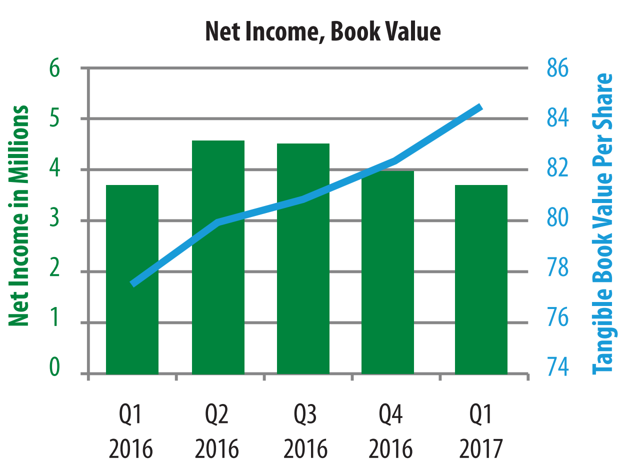
BOU Bancorp, Inc. QUARTERLY REPORT Q1 2017

PRESIDENT'S MESSAGE

On behalf of BOU Bancorp, Inc., the holding company of Bank of Utah (Bank) and Utah Risk Management, Inc., collectively known as the Company, I am pleased to report a first quarter cash dividend of $0.55 per share paid on April 21, 2017. The dividend paid for the fourth quarter of 2016 was $0.60 per share. The dividend paid for the first quarter of 2016 was $0.55 per share. A growing asset base allowed us to return solid earnings in the first quarter. We are very excited about the loan growth experienced during the quarter. This will provide a boost to earnings throughout the year. Additionally, healthy contributions from our non-interest-earning lines of business added to the bottom line.

Net income for the first quarter of 2017 was $3.7 million, compared to $4.0 million for the fourth quarter of 2016, a decrease of 7.5 percent. This is equal to net income of $3.7 million for the first quarter of 2016. Though net income remained flat in comparison to the first quarter of 2016, the Company did experience a year-over-year increase in interest income of $0.66 million. Strong loan growth and higher earnings on variable rate loans contributed to the increase.

The Company recorded a $0.30 million loan loss provision in the first quarter of 2017, the Company did not take a loan loss provision in the first quarter of 2016. The allowance for loan loss to gross loans was 1.26 percent at the end of the first quarter 2017, compared to 1.20 percent for the same period in 2016. The provision was due to the growth in the loan portfolio, as asset quality remains exceptional.



Additional investments in information security and personnel were made in the first quarter of 2017, compared to the first quarter of 2016. Investing in these areas will help guard customer information and continue to keep the Bank competitive in the industry.

Return on average equity was 10.2 percent as compared to 11.0 percent in the fourth quarter of 2016. Growth in capital was $2.8 million for the quarter, this was a result of strong earnings. Total risk-based capital at the Bank level declined to 16.9 percent in the first quarter of 2017, from 17.4 percent in the fourth quarter of 2016. This was due to growth in the Bank's assets.

FUTURE GROWTH AND THE ECONOMY

The state of Utah continues to be one of the best states in the nation for business growth. This is due, in-part, to population growth. Utah ranked number one in population growth in 2016 and it is the youngest state in terms of average age. This growth drives new consumers into the market with purchasing power. The state's unemployment rate is also one of the nation's lowest at 3.1%. Wages are rising and home values are increasing as a result of supply and demand for both. There has been increased migration into the state, resulting in more commercial and residential projects being constructed and new businesses emerging all along the Wasatch Front. This spring, the Bank is opening a new office in Bountiful, Utah to take advantage of this influx. This location fits our profile and our experienced bankers are ready to grow the Bank in this market.

Douglas L. DeFries

Douglas L. DeFries
BANK-PRESIDENT AND CEO
COMPANY-VICE PRESIDENT

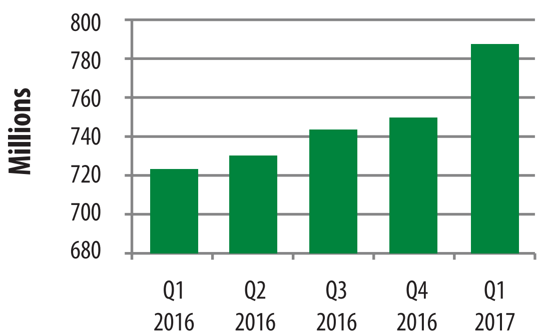
BANK OF UTAH™

Q1 2017 BANK FINANCIAL ANALYSIS

COMMERCIAL LENDING

The loan portfolio, net of unearned income, grew to $788.1 million, a 4.7 percent increase from the previous quarter and a 9.0 percent increase from the first quarter of 2016. Loan volume remains strong in all sectors and new efforts in the leasing business are beginning to yield benefits. Loan quality remains exceptional as measured by a 0.09 percent Texas ratio. Non-performing assets were 0.02 percent of the total loan portfolio. The Bank has not had a property in Other Real Estate Owned (OREO) for over three years. These trends are expected to continue in 2017.

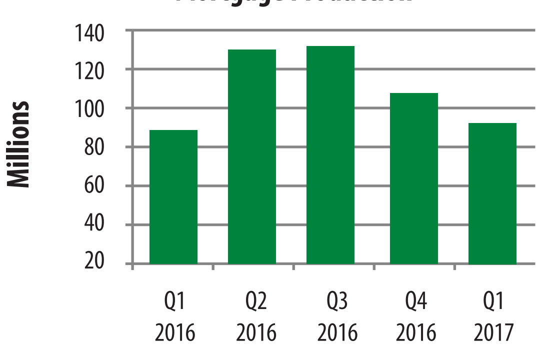
Period End Loans, Net of Unearned Income



MORTGAGE LENDING

Mortgage loan production was $92.1 million for the quarter, an 18.0 percent decrease from the previous quarter and a 9.5 percent increase from the first quarter of 2016. The first quarter of the year traditionally experiences slower production as most home buying activity tends to occur in spring, summer and autumn months. Increases in housing prices and limited supply of homes in the market will have some effect. We believe that we will continue to produce at a pace similar to 2016. We have great people, an efficient processing system and the right market.

Mortgage Production



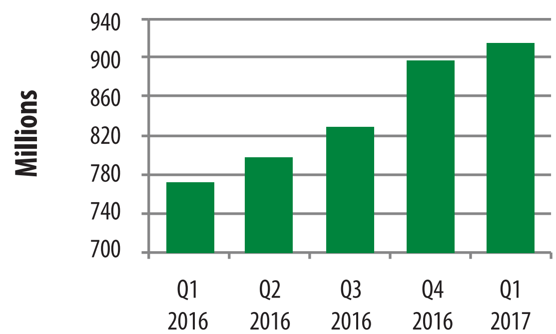
CORPORATE TRUST

The number of accounts for the first quarter ended at 1,599—which were primarily composed of 1,405 aircraft accounts and 154 life settlement accounts. The first quarter saw slight improvements over 2016. Corporate trust has seen some changes in competitor focus and is putting efforts into capitalizing on the opportunities this has created. Likewise, commercial airlines continue to forecast a need for additional fleet size with strong orders for the next decade. The department will continue working on sustainable, organic growth in the aircraft-owner trust sector.

DEPOSITS

Average deposits were $915.0 million, a 1.9 percent increase from the previous quarter and an 18.2 percent increase from first quarter 2016. The large, year-over-year increase in growth is the result of the Bank's corporate trust, branch and treasury management personnel embracing the leadership roles they have been given and the efficient use of tools at their disposal.

Average Deposits



WEALTH MANAGEMENT

Wealth management was stable compared to the previous quarter. Personal trusts under management were $391.1 million. This remained flat from the previous quarter and a 9.9 percent growth over the first quarter of 2016. Personal Trust fee income grew 19.5 percent over the first quarter of 2016. This is attributed to the rise in self-directed IRA accounts, traditional IRA's and trust accounts. Competition is fierce in this sector, but quality employees and services give this department the edge to keep existing customers returning to the Bank and also referring it to their friends and associates.

COMPANY NOTABLE POINTS

Return on average assets was 1.35 percent for the first quarter of 2017, compared to 1.45 percent for the previous quarter. This was due to balance sheet growth in the first quarter and lower quarterly earnings due to seasonality.

Net interest margin was 3.89 percent compared to 3.89 percent for the previous quarter and 4.21 percent for first quarter of 2016. The Bank's excess cash was primarily invested in short-term, low-earning instruments. As the Federal Reserve raises interest rates and deposits are invested in loans, we expect a slight increase in margin.

Tier 1 leverage ratio was stable from the previous quarter at 12.54 percent, and 13.32 percent for the first quarter of 2016.

Earnings per share were $2.20, compared to $2.37 for the previous quarter and $2.20 for the first quarter of 2016.