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of Contentsâ€‹â€‹UNITED STATESSECURITIES AND EXCHANGE COMMISSIONWashington, D.C. 20549FORMÂ 10-Q(Mark One)â˜’Â Â Â Â Â Â Â QUARTERLY REPORT PURSUANT TO 13 OR 15(d)Â OF THE SECURITIES EXCHANGE ACT OF 1934â€‹For the quarterly period endedÂ June 30, 2024Â â€‹ORâ˜Â Â Â Â Â Â Â TRANSITION REPORT PURSUANT TO SECTIONÂ 13 OR 15(d)Â OF THE SECURITIES AND EXCHANGE ACTFor the transition period from ___________ to___________Commission File Number:Â 0-16540Â Â Â Â Â Â Â Â Â Â Â Â Â Â UNITED BANCORP,Â INC.â€‹(Exact name of registrant as specified in its charter)â€‹OhioÂ Â Â Â 34-1405357(State or other jurisdiction ofÂ (IRS Employer Identification No.)incorporation or organization)Â Â â€‹â€‹201 South Fourth Street, Martins Ferry, OhioÂ 43935-0010(Address of principal executive offices)Â (740) 633-0445(Registrantâ€™s telephone number, including area code)Â N/A(Former name, former address and former fiscalÂ year, if changed since last report)â€‹Securities registered pursuant to Section 12(b) of the Act:â€‹Title of each classTrading Symbol(s)Name of each exchange on which registeredCommon Stock, Par Value $1.00UBCPNASDQ Capital Marketâ€‹Indicate by check mark whether the registrant (1)Â has filed all reports required to be filed by SectionÂ 13 or 15(d)Â of the Securities Exchange Act of 1934 during the preceding 12Â months (or for such shorter period that the registrant was required to file such reports) and (2)Â has been subject to such filing requirements for the past 90Â days.Yes â˜’Â Â Â Â Â Â Â No â˜Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to RuleÂ 405 of Regulation S-T (Â§ 232.405 of this chapter) during the preceding 12Â months (or for such shorter period that the registrant was required to submit such files).YesÂ â˜’Â Â Â Â Â Â Â NoÂ â˜Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of â€œlarge accelerated filer,â€ â€œaccelerated filer,â€ â€œsmaller reporting companyâ€ and â€œemerging growth companyâ€ in Rule 12b-2 of the Exchange Act.â€‹â€‹â€‹â€‹â€‹â€‹â€‹Large accelerated filerÂ Â Â Â Â Â Â Â Â â˜â€‹Accelerated filerÂ Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â â˜Non-accelerated filerÂ Â Â Â Â Â Â Â Â Â Â â˜’â€‹â€‹Smaller Reporting CompanyÂ â˜’â€‹Emerging growth companyÂ â˜â€‹If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. â˜Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act) YesÂ â˜Â Â Â NoÂ â˜’â€‹Indicate the number of shares outstanding of the issuerâ€™s classes of common stock as of the latest practicable date: As of August 9, 2024, 5,951,278 shares of the Companyâ€™s common stock, $1.00 par value, were issued and outstanding.â€‹â€‹â€‹Table of Contentsâ€‹PART I - FINANCIAL INFORMATIONÂ Item 1Condensed Consolidated Balance Sheets3â€‹Â â€‹Condensed Consolidated Statements of Income4â€‹Â â€‹Condensed Consolidated Statements of Comprehensive Income (Loss)5â€‹Â â€‹Condensed Consolidated Statements of Stockholdersâ€™ Equity6â€‹Â â€‹Condensed Consolidated Statements of Cash Flows7â€‹Â â€‹Notes to Condensed Consolidated Financial Statements8Â Item 2Managementâ€™s Discussion and Analysis of Financial Condition and Results of Operations33Â Item 3Quantitative and Qualitative Disclosures About Market Risk42Â Â Item 4Controls and Procedures42â€‹Â PART II - OTHER INFORMATIONÂ Â Item 1Legal Proceedings43Â Â Item 1ARisk Factors43Â Â Item 2Unregistered Sales of Equity Securities and Use of Proceeds43Â Â Item 3Defaults Upon Senior Securities43â€‹â€‹Item 4Mine Safety Disclosures43Â Â Item 5Other Information43Â Â â€‹Item 6Exhibits44â€‹Â SIGNATURES45â€‹â€‹2Table of ContentsITEMÂ 1. Financial StatementsUnited Bancorp,Â Inc.Condensed Consolidated Balance Sheets(In thousands, except share data)â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹Â Â Â Â JuneÂ 30,Â Â Â Â DecemberÂ 31,Â â€‹ â€‹2024 â€‹2023â€‹(Unaudited)â€‹â€‹â€‹Assetsâ€‹Â Â Â â€‹Â Â Cash and due from banksâ€‹$ 7,994â€‹$ 7,352Interest-bearing demand depositsâ€‹Â 29,576â€‹Â 33,418Cash and cash equivalentsâ€‹Â 37,570â€‹Â 40,770Available-for-sale securities, net of allowance for credit losses of $0 at June 30, 2024 and December 31, 2023â€‹Â 240,124â€‹Â 242,760Loans, net of allowance for credit losses of $3,989 and $3,918 at June 30, 2024 and December 31, 2023, respectivelyâ€‹Â 480,525â€‹Â 479,318Premises and equipmentâ€‹Â 18,576â€‹Â 14,984Federal Home Loan Bank stockâ€‹Â 4,026â€‹Â 3,979Foreclosed assets held for sale, netâ€‹Â 3,393â€‹Â 3,377Core deposit other intangible assetâ€‹Â 197â€‹Â 260Goodwillâ€‹â€‹ 682â€‹â€‹ 682Accrued interest receivableâ€‹Â 4,085â€‹Â 4,098Deferred federal income taxâ€‹Â 3,222â€‹Â 2,409Bank-owned life insuranceâ€‹Â 19,644â€‹Â 19,423Other assetsâ€‹â€‹ 9,771â€‹â€‹ 7,389Total assetsâ€‹$821,815â€‹$819,449Liabilities and Stockholdersâ€™ Equityâ€‹Â â€‹â€‹Â â€‹Liabilitiesâ€‹Â â€‹â€‹Â â€‹Depositsâ€‹Â â€‹â€‹Â â€‹Demandâ€‹$ 332,137â€‹$ 339,280Savingsâ€‹Â 127,866â€‹Â 130,821Timeâ€‹Â 163,186â€‹Â 151,358Total depositsâ€‹Â 623,189â€‹Â 621,459Securities sold under repurchase agreementsâ€‹Â 30,436â€‹Â 26,781Subordinated debenturesâ€‹Â 23,817â€‹Â 23,787Advances Federal Home Loan Bankâ€‹â€‹ 75,000â€‹â€‹ 75,000Lease liability â€“ finance leaseâ€‹â€‹ 2,820â€‹â€‹ 2,764Interest payable and other liabilitiesâ€‹Â 5,956â€‹Â 6,065Total liabilitiesâ€‹Â 761,218â€‹Â 755,856â€‹â€‹â€‹â€‹â€‹â€‹â€‹Stockholdersâ€™ Equityâ€‹Â â€‹â€‹Â Â Â Preferred stock, no par value, authorized 2,000,000 shares; no shares issuedâ€‹Â â€”â€‹Â â€”Common stock, $1 par value; authorized 10,000,000 shares; issued 6,188,141 shares at June 30, 2024, and 6,063,851 shares at December 31, 2023; outstanding - 5,773,893 and 5,702,685 shares at June 30, 2024 and December 31, 2023, respectivelyâ€‹Â 6,188â€‹Â 6,064Additional paid-in capitalâ€‹Â 26,219â€‹Â 25,913Retained earningsâ€‹Â 44,771â€‹Â 44,018Stock held by deferred compensation plan; 177,385 and 181,803 shares at June 30, 2024 and December 31, 2023 â€‹Â (2,113)â€‹Â (2,363)Accumulated other comprehensive loss â€‹Â (11,219)â€‹Â (7,478)Treasury stock, at cost 236,863 and 179,363 shares at June 30, 2024 and December 31, 2023, respectivelyâ€‹Â (3,249)â€‹Â (2,561)Total stockholdersâ€™ equityâ€‹Â 60,597â€‹Â 63,593Total liabilities and stockholdersâ€™ equityâ€‹$ 821,815â€‹$ 819,449â€‹See Notes to Condensed Consolidated Financial Statementsâ€‹3Table of ContentsUnited Bancorp,Â Inc.Condensed Consolidated Statements of Income(In thousands, except per share data)(Unaudited)â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹Â Â Â Â Three months ended June 30,â€‹Six months ended June 30,â€‹Â Â Â Â 2024Â Â Â Â 2023Â Â Â Â 2024Â Â Â Â 2023Interest and dividend incomeâ€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹Loans, including feesâ€‹$ 6,986â€‹$ 6,126â€‹$ 13,748â€‹$ 11,935Taxable securitiesâ€‹â€‹ 513â€‹â€‹ 685â€‹â€‹ 1,073â€‹â€‹ 1,361Non-taxable securitiesâ€‹â€‹ 1,847â€‹â€‹ 1,501â€‹â€‹ 3,561â€‹â€‹ 2,857Federal funds sold â€‹â€‹ 438â€‹â€‹ 936â€‹â€‹ 925â€‹â€‹ 1,262Dividends on Federal Home Loan Bank stock and otherâ€‹â€‹ 94â€‹â€‹ 38â€‹â€‹ 192â€‹â€‹ 79Total interest and dividend incomeâ€‹â€‹ 9,878â€‹â€‹ 9,286â€‹â€‹ 19,499â€‹â€‹ 17,494Interest expenseâ€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹Depositsâ€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹Demandâ€‹â€‹ 444â€‹â€‹ 532â€‹â€‹ 899â€‹â€‹ 952Savingsâ€‹â€‹ 30â€‹â€‹ 34â€‹â€‹ 61â€‹â€‹ 68Timeâ€‹â€‹ 1,548â€‹â€‹ 921â€‹â€‹ 3,024â€‹â€‹ 1,524Borrowingsâ€‹â€‹ 1,654â€‹â€‹ 1,454â€‹â€‹ 3,198â€‹â€‹ 2,182Total interest expenseâ€‹â€‹ 3,676â€‹â€‹ 2,941â€‹â€‹ 7,182â€‹â€‹ 4,726Net interest incomeâ€‹â€‹ 6,202â€‹â€‹ 6,345â€‹â€‹ 12,317â€‹â€‹ 12,768Credit Loss Expenseâ€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹Provision for (reversal of) credit loss expense - loansâ€‹â€‹ 234â€‹â€‹ (146)â€‹â€‹ 234â€‹â€‹ (146)Provision for (reversal of) credit loss expense - off balance sheet commitmentsâ€‹â€‹ (130)â€‹â€‹ â€”â€‹â€‹ (130)â€‹â€‹ â€”Provision for (reversal of) credit loss cxpenseâ€‹â€‹ 104â€‹â€‹ (146)â€‹â€‹ 104â€‹â€‹ (146)Net interest income after credit for (reversal of) credit lossesâ€‹â€‹ 6,098â€‹â€‹ 6,491â€‹â€‹ 12,213â€‹â€‹ 12,914Noninterest incomeâ€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹Service charges on deposit accountsâ€‹â€‹ 717â€‹â€‹ 777â€‹â€‹ 1,420â€‹â€‹ 1,498Realized gains on sales of loansâ€‹â€‹ 118â€‹â€‹ 7â€‹â€‹ 195â€‹â€‹ 7Realized gains (losses) on sale of available-for-sale securitiesâ€‹â€‹ 78â€‹â€‹ â€”â€‹â€‹ (116)â€‹â€‹ â€”Other incomeâ€‹â€‹ 271â€‹â€‹ 262â€‹â€‹ 551â€‹â€‹ 557Total noninterest incomeâ€‹â€‹ 1,184â€‹â€‹ 1,046â€‹â€‹ 2,050â€‹â€‹ 2,062Noninterest expenseâ€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹Salaries and employee benefitsâ€‹â€‹ 2,675â€‹â€‹ 2,470â€‹â€‹ 4,462â€‹â€‹ 5,334Net occupancy and equipment expenseâ€‹â€‹ 542â€‹â€‹ 507â€‹â€‹ 1,166â€‹â€‹ 1,004Professional servicesâ€‹â€‹ 457â€‹â€‹ 343â€‹â€‹ 1,067â€‹â€‹ 729Insuranceâ€‹â€‹ 157â€‹â€‹ 154â€‹â€‹ 307â€‹â€‹ 304Deposit insurance premiumsâ€‹â€‹ 108â€‹â€‹ 85â€‹â€‹ 216â€‹â€‹ 171Franchise and other taxesâ€‹â€‹ 145â€‹â€‹ 138â€‹â€‹ 293â€‹â€‹ 278Advertisingâ€‹â€‹ 124â€‹â€‹ 100â€‹â€‹ 237â€‹â€‹ 200Stationery and office suppliesâ€‹â€‹ 30â€‹â€‹ 29â€‹â€‹ 56â€‹â€‹ 59Amortization of core deposit premiumâ€‹â€‹ 38â€‹â€‹ 38â€‹â€‹ 75â€‹â€‹ 75Other expensesâ€‹â€‹ 1,394â€‹â€‹ 1,225â€‹â€‹ 2,628â€‹â€‹ 2,373Total noninterest expenseâ€‹â€‹ 5,670â€‹â€‹ 5,089â€‹â€‹ 10,507â€‹â€‹ 10,527Income before federal income taxesâ€‹â€‹ 1,612â€‹â€‹ 2,448â€‹â€‹ 3,756â€‹â€‹ 4,449Federal income taxes (benefit)â€‹â€‹ (127)â€‹â€‹ 168â€‹â€‹ 24â€‹â€‹ 281Net incomeâ€‹$ 1,739â€‹$ 2,280â€‹$ 3,732â€‹$ 4,168EARNINGS PER COMMON SHAREâ€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹Basicâ€‹$ 0.30â€‹$ 0.40â€‹$ 0.64â€‹$ 0.73Dilutedâ€‹$ 0.30â€‹$ 0.40â€‹$ 0.64â€‹$ 0.73DIVIDENDS PER COMMON SHAREâ€‹$ 0.1750â€‹$ 0.1650â€‹$ 0.4975â€‹$ 0.4775â€‹See Notes to Condensed Consolidated Financial Statementsâ€‹4Table of ContentsUnited Bancorp,Â Inc.Condensed Consolidated Statements of Comprehensive Income (Loss)Three and Six Months Ended June 30, 2024 and 2023(In thousands, except per share data)(Unaudited)â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹Â Â Â Â Three months ended June 30,â€‹Six months ended June 30,â€‹â€‹2024â€‹2023â€‹2024â€‹2023Net incomeÂ Â Â Â $ 1,739Â Â Â Â $ 2,280Â Â Â Â $ 3,732Â Â Â Â $ 4,168Unrealized holding losses on securities during the period, net of tax (benefit) of ($891), ($530), ($1,019) and ($101) for each respective periodâ€‹â€‹ (3,351)â€‹â€‹ (1,992)â€‹â€‹ (3,833)â€‹â€‹ (386)Net realized (gain) loss included in net income, net of taxes (benefits) of $(17), $ 0, ($24), and $ 0 â€‹â€‹ (61)â€‹â€‹ â€”â€‹â€‹ 92â€‹â€‹ â€”Comprehensive income (loss)â€‹$ (1,673)â€‹$ 288â€‹$ (9)â€‹$ 3,782â€‹See Notes to Condensed Consolidated Financial Statementsâ€‹â€‹5Table of Contentsâ€‹United Bancorp, Inc.Consolidated Statements of Stockholdersâ€™ EquityThree Months Ended June 30, 2024 and 2023(In thousands except per share data)(Unaudited)â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹Treasuryâ€‹â€‹â€‹Accumulatedâ€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹Additionalâ€‹Â StockÂ andâ€‹â€‹â€‹inâ€‹Deferredâ€‹Retainedâ€‹Comprehensiveâ€‹â€‹â€‹Â Â Â Â StockÂ Â Â Â CapitalÂ Â Â Â CompensationÂ Â Â Â EarningsÂ Â Â Â Income (Loss)Â Â Â Â TotalBalance April 1, 2023â€‹$ 6,044â€‹$ 25,172â€‹$ (4,376)â€‹$ 39,895â€‹$ (7,730)â€‹$ 59,005Net incomeâ€‹Â â€”â€‹Â â€”â€‹Â â€”â€‹Â 2,280â€‹ â€‹â€”â€‹ â€‹ 2,280Other comprehensive lossâ€‹Â â€”â€‹Â â€”â€‹Â â€”â€‹Â â€”â€‹Â (1,992)â€‹ â€‹ (1,992)Cash dividends - $0.1650 per shareâ€‹Â â€”â€‹Â â€”â€‹Â â€”â€‹Â (952)â€‹ â€‹â€”â€‹ â€‹ (952)Cumulative effect of adoption of ASU 2016-13â€‹â€‹ â€”â€‹â€‹ â€”â€‹â€‹ â€”â€‹â€‹ â€”â€‹â€‹ â€”â€‹â€‹ â€”Deferred compensation plan activityâ€‹Â â€”â€‹Â 88â€‹ â€‹ (88)â€‹Â â€”â€‹Â â€”â€‹Â â€”Expense/shares repurchase related to share-based compensation plansâ€‹Â â€”â€‹ â€‹ 68â€‹ â€‹ â€”â€‹ â€‹ â€”â€‹ â€‹ â€”â€‹ â€‹ 68Balance, June 30, 2023â€‹$ 6,044â€‹$ 25,328â€‹$ (4,464)â€‹$ 41,223â€‹$ (9,722)â€‹$ 58,409Balance April 1, 2024â€‹$ 6,188â€‹$ 25,998â€‹$ (5,246)â€‹$ 44,073â€‹$ (7,807)â€‹$ 63,206Net incomeâ€‹Â â€”â€‹Â â€”â€‹Â â€”â€‹Â 1,739â€‹ â€‹ â€”â€‹ â€‹ 1,739Other comprehensive lossâ€‹Â â€”â€‹ â€‹ â€”â€‹ â€‹ â€”â€‹ â€‹ â€”â€‹ â€‹ (3,412)â€‹ â€‹ (3,412)Cash dividends - $0.1750 per shareâ€‹Â â€”â€‹ â€‹â€”â€‹ â€‹ â€”â€‹ â€‹ (1,041)â€‹ â€‹ â€”â€‹ â€‹ (1,041)Restricted stock issuedâ€‹â€‹ â€”â€‹â€‹ â€”â€‹â€‹ â€”â€‹â€‹ â€”â€‹â€‹ â€”â€‹â€‹ â€”Deferred compensation plan activityâ€‹Â â€”â€‹ â€‹ 84â€‹ â€‹ (84)â€‹ â€‹ â€”â€‹ â€‹ â€”â€‹ â€‹ â€”Repurchase of common stockâ€‹â€‹ â€”â€‹â€‹ â€”â€‹â€‹ (32)â€‹â€‹ â€”â€‹â€‹ â€”â€‹â€‹ (32)Expense/shares repurchase related to share-based compensation plansâ€‹â€‹ â€”â€‹â€‹ 137â€‹â€‹ â€”â€‹â€‹ â€”â€‹â€‹ â€”â€‹â€‹ 137Balance, June 30, 2024â€‹$ 6,188â€‹$ 26,219â€‹$ (5,362)â€‹$ 44,771â€‹$ (11,219)â€‹$ 60,597â€‹Treasuryâ€‹â€‹â€‹â€‹Accumulatedâ€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹Additionalâ€‹Â StockÂ andâ€‹â€‹â€‹ inâ€‹Deferredâ€‹Retainedâ€‹Comprehensiveâ€‹â€‹â€‹â€‹Â Â Â Â StockÂ Â Â Â CapitalÂ Â Â Â CompensationÂ Â Â Â EarningsÂ Â Â Â Income (Loss)Â Â Â Â TotalBalance January 1, 2023â€‹$ 6,044â€‹$24,814â€‹$ (3,730)â€‹$ 41,945â€‹$ (9,336)â€‹$ 59,737Net incomeâ€‹Â â€”â€‹Â â€”â€‹Â â€”â€‹Â 4,168â€‹Â â€”â€‹Â 4,168Other comprehensive lossâ€‹Â â€”â€‹Â â€”â€‹Â â€”â€‹Â â€”â€‹Â (386)â€‹Â (386)Cash dividends - $0.4775 per shareâ€‹Â â€”â€‹Â â€”â€‹Â â€”â€‹Â (2,800)â€‹Â â€”â€‹Â (2,800)Cumulative effect of adoption of ASU 2016-13â€‹â€‹ â€”â€‹â€‹ â€”â€‹â€‹ â€”â€‹â€‹ (2,090)â€‹â€‹ â€”â€‹â€‹ (2,090)Deferred compensation plan activityâ€‹â€‹ â€”â€‹â€‹ 1â€‹â€‹ (1)â€‹â€‹ â€”â€‹â€‹ â€”â€‹â€‹ â€”Repurchase of common stockâ€‹â€‹ â€”â€‹â€‹ â€”â€‹â€‹ (733)â€‹â€‹ â€”â€‹â€‹ â€”â€‹â€‹ (733)Expense/shares repurchase related to share-based compensation plansâ€‹â€‹ â€”â€‹â€‹ 513â€‹â€‹ â€”â€‹â€‹ â€”â€‹â€‹ â€”â€‹â€‹ 513Balance, June 30, 2023â€‹$ 6,044â€‹$ 25,328â€‹$ (4,464)â€‹$ 41,223â€‹$ (9,722)â€‹$ 58,409Balance January 1, 2024â€‹$ 6,064â€‹$ 25,913â€‹$ (4,924)â€‹$ 44,018â€‹$ (7,478)â€‹$ 63,593Net incomeâ€‹Â â€”â€‹Â â€”â€‹Â â€”â€‹Â 3,732â€‹Â â€”â€‹Â 3,732Other comprehensive lossâ€‹Â â€”â€‹Â â€”â€‹Â â€”â€‹Â â€”â€‹Â (3,741)â€‹Â (3,741)Cash dividends - $0.4975 per shareâ€‹â€‹ â€”â€‹â€‹ â€”â€‹â€‹ â€”â€‹â€‹ (2,979)â€‹â€‹ â€”â€‹â€‹ (2,979)Resticted stock issuedâ€‹â€‹ 124â€‹â€‹ (124)â€‹â€‹ â€”â€‹â€‹ â€”â€‹â€‹ â€”â€‹â€‹ â€”Deferred compensation plan activityâ€‹â€‹ â€”â€‹â€‹ (250)â€‹â€‹ 250â€‹â€‹ â€”â€‹â€‹ â€”â€‹â€‹ â€”Repurchase of common stockâ€‹â€‹ â€”â€‹â€‹ â€”â€‹â€‹ (688)â€‹â€‹ â€”â€‹â€‹ â€”â€‹â€‹ (688)Expense/shares repurchase related to share-based compensation plansâ€‹â€‹ â€”â€‹â€‹ 680â€‹â€‹ â€”â€‹â€‹ â€”â€‹â€‹ â€”â€‹â€‹ 680Balance, JuneÂ 30,Â 2024â€‹$ 6,188â€‹$ 26,219â€‹$ (5,362)â€‹$ 44,771â€‹$ (11,219)â€‹$ 60,597â€‹See Notes to Condensed Consolidated Financial Statements6Table of ContentsUnited Bancorp,Â Inc.Condensed Consolidated Statements of Cash FlowsSix Months Ended June 30, 2024 and 2023(In thousands except per share data) (Unaudited)â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹Six months ended â€‹â€‹JuneÂ 30,Â â€‹Â Â Â Â 2024Â Â Â Â 2023Operating Activitiesâ€‹â€‹â€‹â€‹â€‹â€‹Net incomeâ€‹$ 3,732 â€‹$ 4,168Items not requiring (providing) cashâ€‹â€‹ â€‹ â€‹â€‹ â€‹Accretion of premiums and discounts on securities, netâ€‹â€‹ 225â€‹â€‹ 267Amortization of intangible assetâ€‹â€‹ 75 â€‹â€‹ 75Depreciation and amortizationâ€‹Â 366 â€‹Â 493Expense related to share based compensation plansâ€‹Â 680â€‹â€‹ 513Provision for (reversal of) credit loss expense and unfunded commitmentsâ€‹â€‹ 104â€‹â€‹ (146)Increase in value of bank-owned life insuranceâ€‹â€‹ (221)â€‹â€‹ (215)Gain on sale of loansâ€‹â€‹ (195)â€‹â€‹ (7)Proceeds from sale of loans held for saleâ€‹â€‹ 6,219â€‹â€‹ 361Originations of loans held for saleâ€‹â€‹ (6,024)â€‹â€‹ (354)Loss on sale of available-for-sale securitiesâ€‹â€‹ 116â€‹â€‹ â€”Loss on sale or write down of foreclosed assetsâ€‹â€‹ 7â€‹â€‹ 44Amortization of debt instrument costsâ€‹Â 30â€‹Â 30Net change in accrued interest receivable and other assetsâ€‹â€‹ (2,397)â€‹â€‹ (1,317)Net change in accrued expenses and other liabilitiesâ€‹Â (52)â€‹Â (282)â€‹â€‹â€‹â€‹â€‹â€‹â€‹Net cash provided by operating activitiesâ€‹Â 2,665â€‹ â€‹ 3,630â€‹â€‹â€‹â€‹â€‹â€‹â€‹Investing Activitiesâ€‹â€‹â€‹â€‹â€‹â€‹Securities available for sale:â€‹â€‹â€‹â€‹â€‹â€‹â€‹Maturities, prepayments, sales and callsâ€‹â€‹ 32,466â€‹â€‹ 260Purchasesâ€‹â€‹ (34,906)â€‹â€‹ (19,446)Net change in loansâ€‹â€‹ (1,151)â€‹â€‹ (1,525)Purchase of FHLB stockâ€‹â€‹ (47)â€‹â€‹ (3,149)Redemption of Federal Home Loan Bank Stockâ€‹â€‹ â€”â€‹â€‹ 1,669Purchases of premises and equipmentâ€‹â€‹ (3,958)â€‹â€‹ (526)Proceeds from sale of foreclosed and fixed assetsâ€‹â€‹ 13â€‹â€‹ 16â€‹â€‹â€‹â€‹â€‹â€‹â€‹Net cash used in investing activitiesâ€‹â€‹ (7,583)â€‹â€‹ (22,701)â€‹â€‹â€‹â€‹â€‹â€‹â€‹Financing Activitiesâ€‹â€‹â€‹â€‹â€‹â€‹Net change in depositsâ€‹$ 1,730â€‹$ (6,297)Net change in securities sold under repurchase agreementsâ€‹Â 3,655â€‹Â 5,584Proceeds from Federal Home Loan Bank advancesâ€‹â€‹ â€”â€‹â€‹ 75,000Repurchase of common stock â€‹â€‹ (688)â€‹â€‹ (733)Cash dividends paid on common stockâ€‹â€‹ (2,979)â€‹â€‹ (2,800)Net cash provided by financing activitiesâ€‹Â 1,718â€‹ â€‹ 70,754â€‹â€‹â€‹â€‹â€‹â€‹ â€‹Increase (Decrease) in Cash and Cash Equivalentsâ€‹Â (3,200)â€‹ â€‹ 51,683Cash and Cash Equivalents, Beginning of Periodâ€‹â€‹ 40,770â€‹â€‹ 30,080â€‹â€‹â€‹ â€‹â€‹â€‹ â€‹Cash and Cash Equivalents, End of Periodâ€‹$37,570â€‹$ 81,763â€‹â€‹â€‹â€‹â€‹â€‹â€‹Supplemental Cash Flows Informationâ€‹â€‹â€‹â€‹â€‹â€‹Interest paid on deposits and borrowingsâ€‹$ 7,186â€‹$ 4,924â€‹â€‹â€‹â€‹â€‹â€‹â€‹Federal income taxes paidâ€‹$ â€”â€‹$ â€”â€‹â€‹â€‹â€‹â€‹â€‹â€‹Supplemental Disclosure of Non-Cash Investing and Financing Activitiesâ€‹Â â€‹â€‹Â â€‹Transfers from loans to foreclosed assets held for saleâ€‹$ 35â€‹$ â€”â€‹See Notes to Condensed Consolidated Financial Statementsâ€‹â€‹7Table of ContentsUnited Bancorp,Â Inc.NotesÂ to Condensed Consolidated Financial Statements(In thousands)NoteÂ 1:Â Â Â Â Â Â Â Â Â Summary of Significant Accounting PoliciesThese interim financial statements are prepared without audit and reflect all adjustments which, in the opinion of management, are necessary to present fairly the financial position of United Bancorp, Inc. (â€œCompanyâ€) at June 30, 2024, and its results of operations and cash flows for the interim periods presented. All such adjustments are normal and recurring in nature. The accompanying condensed consolidated financial statements have been prepared in accordance with the instructions for Form 10-Q and, therefore, do not purport to contain all the necessary financial disclosures required by accounting principles generally accepted in the United States of America that might otherwise be necessary in the circumstances and should be read in conjunction with the Companyâ€™s consolidated financial statements and related notes for the year ended December 31, 2023 included in its Annual Report on Form 10-K. Reference is made to the accounting policies of the Company described in the Notes to the Consolidated Financial Statements contained in its Annual Report on Form 10-K. The results of operations for the three and six months ended June 30, 2024, are not necessarily indicative of the results to be expected for the full year. The condensed consolidated balance sheet of the Company as of December 31, 2023 has been derived from the audited consolidated balance sheet of the Company as of that date.Principles of ConsolidationThe consolidated financial statements include the accounts of United Bancorp,Â Inc. (â€œUnitedâ€ or â€œthe Companyâ€) and its wholly-owned subsidiary, Unified Bank of Martins Ferry, Ohio (â€œthe Bankâ€). All intercompany transactions and balances have been eliminated in consolidation.Nature of OperationsThe Companyâ€™s revenues, operating income and assets are almost exclusively derived from banking. Accordingly, all of the Companyâ€™s banking operations are considered by management to be aggregated in one reportable operating segment. Customers are mainly located in Athens, Belmont, Carroll, Fairfield, Harrison, Jefferson and Tuscarawas Counties in Ohio and Marshall and Ohio Counties in West Virginia and the surrounding localities in northeastern, east-central and southeastern Ohio and include a wide range of individuals, businesses and other organizations. Unified Bank conducts its business through its main office in Martins Ferry, Ohio and branches in Bridgeport, Colerain, Dellroy, Dover, Glouster, Jewett, Lancaster Downtown, Lancaster East, Nelsonville, New Philadelphia, Powhatan Point, St. Clairsville East, St. Clairsville West, Sherrodsville, Strasburg, Tiltonsville, Ohio and Moundsville West Virginia.The Companyâ€™s primary deposit products are checking, savings and term certificate accounts and its primary lending products are residential mortgage, commercial and installment loans. Substantially all loans are secured by specific items of collateral including business assets, consumer assets and real estate. Commercial loans are expected to be repaid from cash flow from operations of businesses. Real estate loans are secured by both residential and commercial real estate. Net interest income is affected by the relative amount of interest-earning assets and interest-bearing liabilities and the interest received or paid on these balances. The level of interest rates paid or received by the Company can be significantly influenced by a number of environmental factors, such as governmental monetary and fiscal policies, that are outside of managementâ€™s control.Revenue RecognitionAccounting Standards Codification (â€œASCâ€) 606, Revenue from Contracts with Customers (â€œASC 606â€), establishes principles for reporting information about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entityâ€™s contracts to provide goods or services to customers. The core principle requires an entity to recognize revenue to depict the transfer of goods or services to customers in an amount that reflects the consideration that it expects to be entitled to receive in exchange for those goods or services recognized as performance obligations are satisfied.The majority of the Companyâ€™s revenue-generating transactions are not subject to ASC 606, including revenue generated from financial instruments, such as loans, investment securities, as well as revenue related to mortgage banking activities, as these activities are subject to other GAAP discussed elsewhere within the Companyâ€™s disclosures.8Table of ContentsUnited Bancorp,Â Inc.NotesÂ to Condensed Consolidated Financial Statements(In thousands)Descriptions of the Companyâ€™s revenue-generating activities that are within the scope of ASC 606, which are presented in the income statements as components of non-interest income are as follows:Service charges on deposit accounts - these represent general service fees for monthly account maintenance and activity- or transaction-based fees and consist of transaction-based revenue, time-based revenue (service period), item-based revenue or some other individual attribute-based revenue. Revenue is recognized when the performance obligation is completed which is generally monthly for account maintenance services or when a transaction has been completed (such as a wire transfer). Payment for such performance obligations are generally received at the time the performance obligations are satisfied.Use of EstimatesTo prepare financial statements in conformity with accounting principles generally accepted in the United States of America, management makes estimates and assumptions based on available information. These estimates and assumptions affect the amounts reported in the financial statements and the disclosures provided and future results could differ. The allowance for credit losses and fair values of financial instruments are particularly subject to change.Investment SecuritiesManagement determines the appropriate classification of debt securities at the time of purchase and re-evaluates such designation as of each balance sheet date.Investment securities classified as available for sale are those securities that the Company intends to hold for an indefinite period of time but not necessarily to maturity. Securities available for sale are carried at fair value. Any decision to sell a security classified as available for sale would be based on various factors, including significant movements in interest rates, changes in the maturity mix of the Companyâ€™s assets and liabilities, liquidity needs, regulatory capital considerations, and other similar factors. Unrealized gains or losses are reported as increases or decreases in other comprehensive income (loss), net of the deferred tax effect. Realized gains or losses, determined on the basis of the cost of the specific securities sold, are included in earnings. Premiums and discounts are recognized in interest income using the interest method over the terms of the securities.Allowance for Credit Losses â€“ Available for Sale SecuritiesThe Company measures expected credit losses on available-for-sale debt securities when the Company does not intend to sell, or when it is not more likely than not that it will be required to sell, the security before recovery of its amortized cost basis. If either of the criteria regarding intent or requirement to sell is met, the securityâ€™s amortized cost basis is written down to fair value through income. For available-for-sale debt securities that do not meet the aforementioned criteria, the Company evaluates whether the decline in fair value has resulted from credit losses or other factors. In making this assessment, the Company considers the extent to which fair value is less than amortized cost, any changes to the rating of the security by a rating agency, and adverse conditions specifically related to the security, among other factors. If this evaluation indicates that a credit loss exists, the present value of cash flows expected to be collected from the security are compared to the amortized cost basis of the security. If the present value of cash flows expected to be collected is less than the amortized cost basis, a credit loss exists and an allowance for credit losses is recorded for the credit loss, equal to the amount that the fair value is less than the amortized cost basis. The Company utilizes independent firms to evaluate the Companyâ€™s State and Municipal Obligations and Subordinated Notes to measure any expected credit losses. Any impairment that has not been recorded through an allowance for credit losses is recognized in other comprehensive income.The allowance for credit losses on available-for-sale debt securities is included within investment securities available-for-sale on the consolidated balance sheet. Changes in the allowance for credit losses are recorded within provision for credit losses on the consolidated statement of income. Losses are charged against the allowance when the Company believes the collectability of an available-for-sale security is in jeopardy or when either of the criteria regarding intent or requirement to sell is met.9Table of ContentsUnited Bancorp,Â Inc.NotesÂ to Condensed Consolidated Financial Statements(In thousands)Accrued interest receivable on available-for-sale debt securities totaled $2.6 million and $2.7 mllion at June 30, 2024 and December 31, 2023, respectively and is included within the line item accrued interest receivable on the consolidated balance sheets. This amount is excluded from the estimate of expected credit losses. Available-for-sale debt securities are typically classified as nonaccrual when the contractual payment of principal or interest has become 90 days past due or management has serious doubts about the further collectability of principal or interest. When available-for-sale debt securities are placed on nonaccrual status, unpaid interest credited to income is reversed.LoansLoans receivable that management has the intent and ability to hold for the foreseeable future or until maturity or payoff are stated at their outstanding unpaid principal balances, net of an allowance for credit losses and any deferred fees or costs. Accrued interest receivable totaled $1.4 million and $1.1 million at June 30, 2024 and December 31, 2023, respectively and is included in the line item accrued interest receivable on the consolidated balance sheets and is excluded from the estimate of credit losses. Interest income is accrued on the unpaid principal balance. Loan origination fees, net of certain direct origination costs, are deferred and recognized as an adjustment of the yield (interest income) of the related loans. The Company is amortizing these amounts over the contractual life of the loan. Premiums and discounts on purchased loans are amortized as adjustments to interest income using the effective yield method.The loans receivable portfolio is segmented into commercial and industrial, which are typically utilized for general business purposes and commercial real estate, which are collateralized by real estate. Homogenouse loans consisting similar products that are smaller in amount and distributed over a large number of individual borrowers include residential real estate and consumer loans.For all classes of loans receivable, the accrual of interest is discontinued when the contractual payment of principal or interest has become 90 days past due or management has serious doubts about further collectability of principal or interest, even though the loan is currently performing. A loan may remain on accrual status if it is in the process of collection and is either guaranteed or well secured. When a loan is placed on nonaccrual status, unpaid interest credited to income in the current year is reversed and unpaid interest accrued in prior years is charged against the allowance for loan losses. Interest generally is either applied against principal or reported as interest income on a cash basis, according to managementâ€™s judgment as to the collectability of principal. Generally, loans are restored to accrual status when the obligation is brought current, has performed in accordance with the contractual terms for a reasonable period of time (generally six months), and the ultimate collectability of the total contractual principal and interest is no longer in doubt. The past-due status of all classes of loans receivable is determined based on contractual due dates for loan payments.Allowance for Credit Losses - LoansThe allowance for credit losses (â€œACLâ€) is a valuation reserve established and maintained by charges against income and is deducted from the amortized cost basis of loans to present the net amount expected to be collected on the loans. Loans, or portions thereof, are charged off against the ACL when they are deemed uncollectible. Expected recoveries do not exceed the aggregate of amounts previously charged-off and expected to be charged-off.The ACL is an estimate of expected credit losses, measured over the contractual life of a loan, that considers our historical loss experience, current conditions and forecasts of future economic conditions. Determination of an appropriate ACL is inherently subjective and may have significant changes from period to period.The methodology for determining the ACL has two main components: evaluation of expected credit losses for certain groups of homogeneous loans that share similar risk characteristics and evaluation of loans that do not share risk characteristics with other loans.The allowance for credit losses is measured on a collective (pool) basis when similar risk characteristics exist. The Company uses the call report classification as its segment breakout and measures the allowance for credit losses using the Weighted Average Remaining Maturity method for all loan segments.10Table of ContentsUnited Bancorp,Â Inc.NotesÂ to Condensed Consolidated Financial Statements(In thousands)Historical credit loss experience is the basis for the estimation of expected credit losses. We apply historical loss rates to pools of loans with similar risk characteristics. After consideration of the historic loss calculation, management applies qualitative adjustments to reflect the current conditions and reasonable and supportable forecasts not already reflected in the historical loss information at the balance sheet date. Our reasonable and supportable forecast adjustment is based on a 2 year unemployment forecast provided by Bloomberg and management judgment. For periods beyond our reasonable and supportable forecast, we revert back to historical annual loss rates for the remainder of the life of each pool after the forecast period. The qualitative adjustments for current conditions are based upon current level of inflation, changes in lending policies and practices, experience and ability of lending staff, quality of the Companyâ€™s loan review system, value of underlying collateral, the existence of and changes in concentrations and other external factors. These modified historical loss rates are multiplied by the outstanding principal balance of each loan to calculate a required reserve.The Company has elected to exclude accrued interest receivable from the measurement of its ACL. When a loan is placed on non-accrual status, any outstanding accrued interest is reversed against interest income.The ACL for individual loans begins with the use of normal credit review procedures to identify whether a loan no longer shares similar risk characteristics with other pooled loans and therefore, should be individually assessed. We evaluate all commercial and industrial loans and residential and installment loans greater than $100,000 that meet the following criteria: 1) when it is determined that foreclosure is probable, 2) substandard, doubtful and nonperforming loans when repayment is expected to be provided substantially through the operation or sale of the collateral, 3) when it is determined by management that a loan does not share similar risk characteristics with other loans. Specific reserves are established based on the following three acceptable methods for measuring the ACL: 1) the present value of expected future cash flows discounted at the loanâ€™s original effective interest rate; 2) the loanâ€™s observable market price; or 3) the fair value of the collateral when the loan is collateral dependent. Our individual loan evaluations consist primarily of the fair value of collateral method because most of our loans are collateral dependent. Collateral values are discounted to consider disposition costs when appropriate. A specific reserve is established or a charge-off is taken if the fair value of the loan is less than the loan balance.Accounting Pronouncements Adopted in 2023In June 2016, the FASB issued ASU No. 2016-13, â€œFinancial Instruments â€“ Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instrumentsâ€ and subsequent related updates. This ASU replaces the incurred loss methodology for recognizing credit losses and requires businesses and other organizations to measure the current expected credit losses (CECL) on financial assets measured at amortized cost, including loans and held-to-maturity securities, net investments in leases, off-balance sheet credit exposures such as unfunded commitments, and other financial instruments. In addition, ASC 326 requires credit losses on available-for-sale debt securities to be presented as an allowance rather than as a write-down when management does not intend to sell or believes that it is not more likely than not they will be required to sell. This guidance became effective on January 1, 2023 for the Company. The results reported for periods beginning after January 1, 2023 are presented under ASC 326 while prior period amounts continue to be reported in accordance with previously applicable accounting standards.The Company adopted this guidance, and subsequent related updates, using the modified retrospective approach for all financial assets measured at amortized cost, including loans and available-for-sale debt securities and unfunded commitments. On January 1, 2023, the Company recorded a cumulative effect decrease to retained earnings of $2,088,000, net of tax, of which $1,911,000 related to loans, $177,000 related to unfunded commitments.The Company adopted the provisions of ASC 326 related to presenting other-than-temporary impairment on available-for-sale debt securities prior to January 1, 2023 using the prospective transition approach, though no such charges had been recorded on the securities held by the Company as of the date of adoption. The Company did not change the segmentation from the incurred loss method upon adoption of ASC 326.11Table of ContentsUnited Bancorp,Â Inc.NotesÂ to Condensed Consolidated Financial Statements(In thousands)The impact of the change from the incurred loss model to the current expected credit loss model is detailed below.â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹JanuaryÂ 1,Â 2023â€‹â€‹â€‹Loan Categories (in thousands)Â Â Â Â Pre-adoptionÂ Â Â Â Adoption ImpactÂ Â Â Â As ReportedCommercial and Industrialâ€‹$ 215â€‹$ 755â€‹$ 970Commercial Real Estateâ€‹Â 815â€‹Â 388â€‹Â 1,203Residential Real Estateâ€‹Â 816â€‹Â 1,379â€‹Â 2,195Consumerâ€‹Â 206â€‹Â (103)â€‹Â 103â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹$ 2,052â€‹$ 2,419â€‹$ 4,471â€‹Allowance for Credit Losses on Off-Balance Sheet Credit ExposuresThe Company estimates expected credit losses over the contractual period in which the Company is exposed to credit risk via a contractual obligation to extend credit, unless that obligation is unconditionally cancellable by the Company. The allowance for credit losses on off-balance sheet credit exposures is adjusted through credit loss expense. The estimate includes consideration of the likelihood that funding will occur and an estimate of expected credit losses on commitments expected to be funded over its estimated life.Earnings Per ShareEarnings per share (EPS) were computed as follows:â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹Â Â Â Â Three Months Ended JuneÂ 30,Â 2024â€‹â€‹â€‹â€‹Â Â Â Â Weighted-Â Â Â Â PerÂ â€‹â€‹Netâ€‹AverageÂ â€‹Shareâ€‹Â Â Â Â IncomeÂ Â Â Â SharesÂ Â Â Â Â AmountÂ â€‹Â (InÂ thousands)â€‹â€‹â€‹â€‹â€‹Net incomeâ€‹$ 1,739Â â€‹Â â€‹â€‹Less allocated earnings on non-vested restricted stockâ€‹Â (31)Â â€‹Â â€‹â€‹Less allocated dividends on non-vested restricted stockâ€‹â€‹ (49)â€‹â€‹â€‹â€‹Net income allocated to common stockholdersâ€‹â€‹ 1,659â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹ 5,629,558â€‹â€‹Basic and diluted earnings per shareâ€‹Â Â Â Â â€‹â€‹$ 0.30â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹Three Months Ended JuneÂ 30,Â 2023â€‹â€‹â€‹â€‹â€‹Weighted-â€‹Â â€‹â€‹Netâ€‹AverageÂ â€‹Per Shareâ€‹Â Â Â Â IncomeÂ Â Â Â SharesÂ Â Â Â Â AmountÂ â€‹Â (InÂ thousands)â€‹â€‹â€‹â€‹â€‹Net incomeâ€‹$ 2,280â€‹â€‹â€‹â€‹â€‹Less allocated earnings on non-vested restricted stockâ€‹Â (16)Â â€‹â€‹â€‹â€‹Less allocated dividends on non-vested restricted stockâ€‹â€‹ (34)â€‹â€‹â€‹â€‹â€‹Net income allocated to common stockholdersâ€‹â€‹ 2,230â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹ 5,496,049â€‹â€‹Basic and diluted earnings per shareâ€‹Â â€‹Â â€‹â€‹$ 0.40â€‹12Table of ContentsUnited Bancorp,Â Inc.NotesÂ to Condensed Consolidated Financial Statements(In thousands)â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹Â Â Â Â SixÂ MonthsÂ EndedÂ JuneÂ 30,Â 2024â€‹â€‹â€‹â€‹Weighted -â€‹Perâ€‹â€‹Netâ€‹Averageâ€‹Shareâ€‹Â Â Â Â IncomeÂ Â Â Â SharesÂ Â Â Â AmountÂ â€‹â€‹(InÂ thousands)â€‹â€‹â€‹â€‹â€‹Net incomeâ€‹$ 3,732Â Â Â Â Â â€‹Â Â Less allocated earnings on non-vested restricted stockâ€‹Â (52)Â Â Â Â â€‹Â Â Less allocated dividends on non-vested restricted stockâ€‹Â (139)Â Â Â Â â€‹Â Â Net income allocated to common stockholdersâ€‹Â 3,541Â Â Â Â â€‹Â Â â€‹â€‹â€‹Â 5,565,391â€‹â€‹Basic and diluted earnings per shareâ€‹â€‹Â Â Â â€‹$ 0.64â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹Â Â Â Â SixÂ MonthsÂ EndedÂ JuneÂ 30,Â 2023â€‹â€‹â€‹â€‹â€‹Weighted-â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹Averageâ€‹PerÂ Shareâ€‹Â Â Â Â NetÂ IncomeÂ Â Â Â SharesÂ Â Â Â AmountÂ â€‹â€‹(InÂ thousands)â€‹â€‹â€‹â€‹â€‹Net incomeâ€‹$ 4,168Â Â Â Â â€‹Â Â Less allocated earnings on non-vested restricted stockâ€‹Â (115)Â Â Â Â â€‹Â Â Less dividends on non-vested restricted stockâ€‹Â (94)Â Â Â Â â€‹Â Â Net income allocated to common stockholdersâ€‹Â 3,959Â Â Â Â â€‹Â Â â€‹â€‹â€‹Â 5,490,620â€‹â€‹Basic and diluted earnings per shareâ€‹â€‹â€‹â€‹â€‹$0.73â€‹Income TaxesThe Company is subject to income taxes in the U.S. federal jurisdiction, as well as various state jurisdictions. Tax regulations within each jurisdiction are subject to the interpretation of the related tax laws and regulations and require significant judgment to apply. With few exceptions, the Company is no longer subject to U.S. federal, state and local income tax examinations by tax authorities for the years before 2020. NoteÂ 2:Â Â Â Â Â Â Â Â Â SecuritiesThe amortized cost and fair values, together with gross unrealized gains and losses of securities are as follows:â€‹Â Â Â Â GrossÂ Â Â Â Grossâ€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹Unrealizedâ€‹Unrealizedâ€‹â€‹â€‹â€‹â€‹Â Â Â Â AmortizedÂ CostÂ Â Â Â Gains for-sale Securities:â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹JuneÂ 30,Â 2024:Â â€‹Â Â Â Â â€‹Â Â Â Â â€‹Â Â Â Â U.S. government agenciesâ€‹$ 22,500â€‹$ â€”â€‹$ (415)â€‹$ 22,085State and municipal obligations â€‹â€‹ 202,312â€‹â€‹ 256â€‹â€‹ (9,959)â€‹â€‹ 192,609Subordinated notesâ€‹Â 28,970â€‹Â â€‹ â€”â€‹ â€‹ (3,540)â€‹ â€‹ 25,430Total debt securitiesâ€‹$ 253,782â€‹$ 256â€‹$ (13,914)â€‹$ 240,12413Table of ContentsUnited Bancorp,Â Inc.NotesÂ to Condensed Consolidated Financial Statements(In thousands)â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹Â Â Â Â GrossÂ Â Â Â Grossâ€‹â€‹â€‹â€‹â€‹â€‹Unrealizedâ€‹Unrealizedâ€‹â€‹â€‹â€‹â€‹Â Â Â Â AmortizedÂ CostÂ Â Â Â Gains for-sale Securities:â€‹Â Â Â Â â€‹Â Â Â Â â€‹Â Â Â Â â€‹Â Â Â Â DecemberÂ 31,Â 2023:â€‹Â Â Â Â â€‹Â Â Â Â â€‹Â Â Â Â â€‹Â Â Â Â U.S. government agenciesâ€‹$ 45,000â€‹$ â€”â€‹$ (732)â€‹$ 44,268State and municipal obligationsâ€‹â€‹ 177,670â€‹â€‹ 2,264â€‹â€‹ (5,742)â€‹â€‹ 174,192Subordinated notesâ€‹â€‹ 29,013â€‹â€‹ â€”â€‹â€‹ (4,713)â€‹â€‹ 24,300Total debt securitiesâ€‹$ 251,683â€‹$ 2,264â€‹$ (11,187)â€‹$ 242,760â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹There was no allowance for credit losses at June 30, 2024 or December 31, 2023.â€‹The amortized cost and fair value of available-for-sale securities at June 30, 2024, by contractual maturity, are shown below. Expected maturities will differ from contractual maturities because issuers may have the right to call or prepay obligations with or without call or prepayment penalties.â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹Amortizedâ€‹FairÂ â€‹Â Â Â Â CostÂ Â Â Â Valueâ€‹â€‹(InÂ thousands)Under 1 yearâ€‹$ 10,000â€‹$ 9,947One to five yearsâ€‹Â 15,070â€‹ â€‹ 14,643Five to ten yearsâ€‹Â 29,569â€‹ â€‹ 25,774Over ten yearsâ€‹Â 199,143â€‹ â€‹ 189,760Totalsâ€‹$ 253,782â€‹$ 240,124â€‹The carrying value of securities pledged as collateral, to secure public deposits and for other purposes, was $74.8 million and $72.8 million at June 30, 2024 and December 31, 2023, respectively.Certain investments in debt securities are reported in the consolidated financial statements at an amount less than their historical cost. The total fair value of these investments at June 30, 2024 was $215.3 million, which represented 90% of the Companyâ€™s available-for-sale investment portfolio. The total fair value of these investments at December 31, 2023 was $123.1 million, which represented less than 51% of the Companyâ€™s available-for-sale.Based on evaluation of available evidence, including recent changes in market interest rates, credit rating information and information obtained from regulatory filings, management believes the declines in fair value for these securities are temporary and are a result of an increase in longer term interest rates.14Table of ContentsUnited Bancorp,Â Inc.NotesÂ to Condensed Consolidated Financial Statements(In thousands)The following tables show the Companyâ€™s investmentsâ€™ gross unrealized losses and fair value, aggregated by investment category and length of time that individual securities have been in a continuous unrealized loss position at June 30, 2024:â€‹JuneÂ 30,Â 2024â€‹â€‹LessÂ thanÂ 12Â Monthsâ€‹12Â MonthsÂ orÂ Moreâ€‹TotalDescription ofâ€‹â€‹â€‹Unrealizedâ€‹â€‹â€‹Unrealizedâ€‹â€‹â€‹UnrealizedSecuritiesÂ Â Â Â FairÂ ValueÂ Â Â Â LossesÂ Â Â Â FairÂ ValueÂ Â Â Â LossesÂ Â Â Â FairÂ ValueÂ Â Â Â Lossesâ€‹Â (In Government agenciesâ€‹$ â€”â€‹$ â€”â€‹$ 22,085â€‹$ (415)â€‹$ 22,085â€‹$ (415)State and municipal obligationsâ€‹â€‹ 119,745â€‹â€‹ (1,762)â€‹â€‹ 48,104â€‹â€‹ (8,197)â€‹â€‹ 167,849â€‹â€‹ (9,959)Subordinated notesâ€‹â€‹ 4,325â€‹â€‹ (175)â€‹â€‹ 21,105â€‹â€‹ (3,365)â€‹â€‹ 25,430â€‹â€‹ (3,540)Total temporarily impaired securitiesâ€‹$ 124,070â€‹$ (1,937)â€‹$ 91,294â€‹$ (11,977)â€‹$ 215,364â€‹$ (13,914)â€‹DecemberÂ 31,Â 2023â€‹â€‹LessÂ thanÂ 12Â Monthsâ€‹12Â MonthsÂ orÂ Moreâ€‹TotalDescription ofâ€‹â€‹â€‹Unrealizedâ€‹â€‹â€‹â€‹Unrealizedâ€‹â€‹â€‹UnrealizedSecuritiesÂ Â Â Â FairÂ ValueÂ Â Â Â LossesÂ Â Â Â FairÂ ValueÂ Â Â Â LossesÂ Â Â Â FairÂ ValueÂ Â Â Â Lossesâ€‹Â (InÂ thousands)US government agenciesâ€‹$ â€”â€‹$ â€”â€‹$ 44,268â€‹$ (732)â€‹$ 44,268â€‹$ (732)Subordinated notesâ€‹â€‹ 3,717â€‹â€‹ (799)â€‹â€‹ 20,583â€‹â€‹ (3,914)â€‹â€‹ 24,300â€‹â€‹ (4,713)State and municipal obligationsâ€‹â€‹ 3,365â€‹â€‹ (12)â€‹â€‹ 51,163â€‹â€‹ (5,730)â€‹â€‹ 54,528â€‹â€‹ (5,742)Total temporarily impaired securitiesâ€‹$ 7,082â€‹$ (811)â€‹$ 116,014â€‹$ (10,376)â€‹$ 123,096â€‹$ (11,187)â€‹The unrealized losses on the Companyâ€™s 183 investments in available for sale securities were caused primarily by interest rate changes. The contractual terms of those investments do not permit the issuer to settle the securities at a price less than the amortized cost bases of the investments. Because the Company does not intend to sell the investments and it is not more likely than not the Company will be required to sell the investments before recovery of their amortized cost basis, which may be maturity, the Company does not consider those investments to have credit impairment at June 30, 2024.The Company recorded a gain on the sale of available â€ for â€ sale securities of approximately $78,000 for the three months ended June 30, 2024 and loss of approximately $116,000 for the six month ended June 30, 2024. The Company sold $20.3 million in securities for a loss of $228,000 and sold $7.2 million in securities for a gain of $112,000. The Company wanted to rebalance a portion of its security portfolio during the first half of 2024. There were no sales of investment securities for the three and six months ended June 30, 2023.3â€‹NoteÂ 3:Â Â Â Â Â Â Loans and Allowance for Credit LossesCategories of loans include:â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹JuneÂ 30,Â â€‹DecemberÂ 31,Â â€‹Â Â Â Â 2024Â Â Â Â 2023â€‹â€‹(InÂ thousands)Commercial and Industrialâ€‹$ 94,662â€‹$ 91,294Commercial real estateâ€‹Â 287,635â€‹ â€‹ 291,859Residential real estateâ€‹Â 92,154â€‹ â€‹ 93,364Consumer loansâ€‹Â 10,063â€‹ â€‹ 6,719â€‹â€‹â€‹â€‹â€‹â€‹â€‹Total gross loansâ€‹Â 484,514â€‹ â€‹ 483,236â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹Less allowance for credit lossesâ€‹Â (3,989)â€‹ â€‹ (3,918)â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹Total loansâ€‹$ 480,525â€‹$ 479,318â€‹15Table of ContentsUnited Bancorp,Â Inc.NotesÂ to Condensed Consolidated Financial Statements(In thousands)The risk characteristics of each loan portfolio segment are as follows:Commercial and Industrial, and Commercial Real EstateCommercial loans are primarily based on the identified cash flows of the borrower and secondarily on the underlying collateral provided by the borrower. The cash flows of borrowers, however, may not be as expected and the collateral securing these loans may fluctuate in value. Most commercial loans are secured by the assets being financed or other business assets, such as accounts receivable or inventory, and may include a personal guarantee. Short-term loans may be made on an unsecured basis. In the case of loans secured by accounts receivable, the availability of funds for the repayment of these loans may be substantially dependent on the ability of the borrower to collect amounts due from its customers. Commercial real estate loans are viewed primarily as cash flow loans and secondarily as loans secured by real estate. Commercial real estate lending typically involves higher loan principal amounts and the repayment of these loans is generally dependent on the successful operation of the property securing the loan or the business conducted on the property securing the loan. Commercial real estate loans may be more adversely affected by conditions in the real estate markets or in the general economy. The characteristics of properties securing the Companyâ€™s commercial real estate portfolio are diverse, but with geographic location almost entirely in the Companyâ€™s market area. Management monitors and evaluates commercial real estate loans based on collateral, geography and risk grade criteria. In general, the Company avoids financing single purpose projects unless other underwriting factors are present to help mitigate risk. In addition, management tracks the level of owner-occupied commercial real estate versus nonowner-occupied loans.Residential Real Estate and ConsumerResidential real estate and consumer loans consist of two segments - residential mortgage loans and personal loans. For residential mortgage loans that are secured by 1-4 family residences and are generally owner-occupied, the Company generally establishes a maximum loan-to-value ratio and requires private mortgage insurance if that ratio is exceeded. Home equity loans are typically secured by a subordinate interest in 1-4 family residences, and consumer personal loans are secured by consumer personal assets, such as automobiles or recreational vehicles. Some consumer personal loans are unsecured, such as small installment loans and certain lines of credit. Repayment of these loans is primarily dependent on the personal income of the borrowers, which can be impacted by economic conditions in their market areas, such as unemployment levels. Repayment can also be impacted by changes in property values on residential properties. Risk is mitigated by the fact that the loans are of smaller individual amounts and spread over a large number of borrowers.â€‹16Table of ContentsUnited Bancorp,Â Inc.NotesÂ to Condensed Consolidated Financial Statements(In thousands)Allowance for Credit Losses and Recorded Investment in LoansAs of and for the three and six month periods ended June 30, 2024â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹Commercialâ€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹Â Â Â Â CommercialÂ Â Â Â RealÂ EstateÂ Â Â Â ResidentialÂ Â Â Â Consumer for credit losses:â€‹Balance, April 1, 2024â€‹$ 589â€‹$ 1,377â€‹$ 1,783â€‹$ 121â€‹$ 3,870Provision for (reversal of) credit loss exposureâ€‹â€‹ 114â€‹â€‹ 36â€‹â€‹ 37â€‹â€‹ 47â€‹â€‹ 234Losses charged offâ€‹â€‹ (75)â€‹â€‹ â€”â€‹â€‹ (7)â€‹â€‹ (44)â€‹â€‹ (126)Recoveriesâ€‹â€‹ â€”â€‹â€‹ â€”â€‹â€‹ â€”â€‹â€‹ 11â€‹â€‹ 11Balance, June 30, 2024â€‹$ 628â€‹$ 1,413â€‹$ 1,813â€‹$ 135â€‹$ 3,989Balance, January 1, 2024â€‹$ 573â€‹$ 1,408â€‹$ 1,843â€‹$ 94â€‹$ 3,918Provision for (reversal of) credit loss exposureâ€‹â€‹ 129â€‹â€‹ 5â€‹â€‹ (23)â€‹â€‹ 123â€‹â€‹ 234Losses charged offâ€‹â€‹ (75)â€‹â€‹ â€”â€‹â€‹ (7)â€‹â€‹ (101)â€‹â€‹ (183)Recoveriesâ€‹â€‹ 1â€‹â€‹ â€”â€‹â€‹ 19â€‹â€‹ 20Balance, June 30, 2024â€‹$ 628â€‹$ 1,413â€‹$ 1,813â€‹$ 135â€‹$ 3,989â€‹â€‹â€‹ â€‹â€‹â€‹ â€‹â€‹â€‹ â€‹â€‹â€‹ â€‹â€‹â€‹ â€‹â€‹Allocation:â€‹â€‹ â€‹â€‹â€‹ â€‹â€‹â€‹ â€‹â€‹â€‹ â€‹â€‹â€‹ â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹Ending balance: individually evaluated for credit lossesâ€‹$ â€”â€‹$ â€”â€‹$ â€”â€‹$ â€”â€‹$ â€”Ending balance: collectively evaluated for credit lossesâ€‹$ 628â€‹$ 1,413â€‹$ 1,813â€‹$ 135â€‹$ 3,989Loans:â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹Ending balance: individually evaluated for credit lossesâ€‹$ 66â€‹$ 7â€‹$ 237â€‹$ â€”â€‹$ 310Ending balance: collectively evaluated for credit lossesâ€‹$ 94,596â€‹$ 287,628â€‹$ 91,917â€‹$ 10,063â€‹$ 484,204â€‹17Table of ContentsUnited Bancorp,Â Inc.NotesÂ to Condensed Consolidated Financial Statements(In thousands)Allowance for Loan Losses and Recorded Investment in LoansAs of and for the three and six month periods ended June 30, 2023â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹Commercialâ€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹Â Â Â Â Commercial Â Â Â Â RealÂ EstateÂ Â Â Â ResidentialÂ Â Â Â ConsumerÂ Â Â Â TotalAllowance for loan losses:â€‹Balance, April 1, 2023â€‹$ 990â€‹$ 1,202â€‹$ 2,156â€‹$ 104â€‹$ 4,452Provision for (reversal of) for credit loss exposureâ€‹â€‹ (93)â€‹â€‹ (123)â€‹â€‹ (64)â€‹â€‹ 134â€‹â€‹ (146)Losses charged offâ€‹â€‹ â€”â€‹â€‹ â€”â€‹â€‹ â€”â€‹â€‹ (33)â€‹â€‹ (33)Recoveriesâ€‹â€‹ 5â€‹â€‹ â€”â€‹â€‹ â€”â€‹â€‹ 3â€‹â€‹ 8Balance, June 30, 2023â€‹$ 902â€‹$ 1,079â€‹$ 2,092â€‹$ 208â€‹$ 4,281Balance, January 1, 2023â€‹$ 215â€‹$ 815â€‹$ 816â€‹$ 206â€‹$ 2,052Impact of adopting ASC 326â€‹â€‹ 755â€‹â€‹ 388â€‹â€‹ 1,379â€‹â€‹ (103)â€‹â€‹ 2,419Provision for (reversal of) for credit loss exposureâ€‹â€‹ (78)â€‹â€‹ (124)â€‹â€‹ (103)â€‹â€‹ 159â€‹â€‹ (146)Losses charged offâ€‹â€‹ â€”â€‹â€‹ â€”â€‹â€‹ â€”â€‹â€‹ (62)â€‹â€‹ (62)Recoveriesâ€‹â€‹ 10â€‹â€‹ â€”â€‹â€‹ â€”â€‹â€‹ 8â€‹â€‹ 18Balance, JuneÂ 30,Â 2023â€‹$ 902â€‹$ 1,079â€‹$ 2,092â€‹$ 208â€‹$ 4,281â€‹â€‹ â€‹â€‹â€‹ â€‹â€‹â€‹ â€‹â€‹â€‹ â€‹â€‹â€‹ â€‹Allocation:â€‹â€‹ â€‹â€‹â€‹ â€‹â€‹â€‹ â€‹â€‹â€‹ â€‹â€‹â€‹ â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹Ending balance: individually evaluated for impairmentâ€‹$ 99â€‹$ â€”â€‹$ â€”â€‹$ â€”â€‹$ 99Ending balance: collectively evaluated for impairmentâ€‹$ 803â€‹$ 1,079â€‹$ 2,092â€‹$ 208â€‹$

4,182Loans:â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹Ending balance: individually evaluated for impairmentâ€‹$ 99â€‹$ â€”â€‹$ â€”â€‹$ â€”â€‹$ 99Ending balance: collectively evaluated for impairmentâ€‹$ 89,861â€‹$ 274,291â€‹$ 92,072â€‹$ 6,547â€‹$ 462,771â€‹Allowance for Loan Losses and Recorded Investment in LoansAs of December 31, 2023â€‹Commercialâ€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹Â Â Â Â Commercial Â Â Â Real EstateÂ Â Â ResidentialÂ Â Â ConsumerÂ Â Â TotalÂ â€‹(In thousands)Allowance for loan losses:â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹Ending balance: individually evaluated for impairmentâ€‹$ â€”â€‹$ â€”â€‹$ â€”â€‹$ â€”â€‹$ â€”Ending balance: collectively evaluated for impairmentâ€‹$ 573â€‹$ 1,408â€‹$ 1,843â€‹$ 94â€‹$ 3,918â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹Loans:â€‹Â Â Â â€‹Â â€‹â€‹Â Â Â â€‹Â Â Â â€‹Â Â Â Ending balance: individually evaluated for impairmentâ€‹$ â€”â€‹$ 8â€‹$ 318â€‹$ â€”â€‹$ 326Ending balance: collectively evaluated for impairmentâ€‹$ 91,294â€‹$ 291,851â€‹$ 93,046â€‹$ 6,719â€‹$ 482,910â€‹18Table of ContentsUnited Bancorp,Â Inc.NotesÂ to Condensed Consolidated Financial Statements(In thousands)The following tables show the portfolio quality indicators.Based on the most recent analysis performed, the following table presents the recorded investment in non-homogeneous loans by internal risk rating system as of June 30, 2024 (in thousands):â€‹Â Â Â â€‹â€‹Â Â Â â€‹â€‹Â Â Â â€‹â€‹Â Â Â â€‹â€‹Â Â Â â€‹â€‹Â Â Â â€‹â€‹Â Â Â â€‹â€‹Â Â Â â€‹â€‹Â 30, 2024â€‹2024â€‹2023â€‹2022â€‹2021â€‹2020â€‹Priorâ€‹CostÂ Basisâ€‹toÂ Termâ€‹TotalCommercial and industrialâ€‹Risk Ratingâ€‹Passâ€‹$ 9,680â€‹$ 20,129â€‹$ 13,196â€‹$ 10,508â€‹$ 11,956â€‹$ 9,587â€‹$ 18,263â€‹$ â€”â€‹$ 93,319Special Mentionâ€‹â€‹ â€”â€‹â€‹ â€”â€‹â€‹ 26â€‹â€‹ â€”â€‹â€‹ â€”â€‹â€‹ 141â€‹â€‹ 1,110â€‹â€‹ â€”â€‹â€‹ 1,277Substandardâ€‹â€‹ â€”â€‹â€‹ 66â€‹â€‹ â€”â€‹â€‹ â€”â€‹â€‹ â€”â€‹â€‹ â€”â€‹â€‹â€”â€‹â€‹ â€”â€‹â€‹ 66Doubtfulâ€‹â€‹ â€”â€‹â€‹ â€”â€‹â€‹ â€”â€‹â€‹ â€”â€‹â€‹ â€”â€‹â€‹ â€”â€‹â€‹ â€”â€‹â€‹ â€”â€‹â€‹ â€”Totalâ€‹$ 9,680â€‹$ 20,195â€‹$ 13,222â€‹$ 10,508â€‹$ 11,956â€‹$ 9,728â€‹$ 19,373â€‹$ â€”â€‹$ 94,662â€‹Commercial and industrialâ€‹Current period gross charge-offsâ€‹$ â€”â€‹$ 75â€‹$ â€”â€‹$ â€”â€‹$ â€”â€‹$ â€”â€‹$ â€”â€‹$ â€”â€‹$ 75â€‹Commercial real estateâ€‹Risk Ratingâ€‹Passâ€‹$ 5,196 â€‹$ 37,584 â€‹$ 34,284 â€‹$ 47,485 â€‹$ 33,664 â€‹$ 71,021 â€‹$ 46,458 â€‹$ â€” â€‹$ 275,692Special Mentionâ€‹â€‹ â€”â€‹â€‹ â€”â€‹â€‹ 335â€‹â€‹ 242â€‹â€‹â€”â€‹â€‹ 11,340â€‹â€‹â€”â€‹â€‹ â€”â€‹â€‹ 11,917Substandardâ€‹â€‹ â€” â€‹â€‹ â€” â€‹â€‹ â€” â€‹â€‹ â€” â€‹â€‹ â€” â€‹â€‹ 26 â€‹â€‹ â€” â€‹â€‹ â€” â€‹â€‹ 26Doubtfulâ€‹â€‹ â€” â€‹â€‹ â€” â€‹â€‹ â€” â€‹â€‹ â€” â€‹â€‹ â€” â€‹â€‹ â€” â€‹â€‹ â€” â€‹â€‹ â€” â€‹â€‹ â€”Totalâ€‹$ 5,196â€‹$ 37,584â€‹$ 34,619â€‹$ 47,727â€‹$ 33,664â€‹$ 82,387â€‹$ 46,458â€‹$ â€”â€‹$ 287,635â€‹Commercial real estateâ€‹Â â€‹â€‹ â€‹â€‹â€‹ â€‹ â€‹â€‹ â€‹ â€‹â€‹ â€‹ â€‹â€‹ â€‹ â€‹â€‹ â€‹ â€‹â€‹ â€‹ â€‹â€‹ â€‹ â€‹Current period gross charge-offsâ€‹$ â€”â€‹$ â€”â€‹$ â€”â€‹$ â€”â€‹$ â€”â€‹$ â€”â€‹$ â€”â€‹$ â€”â€‹$ â€”â€‹Totalâ€‹Â â€‹â€‹ â€‹ â€‹â€‹ â€‹ â€‹â€‹ â€‹ â€‹â€‹ â€‹ â€‹â€‹ â€‹ â€‹â€‹ â€‹ â€‹â€‹ â€‹ â€‹â€‹ â€‹ â€‹Passâ€‹$ 14,876â€‹$ 57,713â€‹$ 47,480â€‹$ 57,993â€‹$ 45,620â€‹$ 80,608â€‹$ 64,721â€‹$ â€”â€‹$ 369,011Special Mentionâ€‹â€‹ â€”â€‹â€‹ â€”â€‹â€‹ 361â€‹â€‹ 242â€‹â€‹ â€”â€‹â€‹ 11,481â€‹â€‹ 1,110â€‹â€‹ â€”â€‹â€‹ 13,194Substandardâ€‹â€‹ â€”â€‹â€‹ 66â€‹â€‹ â€”â€‹â€‹ â€”â€‹â€‹â€”â€‹â€‹ 26â€‹â€‹ â€”â€‹â€‹ â€”â€‹â€‹ 92Doubtfulâ€‹â€‹ â€”â€‹â€‹ â€”â€‹â€‹ â€”â€‹â€‹ â€”â€‹â€‹ â€”â€‹â€‹ â€”â€‹â€‹ â€”â€‹â€‹ â€”â€‹â€‹ â€”Totalâ€‹$ 14,876â€‹$ 57,779â€‹$ 47,841â€‹$ 58,235â€‹$ 45,620â€‹$ 92,115â€‹$ 65,831â€‹$ â€”â€‹$ 382,297Current period gross charge-offsâ€‹$ â€”â€‹$ 75â€‹$ â€”â€‹$ â€”â€‹$ â€”â€‹$ â€”â€‹$ â€”â€‹$ â€”â€‹$ 75â€‹19Table of ContentsUnited Bancorp,Â Inc.NotesÂ to Condensed Consolidated Financial Statements(In thousands)The Company monitors the credit risk profile by payment activity for residential and consumer loan classes. Loans past due 90 days or more and loans on nonaccrual status are considered nonperforming. Nonperforming loans are reviewed quarterly. The following table presents the amortized cost in residential and consumer loans based on payment activity:â€‹Â Â Â â€‹â€‹Â Â Â â€‹â€‹Â Â Â â€‹â€‹Â Â Â â€‹â€‹Â Â Â â€‹â€‹Â 30, 2024â€‹2024â€‹2023â€‹2022â€‹2021â€‹2020â€‹Priorâ€‹CostÂ Basisâ€‹toÂ Termâ€‹TotalResidential Real Estateâ€‹Payment Performanceâ€‹Performingâ€‹$ 3,713â€‹$ 11,553â€‹$ 17,719â€‹$ 15,760â€‹$ 18,536â€‹$ 24,617â€‹$ â€”â€‹$ â€”â€‹$ 91,898Nonperformingâ€‹â€‹â€”â€‹â€‹â€”â€‹â€‹â€”â€‹â€‹â€”â€‹â€‹ â€”â€‹â€‹ 256â€‹â€‹ â€”â€‹â€‹ â€”â€‹â€‹ 256Totalâ€‹$ 3,713â€‹$ 11,553â€‹$ 17,719â€‹$ 15,760â€‹$ 18,536â€‹$ 24,873â€‹$ â€”â€‹$ â€”â€‹$ 92,154â€‹Residential real estateâ€‹Current period gross charge-offsâ€‹$ â€”â€‹$ â€”â€‹$ â€”â€‹$ â€”â€‹$ â€”â€‹$ 7â€‹$ â€”â€‹$ â€”â€‹$ 7â€‹Consumerâ€‹â€‹ Payment Performanceâ€‹Performingâ€‹$ 4,852â€‹$ 1,826â€‹$ 1,065â€‹$ 480â€‹$ 377â€‹$ 1,081â€‹$ 368â€‹$ â€”â€‹$ 10,049Nonperformingâ€‹â€‹ â€”â€‹â€‹ 14â€‹â€‹ â€”â€‹â€‹ â€”â€‹â€‹ â€”â€‹â€‹ â€”â€‹â€‹ â€”â€‹â€‹ â€”â€‹â€‹ 14Totalâ€‹$ 4,852â€‹$ 1,840â€‹$ 1,065â€‹$ 480â€‹$ 377â€‹$ 1,081â€‹$ 368â€‹$ â€”â€‹$ 10,063â€‹Consumerâ€‹Â â€‹â€‹ â€‹ â€‹â€‹ â€‹ â€‹â€‹ â€‹ â€‹â€‹ â€‹ â€‹â€‹ â€‹ â€‹â€‹ â€‹ â€‹â€‹ â€‹ â€‹â€‹ â€‹ â€‹Current period gross charge-offsâ€‹$ 64â€‹$ 37â€‹$ â€”â€‹$ â€”â€‹$ â€”â€‹$ â€”â€‹$ â€”â€‹$ â€”â€‹$ 101â€‹Totalâ€‹Â â€‹â€‹ â€‹ â€‹â€‹ â€‹ â€‹â€‹ â€‹ â€‹â€‹ â€‹ â€‹â€‹ â€‹ â€‹â€‹ â€‹ â€‹â€‹ â€‹ â€‹â€‹ â€‹ â€‹Payment PerformanceÂ â€‹â€‹ â€‹ â€‹â€‹ â€‹ â€‹â€‹ â€‹ â€‹â€‹ â€‹ â€‹â€‹ â€‹ â€‹â€‹ â€‹ â€‹â€‹ â€‹ â€‹â€‹ â€‹ â€‹Performingâ€‹$ 8,565â€‹$ 13,379â€‹$ 18,784â€‹$ 16,240â€‹$ 18,913â€‹$ 25,698â€‹$ 368â€‹$ â€”â€‹$ 101,947Nonperformingâ€‹â€‹ â€”â€‹â€‹ 14â€‹â€‹ â€”â€‹â€‹ â€”â€‹â€‹ â€”â€‹â€‹ 256â€‹â€‹ â€”â€‹â€‹ â€”â€‹â€‹ 270Totalâ€‹$ 8,565â€‹$ 13,393â€‹$ 18,784â€‹$ 16,240â€‹$ 18,913â€‹$ 25,954â€‹$ 368â€‹$ â€”â€‹$ 102,217Current period gross charge-offsâ€‹$64â€‹$37â€‹$ â€”â€‹$ â€”â€‹$ â€”â€‹$7â€‹$ â€”â€‹$ â€”â€‹$108â€‹â€‹20Table of ContentsUnited Bancorp,Â Inc.NotesÂ to Condensed Consolidated Financial Statements(In thousands)Based on the most recent analysis performed, the following table presents the recorded investment in non-homogeneous loans by internal risk rating system as of December 31, 2023 (in thousands):â€‹Â Â Â â€‹â€‹Â Â Â â€‹â€‹Â Â Â â€‹â€‹Â Â Â Â Â Â Â â€‹Â Â Â Â Â Â Â Â â€‹Â Â Â 31, 2023 â€‹2023 â€‹2022 â€‹2021 â€‹2020 â€‹2019 â€‹Prior â€‹CostÂ Basis â€‹toÂ Term â€‹TotalCommercial and industrialÂ â€‹Â Â Â â€‹Â Â Â â€‹Â Â Â â€‹Â Â Â â€‹Â Â Â â€‹Â Â Â â€‹Â Â Â â€‹Â Â Â â€‹Â Â Risk RatingÂ â€‹Â Â Â â€‹Â Â Â â€‹Â Â Â â€‹Â Â Â â€‹Â Â Â â€‹Â Â Â â€‹Â Â Â â€‹Â Â Â â€‹Â Â Passâ€‹$ 21,847â€‹$ 14,723â€‹$ 13,067â€‹$ 14,042â€‹$ 6,017â€‹$ 5,292â€‹$ 15,019â€‹$ â€”â€‹$ 90,007Special Mentionâ€‹Â 26â€‹Â â€”â€‹Â â€”â€‹Â 128â€‹Â 1,133â€‹Â 1,287Substandardâ€‹Â â€”â€‹Â â€”â€‹Â â€”â€‹Â â€”â€‹Â â€”â€‹Â â€”â€‹Â â€”â€‹Â â€”Doubtfulâ€‹Â â€”â€‹Â â€”â€‹Â â€”â€‹Â â€”â€‹Â â€”â€‹Â â€”â€‹Â â€”â€‹Â â€”Totalâ€‹$ 21,847â€‹$ 14,749â€‹$ 13,067â€‹$ 14,042â€‹$ 6,017â€‹$ 5,420â€‹$ 16,152â€‹$ â€”â€‹$ 91,294â€‹Commercial and industrialâ€‹Â Â Â â€‹Â Â Â â€‹Â Â Â â€‹Â Â Â â€‹Â Â Â â€‹Â Â Â â€‹Â Â Â â€‹Â Â Â â€‹Â Â Â Current period gross charge-offsâ€‹$ â€”â€‹$ â€”â€‹$ â€”â€‹$ â€”â€‹$ â€”â€‹$ â€”â€‹$ â€”â€‹$ â€”â€‹$ â€”â€‹Commercial real estateâ€‹Â Â Â â€‹Â Â Â â€‹Â Â Â â€‹Â Â Â â€‹Â Â Â â€‹Â Â Â â€‹Â Â Â â€‹Â Â Â â€‹Â Â Â Risk Ratingâ€‹Â Â Â â€‹Â Â Â â€‹Â Â Â â€‹Â Â Â â€‹Â Â Â â€‹Â Â Â â€‹Â Â Â â€‹Â Â Â â€‹Â Â Â Passâ€‹$ 29,246â€‹$ 35,721â€‹$ 48,569â€‹$ 34,671â€‹$ 26,562â€‹$ 57,441â€‹$ 55,141â€‹$ â€”â€‹$ 287,351Special Mentionâ€‹Â â€”â€‹Â â€”â€‹Â 242â€‹Â 2,050â€‹Â â€”â€‹Â 2,121â€‹Â â€”â€‹Â â€”â€‹Â 4,413Substandardâ€‹Â â€”â€‹Â â€”â€‹Â â€”â€‹Â â€”â€‹Â â€”â€‹Â 95â€‹Â â€”â€‹Â â€”â€‹Â 95Doubtfulâ€‹Â â€”â€‹Â â€”â€‹Â â€”â€‹Â â€”â€‹Â â€”â€‹Â â€”â€‹Â â€”â€‹Â â€”â€‹Â â€”Totalâ€‹$ 29,246â€‹$ 35,721â€‹$ 48,811â€‹$ 36,721â€‹$ 26,562â€‹$ 59,657â€‹$ 55,141â€‹$ â€”â€‹$ 291,859â€‹Commercial real estateâ€‹Â Â Â â€‹Â Â Â â€‹Â Â Â â€‹Â Â Â â€‹Â Â Â â€‹Â Â Â â€‹Â Â Â â€‹Â Â Â â€‹Â Â Â Current period gross charge-offsâ€‹$ â€”â€‹$ â€”â€‹$ â€”â€‹$ â€”â€‹$ â€”â€‹$ â€”â€‹$ â€”â€‹$ â€”â€‹$ â€”â€‹Totalâ€‹Â Â Â â€‹Â Â Â â€‹Â Â Â â€‹Â Â Â â€‹Â Â Â â€‹Â Â Â â€‹Â Â Â â€‹Â Â Â â€‹Â Â Â Passâ€‹$ 51,093â€‹$ 50,444â€‹$ 61,636â€‹$ 48,713â€‹$ 32,579â€‹$ 62,733â€‹$ 70,160â€‹$ â€”â€‹$ 377,358Special Mentionâ€‹Â â€”â€‹Â 26â€‹Â 242â€‹Â 2,050â€‹Â â€”â€‹Â 2,249â€‹Â 1,133â€‹Â â€”â€‹Â 5,700Substandardâ€‹Â â€”â€‹Â â€”â€‹Â â€”â€‹Â â€”â€‹Â â€”â€‹Â 95â€‹Â â€”â€‹Â â€”â€‹Â 95Doubtfulâ€‹Â â€”â€‹Â â€”â€‹Â â€”â€‹Â â€”â€‹Â â€”â€‹Â â€”â€‹Â â€”â€‹Â â€”â€‹Â â€”Totalâ€‹$ 51,093â€‹$ 50,470â€‹$ 61,878â€‹$ 50,763â€‹$ 32,579â€‹$ 65,077â€‹$ 71,293â€‹$ â€”â€‹$ 383,153Current period gross charge-offsâ€‹$ â€”â€‹$ â€”â€‹$ â€”â€‹$ â€”â€‹$ â€”â€‹$ â€”â€‹$ â€”â€‹$ â€”â€‹$ â€”â€‹â€‹21Table of ContentsUnited Bancorp,Â Inc.NotesÂ to Condensed Consolidated Financial Statements(In thousands)The Company monitors the credit risk profile by payment activity for residential and consumer loan classes. Loans past due 90 days or more and loans on nonaccrual status are considered nonperforming. Nonperforming loans are reviewed quarterly. The following table presents the amortized cost in residential and consumer loans based on payment activity:â€‹Â Â Â â€‹â€‹Â Â Â â€‹â€‹Â Â Â Â Â Â Â â€‹Â Â Â Â Â Â Â Â â€‹Â Â Â Â Â Â Â Â â€‹Â 31, 2023â€‹2023â€‹2022â€‹2021â€‹2020â€‹2019â€‹Priorâ€‹CostÂ Basisâ€‹toÂ Termâ€‹TotalResidential Real Estateâ€‹Payment Performanceâ€‹Performingâ€‹$ 12,036â€‹$ 18,297â€‹$ 16,343â€‹$ 19,476â€‹$ 5,687â€‹$ 21,046â€‹$â€”â€‹$â€”â€‹$ 92,885Nonperformingâ€‹Â â€”â€‹Â â€”â€‹Â â€”â€‹Â 38â€‹Â â€”â€‹Â 441â€‹Â â€”â€‹Â â€”â€‹Â 479Totalâ€‹$ 12,036â€‹$ 18,297â€‹$ 16,343â€‹$ 19,514â€‹$ 5,687â€‹$ 21,487â€‹$ â€”â€‹$ â€”â€‹$ 93,364â€‹Residential real estateâ€‹Â Â Â â€‹Â Â Â â€‹Â Â Â â€‹Â Â Â â€‹Â Â Â â€‹Â Â Â â€‹Â Â Â â€‹Â Â Â â€‹Â Â Â Current period gross charge-offsâ€‹$ â€”â€‹$ â€”â€‹$ â€”â€‹$ â€”â€‹$ â€”â€‹$ â€”â€‹$ â€”â€‹$ â€”â€‹$ â€”â€‹Consumerâ€‹Â Â Â â€‹Â Â Â â€‹Â Â Â â€‹Â Â Â â€‹Â Â Â â€‹Â Â Â â€‹Â Â Â â€‹Â Â Â â€‹Â Â Â Payment Performanceâ€‹Â Â Â â€‹Â Â Â â€‹Â Â Â â€‹Â Â Â â€‹Â Â Â â€‹Â Â Â â€‹Â Â Â â€‹Â Â Â â€‹Â Â Â Performingâ€‹$ 2,484â€‹$ 1,396â€‹$ 674â€‹$ 456â€‹$ 385â€‹$ 953â€‹$ 371â€‹$ â€”â€‹$ 6,719Nonperformingâ€‹Â â€”â€‹Â â€”â€‹Â â€”â€‹Â â€”â€‹Â â€”â€‹Â â€”â€‹Â â€”â€‹Â â€”â€‹Â â€”Totalâ€‹$ 2,484â€‹$ 1,396â€‹$ 674â€‹$ 456â€‹$ 385â€‹$ 953â€‹$ 371â€‹$ â€”â€‹$ 6,719â€‹Consumerâ€‹Â Â Â â€‹Â Â Â â€‹Â Â Â â€‹Â Â Â â€‹Â Â Â â€‹Â Â Â â€‹Â Â Â â€‹Â Â Â â€‹Â Â Â Current period gross charge-offsâ€‹$ 138â€‹$â€”â€‹$ â€”â€‹$ â€”â€‹$ â€”â€‹$ â€”â€‹$ â€”â€‹$ â€”â€‹$ 138â€‹Totalâ€‹Â Â Â â€‹Â Â Â â€‹Â Â Â â€‹Â Â Â â€‹Â Â Â â€‹Â Â Â â€‹Â Â Â â€‹Â Â Â â€‹Â Â Â Payment Performanceâ€‹Â Â Â â€‹Â Â Â â€‹Â Â Â â€‹Â Â Â â€‹Â Â Â â€‹Â Â Â â€‹Â Â Â â€‹Â Â Â â€‹Â Â Â Performingâ€‹$ 14,520â€‹$ 19,693â€‹$ 17,017â€‹$ 19,932â€‹$ 6,072â€‹$ 21,999â€‹$ 371â€‹$ â€”â€‹$ 99,604Nonperformingâ€‹Â â€”â€‹Â â€”â€‹Â â€”â€‹Â 38â€‹Â â€”-â€‹Â 441â€‹Â â€”â€‹Â â€”â€‹Â 479Totalâ€‹$ 14,520â€‹$ 19,693â€‹$ 17,017â€‹$ 19,970â€‹$ 6,072â€‹$ 22,440â€‹$ 371â€‹$ â€”â€‹$ 100,083Current period gross charge-offsâ€‹$ 138â€‹$ â€”â€‹$ â€”â€‹$ â€”â€‹$ â€”â€‹$ â€”â€‹$ â€”â€‹$ â€”â€‹$ 138â€‹To facilitate the monitoring of credit quality within the loan portfolio, and for purposes of analyzing historical loss rates used in the determination of the allowance for credit losses, the Company utilizes the following categories of credit grades: pass, special mention, substandard, and doubtful. The four categories, which are derived from standard regulatory rating definitions, are assigned upon initial approval of credit to borrowers and updated periodically thereafter. Pass ratings, which are assigned to those borrowers that do not have identified potential or well defined weaknesses and for which there is a high likelihood of orderly repayment, are updated periodically based on the size and credit characteristics of the borrower. All other categories are updated on at least a quarterly basis.The Company assigns a special mention rating to loans that have potential weaknesses that deserve managementâ€™s close attention. If left uncorrected, these potential weaknesses may, at some future date, result in the deterioration of the repayment prospects for the loan or the Companyâ€™s credit position.The Company assigns a substandard rating to loans that are inadequately protected by the current sound worth and paying capacity of the borrower or of the collateral pledged. Substandard loans have well defined weaknesses or weaknesses that could jeopardize the orderly repayment of the debt. Loans and leases in this grade also are characterized by the distinct possibility that the Company will sustain some loss if the deficiencies noted are not addressed and corrected.The Company assigns a doubtful rating to loans that have all the attributes of a substandard rating with the added characteristic that the weaknesses make collection or liquidation in full, on the basis of currently existing facts, conditions, and values, highly questionable and improbable. The possibility of loss is extremely high, but because of certain important and reasonable specific pending factors that may work to the advantage of and strengthen the credit quality of the loan or lease, its classification as an estimated loss is deferred until its more exact status may be determined. Pending factors may include a proposed merger or acquisition, liquidation proceeding, capital injection, perfecting liens on additional collateral or refinancing plans.22Table of ContentsUnited Bancorp,Â Inc.NotesÂ to Condensed Consolidated Financial Statements(In thousands)The Company evaluates the loan risk grading system definitions and allowance for credit losses methodology on an ongoing basis. No significant changes were made to either during the past year to date period.Loan Portfolio Aging AnalysisAs of June 30, 2024â€‹30-59Â Daysâ€‹60â€‘89Â Daysâ€‹Greaterâ€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹PastÂ Dueâ€‹PastÂ Dueâ€‹Than 90 DaysÂ â€‹â€‹â€‹â€‹TotalÂ Pastâ€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹andâ€‹andâ€‹andâ€‹â€‹â€‹DueÂ andâ€‹â€‹â€‹â€‹TotalÂ Loansâ€‹Â Â Â Â AccruingÂ Â Â Â AccruingÂ Â Â Â AccruingÂ Â Â Â Non AccrualÂ Â Â Â Â Non AccrualÂ Â Â Â CurrentÂ Â Â Â Receivableâ€‹â€‹(InÂ thousands)Commercial â€‹$ 45â€‹$ â€”â€‹$ 167â€‹$ 66â€‹$ 278â€‹$ 94,384â€‹$ 94,662Commercial real estateâ€‹Â â€”â€‹ â€‹ â€”â€‹ â€‹ 242â€‹ â€‹ 7â€‹ â€‹ 249â€‹ â€‹ 287,386â€‹ â€‹ 287,635Residentialâ€‹Â 306â€‹ â€‹ 25â€‹ â€‹ â€”â€‹ â€‹ 275â€‹ â€‹ 606â€‹ â€‹ 91,548â€‹ â€‹ 92,154Consumerâ€‹Â â€”â€‹ â€‹ â€”â€‹ â€‹ â€”â€‹ â€‹ 14â€‹ â€‹ 14â€‹ â€‹ 10,049â€‹ â€‹ 10,063Totalâ€‹$ 351â€‹$ 25â€‹$ 409â€‹$ 362â€‹$ 1,147â€‹$ 483,367â€‹$ 484,514â€‹Loan Portfolio Aging AnalysisAs of December 31, 2023â€‹30â€‘59Â Daysâ€‹60â€‘89Â Daysâ€‹Greaterâ€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹PastÂ Dueâ€‹PastÂ D 90 DaysÂ â€‹â€‹â€‹â€‹TotalÂ Pastâ€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹andâ€‹andâ€‹andâ€‹â€‹â€‹DueÂ andâ€‹â€‹â€‹â€‹TotalÂ Loansâ€‹Â Â Â Â AccruingÂ Â Â Â AccruingÂ Â Â Â AccruingÂ Â Â Â Non AccrualÂ Â Â Â NonÂ AccrualÂ Â Â Â CurrentÂ Â Â Â Receivableâ€‹â€‹(InÂ thousands)Commercial â€‹$ 10â€‹$ 48â€‹$ 154â€‹$ â€”â€‹$ 212â€‹$ 91,082â€‹$ 91,294Commercial real estateâ€‹Â â€”â€‹ â€‹ 242â€‹ â€‹ â€”â€‹ â€‹ 8â€‹ â€‹ 250â€‹ â€‹ 291,609â€‹ â€‹ 291,859Residentialâ€‹Â 201â€‹ â€‹ â€”â€‹ â€‹ â€”â€‹ â€‹ 479â€‹ â€‹ 680â€‹ â€‹ 92,684â€‹ â€‹ 93,364Installmentâ€‹Â 5â€‹ â€‹ â€”â€‹ â€‹ â€”â€‹ â€‹ â€”â€‹ â€‹ 5â€‹ â€‹ 6,714â€‹ â€‹ 6,719Totalâ€‹$ 216â€‹$ 290â€‹$ 154â€‹$ 487â€‹$ 1,147â€‹$ 482,089â€‹$ 483,236â€‹Nonperforming LoansThe following table present the amortized cost basis of loans on nonaccrual status and loans past due over 90 days still accruing interest as of June 30, 2024:â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹Â Â Â Â â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹Loans Pastâ€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹Due Over 90 Daysâ€‹Totalâ€‹â€‹Nonaccrual with no ACLÂ Â Â Â Nonaccrual with ACLÂ Â Â Â Total NonaccrualÂ Â Â Â Still AccruingÂ Â Â Â Nonperformingâ€‹Â (In thousands)Commercial â€‹$ 66â€‹$ â€”â€‹$ 66â€‹$ 167â€‹$ 233Commercial real estateâ€‹Â 7â€‹ â€‹ â€”â€‹ â€‹ 7â€‹ â€‹ 242â€‹ â€‹ 249Residentialâ€‹Â 275â€‹ â€‹ â€”â€‹ â€‹ 275â€‹ â€‹ â€”â€‹ â€‹ 275Consumerâ€‹Â 14â€‹ â€‹

â€”â€‹ â€‹ 14â€‹ â€‹ â€”â€‹ â€‹ 14Totalâ€‹$ 362â€‹$ â€”â€‹$ 362â€‹$ 409â€‹$ 771â€‹23Table of ContentsUnited Bancorp,Â Inc.NotesÂ to Condensed Consolidated Financial Statements(In thousands)The Company did recognized approximately $13,000 and $ 20,000 interest income on nonaccrual loans during the the period ended June 30, 2024 and 2023, respectively.â€‹The following table present the amortized cost basis of loans on nonaccrual status and loans past due over 90 days still accruing interest as of December 31, 2023:â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹Â Â Â Â â€‹â€‹Â Â Â Â Â Â Â Â â€‹â€‹Â Â Â Â LoansÂ PastÂ Â Â Â â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹DueÂ OverÂ and Industrialâ€‹$ â€”â€‹$ â€”â€‹$ â€”â€‹$ 154â€‹$ 154Commercial real estateâ€‹Â 8â€‹Â â€”â€‹Â 8â€‹Â â€”â€‹Â 8Residentialâ€‹Â 479â€‹Â â€”â€‹Â 479â€‹Â â€”â€‹Â 479Consumerâ€‹Â â€”â€‹Â â€”â€‹Â â€”â€‹Â â€”â€‹Â â€”Totalâ€‹$ 487â€‹$ â€”â€‹$ 487â€‹$ 154â€‹$ 641â€‹The Company did recognized approximately $13,000 interest income on nonaccrual loans during the the period ended December 31, 2023.â€‹Occasionally, the Bank modifies loans to borrowers in financial distress by providing term extension, other-than-significant payment delay or interest rate reduction. In some cases, the Bank provides multiple types of concessions on one loan. Typically, one type of concession, such as an interest rate reduction, is granted initially. If the borrower continues to experience financial difficulty, another concession, such as term extension, may be granted.â€‹For the three and six months ended June 30, 2024 and 2023, the Bank did not grant any loan modifications to borrowers experiencing financial difficulty.â€‹As of June 30, 2024 and December 31, 2023, the Bank has not initiated formal proceedings on any loans that have not been transferred into foreclosed assets.â€‹NoteÂ 4:Â Â Â Â Â Â Â Â Â Benefit PlansPension expense includes the following:â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹Three months ended â€‹Six months ended â€‹â€‹JuneÂ 30,Â â€‹JuneÂ 30,Â â€‹Â Â Â 2024Â Â Â 2023Â Â Â 2024Â Â Â 2023â€‹â€‹(In thousands)Service costâ€‹$ 81â€‹$ 76â€‹$ 162â€‹$ 152Interest costâ€‹Â 81â€‹Â 78â€‹Â 162â€‹ â€‹ 156Expected return on assetsâ€‹Â (156)â€‹Â (133)â€‹Â (312)â€‹ â€‹ (266)Amortization (accretion) of prior service cost and net lossâ€‹Â (22)â€‹Â (10)â€‹Â (44)â€‹ â€‹ (20)â€‹â€‹Â â€‹â€‹Â â€‹â€‹Â â€‹â€‹ â€‹â€‹Pension (contra expense) expenseâ€‹$ (16)â€‹$ 11â€‹$ (32)â€‹$ 22â€‹All components of pension expense are reflected within the salaries and employee benefits line of the consolidated income statement.â€‹24Table of ContentsUnited Bancorp,Â Inc.NotesÂ to Condensed Consolidated Financial Statements(In thousands)NoteÂ 5:Â Â Â Â Â Â Â Â Â Off-balance-sheet ActivitiesSome financial instruments, such as loan commitments, credit lines, letters of credit and overdraft protection, are issued to meet customer financing needs. These are agreements to provide credit or to support the credit of others, as long as conditions established in the contracts are met, and usually have expiration dates. Commitments may expire without being used. Off-balance-sheet risk to credit loss exists up to the face amount of these instruments, although material losses are not anticipated. The same credit policies are used to make such commitments as are used for loans, including obtaining collateral at exercise of the commitment.A summary of the notional or contractual amounts of financial instruments with off-balance-sheet risk at the indicated dates is as follows:â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹Â Â Â Â JuneÂ 30,Â Â Â Â Â DecemberÂ 31,Â â€‹â€‹2024â€‹2023â€‹â€‹(In thousands)Commercial loans unused lines of creditâ€‹$ 71,044â€‹$ 93,773Commitment to originate loansâ€‹Â 69,766â€‹Â 91,710Consumer open end lines of creditâ€‹Â 35,939â€‹Â 37,024Standby lines of creditâ€‹Â 136â€‹Â 136â€‹Allowance for Credit Losses on Off-Balance Sheet CommitmentsThe following table present the activity in the allowance for credit losses related to off-balance sheet commitments, that is included in interest payable and other liabilities on the consolidated statement of financial condition for the three and six months ended June 30, 2024 and 2023.â€‹â€‹â€‹â€‹â€‹â€‹Â Â Â Â JuneÂ 30,â€‹â€‹2024â€‹Â Â Â Â â€‹â€‹Balance â€“ December 31, 2023â€‹$ 224Provision for (reversal of) credit lossesâ€‹Â â€”Balance â€“ March 31, 2024â€‹$ 224Provision for (reversal of) credit lossesâ€‹Â (130)Balance â€“ June 30, 2024â€‹$ 94â€‹â€‹â€‹â€‹â€‹â€‹June 30,â€‹â€‹2023â€‹Â Â Â Â â€‹â€‹Balance â€“ December 31, 2022â€‹$ â€”Impact of adopting ASC 326â€‹Â 224Provision for (reversal of) credit lossesâ€‹Â â€”Balance â€“ March 31, 2023â€‹$ 224Provision for (reversal of) credit lossesâ€‹Â â€”Balance â€“ June 30, 2023â€‹$ 224â€‹â€‹25Table of ContentsUnited Bancorp,Â Inc.NotesÂ to Condensed Consolidated Financial Statements(In thousands)NoteÂ 6:Â Â Â Â Â Â Â Â Â Accumulated Other Comprehensive Income (Loss)The components of accumulated other comprehensive income (loss), included in stockholdersâ€™ equity, are as follows:â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹Â Â Â Â JuneÂ 30,Â Â Â Â Â DecemberÂ 31,Â â€‹â€‹2024â€‹2023â€‹â€‹(In thousands)Net unrealized loss on securities available-for-saleâ€‹$ (13,658)â€‹$ (8,922)Net unrealized loss for unfunded status of defined benefit plan liabilityâ€‹Â (543)â€‹ â€‹ (543)â€‹â€‹ (14,201)â€‹â€‹ (9,465)Less: Tax effectâ€‹Â 2,982â€‹ â€‹ 1,987Net-of-tax amountâ€‹$ (11,219)â€‹$ (7,478)â€‹â€‹NoteÂ 7:Â Â Â Â Â Â Â Â Â Fair Value MeasurementsThe Company defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Company also utilizes a fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value:Level 1Quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement dateLevel 2Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilitiesLevel 3Unobservable inputs that are supported by little or no market activity and th$at are significant to the fair value of the assets or liabilitiesFollowing is a description of the valuation methodologies used for assets measured at fair value on a recurring basis and recognized in the accompanying consolidated balance sheets, as well as the general classification of such instruments pursuant to the valuation hierarchy.Available-for-sale SecuritiesWhere quoted market prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. The Companyâ€™s equity securities are classified within Level 1 of the hierarchy. If quoted market prices are not available, then fair values are estimated by using quoted prices of securities with similar characteristics or independent asset pricing services and pricing models, the inputs of which are market-based or independently sourced market parameters, including, but not limited to, yield curves, interest rates, volatilities, prepayments, defaults, cumulative loss projections and cash flows. Such securities are classified in Level 2 of the valuation hierarchy.26Table of ContentsUnited Bancorp,Â Inc.NotesÂ to Condensed Consolidated Financial Statements(In thousands)The following table presents the fair value measurements of assets recognized in the accompanying consolidated balance sheets measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at June 30, 2024 and December 31, 2023:â€‹Fair Value Measurements Usingâ€‹Â Â Â Â â€‹â€‹Â Â Â Â Quoted PricesÂ Â Â Â â€‹â€‹Â Â Â Â â€‹â€‹â€‹â€‹â€‹â€‹â€‹in Activeâ€‹Significantâ€‹â€‹â€‹â€‹â€‹â€‹Markets forâ€‹Otherâ€‹Significantâ€‹â€‹â€‹â€‹â€‹Identicalâ€‹Observableâ€‹Unobservableâ€‹â€‹â€‹â€‹â€‹Assetsâ€‹Inputsâ€‹Inputsâ€‹â€‹Fair Valueâ€‹(Level 1)â€‹(Level 2)â€‹(Level 3)â€‹â€‹(In thousands)JuneÂ 30,Â 2024â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹U.S. government agenciesâ€‹$ 22,085â€‹$ â€”â€‹$ 22,085â€‹$ â€”Subordinated Notesâ€‹â€‹ 25,430â€‹â€‹ â€”â€‹â€‹ 25,430â€‹â€‹ â€”State and municipal obligationsâ€‹â€‹ 192,609â€‹â€‹ â€”â€‹â€‹ 192,609â€‹â€‹ â€”â€‹DecemberÂ 31,Â 2023â€‹Â â€‹â€‹ â€‹â€‹â€‹ â€‹ â€‹â€‹Â Â U.S. government agenciesâ€‹$ 44,268â€‹$ â€”â€‹$ 44,268â€‹$ â€”Subordinated Notesâ€‹â€‹ 24,300â€‹â€‹ â€”â€‹â€‹ 24,300â€‹â€‹ â€”State and municipal obligationsâ€‹â€‹ 174,192â€‹â€‹ â€”â€‹â€‹ 174,192â€‹â€‹ â€”â€‹Following is a description of the valuation methodologies used for assets measured at fair value on a nonrecurring basis and recognized in the accompanying consolidated balance sheets, as well as the general classification of such assets pursuant to the valuation hierarchy. For assets classified within Level 3 of the fair value hierarchy, the process used to develop the reported fair value is described below.Collateral DependentCollateral dependent loans consisted primarily of loans secured by nonresidential real estate. Management has determined fair value measurements on collateral dependent loans primarily through evaluations of appraisals performed. Due to the nature of the valuation inputs, impaired loans are classified within Level 3 of the hierarchy.The Company considers the appraisal or evaluation as the starting point for determining fair value and then considers other factors and events in the environment that may affect the fair value. Appraisals of the collateral underlying collateral-dependent loans are obtained when the loan is determined to be collateral-dependent and subsequently as deemed necessary by the Companyâ€™s Chief Lender. Appraisals are reviewed for accuracy and consistency by the Companyâ€™s Chief Lender. Appraisers are selected from the list of approved appraisers maintained by management. The appraised values are reduced by discounts to consider lack of marketability and estimated cost to sell if repayment or satisfaction of the loan is dependent on the sale of the collateral. These discounts and estimates are developed by the Companyâ€™s Chief Lender by comparison to historical results.Foreclosed Assets Held for SaleAssets acquired through, or in lieu of, loan foreclosure are held for sale and are initially recorded at fair value (based on current appraised value) at the date of foreclosure, establishing a new cost basis. Subsequent to foreclosure, valuations are periodically performed by management and the assets are carried at the lower of carrying amount or fair value less cost to sell. Management has determined fair value measurements on other real estate owned primarily through evaluations of appraisals performed, and current and past offers for the other real estate under evaluation. Due to the nature of the valuation inputs, foreclosed assets held for sale are classified within Level 3 of the hierarchy.Appraisals of OREO are obtained when the real estate is acquired and subsequently as deemed necessary by the Companyâ€™s Chief lender. Appraisals are reviewed for accuracy and consistency by the Companyâ€™s Chief Lender and are selected from the list of approved appraisers maintained by management.27Table of ContentsUnited Bancorp,Â Inc.NotesÂ to Condensed Consolidated Financial Statements(In thousands)The following table presents the fair value measurements of assets recognized in the accompanying consolidated balance sheets measured at fair value on a nonrecurring basis and the level within the fair value hierarchy in which the fair value measurements fall at June 30, 2024 and December 31, 2023.â€‹Fair Value Measurements Using â€‹Â Â Â Â â€‹â€‹Â Â Â Â QuotedÂ PricesÂ Â Â Â â€‹â€‹Â Â Â Â â€‹â€‹â€‹â€‹â€‹â€‹â€‹inÂ Activeâ€‹Significantâ€‹â€‹â€‹â€‹â€‹â€‹â€‹MarketsÂ forâ€‹OtherÂ â€‹Significantâ€‹â€‹â€‹â€‹â€‹Iden thousands)JuneÂ 30,Â 2024Â â€‹Â Â Â Â â€‹Â Â Â Â â€‹Â Â Â Â â€‹Â Â Collateral dependent loansâ€‹$ 310â€‹$ â€”â€‹$ â€”â€‹$ â€”Foreclosed assets held for saleâ€‹Â 120â€‹Â â€”â€‹Â â€”â€‹Â 120â€‹Â Â Â Â â€‹Â Â Â Â â€‹Â Â Â Â DecemberÂ 31,Â 2023â€‹Â Â Â Â â€‹Â Â Â Â â€‹Â Â Â Â â€‹Â Â Â Â Collateral dependent loansâ€‹$ â€”â€‹$ â€”â€‹$ â€”â€‹$ â€”Foreclosed assets held for saleâ€‹Â 3,273â€‹Â â€”â€‹Â â€”â€‹Â 3,273â€‹Unobservable (Level 3) InputsThe following table presents quantitative information about unobservable inputs used in recurring and nonrecurring Level 3 fair value measurements.â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹Â Â Â Â FairÂ ValueÂ atÂ Â Â Â ValuationÂ Â Â Â UnobservableÂ Â Â Â â€‹Â â€‹Â Â Â Â 6/30/24Â Â Â Â TechniqueÂ Â Â Â InputsÂ Â Â Â F dependent loansâ€‹$ 310Â Market comparable propertiesÂ Comparability adjustmentsÂ 5% â€“ 10%Foreclosed assets held for saleâ€‹Â 120Â Market comparable propertiesÂ Marketability discountÂ 10% â€“ 35%â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹Â Â Â Â FairÂ ValueÂ atÂ Â Â Â ValuationÂ Â Â Â UnobservableÂ Â Â Â â€‹â€‹â€‹12/31/23â€‹Techniqueâ€‹Inputsâ€‹Rangeâ€‹â€‹(In thousands)Collateral-dependent loansâ€‹$ â€”Â Market comparable propertiesÂ Comparability adjustmentsÂ 5%Â â€“ 10%Foreclosed assets held for saleâ€‹â€‹ 3,273Â Market comparable propertiesÂ Marketability discountÂ 10%Â â€“ 35%â€‹There were no significant changes in the valuation techniques used during 2024.28Table of ContentsUnited Bancorp,Â Inc.NotesÂ to Condensed Consolidated Financial Statements(In thousands)The following table presents estimated fair values of the Companyâ€™s financial instruments. The fair values of certain of these instruments were calculated by discounting expected cash flows, which involves significant judgments by management and uncertainties. Because no market exists for certain of these financial instruments and because management does not intend to sell these financial instruments, the Company does not know whether the fair values shown below represent values at which the respective financial instruments could be sold individually or in the aggregate.â€‹Fair Value Measurements Using â€‹Â Â Â Â â€‹â€‹Â Â Â Â QuotedÂ PricesÂ Â Â Â â€‹â€‹Â Â Â Â â€‹â€‹â€‹â€‹â€‹â€‹â€‹inÂ Activeâ€‹Significantâ€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹MarketsÂ forâ€‹Otherâ€‹Significantâ€‹â€‹â€‹â€‹â€‹Identi thousands)JuneÂ 30,Â 2024:â€‹Financial assetsÂ â€‹Â Â Â â€‹Â Â Â â€‹Â Â Â â€‹Â Â Cash and cash equivalentsâ€‹$ 37,570â€‹$ 37,570â€‹$ â€”â€‹$ â€”Loans, net of allowanceâ€‹Â 480,525â€‹Â â€”â€‹Â â€”â€‹Â 459,062Federal Home Loan Bank stockâ€‹Â 4,026â€‹Â â€”â€‹Â 4,026â€‹Â â€”Accrued interest receivableâ€‹Â 4,085â€‹Â â€”â€‹Â 4,085â€‹Â â€”â€‹â€‹Â â€‹â€‹Â â€‹â€‹Â â€‹â€‹Â â€‹Financial liabilitiesâ€‹Â â€‹â€‹Â â€‹â€‹Â â€‹â€‹Â â€‹Depositsâ€‹â€‹ 623,189â€‹â€‹ â€”â€‹â€‹ 625,014â€‹â€‹ â€”Securities sold under agreements to repurchase â€‹â€‹ 30,436â€‹â€‹ â€”â€‹â€‹ 30,436â€‹â€‹ â€”Subordinated debenturesâ€‹â€‹ 23,817â€‹â€‹ â€”â€‹â€‹ 22,277â€‹â€‹ â€”Advance Federal Home Loan Bankâ€‹â€‹ 75,000â€‹â€‹ â€”â€‹â€‹ 74,024â€‹â€‹ â€”Interest payableâ€‹Â 575â€‹Â â€”â€‹Â 575â€‹Â â€”â€‹Fair Value Measurements Using â€‹Â Â Â Â â€‹â€‹Â Â Â Â QuotedÂ PricesÂ Â Â Â â€‹â€‹Â Â Â Â â€‹â€‹â€‹â€‹â€‹â€‹inÂ Activeâ€‹Significantâ€‹â€‹â€‹â€‹â€‹â€‹â€‹MarketsÂ forâ€‹Otherâ€‹Significantâ€‹â€‹â€‹â€‹â€‹Identicalâ€‹Obs thousands)DecemberÂ 31,Â 2023:Â â€‹ â€‹Â â€‹Â Â Â â€‹Â Â Â â€‹Â Â â€‹Â â€‹ â€‹Â â€‹Â Â Â â€‹Â Â Â â€‹Â Financial assetsÂ â€‹ â€‹Â â€‹Â Â Â â€‹Â Â Â â€‹Â Cash and cash equivalentsâ€‹$ 40,770â€‹$ 40,770â€‹$ â€”â€‹$ â€”Loans, net of allowanceâ€‹Â 479,318â€‹Â â€”â€‹Â â€”â€‹Â 459,759Federal Home Loan Bank stockâ€‹Â 3,979â€‹Â â€”â€‹Â 3,979â€‹Â â€”Accrued interest receivableâ€‹Â 4,098â€‹Â â€”â€‹Â 4,098â€‹Â â€”â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹Financial liabilitiesâ€‹Â â€‹â€‹Â â€‹â€‹Â â€‹â€‹Â â€‹Depositsâ€‹â€‹ 621,459â€‹â€‹ â€”â€‹â€‹ 623,813â€‹â€‹ â€”Short term borrowingsâ€‹Â 26,781â€‹Â â€”â€‹Â 26,781â€‹Â â€”Subordinated debenturesâ€‹Â 23,787â€‹Â â€”â€‹Â 22,146â€‹Â â€”Advance Federal Home Loan Bankâ€‹â€‹ 75,000â€‹â€‹ â€”â€‹â€‹ 74,911â€‹â€‹ â€”Interest payableâ€‹Â 579â€‹Â â€”â€‹Â 579â€‹Â â€”â€‹29Table of ContentsUnited Bancorp,Â Inc.NotesÂ to Condensed Consolidated Financial Statements(In thousands)The following methods and assumptions were used to estimate the fair value of each class of financial instruments.Cash and Cash Equivalents, Accrued Interest Receivable and Federal Home Loan Bank StockThe carrying amounts approximate fair value.LoansFair values of loans and leases are estimated on an exit price basis incorporating discounts for credit, liquidity and marketability factors.DepositsDeposits include demand deposits, savings accounts, NOW accounts and certain money market deposits. The carrying amount approximates fair value. The fair value of fixed-maturity time deposits is estimated using a discounted cash flow calculation that applies the rates currently offered for deposits of similar remaining maturities.Interest PayableThe carrying amount approximates fair value.Securities sold under agreements to repurchase, Federal Home Loan Bank Advances and Subordinated DebenturesRates currently available to the Company for debt with similar terms and remaining maturities are used to estimate the fair value of existing debt.Commitments to Originate Loans, Letters of Credit and Lines of CreditThe fair value of commitments to originate loans is estimated using the fees currently charged to enter into similar agreements, taking into account the remaining terms of the agreements and the present creditworthiness of the counterparties. For fixed-rate loan commitments, fair value also considers the difference between current levels of interest rates and the committed rates. The fair values of letters of credit and lines of credit are based on fees currently charged for similar agreements or on the estimated cost to terminate or otherwise settle the obligations with the counterparties at the reporting date. Fair values of commitments were not material at June 30, 2024 and December 31, 2023.â€‹30Table of ContentsUnited Bancorp,Â Inc.NotesÂ to Condensed Consolidated Financial Statements(In thousands)NoteÂ 8:Â Â Â Â Â Â Â Â Â Repurchase AgreementsSecurities sold under agreements to repurchase (â€œrepurchase agreementsâ€) with customers represent funds deposited by customers, generally on an overnight basis that are collateralized by investment securities owned by the Company.The following table presents the Companyâ€™s repurchase agreements accounted for as secured borrowings:Remaining Contractual Maturity of the Agreement(In thousands)â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹Â Â Â Â OvernightÂ andÂ Â Â Â â€‹Â Â Â Â â€‹Â Â Â Â Greater thanÂ Â Â Â â€‹â€‹JuneÂ 30,Â 2024â€‹Continuousâ€‹UpÂ to 30Â Daysâ€‹30â€'90Â Daysâ€‹90Â Daysâ€‹TotalRepurchase AgreementsÂ â€‹Â Â Â Â â€‹Â Â Â Â â€‹Â Â Â Â â€‹Â Â Â Â â€‹Â Â Â Â State and municipal obligationsâ€‹$ 30,436â€‹$ â€”â€‹$ â€”â€‹$ â€”â€‹$ 30,436Totalâ€‹$ 30,436â€‹$ â€”â€‹$ â€”â€‹$ â€”â€‹$ 30,436â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹Â Â Â Â OvernightÂ andÂ Â Â Â â€‹â€‹Â Â Â Â Â Â Â Â GreaterÂ thanÂ Â Â Â â€‹â€‹DecemberÂ 31,Â 2023â€‹Continuousâ€‹ 30Â Daysâ€‹30â€'90Â Daysâ€‹90Â Daysâ€‹TotalRepurchase AgreementsÂ â€‹Â Â Â Â â€‹Â Â Â Â â€‹Â Â Â Â â€‹Â Â Â Â â€‹Â Â State and municipal obligationsâ€‹$ 26,781 â€‹$ â€”â€‹$ â€”â€‹$ â€”â€‹$ 26,781Totalâ€‹$ 26,781 â€‹$ â€”â€‹$ â€”â€‹$ â€”â€‹$ 26,781â€‹These borrowings were collateralized with state and municipal obligations with a carrying value of $46.0 million at June 30, 2024 and $41.1 million at December 31, 2023. Declines in the fair value would require the Company to pledge additional securities.â€‹Note 9: Â Â Â Â Â Â Â Â Â Core Deposits and Intangible AssetsThe following table shows the changes in the carrying amount of goodwill for June 30, 2024 and December 31, 2023 (in thousands):â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹Â Â Â Â JuneÂ 30,Â Â Â Â Â DecemberÂ 31,Â â€‹â€‹2024â€‹2023Balance beginning of yearâ€‹$ 682â€‹$ 682Additions from acquisitionÂ â€‹ â€”Â â€‹ â€”Balance, end of periodâ€‹$ 682â€‹$ 682â€‹Intangible assets in the consolidated balance sheets at June 30, 2024 and December 31, 2023 were as follows (in thousands):â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹Six Months Ended JuneÂ 30,Â 2024â€‹Year Ended

DecemberÂ 31,Â 2023â€‹â€‹Grossâ€‹â€‹â€‹â€‹â€‹Grossâ€‹â€‹â€‹â€‹â€‹â€‹Intangibleâ€‹Accumulatedâ€‹NetÂ Intangibleâ€‹Intangibleâ€‹Accumulatedâ€‹NetÂ Intangibleâ€‹Â Â Â Â AssetsÂ Â Â Â deposit intangiblesâ€‹$ 1,041Â 844Â 197Â 1,041â€‹ 781Â 260â€‹The estimated aggregate future amortization expense remaining as of June 30, 2024 is as follows (in thousands):â€‹â€‹â€‹â€‹â€‹2024Â Â Â Â $ 892025â€‹Â 108â€‹At each reporting date between annual goodwill impairment tests, the Company considers potential indicators of impairment. At the conclusion of the assessment, the Company determined that as of June 30, 2024 it was more likely than not that the fair value exceeded its carrying values. The Company will continue to monitor the overall economic conditions and any other triggering events or circumstances that may indicate an impairment of goodwill in the future.31Table of ContentsUnited Bancorp,Â Inc.NotesÂ to Condensed Consolidated Financial Statements(In thousands)Note 10: Â Â Â Â Â Â Â Â Â Â Advances from the Federal Home Loan BankAt June 30, 2024 and December 31, 2023, advances from the Federal Home Loan Bank were $75 million.At June 30, 2024, required annual payments on Federal Home Loan Bank advances were for year ending December 31, 2026 $20 million (4.39% fixed rate), December 31, 2027 $35 million (4.24% fixed rate) and December 31, 2028 $20 million (4.11% fixed rate).â€‹Note 11: Restricted Stock Planâ€‹A summary of the status of the Companyâ€™s nonvested restricted shares as of June 30, 2024, and changes during the six months ended June 30, 2024, is presented below:â€‹â€‹â€‹â€‹â€‹â€‹â€‹Â Â Â Weighted-Â Â Â Â Â â€‹â€‹Averageâ€‹â€‹â€‹â€‹â€‹Grant-Dateâ€‹â€‹â€‹â€‹ â€‹Shares â€‹Fair ValueNonvested, beginning of yearÂ 217,500â€‹$ 11.79GrantedÂ 124,290â€‹Â 11.66VestedÂ (62,500)â€‹Â 13.35ForfeitedÂ â€”â€‹Â â€”Nonvested, end of yearÂ 279,290â€‹$ 11.62â€‹Total compensation cost recognized in the income statement for share-based payment arrangements during the three and six months ended June 30, 2024 and 2023 was $137,000 and $680,000 and $68,000 and $513,000, respectively. As of June 30, 2024 and 2023, there was $1,957,000 and $803,000, respectively, of total unrecognized compensation cost related to nonvested share based compensation arrangements granted under the Plan. That cost is expected to be recognized over a weighted-average period of 6.3 years.â€‹â€‹32Table of ContentsUnited Bancorp, Inc.Managementâ€™s Discussion and Analysis of FinancialCondition and Results of OperationsThe following discusses the consolidated financial condition of the Company as of June 30, 2024, as compared to December 31, 2023, and the results of consolidated operations for the three and six months ended June 30, 2024, compared to the same period in 2023. This discussion should be read in conjunction with the interim condensed consolidated financial statements and related footnotes included herein.IntroductionUnited Bancorp, Inc. (NASDAQ: UBCP) reported diluted earnings per share of $0.30 and net income of $1,739,00 for the three months ended June 30, 2024. For the first six months of the current year, UBCP reported diluted earnings per share of $0.64 and net income of $3,732,000.We are happy to report on the solid earnings and, overall, stable performance of United Bancorp, Inc. (UBCP) for the second quarter ended June 30, 2024 and year to date. For the quarter, our Company produced net income and diluted earnings per share results of $1,739,000 and $0.30, which were respective decreases of $540,000 and $0.10 from the results achieved for the second quarter of the previous year. For the first six months of 2024, UBCP produced net income and diluted earnings per share of $3,732,000 and $0.64, which were respective decreases of $436,000 and $0.09 compared to the results achieved for the same period in 2023. As we navigated the first six months of 2024, our Company, like most companies operating in the financial services industry, are fighting the battle of both net interest margin compression and limited or decreasing growth as interest rates remained elevated and economic activity was relatively stagnant. As we started the current year, the interest rate forecast by most economists and the financial markets indicated that we could expect up to seven rate cuts throughout the year, which, overall, was projected to be favorable for our industry as it would help control funding costs. As we progressed through the first half of the current year and ended the second quarter, interest rates have been higher for longer than anticipated, with the potential of fewer rate cuts this year. This higher for longer posturing of the Federal Open Market Committee of the Federal Reserve (FOMC) is creating challenges for our industry by putting pressure on the net interest margins and bottom-line performances of many financial institutions. In addition, it has also been challenging for many financial institutions to grow their balance sheets and optimally leverage their capital as economic activity in the current year has been fairly stagnant overall, as evidenced by a somewhat weak Gross Domestic Product (GDP) at present. Our Company is not immune from these challenges influenced by current monetary policy and macroeconomic trends as seen in our performance for the current quarter and year-to-date in 2024 in comparison to the same periods in the previous year, which were some of the highest performing periods in our Companyâ€™s history. Regardless of these challenges and all things considered at present, we are generally satisfied with the current performance of our Company. We firmly believe that these challenges will be short-lived and will be overcome as we execute on some of our strategic objectives and get a return on current capital investments over the course of the next twelve to twenty-four months, which should lead to higher levels of growth and improved performance in future periods.At June 30, 2024 and as previously mentioned, United Bancorp, Inc. (UBCP) did produce a lower level of earnings for the most recently ended quarter and year-to-date relative to the same periods last year. Like most other financial institutions in the current higher for longer interest rate environment in which we are operating, our Company did also experience a decline in the level of net interest income that it achieved and a decrease in its net interest margin. Even though our total interest income realized on a year-over-year basis through mid-year was higher by $2.0 million, or 11.5%, our total interest expense increased by $2.5 million, or 52.0%, during the same period. Accordingly, year-over-year, the level of net interest income that we achieved declined by ($451,000), or (3.5%), to a level of $12.3 million and our net interest margin declined by 4 basis points from 3.58% to 3.54%. Encouragingly, though, during the second quarter of 2024, our Company was able to better control the rate of increase in total interest expense and experienced a deceleration in the decline of its net interest income, which was down by a more modest ($143,000) or (2.3%). Ultimately, we are happy with this present trend, which has led to a linked-quarter improvement in our Companyâ€™s net interest margin of 8 basis points, increasing from 3.46% in the first quarter of 2024 to 3.54% in the second quarter. We are optimistic that this trend will continue into the second half of this year. Even though our Companyâ€™s total assets declined from last year by ($8.5million), or (1.0%), to a level of $821.8 million due to a runoff of retail deposit funding and cash balances, we were able to generate a higher level of total interest income due to our loans outstanding continuing to reprice in a higher interest rate environment, along with our gross loans increasing by $21.6 million, or 4.7%, to a level of $484.5 million as of June 30, 2024. In addition, our investment securities balances increased by $4.1 million, or 1.7%, year-over-year to a level of $244.2 million. But, as mentioned, this increase in total interest income was more than offset by the increase in total interest expense experienced by UBCP. Our Companyâ€™s total interest expense increased even though total deposits decreased by ($20.4) million, 33Table of ContentsUnited Bancorp, Inc.Managementâ€™s Discussion and Analysis of Financial Condition and Results of Operationsor (3.2%), as of the most recently ended quarter. The increase in our Companyâ€™s total interest expense can be attributed to both the change in the mix of our retail depository funding from lower cost demand and savings balances to higher cost term funding, along with having a previously disclosed $75.0 million Federal Home Loan Bank (FHLB) Advance--- which we originated in mid-March 2023--- for the entirety of this year. Relating to the change in the mix of our retail funding, lower cost demand and savings balances decreased by ($39.8) million, or (8.0%), while higher cost time balances increased by $19.4 million or 13.5%. Of significance, our Company does not have any brokered deposits and total uninsured deposits as of June 30, 2024 totaled 17.2% of total deposits, which is very low compared to industry standards and is strongly indicative of our Companyâ€™s focus on building strong relationships with long-term, core deposits.Even with the continued heightened inflation levels and related increases in interest rates that may be impacting some of our borrowers with higher operating costs and rate resets to higher interest rate levels on their loans, we have successfully maintained credit-related strength and stability within our loan portfolio. As of June 30, 2024, our Companyâ€™s total nonaccrual loans and loans past due 30 plus days were $1.15 million, or 0.24% of gross loans, which is up from last year by $463,000 but, down on a linked-quarter basis by $284,000 or 6 basis points. Also, as of the most recently ended quarter, United Bancorp, Inc.â€™s (UBCP) nonperforming assets to total assets was a very respectable 0.46%, a 1 basis point decline from last year and a 5 basis point decline from the first quarter of 2024. Further highlighting the overall strength of our loan portfolio, our Company had net loans charged off of ($117,000), which annualized is (0.05%) of average loans and primarily related to a single relationship. With some of the economic uncertainty and macroeconomic trends at present, for the first time in several quarters our Company had a provision for credit loss expense of $104,000 for the quarter and year-to-date (versus a negative provision for credit loss expense the previous year), which was an increase on a year-over-year basis of $250,000. For the six months ended June 30, 2024, this year-over-year increase in the provision for credit loss expense caused a decrease in our Companyâ€™s diluted earnings per share of approximately $0.04. With the increased provision for credit loss expense in the current year and continued solid credit quality-related metrics, our Companyâ€™s total allowance for credit losses to total loans of 0.82% and its total allowance for credit losses to nonaccrual loans 1102% as of June 30, 2024. Overall, we firmly believe that we are presently well reserved with very strong coverage. In addition, our Company remains very well capitalized by industry standards seeing its tangible shareholders equity increase year-over-year by $2.3 million, or 4.1%, to a level of $59.7 million and its tangible book value per share increase by $0.24, or 2.5%, to a level of $10.03 at the most recently ended quarter.United Bancorp, Inc. (UBCP), like most banking organizations, is currently feeling the pressure of operating in an environment wherein monetary policy has driven interest rates higher for a longer duration than many of us anticipated which is creating different challenges for us and most banks. But, overall, we are very happy with the solid financial performance that our Company achieved during the second quarter and first six months of 2024. As previously mentioned, even though UBCP experienced year-over-year, double-digit percentage growth in the level of total interest income that it generated for the first six months ended June 30, 2024, our Company experienced a greater increase in the total interest expense that it incurred, which caused the aforementioned decline in our net interest income. Fortunately for our Company, taking the $75.0 million advance from the Federal Home Loan Bank (FHLB) toward the end of the first quarter of last year (at terms which are now considered very competitive) has helped us to somewhat mitigate this decline in our net interest income by affording us the ability to be more selective in the pricing of our offering rates on our interest-bearing depository products while maintaining adequate levels of liquidity. Over the course of the second quarter of this year, we actually saw the rate of decline in the level of net interest income that we achieved actually lower somewhat over that of the first quarter of 2024 and our net interest margin improve on a linked quarter basis. With a present net interest margin of 3.54% as of June 30, 2024, we believe that this performance metric compares favorably to that of our peer group and industry at present.With the current pressure on our net interest margin and net interest income, United Bancorp, Inc. (UBCP) is focused on controlling its net noninterest margin while continuing with a focus of prudently growing our Company and remaining relevant in a very challenging and competitive environment. Regarding the noninterest income-side of the noninterest margin, some fee generating services and lines of business continue to be under attack by both regulatory and political authorities, which has ultimately put pressure on the level of noninterest income that our Company is able to realize. Accordingly (and, instead of dwelling on this negative reality), UBCP is looking to find new alternatives to generate additional levels of both noninterest income and other sources of revenue. One of these new alternatives is our focus on enhancing our mortgage origination function with the development of Unified Mortgage, which is beginning to help our Company generate higher levels of fee income with the heightened production and sale of secondary market mortgage products, along with the enhancement of our interest income levels through the origination of higher levels of portfolio-type mortgage products. Another alternative is our stronger commitment to developing our Treasury Management function, which offers fee-based services to our commercial customers in the areas of cash management and payments that produce noninterest incomeâ€¦ in addition to 34Table of ContentsUnited Bancorp, Inc.Managementâ€™s Discussion and Analysis of Financial Condition and Results of Operationshelping to control interest expense by generating a higher level of low or no-cost depository balances for our Company. Lastly, another alternative to enhancing the overall performance of UBCP (and, one that should strongly contribute to our Company attaining its goal of growing its total assets to a level of $1.0 billion or greater) is the development of our newest banking center, which is currently under construction in the highly favorable market of Wheeling, West Virginia and should be completed for opening by mid-2025. Our Company already has many solid customer relationships in this coveted marketplace and we firmly believe that by finally having a brick-and-mortar location therein, we will be able to more fully leverage these already existing relationships, while having the opportunity to build many new relationships within this prime market. Everson further stated, â€œObviously, these new alternatives that can lead to additional noninterest income and revenue enhancement opportunities for UBCP do have a cost, which already has and will continue to lead to additional expense or overhead for our Company. But, sometimes you have to take one-step back in order to take several-steps forward and that is what we firmly believe that we are doing by undertaking these new initiatives. With the revenue challenges that both we and the players within our industry are currently facing, we strongly feel that now is the time for our Company to focus on enhancing and expanding existing lines of business and growing new lines of businessâ€¦ thus, achieving the organic growth that will lead to the continued and future relevance of UBCP.Our primary focus is protecting the investment of our shareholders in our Company and rewarding them in a balanced fashion by growing their value and paying an attractive cash dividend. In these areas, our shareholders have been nicely rewarded. In the first six months of 2024, we, once again, paid both our regular cash dividend, which increased by $0.02 to a level of $0.3475, and a special cash dividend of $0.15â€¦ for a total payout of $0.4975 in the current year. This is an increase for the quarter and the year of $0.01, or 6.1%, $0.02, or 4.2%, respectively. This total dividend payout level for the current year produces a near-industry leading total dividend yield of 6.8%. This total dividend yield is based on our second quarter cash dividend on a forward basis, plus the special dividend (which combined total $0.85) and our quarter-end fair market value of $12.55. On a year-over-year basis as of June 30, 2024, the fair market value of our Companyâ€™s stock was up slightly from the prior year and our Companyâ€™s market price to tangible book value was 125%, which compares favorably to our peer group.Considering that we continue to operate in a concerning economic and challenging industry-related environment, we are very pleased with our current performance and future prospects. Even with the present threats with which our overall industry is exposed, we are very optimistic about the future growth and earnings potential for United Bancorp, Inc. (UBCP). We firmly believe that with the challenges that our industry has experienced over the course of the past few years, our Company has evolved into a more fundamentally sound organization with a focus on evolving and growing in order to achieve greater efficiencies and scales and generate higher levels of revenue--- while prudently managing expenses and controlling overall costs. We have and continue to invest in areas that will lead to our continued and future relevancy within our industry. Although such initiatives can stress the short-term performance of our Company, we firmly believe that they will help us fulfil our intermediate and longer-term goals and produce above industry average earnings and overall performance. As previously mentioned, we still have a vision of growing UBCP to an asset threshold of $1.0 billion or greater in the near term in a prudent and profitable fashion. We are truly excited about our Companyâ€™s direction and the potential that it brings.35Table of ContentsUnited Bancorp, Inc.Managementâ€™s Discussion and Analysis of Financial Condition and Results of OperationsUnited Bancorp, Inc.

(â€œUBCPâ€)â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹Â Â Â Â ForÂ theÂ ThreeÂ MonthsÂ EndedÂ JuneÂ 30,Â Â Â Â %Â Â â€‹â€‹$â€‹â€‹2024Â Â Â Â 2023â€‹ChangeÂ Â Â Â â€‹ChangeEarnings income on loansâ€‹$ 6,774,227â€‹$ 5,954,031Â 13.78%Â Â $ 820,196Loan feesâ€‹Â 210,687â€‹Â 172,328Â 22.26%Â Â $ 38,359Interest income on securitiesâ€‹Â 2,893,288â€‹Â 3,159,910Â (8.44)%Â Â $ (266,622)Total interest incomeâ€‹Â 9,878,202â€‹Â 9,286,269Â 6.37%Â Â $ 591,933Total interest expenseâ€‹Â 3,676,520â€‹Â 2,941,457Â 24.99%Â Â $ 735,063Net interest incomeâ€‹Â 6,201,682â€‹Â 6,344,812Â (2.26)%Â Â $ (143,130)(Credit) Provision for credit losses - loansâ€‹Â 234,499â€‹Â (146,250)Â (260.34)%Â Â $ 380,749(Credit) Provision for credit losses - off balance sheet commitmentsâ€‹Â (130,000)â€‹Â â€”Â N/Aâ€‹$ (130,000)(Credit) Provision for Credit Loss Expenseâ€‹Â 104,499â€‹Â (146,250)Â Â Â Â â€‹â€‹â€‹Net interest income after (Credit) Provision for credit lossesâ€‹Â 6,097,183â€‹Â 6,491,062Â (6.07)%Â Â $ (393,879)Service charges on deposit accountsâ€‹Â 717,557â€‹Â 777,523Â (7.71)%Â Â $ (59,966)Net realized gains on sale of available-for-sale securitiesâ€‹Â 78,517â€‹Â â€”Â N/Aâ€‹$ 78,517Net realized gains on sale of loansâ€‹Â 117,940â€‹Â 7,088Â 1563.94%Â Â $ 110,852Other noninterest incomeâ€‹Â 270,076â€‹Â 261,736Â 3.19%Â Â $ 8,340Total noninterest incomeâ€‹Â 1,184,090â€‹Â 1,046,347Â 13.16%Â Â $ 137,743Total noninterest expenseâ€‹Â 5,668,133â€‹Â 5,089,269Â 11.37%Â Â $ 578,864Earnings before income taxesâ€‹Â 1,613,140â€‹Â 2,448,140Â (34.11)%Â Â $ (835,000)Income tax (benefit) expenseâ€‹Â (126,827)â€‹Â 167,716Â (175.62)%Â Â $ (294,543)Net incomeâ€‹$ 1,739,967â€‹$ 2,280,424Â (23.70)%Â Â $ (540,457)â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹Per shareâ€‹Â Â Â â€‹Â Â Â Â Â Â Â â€‹â€‹Â Â Earnings per common share - Basicâ€‹$ 0.30â€‹$ 0.40Â (25.00)%Â Â â€‹Â Â Earnings per common share - Dilutedâ€‹Â 0.30â€‹Â 0.40Â (25.00)%Â Â â€‹Â Â Cash dividends paidâ€‹Â 0.1750â€‹Â 0.1650Â 6.06%Â Â â€‹Â Â â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹Shares Outstandingâ€‹Â Â Â â€‹Â Â Â Â Â Â Â â€‹â€‹Â Â Average - Basicâ€‹Â 5,629,558â€‹Â 5,496,049Â â€”â€‹â€‹Â Â Average - Dilutedâ€‹Â 5,629,558â€‹Â 5,496,049Â â€”â€‹â€‹Â Â â€‹â€‹36Table of ContentsUnited Bancorp, Inc.Managementâ€™s Discussion and Analysis of Financial Condition and Results of Operationsâ€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹Â Â Â Â ForÂ theÂ SixÂ MonthsÂ EndedÂ JuneÂ 30,Â Â Â Â %Â Â â€‹â€‹$â€‹â€‹2024Â Â Â Â 2023â€‹Changeâ€‹â€‹ChangeEarnings â€‹Â Â â€‹â€‹Â Â â€‹â€‹Â Â â€‹â€‹Â Â Interest income on loansâ€‹$ 13,398,075â€‹$ 11,582,789Â 15.67%Â Â $ 1,815,286Loan feesâ€‹Â 349,016â€‹Â 352,375Â (0.95)%Â Â $ (3,359)Interest income on securitiesâ€‹Â 5,751,933â€‹Â 5,559,206Â 3.47%Â Â $ 192,727Total interest incomeâ€‹Â 19,499,024â€‹Â 17,494,370Â 11.46%Â Â $ 2,004,654Total interest expenseâ€‹Â

7,182,515â€‹Â 4,726,587Â 51.96%Â Â $ 2,455,928Net interest incomeâ€‹Â 12,316,509â€‹Â 12,767,783Â (3.53)%Â Â $ (451,274)(Credit) Provision for credit losses - loansâ€‹Â 234,499â€‹Â (146,250)Â (260.34)%Â Â $ 380,749(Credit) Provision for credit losses - off balance sheet commitmentsâ€‹Â (130,000)â€‹Â â€"Â N/Aâ€‹â€‹Â Â (Credit) Provision for Credit Loss Expenseâ€‹Â 104,499â€‹Â (146,250)Â (171.45)%Â Â $ 250,749Net interest income after (Credit) provision for credit lossesâ€‹Â 12,212,010â€‹Â 12,914,033Â (5.44)%Â Â $ (702,023)Service charges on deposit accountsâ€‹Â 1,420,311â€‹Â 1,498,360Â (5.21)%Â Â $ (78,049)Net realized loss on sale of available-for-sale securitiesâ€‹Â (115,685)â€‹Â â€"Â N/Aâ€‹$ (115,685)Net realized loss on sale of loansâ€‹Â 195,463â€‹Â 7,088Â 2657.66%Â Â $ 188,375Other noninterest incomeâ€‹Â 550,325â€‹Â 556,450Â (1.10)%Â Â $ (6,125)Total noninterest incomeâ€‹Â 2,050,414â€‹Â 2,061,898Â (0.56)%Â Â $ (11,484)Total noninterest expenseâ€‹Â 10,506,037â€‹Â 10,526,886Â (0.20)%Â Â $ (20,849)Earnings before income taxesâ€‹Â 3,756,387â€‹Â 4,449,045Â (15.57)%Â Â $ (692,658)Income tax expenseâ€‹Â 23,508â€‹Â 281,010Â (91.63)%Â Â $ (257,502)Net incomeâ€‹$ 3,732,879â€‹$ 4,168,035Â (10.44)%Â Â $ (435,156)â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹Per shareâ€‹Â Â Â â€‹Â Â Â Â Â Â â€‹â€‹Â Â Earnings per common share - Basicâ€‹$ 0.64â€‹$ 0.73Â (12.33)%Â Â â€‹Â Â Earnings per common share - Dilutedâ€‹Â 0.64â€‹Â 0.73Â (12.33)%Â Â â€‹Â Â Cash dividends paidâ€‹Â 0.4975â€‹Â 0.4775Â 4.19%Â Â â€‹Â Â Annualized yield based on quarter end close (excluding special dividend)â€‹Â 5.56%Â Â Â 5.47%Â Â 0.09%Â Â â€‹Â Â â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹Shares Outstandingâ€‹Â Â Â â€‹Â Â Â Â Â Â â€‹â€‹Â Â Average - Basicâ€‹Â 5,565,391â€‹Â 5,490,620Â â€"â€‹â€‹Â Â Average - Dilutedâ€‹Â 5,565,391â€‹Â 5,490,620Â â€"â€‹â€‹Â Â Common stock, shares issuedâ€‹Â 6,188,141â€‹Â 6,043,851Â â€"â€‹â€‹Â Â Shares held as Treasuryâ€‹Â 236,863â€‹Â 179,363Â â€"â€‹â€‹Â Â At quarter endâ€‹Â Â Â â€‹Â Â Â Â Â Â â€‹â€‹Â Â Total assetsâ€‹$ 821,814,882â€‹$ 830,283,563Â (1.02)%Â Â $ (8,468,681)Total assets (average)â€‹Â 823,684,000â€‹Â 800,813,000Â 2.86%Â Â $ 22,871,000Other real estate and repossessions ("OREO")â€‹Â 3,392,610â€‹Â 3,474,625Â (2.36)%Â Â $ (82,015)Gross loansâ€‹Â 484,514,415â€‹Â 462,870,965Â 4.68%Â Â $ 21,643,450Allowance for loan lossesâ€‹Â 3,989,255â€‹Â 4,281,491Â (6.83)%Â Â $ (292,236)Net loansâ€‹Â 480,525,160â€‹Â 458,589,474Â 4.78%Â Â $ 21,935,686Non-accrual loansâ€‹Â 362,051â€‹Â 397,963Â (9.02)%Â Â $ (35,912)Loans past due 30+ days (excludes non accrual loans)â€‹Â 785,046â€‹Â 286,587Â 173.93%Â Â $ 498,459Net loans charged-off (recovered)â€‹Â 117,418â€‹Â (9,925)Â (1283.05)%Â Â $ 127,343Net overdrafts charged-offâ€‹Â 46,011â€‹Â 53,680Â (14.29)%Â Â $ (7,669)Net charge-offsâ€‹Â 163,429â€‹Â 43,755Â 273.51%Â Â $ 119,674Average loansâ€‹Â 479,614,000â€‹Â 460,184,000Â 4.22%Â Â $ 19,430,000Cash and due from Federal Reserve Bankâ€‹Â 37,569,765â€‹Â 81,762,785Â (54.05)%Â Â $ (44,193,020)Average cash and due from Federal Reserve Bankâ€‹Â 44,968,000â€‹Â 64,148,000Â (29.90)%Â Â $ (19,180,000)Securities and other restricted stockâ€‹Â 244,150,129â€‹Â 240,032,267Â 1.72%Â Â $ 4,117,862Average securities and other restricted stockâ€‹Â 244,818,000â€‹Â 243,348,000Â 0.60%Â Â $ 1,470,000Total depositsâ€‹Â 623,188,540â€‹Â 643,615,877Â (3.17)%Â Â $ (20,427,337)Non interest bearing demandâ€‹Â 146,552,696â€‹Â 145,170,414Â 0.95%Â Â $ 1,382,282Interest bearing demandâ€‹Â 185,583,782â€‹Â 216,214,670Â (14.17)%Â Â $ (30,630,888)Savingsâ€‹Â 127,865,757â€‹Â 138,392,675Â (7.61)%Â Â $ (10,526,918)Time < $250,000â€‹Â 129,030,646â€‹Â 109,605,135Â 17.72%Â Â $ 19,425,511Time > $250,000â€‹Â 34,155,659â€‹Â 34,232,983Â (0.23)%Â Â $ (77,324)Average total depositsâ€‹Â 622,656,000â€‹Â 645,703,000Â (3.57)%Â Â $ (23,047,000)Advances from the Federal Home Loan Bankâ€‹Â 75,000,000â€‹Â 75,000,000Â 0.00%Â Â $ â€"Overnight advancesâ€‹Â â€"â€‹Â â€"Â N/Aâ€‹$ â€"Term advancesâ€‹Â 75,000,000â€‹Â 75,000,000Â N/Aâ€‹$ â€"Subordinated debt (net of unamortized issuance costs)â€‹Â 23,817,155â€‹Â 23,756,279Â 0.26%Â Â $ 60,876Securities sold under agreements to repurchaseâ€‹Â 30,434,710â€‹Â 23,689,956Â 28.47%Â Â $ 6,744,754Stockholdersâ€™ equityâ€‹Â 60,597,763â€‹Â 58,408,393Â 3.75%Â Â $ 2,189,370Goodwill and intangible assets (impact on Stockholders' equity)â€‹Â 879,793â€‹Â 1,017,296Â (13.52)%Â Â $ (137,503)Tangible stockholdersâ€™ equityâ€‹Â 59,717,970â€‹Â 57,391,097Â 4.05%Â Â $ 2,326,873Accumulated other comprehensive loss (AOCI) impact on Stockholders' equityâ€‹Â (11,219,599)â€‹Â (9,722,090)Â 15.40%Â Â $ (1,497,509)Stockholdersâ€™ equity (average)â€‹Â 60,498,000â€‹Â 58,575,000Â 3.28%Â Â $ 1,923,000Stock dataâ€‹Â Â Â â€‹Â Â Â Â Â Â â€‹â€‹Â Â Market value - last close (end of period)â€‹$ 12.55â€‹$ 11.97Â 4.85%Â Â â€‹Â Â Dividend payout ratio (excludes special dividends paid)â€‹Â 54.30%Â Â Â 44.86%Â Â 9.43%Â Â â€‹Â Â Price earnings ratioâ€‹Â 10.20xÂ 8.20x 2.00%Â Â â€‹Â Â Book value per shareâ€‹$ 10.18â€‹$ 9.96Â 2.21%Â Â â€‹Â Â Tangible book value per shareâ€‹$ 10.03â€‹$ 9.79Â 2.45%Â Â â€‹Â Â Market price to book valueâ€‹Â 123.28%Â Â Â 120.18%Â Â 3.10%Â Â â€‹Â Â Market price to tangible book valueâ€‹Â 125.12%Â Â Â 122.27%Â Â 2.85%Â Â â€‹Â Â Key performance ratiosâ€‹Â Â Â â€‹Â Â Â Â Â Â â€‹â€‹Â Â Return on average assets (ROA)â€‹Â 0.91%Â Â Â 1.04%Â Â (0.13)%Â Â â€‹Â Â Return on average equity (ROE)â€‹Â 12.34%Â Â Â 14.23%Â Â (1.89)%Â Â â€‹Â Â Net interest margin (federal tax equivalent))â€‹Â 3.54%Â Â Â 3.58%Â Â (0.04)%Â Â â€‹Â Â Interest expense to average assetsâ€‹Â 1.74%Â Â Â 1.18%Â Â 0.56%Â Â â€‹Â Â Total allowance for loan losses to nonaccrual loansâ€‹Â 1101.85%Â Â Â 1075.85%Â Â 26.00%Â Â â€‹Â Â Total allowance for loan losses to total loansâ€‹Â 0.82%Â Â Â 0.92%Â Â (0.10)%Â Â â€‹Â Â Total past due and nonaccrual loans to gross loansâ€‹Â 0.24%Â Â Â 0.15%Â Â 0.09%Â Â â€‹Â Â Nonaccrual loans and OREO to total assetsâ€‹Â 0.46%Â Â Â 0.47%Â Â (0.01)%Â Â â€‹Â Â Net charge-offs (recoveries) to average loansâ€‹Â 0.07%Â Â Â 0.02%Â Â 0.05%Â Â â€‹Â Â Equity to assets at period endâ€‹Â 7.37%Â Â Â 7.03%Â Â 0.34%Â Â â€‹Â Â 37Table of ContentsUnited Bancorp, Inc.Managementâ€™s Discussion and Analysis of Financial Condition and Results of Operationsâ€‹Forward-Looking StatementsWhen used in this document, the words or phrases â€œwill likely result,â€ â€œare expected to,â€ â€œwill continue,â€ â€œis anticipated,â€ â€œestimated,â€ â€œprojectedâ€ or similar expressions are intended to identify â€œforward looking statementsâ€ within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements are subject to certain risks and uncertainties including changes in economic conditions in the Bankâ€™s market areas, changes in policies by regulatory agencies, fluctuations in interest rates, demand for loans in the Bankâ€™s market areas and competition, that could affect the Companyâ€™s financial performance and cause actual results to differ materially from historical earnings and those presently anticipated or projected with respect to future periods. These risks and uncertainties should be considered in evaluating forward looking statements, and undue reliance should not be placed on such statements. Additional information concerning the Company and its business, including other factors that could materially affect the Companyâ€™s financial results, is included in the Companyâ€™s filings with the Securities and Exchange Commission.The Company is not aware of any trends, events or uncertainties that will have or are reasonably likely to have a material effect on its financial condition, results of operations, liquidity or capital resources except as discussed herein. The Company is not aware of any current recommendation by regulatory authorities that would have such effect if implemented except as discussed herein.The Company does not undertake, and specifically disclaims any obligation, to publicly revise any forward-looking statements to reflect events or circumstances after the date such statements were made or to reflect the occurrence of anticipated or unanticipated events.Critical Accounting PoliciesThe Companyâ€™s consolidated financial statements are prepared in accordance with accounting principles generally accepted in the United States of America. Management makes certain judgments that affect the amounts reported in the financial statements and footnotes. These estimates, assumptions and judgments are based on information available as of the date of the financial statements, and as this information changes, the financial statements could reflect different estimates, assumptions, and judgments.See Note 1, â€œSummary of Significant Accounting Policiesâ€ for additional information on the adoption of ASC 326, which changes the methodology under which management calculates its reserve for loans, investment securities, and off balance sheet exposures, now referred to as the allowance for credit losses. Management considers the measurement of the allowance for credit losses on loans to be a critical accounting policy.This discussion of the Companyâ€™s critical accounting policies should be read in conjunction with the Companyâ€™s consolidated financial statements and the accompanying notes presented elsewhere herein, as well as other relevant portions of Managementâ€™s Discussion and Analysis of Financial Condition and Results of Operations.Analysis of Financial ConditionEarning Assets â€" LoansThe Companyâ€™s focus as a community bank is to meet the credit needs of the markets it serves. At June 30, 2024, gross loans were $484.5 million, compared to $483.2 million at December 31, 2023, an increase of $1.3 million after offsetting repayments for the period. The overall increase in the loan portfolio was comprised of a $856,000 decrease in commercial and commercial real estate loans and a $1.2 million decrease in real estate lending and a $3.3 million increase in installment loans since December 31, 2023.Commercial and commercial real estate loans comprised 78.9% of total loans at June 30, 2024, compared to 79.3% at December 31, 2023. Commercial and commercial real estate loans have decreased $856,000, or less than 1.0% since December 31, 2023. This segment of the loan portfolio includes originated loans in its market areas and purchased participations in loans from other banks for out-of-area commercial and commercial real estate loans to benefit from consistent economic growth outside the Companyâ€™s primary market area.Installment loans represented 2.1% of total loans at June 30, 2024 and 1.4% at December 31, 2023. Some of the installment loans carry somewhat more risk than real estate lending; however, it also provides for higher yields. Installment loans have increased $3.3 million since December 31, 2023. 38Table of ContentsUnited Bancorp, Inc.Managementâ€™s Discussion and Analysis of Financial Condition and Results of OperationsResidential real estate loans were 19.0% of total loans at June 30, 2024 and 19.3% at December 31, 2023, representing a decrease of $1.2 million or 1.3% since December 31, 2023. At June 30, 2024, the Company did not hold any loans for sale.The allowance for credit losses totaled $4.0 million at June 30, 2024, which represented 0.82% of total loans. The allowance represents the amount which management and the Board of Directors estimates is adequate to provide for probable losses inherent in the loan portfolio. The allowance balance and the provision charged to expense are reviewed by management and the Board of Directors monthly using a risk evaluation model that considers borrowersâ€™ past due experience, economic conditions and various other circumstances that are subject to change over time. Management believes the current balance of the allowance for credit losses is adequate to absorb credit losses over the life of the loan portfolio. Net loan (recoveries) charge-offs (exclusive of overdrafts net charge-offs of $46,000) for the six months ended June 30, 2024 were approximately $117,000. Net loans charged off (exclusive of overdrafts net charge-offs of $27,000) was $89,000 for the three months ended June 30, 2024. The Company adopted ASU No. 2016-13 effective January 1, 2023. The impact of the adoption was a $2.4 million increase in the allowance for credit losses.Earning Assets â€" SecuritiesThe securities portfolio is comprised of U.S. Government agency-backed securities, tax-exempt obligations of state and political subdivisions and certain other investments. Securities available for sale at June 30, 2024 decreased approximately $2.6 million from December 31, 2023 totals.Sources of Funds â€" DepositsThe Companyâ€™s primary source of funds is core deposits from retail and business customers. These core deposits include all categories of interest-bearing and noninterest-bearing deposits, and certificates of deposits. For the period ended June 30, 2024, total deposits increased approximately $1.7 million, or less than 1.0% from December 31, 2023 totals. The Company has experienced a shift of deposits from interest bearing and savings to certificate of deposits during the six months ended June 30, 2024. The Company has a strong deposit base from public agencies, including local school districts, city and township municipalities, public works facilities and others that may tend to be more seasonal in nature resulting from the receipt and disbursement of state and federal grants. These entities have maintained fairly static balances with the Company due to various funding and disbursement timeframes.Sources of Funds â€" Securities Sold under Agreements to Repurchase and Other BorrowingsOther interest-bearing liabilities include securities sold under agreements to repurchase and Federal Home Loan Bank (â€œFHLBâ€) advances. The majority of the Companyâ€™s repurchase agreements are with local school districts and city and county governments. The Companyâ€™s repurchase agreements increased approximately $3.7 million from December 31, 2023 totals. At June 30, 2024, the Company has $75 million of fixed rate advances that mature over the next 2 to 4 years. Refer to footnote 10 for further information.Results of Operations for the Six Months Ended June 30, 2024 and 2023Net IncomeFor the six months ended June 30, 2024 the Company reported net earnings of $3,732,000, compared to $4,168,000 for the six months ended June 30, 2023. On a per share basis, the Companyâ€™s diluted earnings were $0.64 for the six months ended June 30, 2024 and $0.73 for the six months ended June 30, 2023.Net Interest IncomeNet interest income, by definition, is the difference between interest income generated on interest-earning assets and the interest expense incurred on interest-bearing liabilities. Various factors contribute to changes in net interest income, including volumes, interest rates and the composition or mix of interest-earning assets in relation to interest-bearing liabilities. Net interest income before the provision for credit losses decreased 3.5%, or $451,000 for the six months ended June 30, 2024 compared to the same period in 2023. The decrease is mainly attributable to an overall increase in the cost of funds.39Table of ContentsUnited Bancorp, Inc.Managementâ€™s Discussion and Analysis of Financial Condition and Results of OperationsProvision for (Reversal of) Credit Loss Expense â€" Loans and Off Balance Sheet Commitments Net loans charged-off for the six month ended June 30, 2024, excluding overdrafts, was $117,000. Our Company recorded a net $104,000 provision for credit loss expense for the six month ended June 30, 2024. Noninterest IncomeTotal noninterest income is made up of bank related fees and service charges, as well as other income producing services provided, sales of loans in the secondary market, sales of investment securities, ATM income, early redemption penalties for certificates of deposit, safe deposit rental income, internet bank service fees, earnings on bank-owned life insurance and other miscellaneous items.Noninterest income for the six months ended June 30, 2024 as compared to the same period in 2023 decreased $12,000. The main component of the decrease is due to the loss on the sale of available -for -sale securities of $116,000 for the six months ended June 30, 2024. This loss was off set by the strong increase of $188,000 gains from the sale of loans period over period. Noninterest ExpenseThe Company saw its noninterest expense decreased by $21,000 year-over-year. The Company has taken on some additional expenses relating to our revenue enhancement and growth initiatives such as our recently implemented Unified Mortgage focus and the announcement of our new Wheeling Banking Center. Our Company was able to successfully apply and be approved for an Employee Retention Credit (ERC) in the first quarter. This tax credit helped offset the expenses associated with these new initiatives along with other expenses and the impact of inflation on salaries and employee benefit. Federal Income TaxesThe provision for federal income taxes was $24,000 for the six months ended June 30, 2024, a decrease of $257,000 compared to the same period in 2023 resulting from an increase in nontaxable income.Results of Operations for the Three Months Ended June 30, 2024 and 2023Net IncomeFor the three months ended June 30, 2024 the Company reported net earnings of $1,739,000, compared to $2,280,000 for the three months ended June 30, 2023. On a per share basis, the Companyâ€™s diluted earnings were $0.30 for the three months ended June 30, 2024 and $0.40 for 2023.Net Interest IncomeNet interest income decreased 2.3%, or $143,000, for the three months ended June 30, 2024 compared to the same period in 2023. This decrease was mainly driven by the increased cost of funds for the Company.Provision for (Reversal of) Credit Loss Expense - LoansNet loans charged-off for the three month ended June 30, 2024, excluding overdrafts, was $89,000. Our Company recorded a net $104,000 provision for credit loss expense for the three month ended June 30, 2024.Noninterest IncomeTotal noninterest income is made up of bank related fees and service charges, as well as other income producing services provided, sales of loans in the secondary market, sales of investment securities, ATM income, early redemption penalties for certificates of deposit, safe deposit rental income, internet bank service fees, earnings on bank-owned life insurance and other miscellaneous items.Noninterest income for the three months ended June 30, 2024 as compared to the same period in 2023 increased $138,000 or 13.2%. The main component of the increase is due to the gains on the sale of of loans of $111,000 and on the sale of available -for -sale securities of $78,000 for the three months ended June 30, 2024. 40Table of ContentsUnited Bancorp, Inc.Managementâ€™s Discussion and Analysis of Financial Condition and Results of OperationsNoninterest ExpenseThe Company saw its noninterest expense increase by $581,000. Salaries and benefits increased $205,000 year over year. The Company has taken on some additional expenses relating to our revenue enhancement and growth initiatives such as our recently implemented Unified Mortgage focus and the announcement of our new Wheeling Banking Center. Our Company was able to successfully apply and be approved for an Employee Retention Credit (ERC) in the first quarter. This tax credit helped offset the expenses associated with these new initiatives along with other expenses and the impact of inflation on salaries and employee benefit.Federal Income TaxesThe (credit) provision for federal income taxes was ($127,000) for the three months ended June 30, 2024, compared to a provision of $168,000 for the same period in 2023. The credit for federal income taxes is a result of the increased level of non taxable income year over year.Capital ResourcesInternal capital growth, through the retention of earnings, is the primary means of maintaining capital adequacy for the Company. Stockholdersâ€™ equity totaled $60.6 million at June 30, 2024, compared to $63.6 million at December 31, 2023, a $3.0 million decrease. The Company adopted this guidance, and subsequent related updates, using the modified retrospective approach for all financial assets measured at amortized cost, including loans and available-for-sale debt securities and unfunded commitments.The Company has offered for many years a Dividend Reinvestment Plan (â€œThe Planâ€) for shareholders under which the Companyâ€™s common stock will be purchased by the Plan for participants with automatically reinvested dividends. The Plan does not represent a change in the Companyâ€™s dividend policy or a guarantee of future dividends.The Company is subject to the regulatory requirements of The Federal Reserve System as a bank holding company. The Bank is subject to regulations of the FDIC and the State of Ohio, Division of Financial Institutions. The most important of these various regulations address capital adequacy.On January 1, 2015, the final rules of the Federal Reserve Board went into effect implementing in the United States the Basel III regulatory capital reforms from the Basel Committee on Banking Supervision and certain changes required by the Dodd-Frank Wall Street Reform and Consumer Protection Act.Under the final rule, minimum requirements increased for both the quality and quantity of capital held by banking organizations. The rule requires a new minimum ratio of common equity tier 1 capital to risk-weighted assets of 4.5 percent and a common equity tier 1 capital conservation buffer of 2.5 percent of risk-weighted assets that will apply to all supervised financial institutions. The rule also raises the minimum ratio of tier 1 capital to risk-weighted assets from 4 percent to 6 percent and includes a minimum leverage ratio of 4 percent for all banking organizations.The Bank continues to be well-capitalized in accordance with Federal regulatory capital requirements as the capital ratios below show:â€‹â€‹â€‹â€‹Common equity tier 1 capital ratioÂ Â Â Â 13.26%Tier 1 capital ratioÂ 13.26%Total capital ratioÂ 13.95%Leverage ratioÂ 9.39%â€‹41Table of ContentsUnited Bancorp, Inc.Managementâ€™s Discussion and Analysis of Financial Condition and Results of OperationsLiquidityManagementâ€™s objective in managing liquidity is maintaining the ability to continue meeting the cash flow needs of its customers, such as borrowings or deposit withdrawals, as well as its own financial commitments. The principal sources of liquidity are net income, loan payments, maturing securities and sales of securities available for sale, federal funds sold and cash and deposits with banks. Along with its liquid assets, the Company has additional sources of liquidity available to ensure that adequate funds are available as needed. These include, but are not limited to, the purchase of federal funds, the ability to borrow funds under line of credit agreements with correspondent banks, a borrowing agreement with the Federal Home Loan Bank of Cincinnati and the adjustment of interest rates to obtain depositors. Management feels that it has the capital adequacy and profitability to meet the current and projected liquidity needs of its customers. Inflation and Economic EnvironmentOver the first half of 2024, incoming U.S. economic data continue to show consistent growth in the labor market, household consumption, and business investment, even as post-pandemic inflation remains stubbornly elevated. Although headline GDP growth slowed more than expected in the first quarter, underlying demand from households and businesses remained remarkably strong, with the national unemployment rate continuing to remain low. Inflation, however, has been slower to come down than expected after the rapid decline observed in 2023, and the cumulative effect of elevated prices compared with the pre-pandemic era may be weighing on consumer sentiment. The principal mechanism used by the Federal Reserve to combat rising inflation involves increasing interest rates, and it is managementâ€™s opinion is that movements in interest rates affect the financial condition and results of operations to a greater degree than changes in the rate of inflation. The Companyâ€™s ability to match the interest sensitivity of its financial assets to the interest sensitivity of its liabilities in its asset/liability management may tend to minimize the effect of changes in interest rates on the Companyâ€™s performance. Inflation, however, can directly impact the Companyâ€™s performance by potentially reducing the spending power of its borrowers. Higher costs continue to present a risk to the economy. Interest rate levels and energy prices, in combination with global economic conditions and fiscal and monetary policy, will likely continue to impact our results in 2024. The Company continues to closely monitor and analyze the higher risk segments within the loan portfolio, tracking past due accounts. Based on the Companyâ€™s capital levels, prudent underwriting policies, loan concentration diversification and our geographic footprint, senior management is cautiously optimistic that the Company is positioned to continue managing the impact of the varied set of risks and uncertainties currently impacting the economy and remain adequately capitalized. However, the Company may be required to make additional credit loss provisions as warranted by the extremely fluid economic condition.â€‹ITEM 3Â Â Â Â Â Â Â Quantitative and Qualitative Disclosures About Market RiskSmaller Reporting Companies are not required to provide this disclosures.â€‹ITEM 4.Controls and ProceduresThe Company, under the supervision, and with the participation, of its management, including the Companyâ€™s Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of the design and operation of the Companyâ€™s disclosure controls and procedures pursuant to the requirements of Exchange Act Rule 13a-15. Based upon that evaluation, the Chief Executive Officer and Chief Financial Officer concluded that the Companyâ€™s disclosure controls and procedures were effective as of June 30, 2024, in timely alerting them to material information relating to the Company (including its consolidated subsidiary) required to be included in the Companyâ€™s periodic SEC filings. There were no changes in the Companyâ€™s internal controls over financial that occurred during the Companyâ€™s most recent completed fiscal quarterthat has materially or is reasonably likely to materially affect the Companyâ€™s internal controls over financial reporting.â€‹â€‹â€‹â€‹â€‹42Table of ContentsUnited Bancorp, Inc.Part II â€" Other InformationITEM 1. Â Â Â Â Legal ProceedingsNone, other than ordinary routine litigation incidental to the Companyâ€™s business.â€‹ITEM 1A. Â Â Â Risk FactorsSmaller reporting companies are not required to provide this information.â€‹ITEM 2. Â Â Â Â Â Unregistered Sales of Equity Securities and Use of ProceedsISSUER PURCHASES OF EQUITY SECURITIESâ€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹Â Â Â Â â€‹Â Â Â Â â€‹â€‹Â Â Â Â (c)Â Â Â Â Â (d)Â â€‹â€‹â€‹â€‹â€‹â€‹â€‹TotalÂ NumberÂ ofâ€‹MaximumÂ NumberÂ orÂ â€‹â€‹â€‹â€‹â€‹â€‹â Number ofâ€‹(b)â€‹OfÂ Publiclyâ€‹Units)Â thatÂ MayÂ Yetâ€‹â€‹Â SharesÂ (orÂ Units)â€‹AverageÂ PriceÂ Paidâ€‹AnnouncedÂ Plansâ€‹BeÂ PurchasedÂ UnderPeriodâ€‹Purchasedâ€‹PerÂ ShareÂ (orÂ U PlansÂ orÂ ProgramsMonth #1 4/1/2024 to 4/30/2024Â â€"â€"Â â€‹â€"â€"Â â€"â€"Â â€"â€"Month #2 5/1/2024 to 5/31/2024Â 14,763Â â€‹ 12.33Â â€"â€"Â â€"â€"Month #3 6/1/2024 to 6/30/2024Â â€"â€"â€‹â€"â€"Â â€"â€"Â â€"â€"â€‹The Company adopted the United Bancorp, Inc. Affiliate Banks Directors and Officers Deferred Compensation Plan (the â€œPlanâ€), which is an unfunded deferred compensation plan. Amounts deferred pursuant to the Plan remain unrestricted assets of the Company, and the right to participate in the Plan is limited to members of the Board of Directors and Company officers. Under the Plan, directors or other eligible participants may defer fees and up to 50% of their annual incentive award payable to them by the Company, which are used to acquire common shares which are credited to a participantâ€™s respective account. Except in the event of certain emergencies, no distributions are to be made from any account as long as the participant continues to be an employee or member of the Board of Directors. Upon termination of service, the aggregate number of shares credited to a participantâ€™s account is distributed with any cash proceeds credited to the account which have not yet been invested in the Companyâ€™s stock. All purchases under this deferred compensation plan are funded with either earned director fees or officer incentive award payments. No underwriting fees, discounts, or commissions are paid in connection with the Plan. The shares allocated to participant accounts have not been registered under the Securities Act of 1933 in reliance upon the exemption provided by Section 4(2) thereof. On June 24, 2024, the Company purchased 14,763 shares to fund deferred compensation plan acquisitions at a weighted average price per share of $12.33.â€‹ITEM 3. Â Â Â Â Â Defaults Upon Senior SecuritiesNot applicable.â€‹ITEM 4. Â Â Â Â Â Mine Safety DisclosuresNot applicable.â€‹ITEM 5.Â Â Â Â Â â€‹Not applicableâ€‹43Table of ContentsUnited Bancorp, Inc.Part II â€" Other InformationITEM 6. Â Â Â Â Â ExhibitsEX-3.1Â Â Â Â Amended Articles of Incorporation of United Bancorp, Inc. (1)â€‹â€‹EX-3.2â€‹Amended and Restated Code of Regulations of United Bancorp, Inc. (2)â€‹â€‹â€‹EX-4.1â€‹Description of Registrantâ€™s Common Stock (3)â€‹â€‹â€‹EX 4.2â€‹Forms of 6.00% Fixed to Floating Rate Subordinated Note due May 15, 2029 (4)â€‹â€‹â€‹EX 31.1â€‹Rule 13a-14(a) Certification â€" CEOâ€‹â€‹â€‹EX 31.2â€‹Rule 13a-14(a) Certification â€" CFOâ€‹â€‹â€‹EX 32.1â€‹Section 1350 Certification â€" CEOâ€‹â€‹â€‹EX 32.2â€‹Section 1350 Certification â€" CFOâ€‹â€‹â€‹EX 101.INSâ€‹XBRL Instance Documentâ€‹â€‹â€‹EX 101.SCHâ€‹XBRL Taxonomy Extension Schema Documentâ€‹â€‹â€‹EX 101.CALâ€‹XBRL Taxonomy Extension Calculation Linkbase Documentâ€‹â€‹â€‹EX 101.DEFâ€‹XBRL Taxonomy Extension Definition Linkbase Documentâ€‹â€‹â€‹EX 101.LABâ€‹XBRL Taxonomy Extension Label Linkbase Documentâ€‹â€‹â€‹EX 101.PREâ€‹XBRL Taxonomy Extension Presentation Linkbase Documentâ€‹â€‹â€‹104â€‹Cover Page Interactive Data File (formatted as inline XBRL and contained in Exhibit 101)(1)Incorporated by reference to Appendix B to the registrantâ€™s Definitive Proxy Statement filed with the Securities and Exchange Commission on March 14, 2001.(2)Incorporated by reference to Exhibit 3.2 to the registrantâ€™s Current Report on Form 8-K filed with the Securities and Exchange Commission on November 18, 2016.(3)Incorporated by reference to Exhibit 4 to the registrantâ€™s Annual Report on Form 10-K filed with the Securities and Exchange Commission on March 20, 2020.(4)Incorporated by reference to Exhibit 4.1 to the registrantâ€™s Current Report on Form 8-K filed with the Securities and Exchange Commission on May 14, 2019.â€‹â€‹â€‹44Table of ContentsSIGNATURESPursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.Â /s/ United Bancorp, Inc.Â Â Date: August 13, 2024By:/s/Scott A. EversonÂ Scott A. EversonÂ Â President and Chief Executive OfficerÂ Â Date: August 13, 2024By:/s/Randall M. GreenwoodÂ Randall M. GreenwoodÂ Â EXECUTIVE VICE PRESIDENT CHIEF FINANCIAL ANDRISK OFFICERâ€‹â€‹â€‹45Exhibit 31.1CERTIFICATIONSI, Scott A. Everson, President and Chief Executive Officer of United Bancorp, Inc., certify that:1.I have reviewed this Form 10-Q of United Bancorp, Inc.;2.Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;3.Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;4.The registrantâ€™s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:(a)Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;(b)Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;(c)Evaluated the effectiveness of the registrantâ€™s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and(d)Disclosed in this report any change in the registrantâ€™s internal control over financial reporting that occurred during the registrantâ€™s most recent fiscal quarter (the registrantâ€™s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrantâ€™s internal control over financial reporting; and5.The registrantâ€™s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrantâ€™s auditors and the audit committee of the registrantâ€™s board of directors (or persons performing the equivalent functions):(a)All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrantâ€™s ability to record, process, summarize and report financial information; and(b)Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrantâ€™s internal control over financial reporting.â€‹â€‹â€‹Date: August 13, 2024Â Â Â Â /s/ Scott A. Eversonâ€‹â€‹Scott A. Everson, President and CEOâ€‹Exhibit 31.2CERTIFICATIONSI, Randall M. Greenwood, Chief Financial Officer of United Bancorp, Inc., certify that:(b)I have reviewed this Form 10-Q of United Bancorp, Inc.;2.Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;3.Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;4.The registrantâ€™s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:(b)Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;(b)Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;(c)Evaluated the effectiveness of the registrantâ€™s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and(b)Disclosed in this report any change in the registrantâ€™s internal control over financial reporting that occurred during the registrantâ€™s most recent fiscal quarter (the registrantâ€™s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrantâ€™s internal control over financial reporting; andThe registrantâ€™s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrantâ€™s auditors and the audit committee of the registrantâ€™s board of directors (or persons performing the equivalent functions):(b)All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrantâ€™s ability to record, process, summarize and report financial information; and(b)Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrantâ€™s internal control over financial reporting.Date: August 13, 2024Â Â Â Â /s/ Randall M. Greenwoodâ€‹â€‹Randall M. Greenwoodâ€‹â€‹EXECUTIVE VICE PRESIDENT CHIEF FINANCIAL ANDRISK OFFICERâ€‹Exhibit 32.1CERTIFICATION PURSUANT TO18 U.S.C. SECTION 1350,AS ENACTED PURSUANT TOSECTION 906 OF THE SARBANES-OXLEY ACT OF 2002In connection with the Quarterly Report of United Bancorp, Inc. (the â€œCompanyâ€) on Form 10-Q for the period ending June 30, 2024 as filed with the Securities and Exchange Commission on the date hereof (the â€œReportâ€), I, Scott A. Everson, President and Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Â§ 1350, as enacted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:(1)The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and(2)The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.â€‹â€‹/s/ Scott A. Eversonâ€‹Scott A. Everson,â€‹President and Chief Executive Officerâ€‹â€‹â€‹August 13, 2024â€‹â€‹Exhibit 32.2CERTIFICATION PURSUANT TO18 U.S.C. SECTION 1350,AS ENACTED PURSUANT TOSECTION 906 OF THE SARBANES-OXLEY ACT OF 2002In connection with the Quarterly Report of United Bancorp, Inc. (the â€œCompanyâ€) on Form 10-Q for the period ending June 30, 2024 as filed with the Securities and Exchange Commission on the date hereof (the â€œReportâ€), I, Randall M. Greenwood, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Â§ 1350, as enacted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:(1)The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and(2)The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.â€‹â€‹/s/ Randall M. Greenwoodâ€‹Randall M. Greenwood,â€‹EXECUTIVE VICE PRESIDENT CHIEF FINANCIAL AND RISK OFFICERâ€‹â€‹â€‹August 13, 2024â€‹â€‹0;">