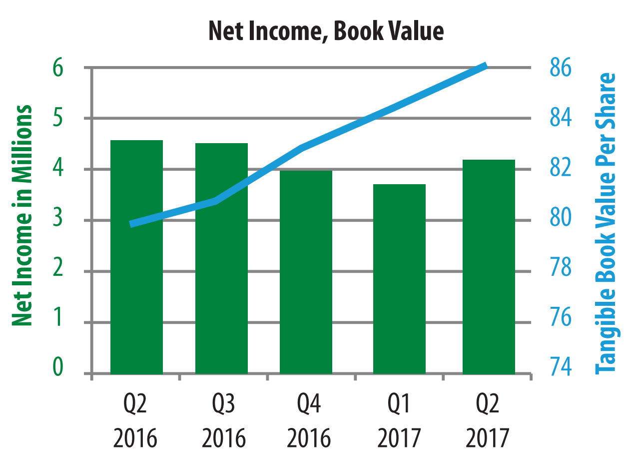
BOU Bancorp, Inc.

QUARTERLY REPORT Q2 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 second quarter dividend of $0.60 per share was paid on July 21, 2017. The dividend paid for the first quarter of 2017 was $0.55 per share. The dividend paid for the second quarter of 2016 was $0.65 per share. We continue to build on the strong loan growth in the first quarter of 2017, as evidenced by 8.9 percent growth in net interest income over the prior quarter and 14.4 percent growth year-over-year. This increase in interest income and the ability to keep expenses in check kept our efficiency ratio low at 58.4%.

Net income for the second quarter of 2017 was $4.2 million, compared to $3.7 million for the first quarter of 2017, an increase of 14.4 percent. This is a decrease of 6.7 percent from the same quarter a year ago. The year-over-year decrease is primarily attributed to additional loan loss provisions. The Bank recorded a $300 thousand loan loss provision in the second quarter of 2017, as compared to the same 2016 period in which no provision was taken. We have added $600 thousand in provision this year. Consolidated net income for the six months ending June 30, 2017 was $7.9 million compared to $8.2 million for the comparable 2016 period.



Our market continues to grow at a firm pace. Utah is experiencing its longest job market expansion in the last 15 years, with 44,500 jobs added in the past year. This has put pressure on the housing market—demand is there, but the supply of homes is limited. In addition, the refinance market has softened, thus reducing our year-over-year non-interest income generated by mortgage banking.

Strong earnings have allowed us to reinvest in the Company. We are investing in quality employees and equipment upgrades to support our future growth. This will be beneficial in the long run as we continue to serve our investors, customers and employees.

OUR GOAL

Many financial publications have recently reported that customers prefer to complete banking transactions online, without the need for face-to-face interaction. Although there is truth to this statement, it does not paint the whole picture. While most routine transactions can happen electronically, more complicated processes are best addressed by phone or in person. We understand the need for both electronic and personal service and offer our customers the best of both. The Bank's online banking service handles over 94,000 monthly log-ins. The Bank also receives over 22,000 phone calls per month to assist with those more complicated transactions and to answer questions that customers might have concerning their banking.

Virtually all commercial loans are handled in person and most of our residential real estate customers talk directly with a loan officer located nearby. Most outgoing wire transfers are verified by employees using the latest technology to keep your money safe. Our goal is to allow you to do your banking in a way that fits your lifestyle. At the Bank, you will find the technology that allows you the freedom to bank how you want, with the personal attention you expect from a community bank. When you need the expertise of a great banker, they are only a phone call, e-mail or visit away. We believe that the personal touch—when needed—will always be a part of the premier banking experience at Bank of Utah.

Douglas L. DeFries

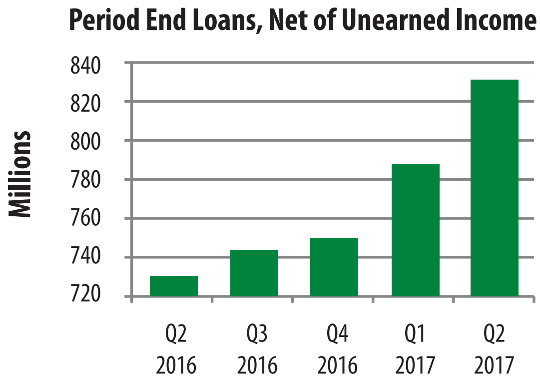
BANK-PRESIDENT AND CEO
COMPANY-VICE PRESIDENT

BANK OF UTAH™

Q2 2017 BANK FINANCIAL ANALYSIS

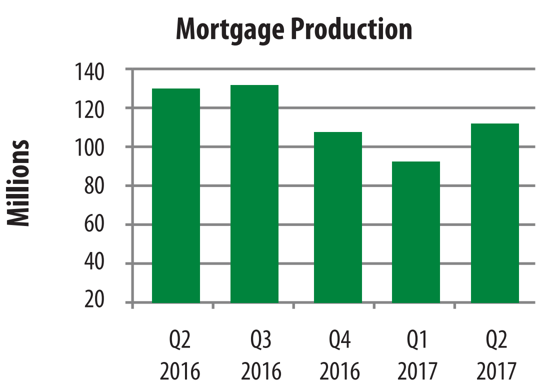
COMMERCIAL LENDING

The loan portfolio, net of unearned income, grew to $830.5 million, a 5.4 percent increase from the previous quarter and a 13.8 percent increase from the second quarter of 2016. The Bank also increased the average amount outstanding per loan. Both the increase in loan size and strong production contributed to growth in the portfolio. The Bank has not lowered underwriting standards. Loan quality remains exceptional, as measured by a 0.06 percent Texas ratio. Non-performing assets were 0.01 percent of the total loan portfolio. The allowance for loan losses to gross loans was 1.24 percent compared to 1.26 percent for the previous quarter and 1.19 percent for the second quarter of 2016.



MORTGAGE LENDING

Mortgage loan production was $113.3 million, an increase of 23.0 percent from the previous quarter and an 11.7 percent decrease from second quarter 2016. This was mainly due to pressure in the housing market and fewer refinances of existing homes. The supply of homes is expected to increase throughout the year to meet a market balance. Newly-hired loan officers will also enable the Bank to continue producing at high levels.

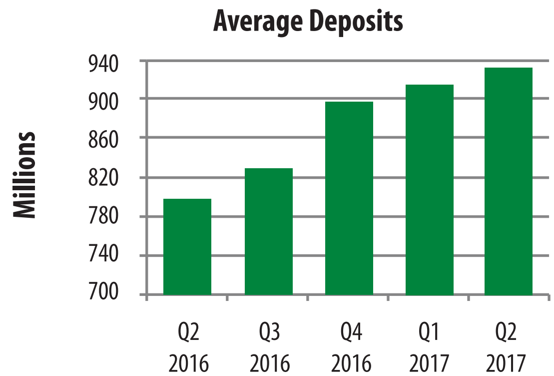


CORPORATE TRUST

The number of accounts for the second quarter ended at 1,625. Bank of Utah is currently the second largest owner trustee of aircraft in the country, according to the FAA. The group continues to focus on expanding corporate trust opportunities that can be offered to current customers and maximize customer referral sources, including escrow and security trustee services.

DEPOSITS

Average deposits were $930.3 million, a 1.7 percent increase from the previous quarter and a 16.7 percent increase from the second quarter 2016. The consistent growth reflects the efforts of employees educating their customers about products and services that are beneficial to their specific financial goals. New tools are continually being implemented to help customers invest their money wisely.



WEALTH MANAGEMENT

Personal trust assets under management were $422.8 million, an 8.1 percent increase from the previous quarter and a 15.6 percent increase from the second quarter 2016. Increased referrals attributed to the growth. This department has developed a reputation of quality, experience and putting customer needs first. Known as a leader in self-directed IRA's, the Bank's wealth management department also offers investments, insurance and private banking services.

COMPANY NOTABLE POINTS

Return on average assets was 1.51 percent in the second quarter of 2017, compared to 1.35 percent for the previous quarter and 1.85 percent for second quarter 2016. The decline year-over-year is due to increase asset growth and a slight decline in quarterly earnings from 2016.

Net interest margin was 4.14 percent, compared to 3.89 percent for the previous quarter and 4.15 percent for the second quarter of 2016. This increase was primarily due to the deployment of cash into higher yielding loans.

Tier 1 leverage ratio was 12.66 percent, compared to 12.54 percent for the previous quarter and 13.36 percent for the second quarter of 2016.

Earnings per share were $2.52, compared to $2.20 for the previous quarter and $2.69 for the second quarter of 2016.

Net Interest income on a fully taxable equivalent basis was $11.0 million, an 8.9 percent increase from the previous quarter and a 14.4 percent increase from second quarter 2016.