly fundamentally outperforming almost all small and large banks in the USA and globally. UBCP's management continues to be focused on becoming a \$1.0 billion bank in terms of total assets [which would imply 32% further growth], which goal they once again reiterated on their Q4 press release.

Conclusion: Maintaining \$22 Target; Reiterate Buy at 9.6x P/E, 5.5% Yield

We reiterate our Buy rating and maintain our price target to \$22.00 based on the stock currently trading at a 9.6x P/E, 5.5% total dividend [4.4% regular dividend] yield, and 1.4x price/book based on the just reported 2022 results. Our target price suggests over 50% total return potential.

Our \$22.00 price target implies a forward P/E multiple of 13.3x on our forward 2024 estimate, which is a huge discount to the overall market's [S&P 500 and Russell 2000 small-cap indices] current multiples. Our target price also suggests a 3.0% dividend yield and a 1.8x price/book on our 2023 dividend and year-end book value estimates. We believe the valuations implied by our \$22.00 target are reasonable, and a discount to various banking indices.

Solid Asset Quality & Low Charge-offs

Over the past three years and despite numerous macro headwinds, UBCP's asset quality has remained pristine, thus enabling the bank to be in a comfortable position of being overprovisioned in the face of below-expectations nonaccrual levels, which was a major factor leading to strong earnings growth in 2021 as well as earlier in 2022. While provisioning expenses will no longer be a positive line item on the income statement, it is still just a nominal amount. Significantly, for Q4, nonaccrual loans [loans past due 30 days] stood at 0.04% of total loans as of December-end, down sequentially from 0.9%, as well as down YoY from 0.93%.

This low level of nonaccrual loans was aided by the resolution and elimination of a \$4.0 million previously non-performing commercial relationship that we had mentioned in our prior notes. In order to tackle this issue, net charge-offs for Q4 jumped to \$558,000, or 0.12% of average loans. With this, loans past due 30+ days stood at 0.09% of total loans as of year-end. UBCP's total allowance for loan losses to nonperforming loans stands at 1,126%. Total allowance for loan losses to total loans remains at a reasonable level of 0.49%.

ROE rises to 14.7%; Loans-to-Deposits Finally Rising

ROE rose to 14.7% for full-year 2022, up from 13.3% in 2021. ROE has continued to trend upwards, rebounding from the 11.5% level of 2020. A significant contributor to the higher ROE was a lower book value, as we discuss in detail further in this report. ROA was down slightly YoY.

While total assets grew 4.6% YoY as of December-end, loan growth has been modest, after being subdued due to Covid-19 for the last couple of years. While we share management's optimism that loan growth should see an uptick going forward, recent concerns about the economy, interest rates and inflation may delay the recovery. 2022 witnessed 1.4% loan growth YoY, versus 2.5% growth for full-year 2021. According to management, while UBCP "did have acceptable origination volume", there were also several loan payoffs where the underlying collateral was sold by the borrower. Given economic headwinds, loan growth will likely remain subdued for the near-term, before eventually rebounding, in our opinion.

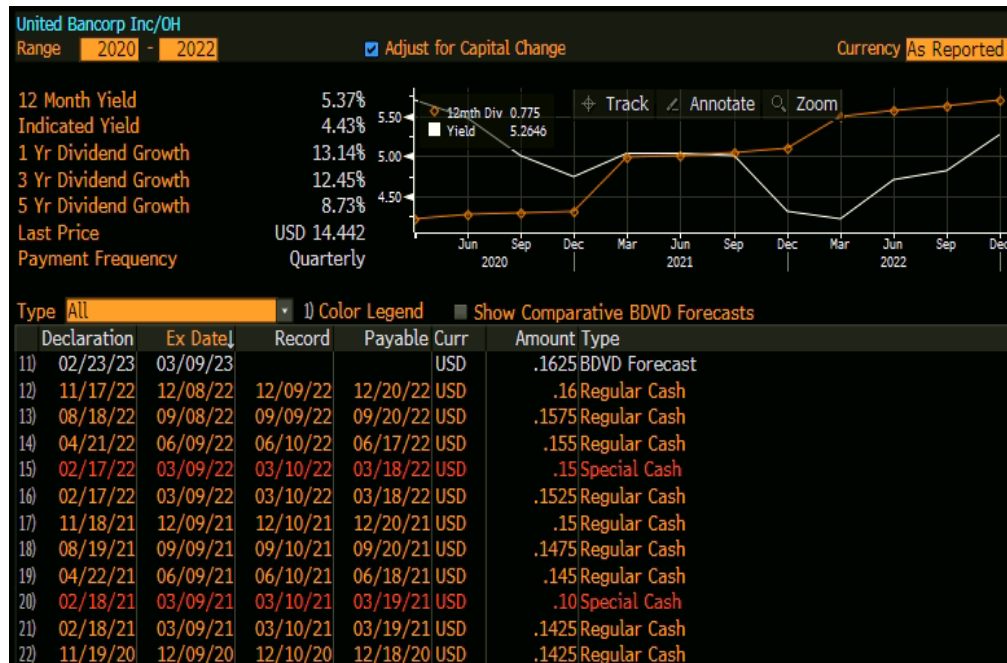
Loans-to-deposits has not been trending in a positive direction, as deposits continue to increase faster than loans. Year-end loans-to-deposits stood at 71%, down sequentially from 72% at Q3, and from the 77% level at the end of Q2. The uptick earlier in 2022 in loans-to-deposits has reversed during the 2nd half. UBCP continues to see strong deposit inflow, albeit mostly in lower cost funding. Loans-to-deposit is down from 74% as of year-end 2021, it remains down considerably from 81% at 2019 year-end pre-Covid-19.

As we have mentioned previously, a slowdown in lending due to the overall economy, as well as the low loan-to-deposit ratio of the Powhatan acquisition, gives UBCP tremendous headroom to increase lending and interest income going forward. But loan growth will take time to see a more meaningful uptick. The current level of loans relative to deposits is abnormally low, and below the bank's more optimal level of around 90%. By way of reference, UBCP had loans-to-deposit levels of 105% in 2016, and 102% in 2015.

Once the economic and Fed interest rate outlook stabilizes, we are hopeful UBCP will see an uptick in lending in various areas such as consumer, commercial real estate, residential housing, etc.

5.5% Dividend Yield – 9 Consecutive Hikes

As we have consistently reiterated for the past three years, one of the tenets of our positive thesis on UBCP has been management's and the board's keen focus on growing their dividend over time, which track record has endured since 1983. UBCP recently during Q4 increased its quarterly regular dividend to \$0.16 per share, or an annual \$0.64 run-rate. This was UBCP's 5th dividend hike in 2022! Including the \$0.15 Special Dividend announced in February, the full-year run-rate dividend yield is now 5.5%. UBCP now has had 9 consecutive dividend hikes during the past two years. Given economic and inflation uncertainties, and with rising interest rates, we would confidently venture to say that there are very few companies in the entire world which have rewarded shareholders with such prolific dividend increases during the past two years.



The 2022 regular dividend payout ratio remains moderate, and therefore imminently sustainable in our opinion, at 42% of expected annual EPS. This payout level is lower than the ~46% level of the past several quarters, suggesting room for likely dividend hikes. As a reminder, UBCP had paid out as high as 63% of EPS via dividends as recently as 2018. Further regular and special dividend hikes will be predicated on earnings and the overall macro environment.

Capital Ratios Rebound Sharply

Despite solid earnings in 2022, which normally equates to rising shareholders equity, UBCP's book value has declined sharply during the past few quarters. This does not reflect any negative charge which flowed through the income statement, but rather marked-to-market revaluation declines on various securities. It is important to note that this is a non-cash balance sheet adjustment, and a notional charge in that the securities have not been sold, and the lower valuations have not been realized. Thus, these marked-to-market changes can be reversed, and is a temporary adjustment if securities are held to maturity and redeemed at par value. Book value per share at year-end was \$9.92, which was up sharply 10.5% sequentially from Q3. Given this rebound, while book value is down 16% YoY at December-end, we are optimistic that the negative marked-to-market adjustments are behind us, and book value will resume increasing in-line with earnings [minus dividends payments] going forward.

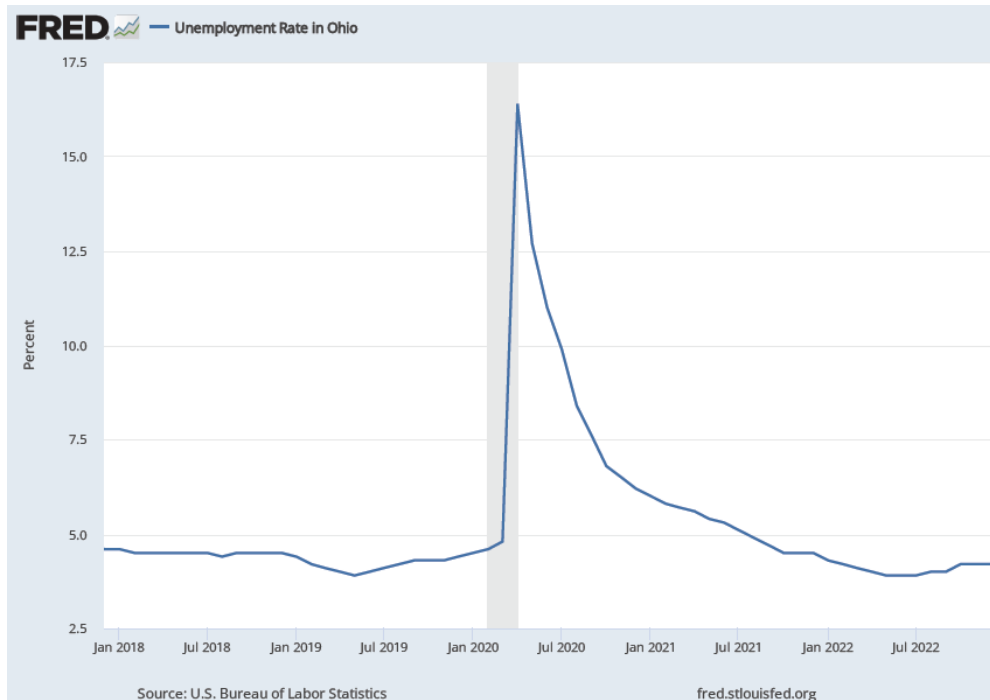
While UBCP's capital ratios were also impacted by this non-cash adjustment, as we noted in our prior research note, there was sharp jump in the most recent disclosure. Specifically, UBCP reported 19.2% total risk-based capital ratio as of the most recent 10-Q filing for the quarter-ending September 2022. This was a sharp QoQ increase compared to the 15.1% level of June 2022. Of this total capital, Tier 1 capital [to risk-weighted assets] was at 14.4% [up sharply from June-end 11.0%], suggesting solid levels of both total capital as well as Tier 1 capital. Interestingly, UBCP has strong capital metrics despite returning a lot of

capital to shareholders with its regular dividend payout ratio of 42% for the full year 2022, plus the Special Dividend announced early in 2022.

4.2% Unemployment Rate in Ohio

A bank's asset quality metrics, in terms of consumer lending, is highly correlated with the overall unemployment rate, which impacts the ability of individual borrowers to service loans/mortgages. Ohio's unemployment rate for December 2022 came in at 4.2%, which was a slight uptick from the 3.9% level of this past summer, as can be seen in the following charts from the Federal Reserve Bank of St. Louis [FRED]. While the overall USA unemployment rate is currently 3.5% and has continued to be relatively resilient, there are anecdotally more large headline layoff announcements, particularly in prominent sectors such as technology, internet, brokers, retail, etc. Those industries may not have a significant impact on Ohio. Furthermore, commodity sectors are doing well, which is a positive data point for UBCP's proximate operating region.





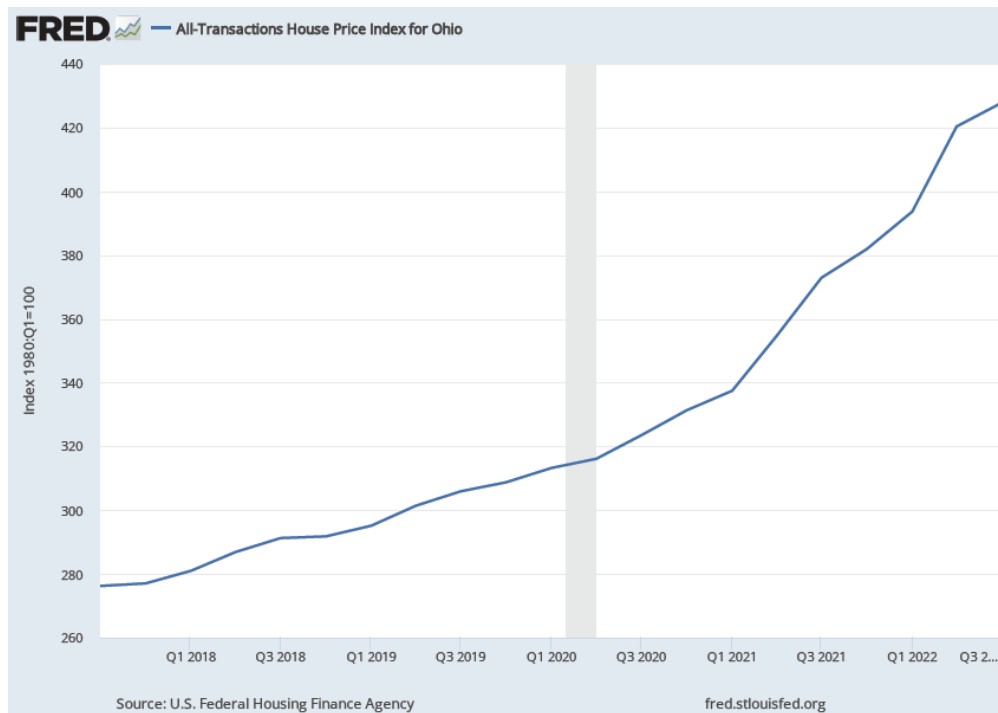
Rising GDP in Ohio

Ohio's overall GDP has risen positively, after a minor blip due to Covid-19. There are near-term concerns regarding whether the USA will enter a recession in 2023, and consumer confidence and small business confidence are near multi-decade lows. Once the current rising interest rate cycle of the Fed is closer to completion, there should be more clarity on further economic growth.



Rising Real Estate Prices

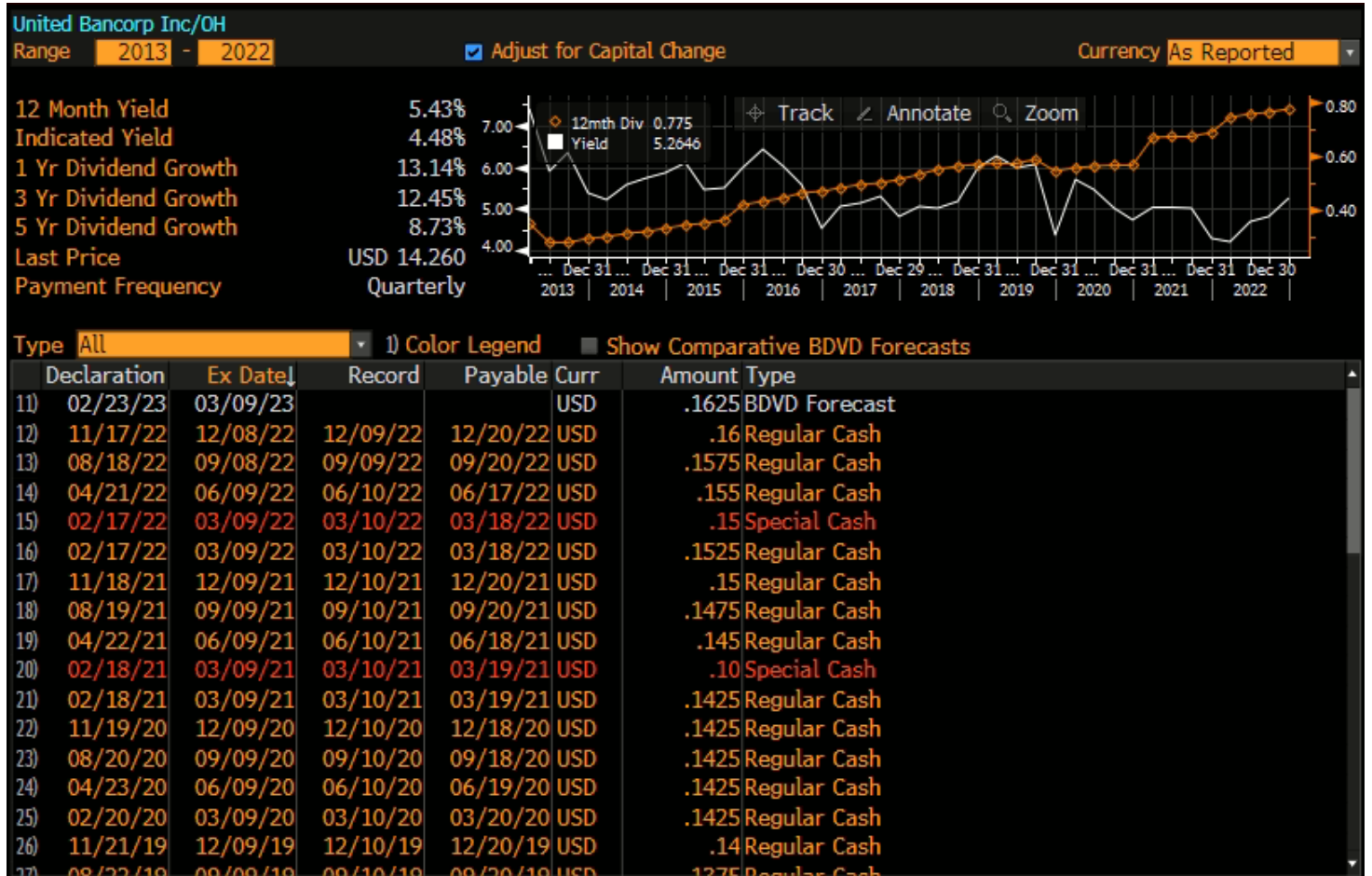
The outlook for both commercial and residential real estate has worsened due to higher interest rates, rising prices, and a cloudy macro environment. Consumer disposable income has been hard hit by rising inflation, impacting housing demand. Real estate prices, particularly residential housing, have continued to rise in Ohio, much before the recent uptick in overall inflation. This does help the security values of various properties used as collateral for loans, and higher property prices will lead to higher ticket sizes for loans going forward. Loan growth for property, both commercial and residential, will likely remain subdued until there is more confidence and clarity on the overall economic outlook.



5 Year Price Chart



Dividend History



UNITED BANCORP UBCP

Income Statement [US\$ Thousands]

	2015A	2016A	2017A	2018A	2019A	2020A	2021A	2022E	2023E	2024E	2025E	CAGR (FY19-23)
Average Loans		340,803	360,424	387,054	423,479	438,848	451,762	462,692	499,839	534,962	572,547	
Average interest-earning Assets		390,119	415,714	491,313	599,986	645,562	664,024	706,805	747,973	782,400	826,870	
Net Interest Margin		3.81%	3.82%	3.84%	3.67%	3.76%	3.48%	3.67%	3.72%	3.75%	3.74%	
Interest Income	16,082	16,635	17,651	21,320	27,034	27,628	24,707	27,662	27,845	29,712	30,580	
Interest Expense	2,283	1,784	1,764	3,178	6,123	4,734	2,596	3,274	3,456	3,546	3,530	
Net Interest Income	13,799	14,851	15,887	18,142	20,911	22,894	22,111	24,388	24,389	26,166	27,050	3.9%
Provision for Loan Losses	553	301	100	297	908	3,337	(1,255)	(955)	300	400	450	
Customer Service Fees	2,876	2,594	2,502	2,608	2,843	2,580	2,852	2,979	3,158	3,347	3,548	
Earnings on bank-owned insurance	426	463	471	477	533	706	788	-	-	-	200	
Net gains on loan sales	42	97	98	66	54	180	272	36	38	40	43	
Other	458	527	381	509	458	3,449	1,785	1,069	1,133	1,201	1,273	
Total Non-Interest Income	3,802	3,681	3,452	3,660	3,888	6,915	5,697	4,084	4,329	4,589	5,064	2.7%
Salaries & Employee Benefits	6,393	7,021	7,210	7,964	8,776	9,331	9,458	9,884	9,982	10,182	10,386	
Premises Costs & Equipments	1,918	1,897	2,071	2,140	2,263	2,406	2,455	2,480	2,504	2,529	2,555	
Professional Fees	679	720	825	2,173	1,292	1,232	1,147	1,193	1,229	1,266	1,303	
Other G&A	4,179	4,153	4,368	4,146	4,151	4,921	5,331	6,334	5,701	5,758	5,930	
Total Non-Interest Expenses	12,490	13,071	13,649	16,423	16,482	17,890	18,391	19,890	19,416	19,735	20,174	4.2%
Other Impairment	-	-	-	-	-	-	-	-	-	-	-	
Profit from JVs and associates	-	-	-	-	-	-	-	-	-	-	-	
Income before Taxes	4,558	5,160	5,590	5,082	7,409	8,582	10,672	9,537	9,002	10,620	11,490	
Income Tax expense	1,334	1,580	2,044	800	599	629	1,229	879	1,350	1,593	1,723	
Effective tax rate	29.3%	30.6%	36.6%	15.7%	8.1%	7.3%	11.5%	9.2%	15.0%	15.0%	15.0%	
Preferred Dividends	-	-	-	-	-	-	-	-	-	-	-	
Non Controlling Interest	-	-	-	-	-	-	-	-	-	-	-	
- Less Non-vested Restricted Stock	(67)	(31)	(115)	(214)	(256)	(200)	-	-	-	-	-	
Reported Net Income	3,157	3,549	3,431	4,068	6,554	7,753	9,443	8,657	7,652	9,027	9,766	3.9%
Underlying Net Income	3,157	3,549	3,431	4,068	6,554	7,753	9,443	8,657	7,652	9,027	9,766	3.9%
YoY			-3.3%	18.6%	61.1%	18.3%	21.8%	-8.3%	-11.6%	18.0%	8.2%	
Shares Outstanding	4,857	5,016	4,982	4,953	5,526	5,479	5,479	5,483	5,483	5,483	5,483	
Diluted Shares Outstanding	4,933	5,016	4,982	4,953	5,526	5,479	5,479	5,483	5,483	5,483	5,483	
Reported EPS	0.64	0.71	0.69	0.82	1.19	1.39	1.62	1.50	1.40	1.65	1.78	4.1%
Underlying EPS	0.64	0.71	0.69	0.82	1.19	1.39	1.62	1.50	1.40	1.65	1.78	4.1%
YoY EPS Growth		10.6%	-2.7%	19.3%	44.9%	16.8%	16.5%	-7.4%	-7.0%	18.0%	8.2%	
Total Dividends per Share	0.420	0.470	0.510	0.570	0.545	0.570	0.685	0.770	0.640	0.660	0.680	
Core Regular Dividend	0.370	0.420	0.460	0.520	0.545	0.570	0.585	0.620	0.640	0.660	0.680	
Special Dividends	0.050	0.050	0.050	0.050			0.100	0.150				
YoY Regular Div Growth [excl Specials]		12.1%	13.5%	9.5%	13.0%	4.8%	4.6%	2.6%	6.0%	3.2%	3.1%	3.0%
YoY Total Div Growth [incl Specials]	27.2%	11.9%	8.5%	11.8%	-4.4%	4.6%	20.2%	12.4%	-16.9%	3.1%	3.0%	
Dividend Payout [Div/EPS]	66%	66%	74%	69%	46%	41%	42%	51%	46%	40%	38%	
Shares for Book Value Computation	4,933	5,016	4,982	4,882	5,526	5,637	5,749	5,864	5,982	6,101	6,223	
Return on Average Common Equity	8.4%	8.4%	7.9%	8.6%	11.9%	12.1%	13.5%	13.3%	12.6%	13.8%	13.7%	
Tangible Book Value per Share	8.54	8.50	8.81	10.23	10.24	11.45	11.82	9.92	11.48	12.46	13.56	2.9%
YoY		-0.5%	3.6%	16.1%	0.1%	11.8%	3.2%	-16.1%	15.7%	8.6%	8.8%	

UNITED BANCORP UBCP

	2016A	2017A	2018A	2019A	2020A	2021A	2022E	2023E	2024E	2025E
<u>Valuation Metrics</u>										
Price/Earnings - using Current Stock Price	16.9	17.7	13.4	12.1	10.4	8.9	9.6	10.3	8.8	8.1
Price/Book - using Current Stock Price	1.41	1.39	1.08	1.41	1.26	1.22	1.46	1.26	1.16	1.06
Dividend Yield - using Current Stock Price	3.9%	4.2%	5.2%	3.8%	3.9%	4.7%	5.3%	4.4%	4.6%	4.7%
Book Value per Share	8.50	8.81	10.23	10.24	11.45	11.82	9.92	11.48	12.46	13.56
<u>Dividend Ratios</u>										
Core Dividend Growth [excluding Specials]	13.5%	9.5%	13.0%	4.8%	4.6%	2.6%	6.0%	3.2%	3.1%	3.0%
Total Dividend [Core + Special] Growth	11.9%	8.5%	11.8%	-4.4%	4.6%	20.2%	12.4%	-16.9%	3.1%	3.0%
Dividend Payout [Dividend/EPS]	66%	74%	69%	46%	41%	42%	51%	46%	40%	38%
<u>Capital and Liquidity Ratios</u>										
Tier 1 Leverage Ratio	12.9%	12.6%	11.5%	13.1%	13.3%	15.8%	12.1%	12.1%	12.3%	12.5%
Total Capital Ratio	13.6%	13.2%	12.0%	19.0%	18.2%	21.0%	17.0%	16.6%	16.5%	16.5%
Leverage Ratio	11.0%	10.6%	8.8%	9.6%	10.9%	11.0%	8.2%	8.4%	8.9%	9.4%
Tangible Common Equity/Tangible Assets	9.6%	8.5%	8.7%	8.7%	9.9%	9.9%	7.6%	7.8%	8.1%	8.3%
<u>Growth Ratios</u>										
Average loan growth		5.8%	7.4%	9.4%	3.6%	1.3%	5.0%	7.1%	7.0%	7.0%
Average earning assets growth		6.6%	18.2%	22.1%	7.6%	2.9%	6.4%	5.8%	4.6%	5.7%
Average deposit growth		9.4%	25.8%	17.8%	5.0%	5.1%	3.8%	3.2%	3.2%	3.2%
Net interest income growth	7.6%	7.0%	14.2%	15.3%	9.5%	-3.4%	10.3%	0.0%	7.3%	3.4%
EPS growth	10.6%	-2.7%	19.3%	44.9%	16.8%	16.5%	-7.4%	-7.0%	18.0%	8.2%
<u>Asset Quality Ratios</u>										
NPA/Assets	0.53%	0.42%	0.23%	0.60%	0.19%	0.30%	0.41%	0.35%	0.35%	0.35%
NPA/Loans [ending balance]	0.66%	0.58%	0.50%	0.51%	0.14%	0.25%	0.58%	0.51%	0.51%	0.51%
Reserves/NPAs		110.3	147.0	154	816	280	195	153	155	154
<u>Performance Ratios</u>										
Return on Average Assets (RoAA)	0.84%	0.76%	0.83%	1.07%	1.15%	1.33%	1.15%	0.97%	1.09%	1.12%
Return on Av. Equity (ROE)	8.4%	7.9%	8.6%	11.3%	11.5%	13.5%	13.3%	12.6%	13.8%	13.7%
Yield on Av. Int-earnings asset	4.26%	4.25%	4.34%	4.51%	4.28%	3.72%	3.91%	3.72%	3.80%	3.70%
Av. Rate on deposits & borrowings	0.52%	0.49%	0.82%	1.44%	1.07%	0.58%	0.70%	0.69%	0.66%	0.61%
Net Interest Margin (NIM)	3.81%	3.82%	3.84%	3.67%	3.76%	3.61%	3.68%	3.72%	3.75%	3.74%
Efficiency Ratio	70.5%	70.6%	75.3%	66.5%	60.0%	66.1%	69.9%	67.6%	64.2%	62.8%
<u>Leverage Ratios</u>										
Loans/Deposit	104.6%	94.9%	77.6%	80.2%	75.6%	74.5%	77.3%	80.2%	83.2%	86.3%
Av Loans/Av. Deposits	102.9%	99.5%	84.9%	78.9%	77.8%	75.0%	75.9%	78.8%	81.7%	84.8%

UNITED BANCORP UBCP

Balance Sheet [US\$ Thousands]

	2015A	2016A	2017A	2018A	2019A	2020A	2021A	2022E	2023E	2024E	2025E	CAGR (FY19-23)
Commercial Loans	67,247	74,541	81,327	93,690	100,977	103,277	90,892	97,254	104,062	111,347	119,141	
Commercial Real Estate	163,459	191,501	198,936	223,461	240,842	246,167	266,777	285,451	305,433	326,813	349,690	
Residential Real Estate	81,498	76,154	75,853	78,767	84,893	85,789	90,132	96,441	103,192	110,416	118,145	
Installment Loans	17,459	14,637	12,473	13,765	14,836	8,258	6,571	7,031	7,523	8,050	8,613	
Total Loans and Advances	329,663	356,721	368,589	409,683	441,548	443,491	454,372	486,178	520,211	556,625	595,589	
- LESS Allowances	(2,437)	(2,341)	(2,122)	(2,043)	(2,231)	(5,113)	(3,673)	(3,306)	(3,405)	(3,507)	(3,612)	
TOTAL Loans and Advances [Less Allowances]	327,226	354,380	366,467	407,640	439,317	438,378	450,699	482,872	516,806	553,118	591,977	4.1%
Cash Equivalents & Due from Banks	4,954	4,233	4,662	15,573	5,697	11,637	7,653	20,202	5,794	-	-	
Interest-bearing Demand Deposits	7,747	7,308	9,653	9,680	9,288	39,955	75,346	78,360	81,494	84,754	88,144	
Available for sale Securities	34,623	39,766	44,959	123,991	188,785	158,067	146,313	152,166	158,252	164,582	171,166	
TOTAL Interest-Earning Assets	374,550	405,687	425,741	556,884	643,087	648,037	680,011	733,599	762,346	802,454	851,286	4.3%
Bank-owned Life Insurance	11,509	11,822	12,114	13,115	17,196	18,109	18,809	18,809	18,809	18,809	18,809	
Property, Plant and Equipment	10,446	11,884	11,740	12,117	12,402	13,743	12,757	13,668	14,587	14,587	14,587	
Federal Home Loan Bank stock	4,210	4,164	4,164	4,243	4,012	4,177	3,704	3,704	3,704	3,704	3,704	
Other Assets [accrued receivables, intangibles, etc]	4,409	4,461	5,573	6,854	6,854	9,336	9,175	6,854	6,854	6,854	6,854	
TOTAL ASSETS	405,124	438,018	459,332	593,213	685,706	693,402	724,456	776,635	806,300	846,409	895,241	4.1%
Demand Deposits	188,328	203,745	237,980	309,505	334,378	376,287	408,296	420,545	433,161	446,156	459,541	
Savings Deposits	77,672	81,825	82,169	111,251	108,218	122,549	140,598	144,816	149,160	153,635	158,244	
Total Low Cost Deposits	266,000	285,570	320,149	420,756	442,596	498,836	548,894	565,361	582,322	599,791	617,785	
Time Deposits	57,622	53,233	65,817	104,687	105,470	80,699	56,242	59,054	62,007	65,107	68,363	
TOTAL Deposits	323,622	338,803	385,966	525,443	548,068	579,535	605,136	624,415	644,328	664,898	686,148	4.1%
Subordinated Debenture & Long-term Debt	4,124	4,124	4,124	4,124	23,543	23,604	23,665	23,665	23,665	23,665	23,665	
Total Non-Equity Funding	327,746	342,927	390,090	529,567	571,611	603,139	628,801	648,080	667,993	688,563	709,813	4.0%
FHLB advances, repurchase agreements, deferred tax, etc	35,882	52,450	25,347	13,003	54,173	21,935	23,954	72,384	79,363	79,363	79,363	
TOTAL Liabilities	363,628	395,377	415,437	542,570	625,784	625,074	652,755	720,464	747,356	767,926	789,176	4.5%
Common Stock - Issued 5,926,851 shares in 2018	5,385	5,425	5,435	5,927	5,959	6,046	6,046	6,046	6,046	6,046	6,046	
Additional Paid-in Capital	18,245	18,024	18,020	22,556	22,871	23,166	23,635	22,556	22,556	22,556	22,556	
Retained Earnings & Other Equity	21,443	22,483	23,260	24,321	27,905	32,497	37,847	26,000	30,143	35,551	41,589	
- Less ESOP, Stock Deferred Comp, Treasury Shares	(3,577)	(3,291)	(2,820)	(2,161)	3,187	6,619	4,173	4,173	4,173	4,173	4,173	
Total Stockholders Equity	41,496	42,641	43,895	50,643	59,922	68,328	71,701	58,775	62,918	68,326	74,364	1.2%
TOTAL LIABILITIES & EQUITY	405,124	438,018	459,332	593,213	685,706	693,402	724,456	776,635	806,300	846,409	895,241	4.1%

UNITED BANCORP UBCP

	2015A	2016A	2017A	2018A	2019A	2020A	2021	2022E	2023E	2024E	2025E
Average Loans		340,803	360,424	387,054	423,479	438,848	444,539	466,786	499,839	534,962	572,547
Average Non-Covered Loans		340,803	360,424	387,054	423,479	438,848	444,539	466,786	499,839	534,962	572,547
Average interest-earning Assets		390,119	415,714	491,313	599,986	645,562	664,024	706,805	747,973	782,400	826,870
Average Common Equity		42,069	43,268	47,269	55,283	64,125	70,015	65,238	60,846	65,622	71,345
Average Total Assets		421,571	448,675	526,273	639,460	689,554	708,929	750,545	791,467	826,354	870,825
Average Securities		44,722	50,843	94,142	165,872	198,048	209,841	226,092	235,136	244,541	254,323
Average Deposits		331,213	362,385	455,705	536,756	563,802	592,336	614,775	634,372	654,613	675,523
Average Customer Loans		343,192	362,655	389,136	425,616	442,520	448,932	470,275	503,194	538,418	576,107
Growth in Loans		8.3%	3.4%	11.2%	7.8%	-0.2%	2.8%	7.1%	7.0%	7.0%	7.0%
Growth in Earning Assets		8.3%	4.9%	30.8%	15.5%	0.8%	4.9%	7.9%	3.9%	5.3%	6.1%
Growth in Core Deposits		7.4%	12.1%	31.4%	5.2%	12.7%	10.0%	3.0%	3.0%	3.0%	3.0%
Non-Interest Income / Revenue	21.6%	19.9%	17.8%	16.8%	15.7%	23.2%	20.5%	14.3%	15.1%	14.9%	15.8%
Efficiency Ratio	71.0%	70.5%	70.6%	75.3%	66.5%	60.0%	66.1%	69.9%	67.6%	64.2%	62.8%
Loans/Deposit	101.1%	104.6%	94.9%	77.6%	80.2%	75.6%	74.5%	77.3%	80.2%	83.2%	86.3%
Av Loans/Av. Deposits		102.9%	99.5%	84.9%	78.9%	77.8%	75.0%	75.9%	78.8%	81.7%	84.8%
% of total Loans											
Commercial Loans	20.4%	20.9%	22.1%	22.9%	22.9%	23.3%	20.0%	20.0%	20.0%	20.0%	20.0%
Commercial Real Estate	49.6%	53.7%	54.0%	54.5%	54.5%	55.5%	58.7%	58.7%	58.7%	58.7%	58.7%
Residential Real Estate	24.7%	21.3%	20.6%	19.2%	19.2%	19.3%	19.8%	19.8%	19.8%	19.8%	19.8%
Installment Loans	5.3%	4.1%	3.4%	3.4%	3.4%	1.9%	1.4%	1.4%	1.4%	1.4%	1.4%
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
- LESS Allowances	-0.7%	-0.7%	-0.6%	-0.5%	-0.5%	-1.2%	-0.8%	-0.7%	-0.7%	-0.6%	-0.6%
Total	99.3%	99.4%	99.4%	99.5%	99.5%	98.8%	99.2%	99.3%	99.3%	99.4%	99.4%

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