BANK OF UTAH

BOU BANCORP, INC.

2022 ANNUAL REPORT

Reflecting on a year of strength and momentum at Bank of Utah.

CONTENTS

LETTER TO SHAREHOLDERS

Almost every Tuesday, Bank of Utah hosts "Insights," a 30-minute, virtual, bank-wide discussion for employees. During one of our 2022 meetings, a guest speaker began her presentation by reading Bank of Utah's mission statement. Afterward, many employees commented on how inspiring it was to hear it read aloud and how it reminded them of our shared purpose. We'd like to share it with you:

Mission

"We are a community bank, dedicated to providing quality financial services through friendly, professional employees. We will be responsive to our present and prospective customers and become a major banking force in the Utah markets we serve. Our products and services will meet the needs of our customers in a rapidly changing environment. Key elements and controlling factors in our planning, service and product design will be safety, efficiency and profitability. The honor, respect and integrity of our employees, customers and stockholders are of the highest priority to the Bank. We will be the best community bank in Utah."

Frank W. Browning

The mission statement is important. It describes our commitment to fostering strength and stability within the Bank and the communities we serve. In 2022 — a year of change for Bank of Utah's leadership and challenges for the U.S. economy — it directed our focus and helped us deliver the strongest performance in our 70-year history.

Branden P Hansen

On behalf of BOU Bancorp, Inc., the holding company of Bank of Utah and Utah Risk Management, Inc. (collectively, the Bank), we are pleased to report that total assets grew to $2.4 billion, an 11.9 percent increase from 2021. Consolidated net income also increased year over year, from $31.7 million to $33.6 million. In addition, the Bank achieved yet another milestone, exceeding $100 million in total revenue for the first time, with $102.3 million. At year-end, Bank of Utah had three times more capital than required by regulators, as well as remarkable liquidity, earning the Bank a 5-star rating by BauerFinancial — the highest ranking possible.

Bank of Utah is now in the top 11 percent of banks in the nation for total assets, the top 9 percent for net income and the top 8 percent for total equity capital. The growth in 2022, plus the addition of a large new investor, allowed the Bank to pay approximately $40 million to stockholders, represented by a total of $0.40 per share in quarterly dividends and a one-time dividend of $2.00 per share.

As you review the company's financial position through 2022, we invite you do so through the lens of our mission statement. It has guided us to deliver the best service to our customers and high returns to our shareholders, even when the economy made it challenging. It has held us to honor our commitment to bring philanthropy, volunteerism and community development to local communities. Rest assured that our pledge to be innovative will always complement our promise to be financially responsible. Know that we will always seek opportunities to grow our capital base and use our diverse lines of business to improve profitability — to be strong for you.

Thank you for the trust and confidence you place in Bank of Utah. We are happy to have served you in 2022 and look forward to many years to come.

Sincerely,

Branden P Hansen
President

Frank W. Browning
Chairman

OUR KEYS TO SUCCESS

"We are a community bank, dedicated to providing quality financial services through friendly, professional employees. We will be responsive to our present and prospective customers and become a major banking force in the Utah markets we serve."

Mission

Service-Minded Staff

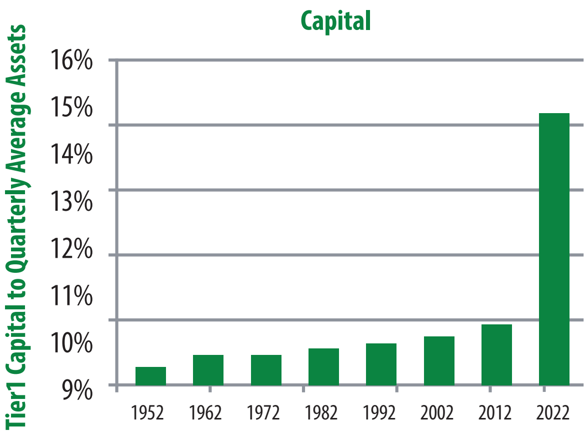
Being the kind of bank where customers like to do business is always important, but it's critical in times of economic upheaval. In 2022, the Federal Reserve increased the federal funds rate seven times in an effort to curb escalating inflation. This posed unique options for customers, but threats to many of the nation's financial institutions. Across the U.S., many banks saw large outflows of deposits, with customers leaving to seek investment alternatives elsewhere, with higher rates of return.

By providing a consistently high level of service, customizing solutions and prioritizing customers' concerns and needs surrounding the economy, Bank of Utah created opportunities to grow. Dedicated and friendly employees worked diligently to strengthen Bank of Utah's position as a trusted financial partner, and the Bank was able to renew existing relationships and win new partners.

Benjamin F. Browning

Our products and services will meet the needs of our customers in a rapidly changing environment. Key elements and controlling factors in our planning, service and product design will be safety, efficiency and profitability.

Mission



Bank of Utah's 5-star rating from BauerFinancial is a testament to our financial strength, stability, and commitment to our customers. It indicates that we have been evaluated based on a strict set of criteria and have received top marks in all categories.

Consistency + Capital = Strength

The Bank continues to be one of the highest capitalized banks in the industry. Tier 1 capital to quarterly average assets was 15.06 percent, compared to 10.95 percent in 2021. Capital levels are three times the level of regulatory capital minimums. This has enabled the Bank to weather the challenges and disruptions in our market, providing a safety net during economic volatility. The Bank will continue to monitor capital levels and balance the need for safety with opportunity in the market and the ability to support customers. Total stockholders' equity grew to $348.0 million from $249.4 million in 2021, a significant 39.5 percent increase that came about when the Bank recieved a large investment from a new shareholder. In 2022, the Bank paid shareholders approximately $40 million in dividend income, which represented $2.40 per share.

Commitment to Community

As a community bank, our dedication to Utah comes alive in philanthropy, volunteerism, community development, financial education and community relations. In 2022, Bank of Utah supported its neighbors with more than 68 employees volunteering over 736 hours to community organizations.

Bank of Utah partnered with customers and local businesses to continue its popular bank-wide clothing and food drives.

The ever-growing Warm Bodies, Warm Souls clothing drive celebrated its 10th year in 2022, with community members donating 460 large bags of warm clothing and $5,400 in cash. The event is now one of the largest clothing drives in Utah, and Bank of Utah and its community partners were able to distribute donations to 12 charities across the state.

The 2022 Scouting for Food Drive, in which the Bank teamed up with the Boy Scouts of America, was also a success, with generous Utahns donating an estimated 98,312 pounds of food to help feed hungry families across the state. Held in February and March, the food drive comes at a critical time, when supplies at food banks and pantries need replenishing following the holiday season.

The Bank extended 39 community development loans totaling $202 million.

Bank employees provided 736 service hours to 33 charitable organizations.

In 2022, the Bank generously donated $101,138 to qualified nonprofit organizations within the communities it serves.

DEPARTMENTS OVERVIEW

In addition to being nimble, another one of Bank of Utah's greatest strengths in times like these is its diversified product offerings. When conditions negatively impact certain areas, such as rising rates did with mortgage production and personal trust revenue in 2022, it is offset by growth in other areas — deposits, commercial lending and corporate trust, for example. This diversity, along with conservative risk management practices, reinforces Bank of Utah's consistency, stability and overall success, as seen in our department highlights.

Deposits

Average deposits for 2022 were $2.0 billion, a 9.4 percent increase from 2021. The growth in deposits for Bank of Utah runs counter to the national trend, where deposits are shrinking in many banks.

With dedicated employees creating opportunities to build strong, loyal relationships, we added to our personal and business account portfolios. The increase in noninterest-bearing business accounts also boosted our non-interest income while providing value and growth for our local business partners. The Bank continued to enhance and market digital tools for customers, enabling customers to open joint accounts online, for example.

Commercial Lending

Loans grew at a solid rate of 13.7 percent year over year, increasing to $1.72 billion. In addition, net interest margin rose to 3.82 percent from 3.43 percent in 2021. As a result, interest and fees on loans totaled $74.5 million for 2022. Loan quality is excellent.

Despite commercial borrowers needing to provide more in equity in today's economy, and demand somewhat softening, Bank of Utah was committed to providing traditional financing and innovative lending. By seeking out and financing a number of municipal loans, for example, our commercial lenders not only improved our balance sheet but also made a meaningful impact in communities across the state. Municipal loans accelerate the economy by creating living-wage jobs that help cities improve services for residents.

Residential Mortgage & Residential Construction Lending

As expected, rising interest rates and skyrocketing home prices triggered a year-over-year slowdown in our mortgage production, which was $502.2 million in 2022, a 19.7 percent decrease from 2021. Gain on sale of loans dropped 58.1 percent year over year. On a positive note, mortgage loan officers were able to offset some of the loss by shifting their marketing focus to home equity lines of credit (HELOCs), based on customer demand.

Bank of Utah also expanded its partnership with the Utah Housing Corporation (UHC) in 2022, becoming the limited partner investor in all low-income housing tax credits issued through UHC's CROWN (CRedits-to-OWN) program. This program provides much-needed home ownership opportunities to families in Utah's rural areas.

9.4%
Increase in Average Deposits

4
Voted best mortgage lender in Southern Utah 4 years in a row

13.7%
Growth in Total Loan Portfolio

5%
Growth in core Corporate Trust accounts

7
Experienced Personal Trust Officers

Corporate Trust

Consistent with prior years, 2022 saw continued growth of key relationships across all areas of the department. At year-end, core accounts had increased by 5 percent, while deposits had grown by 18 percent. In addition, fee revenue grew by 9.4 percent in 2022. Both aircraft and life settlement lines of business were the primary driver behind this growth. Bank of Utah continues to be a world leader in the aircraft trust business.

Personal Trust

Personal Trust assets at the end of 2022 were $693.7 million, a slight 5 percent decrease from 2021. The portfolio balance is tied closely to the stock market, and balance fluctuations are normal.

As one of the few Utah-based banks that offers local trust services with trust professionals who live and work in Utah, Bank of Utah is confident that the number of quality accounts and clients will increase over time. A newer customer of Bank of Utah — a longtime local charitable foundation — best explains the local connection, saying, "Bank of Utah took the time to get to know us. From the very beginning, it was personal, it was about the people. We have access to Bank of Utah always, and that's important."

"The honor, respect and integrity of our employees, customers and stockholders are of the highest priority to the Bank. We will be the best community bank in Utah."

Mission

Bank of Utah's record financial results for 2022 can be attributed to our superb customer service model, diversified products and responsible underwriting. These values have enabled the Bank to be strong in all economic environments, generating growth, creating opportunity and earning the lasting loyalty of our employees, customers, communities and shareholders.

This gives us optimism as we head into 2023, knowing our mission will continue to be our guide. Thank you for being part of Bank of Utah.

FINANCIAL ANALYSIS

YEARLY COMPARISONS	YEAR END 2022	YEAR END 2021
Return on Average Assets	1.49%	1.55%
Return on Average Equity	13.03%	13.22%
Net Income	$33.6MM	$31.7MM
Net Interest Margin (FTE)	3.82%	3.43%
Net Interest Income (FTE)	$81.4MM	$67.1MM
Noninterest Income	$23.1MM	$29.7MM
Earnings Per Share	$1.96	$1.90
Dividends Per Share	$2.34*	$0.36
Equity	$348.0MM	$249.4MM
Tangible Book Value Per Share	$14.62	$14.39
Total Assets	$2.4B	$2.2B

*Special dividend of $2.00 Issued on December 13, 2022

CAPITAL

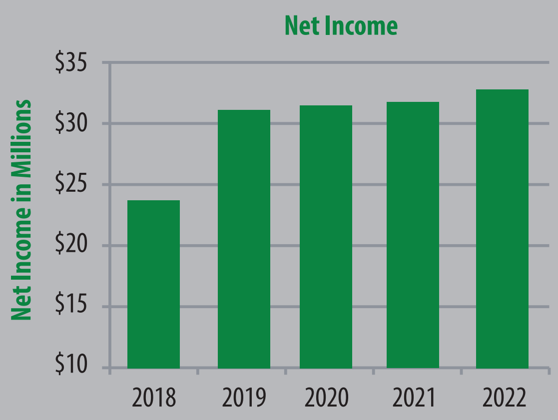
The Bank's Tier 1 leverage ratio for 2022 increased to 15.06 percent, up significantly from 2021's ratio of 10.95 percent. This is due to a large new investor.

RESERVE

The Bank's loan loss reserve, as a percent of loans, remained at an acceptable level of 1.16 percent for 2022, down from 1.26 percent in 2021. Net loan loss to average loans was 0.01 percent.

EFFICIENCY

The Bank's efficiency ratio decreased in 2022. A decrease is preferable, as it indicates that the Bank is spending less to generate income. The Bank's 58.2 percent ratio is well within expectations.



Record Net Income

Despite many economic challenges, Bank of Utah achieved record profitability for the fourth consecutive year. Consolidated net income for year-end 2022 was $33.6 million compared to $31.7 million for the comparable 2021 period. The Bank continues on an upward pace due to increased deposits, quality loan production and diverse income streams.

Primary Changes to Net Income

NET INTEREST INCOME AND NET INTEREST MARGIN

On a tax equivalent basis, net interest income increased to $81.4 million in 2022 from $67.1 million in 2021. Net interest margin was 3.82 percent, up from 3.43 percent in 2021.

SALARIES AND BENEFITS

Salaries and employee benefits increased by $3.3 million year over year. This is due to a competitive environment to keep quality employees, as well as inflationary pressures.

GAIN ON SALE OF LOANS

The Bank's mortgage team funded over 2,000 loans in 2022, totaling $502.2 million. This is the second year of decline, as expected, with market pressures on sale of loans. Gain on sale of loans dropped 58.1 percent from 2021.

Quarter-to-Quarter Highlights

Q1 | The Bank's core strengths — size, capital level, conservative risk management and dedicated employees — led to continued growth and stability despite the Federal Reserve raising the interest rate in March, the first of seven rate hikes in 2022.

Q2 | With robust product offerings and the ability to provide sound financial expertise to customers, the Bank was able to overcome negative economic conditions, grow its customer base and exceed budgeted projections.

Q3 | The Bank's proactive balance sheet management, and customer-centric employees who communicated the right products and services at just the right time, protected accountholders, communities and the bottom line from a volatile economy.

Q4 | Keeping the momentum going, the Bank balanced downturns in certain areas with upticks in others, leading to the most profitable year in history during one of the most economically challenging years in recent history.

Report of Independent Auditors

MOSSADAMS

The Board of Directors and Stockholders of
BOU Bancorp, Inc., and subsidiaries

Report on the Audit of the Financial Statements

Opinion

We have audited the consolidated financial statements of BOU Bancorp, Inc., and subsidiaries, which comprise the consolidated statement of financial condition as of December 31, 2022 and 2021, and the related consolidated statements of income, comprehensive income, retained earnings, changes in stockholders' equity, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of BOU Bancorp, Inc., and its subsidiaries as of December 31, 2022 and 2021, and the results of its their operations and its their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of BOU Bancorp, Inc., and its subsidiaries and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about BOU Bancorp, Inc., and its subsidiaries' ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of BOU Bancorp, Inc., and its subsidiaries' internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about BOU Bancorp, Inc., and its subsidiaries' ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

Other Matter

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying consolidating schedule - statement of financial condition and consolidating schedule - statement of income are presented for purposes of additional analysis and are not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the information included in the annual report but does not include the consolidated financial statements and our auditor's report thereon. Our opinion on the consolidated financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the consolidated financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Moss Adams LLP

Spokane, Washington
March 22, 2023

BOU BANCORP, INC.
CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION
Years ended December 31, 2022 and 2021

(in thousands, except share data)

ASSETS		2022	2021
Cash and due from banks	$	19,294	19,969
Interest-bearing deposits in banks		180,725	216,676
Federal funds sold		111	1,893
Investment securities (Notes 2 and 11):			
Equity securities, at fair value		6,582	7,330
Debt securities available for sale, at fair value		265,371	179,717
Debt securities held to maturity, at amortized cost (fair value of $97,996 and $116,061 as of December 31, 2022 and 2021, respectively)		115,298	118,302
Total investment securities		387,251	305,349
Loans held for sale		2,523	19,089
Loans (Note 3)		1,715,800	1,509,323
Less allowance for loan losses (Note 4)		19,940	18,986
Net loans		1,695,860	1,490,337
Accrued interest receivable		7,774	5,687
Goodwill (Note 5)		8,903	8,903
Bank owned life insurance, net		36,477	35,490
Premises and equipment, net (Note 7)		29,532	23,813
Investment in affordable housing tax credits, net		24,779	18,533
Other assets		20,956	11,449
Total assets	$	2,414,185	2,157,188

LIABILITIES AND STOCKHOLDERS' EQUITY		2022	2021
Deposits:			
Noninterest-bearing	$	903,216	732,568
Interest-bearing (Note 8)		1,038,812	1,098,712
Total deposits		1,942,028	1,831,280
Securities sold under agreements to repurchase (Note 9)		84,927	45,064
Other liabilities		39,229	31,442
Total liabilities		2,066,184	1,907,786
Commitments and contingent liabilities (Note 12)			
Common stock, $1 par value, 50,000,000 shares authorized, 17,684,371 shares issued and outstanding at December 31, 2022 and 16,899,750 shares issued and 16,688,317 shares outstanding at December 31, 2021.		17,684	16,900
Common stock, non-voting, $1 par value, 20,000,000 shares authorized, 5,625,611 shares issued and outstanding at December 31, 2022 and no shares issued and outstanding at December 31, 2021.		5,626	-
Paid-in capital		122,025	5,271
Accumulated other comprehensive (loss)/income, net of tax		(18,466)	(278)
Retained earnings		221,132	230,146
Treasury stock, at cost, 211,433 shares at December 31, 2021.		-	(2,637)
Total stockholders' equity		348,001	249,402
Total liabilities and stockholders' equity	$	2,414,185	2,157,188

See accompanying footnotes

BOU BANCORP, INC.
CONSOLIDATED STATEMENTS OF INCOME
Years ended December 31, 2022 and 2021

(in thousands, except per share data)

		2022	2021
INTEREST INCOME:			
Interest and fees on loans	$	74,530	64,849
Interest on investment securities:			
Taxable		6,610	3,731
Tax-exempt		42	86
Interest and fees on loans held for sale		351	409
Interest on cash and cash equivalents		2,609	516
Total interest income		84,142	69,591
INTEREST EXPENSE:			
Interest on deposits		4,608	3,557
Interest on securities sold under agreements to repurchase and other borrowings		373	230
Total interest expense		4,981	3,787
Net interest income		79,161	65,804
Provision for loan losses (Note 4)		1,100	1,100
Net interest income after provision for loan losses		78,061	64,704
NONINTEREST INCOME:			
Service charges on deposits		849	981
Gain on sale of loans		5,166	12,329
Trust fees		14,132	12,902
Increase in cash surrender value of bank owned life insurance		987	957
Other		2,000	2,535
		23,134	29,704
NONINTEREST EXPENSES:			
Salaries and employee benefits		38,695	35,434
Net occupancy expense		3,130	2,979
Equipment expense		6,156	5,810
Professional fees and services		4,780	3,586
Advertising and business development expense		1,770	1,376
Office expense		1,444	1,494
Other		3,562	3,381
		59,537	54,060
Income before provision for income taxes		41,658	40,348
Provision for income taxes (Note 10)		8,050	8,623
Net income	$	33,608	31,725
Basic and diluted earnings per common share	$	1.96	1.90

BOU BANCORP, INC.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
Years ended December 31, 2022 and 2021

(in thousands)

	2022	2021
Net income	$ 33,608	31,725
Other comprehensive income:		
Net change in unrealized holding loss on securities available for sale, net of tax benefit of $6,034 and $1,136 as of December 31, 2022 and 2021, respectively	(18,188)	(3,425)
Comprehensive income	$ 15,420	28,300

BOU BANCORP, INC.
CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
Years ended December 31, 2022 and 2021

(dollars in thousands)

	Common Stock	Amount	Paid-in capital	Accumulated other comprehensive income (loss)	Retained earnings	Treasury stock	Total stockholders' equity
Balances, December 31, 2020	16,750,875	$ 16,900	5,271	3,147	204,423	(1,822)	227,919
						-	
Net income	-	-	-	-	31,725	-	31,725
Other comprehensive loss, net of tax	-	-	-	(3,425)	-	-	(3,425)
Repurchase of common stock	(124,253)	-	-	-	-	(1,617)	(1,617)
Issuance of treasury stock	61,695	-	-	-	-	802	802
Dividends paid	-	-	-	-	(6,002)	-	(6,002)
Balances, December 31, 2021	16,688,317	$ 16,900	5,271	(278)	230,146	(2,637)	249,402
Net income	-	-	-	-	33,608	-	33,608
Other comprehensive loss, net of tax	-	-	-	(18,188)	-	-	(18,188)
Repurchase of common stock	(13,130)	-	-	-	-	(189)	(189)
Issuance of common stock	6,634,795	6,635	116,754	-	-	-	123,389
Retirement of treasury stock	-	(225)	-	-	(2,601)	2,826	-
Dividends paid	-	-	-	-	(40,021)	-	(40,021)
Balances, December 31, 2022	23,309,982	$ 23,310	122,025	(18,466)	221,132	-	348,001

BOU BANCORP, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
Years ended December 31, 2022 and 2021

(in thousands)		2022	2021
OPERATING ACTIVITIES:			
Net income	$	33,608	31,725
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization expense		2,156	2,139
Right of use asset amortization expense		813	-
Provision for loan losses		1,100	1,100
Provision for commitments to fund loans		100	100
Deferred income tax (benefit)/expense		249	(292)
Changes in fair value of equity investments		852	214
Increase in cash surrender value of bank owned life insurance		(987)	(957)
Net amortization of investment premiums and discounts		777	573
Gain on sale of loans		(5,166)	(12,329)
Proceeds from sales of loans held for sale		149,785	410,755
Origination of loans held for sale		(128,053)	(397,875)
Loss/(gain) on sale or disposal of premises and equipment		(26)	(34)
Change in accrued interest receivable and other assets		(5,847)	(12,675)
Change in lease liability		(753)	-
Change in other liabilities		2,767	15,323
Net cash provided by operating activities		51,375	37,767
INVESTING ACTIVITIES:			
Proceeds from maturities of held to maturity securities		8,485	6,306
Proceeds from maturities of available for sale securities		35,018	31,935
Purchase of held to maturity securities		(5,740)	(117,886)
Purchase of available for sale securities		(145,409)	(90,454)
Purchase of equity securities		(605)	(86)
Net change in loans from loan originations and principal repayments		(183,798)	(225,791)
Purchase of loan pools		(24,261)	-
Purchase of affordable housing tax credits		(4,274)	(2,755)
Proceeds from sale of premises and equipment		52	115
Purchase of premises and equipment		(3,041)	(8,647)
Net cash used in investing activities		(323,573)	(407,263)
FINANCING ACTIVITIES:			
Net change in deposits		110,749	262,922
Net change in securities sold under agreement to repurchase		39,863	(24,985)
Issuance of common stock		123,389	-
Repurchase of treasury stock		(189)	(1,617)
Issuance of treasury stock		-	803
Dividends paid to stockholders		(40,021)	(6,002)
Net cash provided by financing activities		233,791	231,121
Net change in cash and cash equivalents		(38,407)	(138,375)
Cash and cash equivalents, beginning of period		238,538	376,913
Cash and cash equivalents, end of period	$	200,131	238,538
Supplemental Disclosure of Cash Flow Information			
Cash paid for interest	$	5,033	3,755
Cash paid for income taxes, net of refund		7,372	10,102
Supplemental Disclosure of Non-Cash Transactions			
Initial recognition of right-of-use asset		5,674	-
Initial recognition of lease liability for new leases		5,674	-
Supplemental Disclosure of Investing Activities			
Transfers from loans to real estate owned	$	1,435	-

See accompanying footnotes

(1) DESCRIPTION OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies followed by BOU Bancorp, Inc. (the Corporation) in the preparation of the accompanying consolidated financial statements are as follows:

Description of Business

The Corporation is a Utah state financial holding company formed in 2000. Bank of Utah (the Bank) is a Utah state-chartered commercial bank founded in 1952, which is wholly owned by the Corporation. Utah Real Estate Management Corp. (UREM) is a Utah corporation founded in 2019 to hold certain other real estate foreclosed on by the Bank and is wholly owned by the Bank. Utah Risk Management, Inc. (URM) is a Nevada captive insurance company founded in 2015, which is wholly owned by the Corporation. The Corporation and its wholly-owned subsidiaries are collectively referred to as the Company. The Company, which is primarily centered along Utah's Wasatch Front, focuses on providing community banking services, to customers across the State of Utah, including: 1) deposits accounts for the general public; 2) loan origination, including residential mortgage loans; 3) treasury cash management products and services; 4) personal and corporate trust management services; and 5) wealth management and advisory services.

Basis of Financial Statement Presentation

The accompanying consolidated financial statements include the accounts of BOU Bancorp, Inc., Bank of Utah, Utah Real Estate Management Corp., and Utah Risk Management, Inc. All significant intercompany balances and transactions have been eliminated in consolidation. The consolidated financial statements have been prepared in conformity with U.S. generally accepted accounting principles. In preparing the consolidated financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, as of the date of the balance sheet and revenues and expenses for the period. Actual results could significantly differ from those estimates. Certain prior year amounts have been reclassified to conform to the current financial statement presentation.

Material estimates that are particularly susceptible to significant change in the near-term relate to the determination of the allowance for loan losses, income taxes and the fair value of financial assets. While management uses available information to recognize losses on loans, future additions to the allowance may be necessary based on changes in economic conditions. In addition, various regulatory agencies, as an integral part of their examination process, periodically review the Company's allowance for loan losses.

Business Combinations

Business combinations are accounted for using the acquisition method of accounting, which requires that assets acquired and liabilities assumed are recorded at estimated fair value at the date of the acquisition. Any difference in purchase consideration over the fair value of assets acquired and liabilities assumed results in recognition of goodwill if purchase consideration exceed net estimated fair values, or a bargain purchase gain if estimated fair values exceed purchase consideration. Expenses incurred in connection with a business combination are expensed as incurred. Changes in deferred tax asset valuation allowances and acquired tax uncertainties after the measurement period are recognized in net income.

Subsequent Events

Subsequent events are events or transactions that occur after the date of the consolidated statement of condition but before the consolidated financial statements are issued. The Company recognizes in the consolidated financial statements the effects of all subsequent events that provide additional evidence about conditions that existed at the date of the consolidated statements of financial condition, including the estimates inherent in the process of preparing the consolidated financial statements. The Company's consolidated financial statements do not recognize subsequent events that provide evidence about conditions that did not exist at the date of the consolidated statements of financial condition but arose after the date of the consolidated statements of financial condition and before the consolidated financial statements are available to be issued.

On March 10, 2023, the Company entered into an agreement to acquire a 90% participation interest in a pool of hybrid adjustable rate mortgages. The originating financial institution is retaining the remaining 10% interest and the servicing rights to the pool. The total participation interest purchased was $30 million with an associated discount of $1.7 million. The net amount is recorded as loans in the consolidated statements of financial condition.

Subsequent events have been evaluated through March 22, 2023, the date these financial statements were available to be issued.

Cash and Cash Equivalents

Cash and cash equivalents include cash, due from banks, interest bearing deposits in banks, and fed funds sold with maturities of three months or less, some of which may be in excess of federally insured amounts.

Interest-Bearing Deposits

Interest-bearing deposits include amounts due from the Federal Reserve Bank and other depository institutions and are carried at cost.

Investment Securities

The Company classifies its investment in debt securities in two categories: held to maturity or available for sale. The Company had no trading securities during 2022 or 2021. Premiums and discounts are amortized or accreted over the expected life of the related security and recognized in interest income using the effective-interest method. Dividend and interest income are recognized when earned. Held to maturity securities are stated at cost, net of unamortized premiums and unaccredited discounts. The Company has the intent and ability to hold such securities to maturity. Investment securities classified as available for sale are recorded at fair value. Unrealized holding gains and losses on available for sale securities are reported as a component of other comprehensive income (OCI). Gains and losses on sales are recorded on the trade date and determined using the specific identification method. Realized gains and losses on available for sale securities are reported in the consolidated statements of income as other noninterest income.

Any declines in the values of these securities that are considered to be other-than-temporary-impairment (OTTI) due to declines in credit quality are recognized in earnings. Noncredit-related OTTI on securities not expected to be sold is recognized in OCI. The review for OTTI is conducted on an ongoing basis and takes into account the severity and duration of the impairment, recent events specific to the issuer or industry, fair value in relationship to cost, extent and nature of change in fair value, creditworthiness of the issuer, including external credit ratings and recent downgrades, trends and volatility of earnings, current analysts' evaluations, and other key measures. In addition, the Company determines that it does not intend to sell the securities and it is more likely than not that it will not be required to sell the securities before recovery of their amortized cost basis. In making this determination, the Company takes into account its balance sheet management strategy and consideration of current and future market conditions.

Equity securities are recorded at fair value with unrealized holding gains and losses reported in net income as a component of other noninterest income. Realized gains and losses on sales are recorded on the trade date and determined using the specific identification method and are reported in the consolidated statements of income as other noninterest income.

Federal Reserve Bank (FRB) and Federal Home Loan Bank (FHLB) Stock

FHLB of Des Moines stock is a required investment for institutions that are members of the FHLB of Des Moines. The required investment in FHLB common stock is based on a predetermined formula and is carried at par value ($100 per share). The Company may request redemption at par value of any stock in excess of the amount the Company is required to hold. FHLB stock is restricted as to purchase, sale, and redemption. The carrying amount of FHLB stock as of December 31, 2022 and 2021 was $3.5 million and $2.8 million, respectively, and is reported on the consolidated statements of financial condition as a component of other assets.

The Bank views its investment in FHLB stock as a long-term investment. Accordingly, when evaluating for impairment, the value is determined based on the ultimate recovery of the par value rather than recognizing temporary declines in value.

Loans Held for Sale

The Company originates mortgage loans, which are sold to investors in the secondary market, generally with servicing released. Loans held for sale are carried at the lower of cost or fair market value, as determined by outstanding commitments from investors. Net unrealized losses, if any, are recorded as a valuation allowance and charged to net income. The amount of the Company's commitments to sell loans approximated the balance of loans held for sale on December 31, 2022 and 2021. Gains and losses resulting from the sale of loans are determined on the specific-identification method and reflect the extent that the sale proceeds, based on the contractual commitment entered into by the Company and investor, exceed or are less than the Company's investment in the loans.

Mortgage Servicing Rights

When mortgage loans are sold with servicing retained, servicing rights are initially recorded in gain on sale of loans at fair value based on the present value of estimated future net servicing income and the asset is tested annually for impairment. This asset is subsequently amortized as a reduction in noninterest income over the estimated life of the servicing income. The servicing asset was $47,000 and $57,000 as of December 31, 2022 and 2021, and is included in the accompanying consolidated statements of financial condition as a component of other assets.

Loans

Loans are generally recorded at cost, net of discounts on acquired loans, deferred fees and certain direct origination related costs. Discounts and premiums on amortizing purchased loans are amortized using the interest method over the remaining contractual life, adjusted for actual prepayments. Discounts and premiums on non-amortizing loans are amortized using a straight line method over the expected life of the loan.

Loan origination fees and certain direct origination costs are deferred and amortized as an adjustment of the yields of the loans over their contractual lives, adjusted for prepayment of the loans, using the interest method. In the event loans are sold, the deferred net loan origination fees or costs are recognized as a component of the gains or losses on the sales of loans.

Impaired Loans

The accrual of interest on loans is discontinued and the loan is considered impaired when (1) in the opinion of management, it is probable that the Company will be unable to collect principal or interest when due according to the contractual terms of the loan agreement, or (2) when loans are contractually past due 90-days or more with respect to principal or interest, unless they are adequately collateralized and are in the process of collection. Generally, interest previously accrued but not collected is reversed and charged against income when a loan is placed on nonaccrual. Thereafter, payments received are generally applied to principal. However, based on management's assessment of the ultimate collectability of an impaired or nonaccrual loan, interest income may be recognized on a cash basis.

Impaired and nonaccrual loans are returned to an accrual status when all delinquent principal and interest becomes current in accordance with the terms of the loan agreement and when management determines that circumstances have improved to the extent that there has been a sustained period of repayment performance, generally six months.

In cases where a borrower experiences financial or legal difficulty and the Company makes certain concessionary modifications to contractual terms, the loan is classified as a troubled debt restructuring (TDR) and reported as impaired. The concessions granted by the Company may include, but are not limited to: (1) a modification in which the maturity date, timing of payments or frequency of payments is modified; (2) an interest rate lower than the current market rate for new loans with similar risk; or (3) a combination of the first two factors. When the Company modifies the terms of an existing loan and the terms of the restructured loan are at least as favorable to the Company as the terms for comparable loans to other customers with similar risk characteristics who are not undergoing a refinancing or restructuring, the loan is accounted for as a new loan and is not considered a TDR. The new loan is generally not considered impaired and is excluded from any impairment assessment at the restructuring date.

If a borrower on a restructured accruing loan has demonstrated performance under the previous terms, is not experiencing financial difficulty and shows the capacity to continue to perform under the restructured terms, the loan will remain on accrual status. Otherwise, the loan will be placed on nonaccrual status until the borrower demonstrates a sustained period of performance, which generally requires six consecutive months of payments. However, performance prior to the restructuring or significant events that coincide with the restructuring, are included in assessing whether the borrower can meet the new terms and may result in the loan being returned to accrual at the time of restructuring or after a shorter performance period. If the borrower's ability to meet the revised payment schedule is uncertain, the loan remains classified as a nonaccrual loan.

Loan Participations

In the normal course of business, the Company periodically sells participating interests in loans to various other banks and investors. All new participations are sold on a proportionate (pro-rata) basis with all cash flows divided proportionately among the participating interest holders in an amount subordinate to the interest of another and no party has the right to pledge or exchange the entire financial asset without the consent of all the participating interest holders. Other than standard representations and warranties, participating interests are sold without recourse. Certain participating interests sold by the Company are guaranteed by government agencies such as the Small Business Administration and U.S. Department of Agriculture. The gain or loss on sale of the participating interest in loans is the difference between the proceeds from the sale and the basis of the assets sold. The Company did not recognize any gains or losses from the sale of such loans in 2022 or 2021.

The Company continues to service approximately $312.9 million and $308.4 million in participating interests at December 31, 2022 and 2021, respectively, that have been accounted for as transfers of assets and not included in the Company's consolidated statements of financial condition. The Company's retained portion of participated loans was $276.9 million and $251.6 million at December 31, 2022 and 2021, respectively. The Company recorded approximately $826,000 and $925,000 in servicing fee income during 2022 and 2021, respectively.

The Company holds purchased participating interests in loans of $51.0 million and $40.1 million at December 31, 2022 and 2021, respectively.

Transfer of Financial Assets

Transfers of an entire financial asset, a group of entire financial assets, or a participating interest in an entire financial asset, in which the transferor surrenders control over those financial assets, are accounted for as sales. Control over transferred assets is deemed to be surrendered when (1) the assets have been isolated from the Company, (2) the transferee obtains the right (free of conditions that constrain it from taking advantage of that right) to pledge or exchange the transferred assets, and (3) the Company does not maintain effective control over the transferred assets through an agreement to repurchase them before their maturity.

Concentration of Credit Risk

A substantial portion of the Company's general overall lending territory is focused in the counties where it maintains branch offices. However, the Company also extends credit into other areas where a branch office is not maintained. The ability of the Company's debtors to honor their loan agreements is dependent upon, among other things, the general economic conditions and the real estate values in these areas.

Allowance for Loan Losses

The allowance for loan losses is based on management's estimate of probable losses inherent in the loan portfolio. In the opinion of management, the allowance for loan losses is adequate to absorb estimated losses in the portfolio, at the balance sheet date. While management uses available information to analyze losses on loans, future additions to the allowance for loan losses may be necessary based on changes in economic conditions. In addition, various regulatory agencies, as an integral part of their examination process, periodically review the Bank's allowance for loan losses. In analyzing the adequacy of the allowance for loan losses, a comprehensive loan grading system to determine risk potential in loans is utilized together with the results of internal credit reviews.

To determine the adequacy of the allowance for loan losses, the loan portfolio is broken into segments based on loan type. Historical loss experience factors by segment, adjusted for changes in trends and conditions, are used to determine an indicated allowance for each portfolio segment. These factors are evaluated and updated based on the composition of the specific loan segment. Other considerations include volumes and trends of delinquencies, nonaccrual loans, levels of bankruptcies, criticized and classified loan trends, expected losses on real estate secured loans, new credit products and policies, economic conditions, concentrations of credit risk, and the experience and abilities of the Company's lending personnel. These credit quality indicators and their impact on the adequacy of the allowance were evaluated as of December 31, 2022. In addition to the segment evaluations, impaired loans with a balance of $500,000 or more are individually evaluated based on facts and circumstances of the loan to determine if a specific allowance amount may be necessary. Specific allowances may also be established for loans whose outstanding balances are below the above threshold when it is determined that the risk associated with the loan differs significantly from the risk factor amounts established for its loan segment. Loans identified as TDRs are evaluated for impairment using the present value of the expected cash flows or the estimated fair value of the collateral, if the loan is collateral dependent. The fair value is determined, when possible, by an appraisal of the property less estimated costs related to liquidation of the collateral. The appraisal amount may also be adjusted for current market conditions. Adjustments to reflect the present value of the expected cash flows or the estimated fair value of collateral dependent loans are a component in determining an appropriate allowance for loan losses, and as such, may result in increases or decreases to the provision for loan losses in current and future earnings.

Reserve for Unfunded Lending Commitments

The Company also estimates a reserve for potential losses associated with off-balance sheet commitments and letters of credit. It is included in other liabilities in the Company's consolidated statements of financial condition, with any related provisions to the reserve included in non-interest expense in the consolidated statements of income.

In determining the reserve for unfunded lending commitments, a process similar to the one used for the allowance for loan losses is employed. Based on historical experience, loss factors, adjusted for expected funding, are applied to the Company's off-balance sheet commitments and letters of credit to estimate probable losses.

Premises and Equipment

Land is carried at cost. Other premises and equipment are stated at net depreciated cost and are depreciated over their estimated useful lives that vary in term from one year to forty years. Depreciation is provided on a straight-line basis. Leasehold improvements are stated at net amortized cost. Amortization is provided on the straight-line basis over the shorter of the asset life or the lease term. Costs for maintenance and repairs are expensed as incurred.

The Company enters into leases in normal course of business for certain locations, all of which are classified as operating leases. The Company records leases on the balance sheet in the form of a lease liability for the present value of future minimum lease payments under the lease term and a right-of-use asset equal to the lease liability. The discount rate used in determining the lease liability is based upon the incremental borrow rate the Company could obtain as of the date of commencement or renewal. The Company does not record leases on the consolidated balance sheets that are classified as short-term (less than one year).

At lease inception, the Company determines the lease term by considering the minimum lease term and all optional renewal periods that the Company is reasonably certain to renew. The least term is used to calculate the straight line rent expense. Operating lease expense consists of a single lease cost allocated over the remaining lease term on a straight-line basis, variable lease payments not included in the lease liability, and any impairment of the right-of-use asset. Rent expense, variable lease expense, and amortization of the right-of-use asset is expensed through occupancy expense on the Company's consolidated statements of income.

Other Real Estate

Other real estate (ORE) includes properties acquired by the Company through foreclosure or deed in lieu of foreclosure. Properties are carried at the lower of cost or estimated fair value. The value of the underlying loan is written down to the fair value of the property acquired, as determined by a recent appraisal, less reasonable selling costs, by a charge to the allowance for loan losses. Routine holding costs (net of rental income), subsequent declines in appraised value and net losses on disposal are included in non-interest expenses. Significant costs of development and improvement of ORE are capitalized. The Company held ORE of $1.4 million and $0 as of December 31, 2022 and 2021 respectively.

Goodwill and Other Intangible Assets

Goodwill has an indefinite useful life and is not amortized, but tested for impairment annually. The Company's goodwill totaled $8.9 million at December 31, 2022 and 2021. As of December 31, 2021, the Company has identified its reporting unit as the Bank and has allocated goodwill accordingly. Additionally, management evaluated the carrying value of the Company's goodwill as of December 31, 2022 and 2021, and determined that no impairment existed. As part of the AmBancorp acquisition in 2018, the Company also recorded a core deposit intangible of $1.3 million. The core deposit intangible is amortized over the estimated life of the acquired deposits using an accelerated amortization method. The Company's net core deposit intangible totaled $154,000 and $325,000 at December 31, 2022 and 2021, respectively, and is recorded on the balance sheet as a component of other assets.

Bank Owned Life Insurance

The Company has purchased life insurance policies on certain employees. Bank owned life insurance is recorded at the amount that can be realized under the insurance contract, which is the cash surrender value, net of surrender charges.

Qualified Affordable Housing Project Investments

The Company invests in qualified affordable housing projects through investment in limited liability entities. Investments in affordable housing tax credits are recorded at cost and included in the consolidated statements of condition. The subsequent tax benefit is recognized using the proportional amortization method over the life of the tax credit, which is included in income tax expense on the consolidated statements of income. At December 31, 2022 and December 31, 2021, the balance of the investment for qualified affordable housing projects was $24.8 million and $18.5 million, respectively. The total unfunded commitments related to the investments in qualified affordable housing projects was $17.7 million and $15.8 million, respectively. There were no material tax credits or amortization recognized in 2022 and 2021.

Comprehensive Income

Comprehensive income consists of net income and other comprehensive income. Other comprehensive income includes unrealized gains and losses on securities available for sale, net of taxes.

Financial Instruments

In the ordinary course of business, the Company has entered into off-balance-sheet financial instruments consisting of commitments to extend credit. Such financial instruments are recorded in the financial statements when they are funded or when related fees are incurred or received.

Fair values of financial instruments are estimated using relevant market information and other assumptions (Note 11). Fair value estimates involve uncertainties and matters of significant judgment regarding interest rates, credit risk, prepayments, and other factors, especially in the absence of broad markets for particular items. Changes in assumptions or in market conditions could significantly affect these estimates.

Advertising Costs

Advertising costs include marketing and business development costs and are expensed as incurred.

Income Taxes

Deferred income taxes are reported for temporary differences between items of income or expense reported in the consolidated financial statements and those reported for income tax purposes. Deferred taxes are estimated using the asset and liability approach. Under this method, a deferred tax asset or deferred tax liability is determined based on management's estimate of the enacted tax rates that will be in effect when the differences between the financial statement carrying amounts and tax basis of existing assets and liabilities are expected to be reported in the Company's income tax returns. The net deferred tax asset or liability is included in the consolidated statements of financial condition as a component of other assets or other liabilities. The deferred tax provision for the year is equal to the net change in the net deferred tax asset from the beginning of the year to the end of the year, less amounts applicable to the change in value related to investments available for sale. The effect on deferred taxes of a change in tax rates is recognized in income in the period that includes the enactment date of such change in tax rates. In addition, tax benefits related to positions considered uncertain are recognized only if, based on the technical merits of the issue, the Company is more likely than not to sustain the position.

As of December 31, 2022, the Company has no recorded unrecognized tax benefits. The Company would recognize accrued interest and penalties related to unrecognized tax benefits within the consolidated statements of income as income tax expense. The Company is subject to taxation in the U.S. Federal and Utah, Idaho, and Colorado state jurisdictions.

Earnings per Share

Basic and diluted earnings per common share are calculated by dividing net income by the average number of common shares outstanding during the year. During the years ended December 31, 2022 and 2021 there were no preferred shares outstanding and no potential common share equivalents, such as stock options or restricted share units. The calculation of earnings per common share is as follows:

(dollars in thousands, except share and per share data)

		2022	2021
Numerator			
Net income	$	33,608	31,725
Denominator			
Weighted average number of common voting shares outstanding		16,734,466	16,692,530
Weighted average number of common non-voting shares outstanding		369,903	-
Total weighted average number of common shares outstanding		17,104,369	16,692,530
Basic and diluted earnings per common share	$	1.96	1.90

Operating Segments

Operating segments are determined by the products and services offered and the information provided to the chief operating decision maker. Senior management generally reviews segments based on direct income and expense allocations. As such, certain overhead and income tax expenses are not allocated. Segment results are determined based on the Company's management accounting process, for which there is no comprehensive or authoritative guidance equivalent to GAAP. Changes in management structure and allocation estimates may impact operating segment results.

Trust Department Assets

The Bank acts in various capacities as a trustee for customers' assets in the Trust department. Such assets are not included in the consolidated statements of financial condition. Trust fees and expenses are reported in the consolidated statements of income when earned in accordance with applicable guidance. Total fiduciary assets under management were $1.2 billion and $991.9 million at December 31, 2022 and 2021, respectively.

Employee Stock Ownership Plan with 401(k) Provisions

The Company has an employee stock ownership plan with 401(k) provisions (KSOP) for eligible full-time Company employees. Eligible employees may make contributions per the IRS limits and the Company generally makes a 100 percent matching contribution up to five percent of the employee's compensation. The Company's contributions to the employee are fully vested after six years of employment and are used to purchase Company stock. KSOP participants have the right, after termination, retirement or disability, to require the Company to repurchase shares that are distributed to them by the KSOP. The participant may make a repurchase request only during a specified period each year. Such repurchase obligation payments can be made over a 5-year period, if the distribution is a total distribution of the participant's account under the KSOP. As of December 31, 2022 and 2021 the Company had fulfilled all repurchase requests as required under the terms of the KSOP. Company contributions were approximately $2.1 million and $724,000 for the years ended December 31, 2022 and 2021, respectively, and were used, in addition to other cash held in the KSOP, to purchase Company stock from former employees as they requested or were required to take distributions. An independent valuation of the BOU Bancorp, Inc.'s stock held by the KSOP is obtained annually. The KSOP owns shares (5.78%) of BOU Bancorp, Inc. stock, all of which are allocated at December 31, 2022.

Recent Accounting Pronouncements

In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*. The ASU requires lessees recognize a lease liability and a right-of use asset for all leases, excluding short-term leases, at the commencement date. The guidance in the ASU is effective for reporting periods beginning after December 15, 2021. Additionally, a modified retrospective transition approach is required for a leases existing at the earliest comparative period presented. During 2022, the Company adopted this new accounting requirement. In connection with the adoptions of this ASU, at December 31, 2022 the Company has a $4.9 million right-of-use asset included in of premises and equipment and a $4.9 million lease liability included in other liabilities on its consolidated statements of financial condition.

In June 2016, the FASB issued ASU 2016-13, *Financial Instruments – Credit Losses (Topic 326)*. The ASU requires the replacement of the current incurred loss model with an expected loss model, referred to as the current expected credit loss (CECL) model. The guidance in the ASU is effective for reporting periods beginning after December 15, 2022, with a cumulative-effect adjustment to retained earnings required for the first reporting period. Management is still assessing the impact of this ASU; however, it is expected that it will have some impact on the Company's financial condition and results of operations as this modifies calculation of the allowance for loan losses by accelerating the recognition of losses.

In March 2020, the FASB issued ASU 2020-04, *Reference Rate Reform (Topic 848): Facilitation of the Effects of Reference Rate Reform on Financial Reporting.* The amendments in the ASU are elective and provide optional expedients to reduce the cost can complexity of accounting for reference rate reform. Among other expedients, the ASU allows for simplified accounting analyses for contract modifications. This ASU is not expected to have a material impact on the Company's financial condition or results of operations.

(2) INVESTMENT SECURITIES

Equity securities consist entirely of an investment in a Community Reinvestment Act (CRA) qualified mutual fund. The fair value of equity securities at December 31, 2022 and 2021 was $6.6 million and $7.3 million, respectively. The Company recognized gross unrealized holding losses on equity securities of approximately $852,000 during the year ended December 31, 2022 and unrealized holding gains on equity securities of approximately $214,000 during the year ended December 31, 2021.

Debt securities as of December 31, 2022 are summarized as follows:

(in thousands)

	Held to Maturity			
	Amortized cost	Unrealized gain	Unrealized loss	Fair value
U.S. government agency	$ 12,727	-	(1,769)	10,958
U.S. government agency mortgage backed securities	82,213	-	(14,510)	67,703
States and political subdivisions	1,230	-	(197)	1,033
U.S. treasury securities	4,975	-	(492)	4,483
Corporate bonds	14,153	-	(334)	13,819
	$ 115,298	-	(17,302)	97,996

	Available for Sale			
	Amortized cost	Unrealized gain	Unrealized loss	Fair value
U.S. government agency	$ 174,662	52	(16,644)	158,070
U.S. government agency mortgage backed securities	93,640	79	(7,860)	85,859
U.S. treasury securities	21,614	-	(172)	21,442
	$ 289,916	131	(24,676)	265,371

Debt securities as of December 31, 2021 are summarized as follows:

(in thousands)

	Held to Maturity			
	Amortized cost	Unrealized gain	Unrealized loss	Fair value
U.S. government agency	$ 12,760	-	(408)	12,352
U.S. government agency mortgage backed securities	85,267	-	(1,798)	83,469
States and political subdivisions	3,014	33	(14)	3,033
U.S. treasury securities	4,968	-	(55)	4,913
Corporate bonds	12,293	59	(58)	12,294
	$ 118,302	92	(2,333)	116,061

	Available for Sale			
	Amortized cost	Unrealized gain	Unrealized loss	Fair value
U.S. government agency	$ 131,255	1,348	(1,674)	130,929
U.S. government agency mortgage backed securities	48,832	378	(422)	48,788
	$ 180,087	1,726	(2,096)	179,717

There were no securities sold during the years ended December 31, 2022 or 2021.

A summary of investment securities with unrealized losses as of December 31, 2022, by the amount of unrealized losses and fair value by length of time that the securities have been in an unrealized loss position, follows:

	Held to Maturity					
	Less than 12 months		12 months or more		Total	
	Unrealized losses	Fair value	Unrealized losses	Fair value	Unrealized losses	Fair value
U.S. government agency	$ -	-	1,770	10,958	1,770	10,958
U.S. government agency mortgage backed securities	261	3,453	14,249	64,250	14,510	67,703
States and political subdivisions	3	581	194	451	197	1,032
U.S. treasury securities	-	-	492	4,483	492	4,483
Corporate bonds	107	3,923	227	5,897	334	9,820
	$ 371	7,957	16,932	86,039	17,303	93,996

		Available for Sale					
		Less than 12 months		12 months or more		Total	
		Unrealized losses	Fair value	Unrealized losses	Fair value	Unrealized losses	Fair value
U.S. government agency	$	5,230	95,317	11,414	58,164	16,644	153,481
U.S. government agency mortgage backed securities		3,045	52,247	4,815	28,718	7,860	80,965
U.S. treasury securities		172	21,442	-	-	172	21,442
	$	8,447	169,006	16,229	86,882	24,676	255,888

A summary of investment securities with unrealized losses as of December 31, 2021, by the amount of unrealized losses and fair value by length of time that the securities have been in an unrealized loss position, follows:

		Held to Maturity					
		Less than 12 months		12 months or more		Total	
		Unrealized losses	Fair value	Unrealized losses	Fair value	Unrealized losses	Fair value
U.S. government agency	$	408	12,352	-	-	408	12,352
U.S. government agency mortgage backed securities		1,798	83,469	-	-	1,798	83,469
States and political subdivisions		14	630	-	-	14	630
U.S. treasury securities		55	4,913	-	-	55	4,913
Corporate bonds		58	6,195	-	-	58	6,195
	$	2,333	107,559	-	-	2,333	107,559

		Available for Sale					
		Less than 12 months		12 months or more		Total	
		Unrealized losses	Fair value	Unrealized losses	Fair value	Unrealized losses	Fair value
U.S. government agency	$	1,674	73,742	-	-	1,674	73,742
U.S. government agency mortgage backed securities		422	38,178	-	-	422	38,178
	$	2,096	111,920	-	-	2,096	111,920

Unrealized losses on investment securities result from the current market yield on securities being higher than the book yield on the securities. Based on past experience with these types of investments and the Company's financial performance, the Company does not intend to sell the securities and it is not more likely than not that the Company will be required to sell the securities before recovery of its amortized cost basis. The Company reviews these investment securities on an ongoing basis according to the policy described in Note 1. While such a review did not result in an OTTI adjustment as of December 31, 2022 or 2021, the Company will continue to review these investment securities for possible adjustment in the future.

The number of investment securities in an unrealized loss position for securities held to maturity at December 31, 2022 was 38. The number of investment securities in an unrealized loss position for securities held to maturity at December 31, 2021 was 31. The number of investment securities in an unrealized loss position for securities available for sale at December 31, 2022, and 2021 was 81 and 27, respectively.

A summary of the amortized cost and fair value of investment securities as of December 31, 2022, by contractual maturity, follows:

(in thousands)

	Held to Maturity	
	Amortized cost	Fair value
Due in one year or less	$ 3,592	3,503
Due after one year through five years	26,348	24,309
Due after five years through ten years	2,500	2,030
Due after ten years	645	451
U.S. government agency mortgage backed securities	82,213	67,703
	$ 115,298	97,996

	Available for Sale	
	Amortized cost	Fair value
Due in one year or less	$ 39,938	39,694
Due after one year through five years	62,322	59,019
Due after five years through ten years	89,030	75,975
Due after ten years	4,986	4,824
U.S. government agency mortgage backed securities	93,640	85,859
	$ 289,916	265,371

U.S. government agency securities with a book value of $104.3 and $65.6 million at December 31, 2022 and 2021, respectively, were pledged to collateralize securities sold under agreements to repurchase and other borrowings. The fair value of such securities was $93.8 and $66.1 million at December 31, 2022 and 2021, respectively. (See Note 9.)

(3) LOANS

The following table summarizes the composition of the loan portfolio, excluding loans held for sale, as of December 31:

(in thousands)

	2022	2021
Construction & development	$ 358,826	293,505
1-4 family real estate	149,068	76,357
Commercial real estate	641,838	665,823
Commercial & industrial	119,403	124,087
States & political subdivisions	414,812	309,463
Other	34,761	43,012
	1,718,708	1,512,247
Less unearned fees, net	2,908	2,924
	$ 1,715,800	1,509,323

The following is a summary of each of the Company's loan classes:

Construction & development: Loans for the construction of, and secured by, commercial real estate, residential real estate, and tracts of land for development.
1-4 family real estate: Loans secured by mortgages on one-to-four-family residences, including home equity lines of credit.
Commercial real estate: Loans secured by commercial real estate, including both owner occupied and non-owner occupied properties.
Commercial & industrial: Loans to local small- and medium-sized businesses that are secured primarily by accounts receivable, inventory, or personal property, plant and equipment.
States & political subdivisions: Loans made to municipalities within the State of Utah.
Other: Loan classes individually insignificant for disclosure, including multifamily, agriculture, and loans to individuals.

Loans are made by the Bank in the normal course of business to directors, executive officers and principal shareholders of the Company. The terms of these loans, including interest rates and collateral, are similar to those prevailing for comparable transactions and do not involve more than a normal risk of collectability. A summary of the activity of such loans follows:

(in thousands)

		2022	2021
Balance, beginning of year	$	40	699
New loans and advances		251	532
Payments		(27)	(1,191)
Balance, end of year	$	264	40

Pursuant to the CARES Act passed in March 2020, the Company funded $57.8 million in 2021 and had no additional funding's in 2022, in loans to eligible small businesses and non-profit organizations who participated in the Paycheck Protection Program (PPP) administered by the U.S. Small Business Administrations (SBA). PPP loans generally have a term of two to five years and earn interest at 1% per annum. In addition, the bank received a fee of between 1% and 5% of the loan amount, which was netted with loan origination costs and amortized into interest income under the effective yield method over the contractual life of the loan. The PPP loans are fully guaranteed by the SBA and are expected to be forgiven by the SBA if the borrower meets the requirements of the program. The balance of PPP loans at December 31, 2022 and 2021 was $526,000 and $20.9 million, respectively.

(4) ALLOWANCE FOR LOAN LOSSES, UNFUNDED LENDING COMMITMENTS AND IMPAIRED LOANS

Allowance for loan losses activity is summarized as follows:

(in thousands)

As of December 31, 2022:		Balance, beginning of year	Provision for (reversal of) loan losses	Loans charged off	Recoveries on loans previously charged off	Balance, end of year
Allowance for loan losses:						
Construction & development	$	5,566	921	-	-	6,487
1-4 family real estate		838	1,359	-	1	2,198
Commercial real estate		8,939	(722)	(122)	-	8,095
Commercial & industrial		871	37	-	-	908
States & political subdivisions		2,090	(422)	-	-	1,668
Other		682	(73)	(33)	8	584
	$	18,986	1,100	(155)	9	19,940

As of December 31, 2021:		Balance, beginning of year	Provision for loan losses	Loans charged off	Recoveries on loans previously charged off	Balance, end of year
Allowance for loan losses:						
Construction & development	$	5,429	137	-	-	5,566
1-4 family real estate		698	139	-	1	838
Commercial real estate		8,643	296	-	-	8,939
Commercial & industrial		1,043	(178)	-	6	871
States & political subdivisions		1,222	868	-	-	2,090
Other		867	(162)	(27)	4	682
	$	17,902	1,100	(27)	11	18,986

The following table summarizes the allowance for loan losses and outstanding loan balances, which were evaluated individually and collectively for impairment as of December 31, 2022:

(in thousands)

		Individually evaluated for impairment	Collectively evaluated for impairment	Total
Allowance for loan losses:				
Construction & development	$	-	6,487	6,487
1-4 family real estate		-	2,198	2,198
Commercial real estate		-	8,095	8,095
Commercial & industrial		-	908	908
States & political subdivisions		-	1,668	1,668
Other		-	584	584
	$	-	19,940	19,940
Outstanding loan balances:				
Construction & development	$	-	358,826	358,826
1-4 family real estate		-	149,068	149,068
Commercial real estate		-	641,838	641,838
Commercial & industrial		-	119,403	119,403
States & political subdivisions		-	414,812	414,812
Other		-	34,761	34,761
	$	-	1,718,708	1,718,708

The following table summarizes the allowance for loan losses and outstanding loan balances, which were evaluated individually and collectively for impairment as of December 31, 2021:

(in thousands)

		Individually evaluated for impairment	Collectively evaluated for impairment	Total
Allowance for loan losses:				
Construction & development	$	-	5,566	5,566
1-4 family real estate		-	838	838
Commercial real estate		123	8,816	8,939
Commercial & industrial		-	871	871
States & political subdivisions		-	2,090	2,090
Other		-	682	682
	$	123	18,863	18,986
Outstanding loan balances:				
Construction & development	$	-	293,505	293,505
1-4 family real estate		-	76,357	76,357
Commercial real estate		1,926	663,897	665,823
Commercial & industrial		-	124,087	124,087
States & political subdivisions		-	309,463	309,463
Other		-	43,012	43,012
	$	1,926	1,510,321	1,512,247

Loans are considered to be impaired when it is determined that collection of all contractually owed amounts, including principal and interest, is unlikely. For nonaccrual loans and loans otherwise determined to be a TDR with a balance greater than $500,000, the Company considers the loan to be impaired and performs an impairment evaluation to determine the need for a specific reserve. The specific reserve is equal to the portion of the loan found to be impaired based on the present value of discounted cash flows, the observable market price of the loan, or the fair value of the loan's underlying collateral, less cost to sell. Payments received on impaired loans that are accruing are recognized in interest income, according to the loan agreement. Payments received on impaired loans that are on nonaccrual are not recognized in interest income, but are applied as a reduction to the principal outstanding.

There were no impaired loans as of December 31, 2022.

The following presents a summary of impaired loans as of December 31, 2021:

	Unpaid principal balance	Recorded investment with no allowance	Recorded investment with an allowance	Total recorded investment	Total allowance
Commercial real estate	$ 1,926	-	1,926	1,926	123

The following table summarizes the average recorded investment in impaired loans and the related interest income recognized for cash payments received for the years ended December 31:

(in thousands)

	2022		2021	
	Average recorded investment	Interest income recognized	Average recorded investment	Interest income recognized
Commercial real estate	$ -	-	385	-

As of December 31, 2022 and 2021 there were no loans modified in TDRs on nonaccrual. As of December 31, 2022 and 2021 there were no additional funds committed to lend to borrowers whose loans have been modified in a TDR. There were no new loans identified as a TDR during the years ended December 31, 2022 and 2021. There were no loans modified as TDRs within the previous 12 months and for which there was a payment default, defined as being 30 days or more past due, during the years ended December 31, 2022 and 2021.

The following tables present an aging analysis of loans as of December 31, 2022 and 2021, respectively. There are no loans past due more than 90 days still accruing interest as of December 31, 2022 or 2021.

(in thousands)

As of December 31, 2022:	Accruing loans 30-59 days past due	Accruing loans 60-89 days past due	Total nonaccrual loans	Total past due and nonaccrual loans	Current	Total loans
Construction & development	$ -	-	-	-	358,826	358,826
1-4 family real estate	-	-	-	-	149,068	149,068
Commercial real estate	-	3,411	-	3,411	638,427	641,838
Commercial & industrial	-	-	-	-	119,403	119,403
States & political subdivisions	-	-	-	-	414,812	414,812
Other	-	-	-	-	34,761	34,761
	$ -	3,411	-	3,411	1,715,297	1,718,708

As of December 31, 2021:	Accruing loans 30-59 days past due	Accruing loans 60-89 days past due	Total nonaccrual loans	Total past due and nonaccrual loans	Current	Total loans
Construction & development	$ -	-	-	-	293,505	293,505
1-4 family real estate	-	-	-	-	76,357	76,357
Commercial real estate	-	-	1,926	1,926	663,897	665,823
Commercial & industrial	-	-	-	-	124,087	124,087
States & political subdivisions	-	-	-	-	309,463	309,463
Other	1	-	-	1	43,011	43,012
	$ 1	-	1,926	1,927	1,510,320	1,512,247

In response to the economic uncertainty caused by the COVID-19 pandemic, throughout 2020 and 2021 the Company provided relief to certain lending customers in the form of payment deferrals. As of December 31, 2022, there were no loans still on deferral.

In addition to the past due and nonaccrual criteria, the Company also evaluates loans according to its internal risk grading system. Loans are segregated between pass, special mention, substandard accruing, and substandard non-accruing categories. The definitions of those categories are as follows:

Pass: Loans that do not fit any of the other categories listed below and for which likelihood of loss is considered to be remote.
Special mention: Loans with potential for deteriorating into a substandard classification without close supervision and monitoring. Loans remain in this category on a temporary basis and should be reclassified, depending on improvement or continued deterioration.
Substandard accruing: Loans not adequately protected by sound current net worth or adequate repayment capacity of the borrower and/or of the collateral pledged. Substandard loans have well defined weaknesses that jeopardize the liquidation of the classified debt. A potential for loss exists if the deficiencies or weaknesses are not recognized and corrected.
Substandard non-accruing: Loans where an element of loss is present and collection is considered questionable.

Loss: Loans that are considered uncollectible and of such little value that their continuance as an active bank-owned asset in not warranted. These loans are immediately charged off.

Outstanding loan balances categorized by internal risk grades as of December 31, 2022 are summarized as follows:

(in thousands)

	Pass	Special mention	Substandard accruing	Substandard non-accruing	Total
Construction & development	$ 358,826	-	-	-	358,826
1-4 family real estate	149,056	-	12	-	149,068
Commercial real estate	629,418	-	12,420	-	641,838
Commercial & industrial	118,918	-	485	-	119,403
State & political subdivisions	414,812	-	-	-	414,812
Other	34,603	-	158	-	34,761
	$ 1,705,633	-	13,075	-	1,718,708

Outstanding loan balances categorized by internal risk grades as of December 31, 2021 are summarized as follows:

(in thousands)

	Pass	Special mention	Substandard accruing	Substandard non-accruing	Total
Construction & development	$ 293,505	-	-	-	293,505
1-4 family real estate	76,318	-	39	-	76,357
Commercial real estate	645,975	523	17,399	1,926	665,823
Commercial & industrial	123,391	-	696	-	124,087
State & political subdivisions	309,463	-	-	-	309,463
Other	43,012	-	-	-	43,012
	$ 1,491,664	523	18,134	1,926	1,512,247

(5) GOODWILL AND INTANGIBLES

The following table summarizes the changes in the Company's goodwill and intangible assets as of December 31:

(in thousands)

	2022		2021	
	Goodwill	Core deposit intangible	Goodwill	Core deposit intangible
Balance, beginning of year	$ 8,903	325	8,903	565
Amortization	-	171	-	240
Balance, end of year	$ 8,903	154	8,903	325

As of December 31, 2022, the future expected amortization expense on intangible assets are as follows:

(in thousands)

Year ended December 31:	
2023	$ 108
2024	45
2025	1
	$ 154

(6) OTHER REAL ESTATE OWNED

During the year ended December 31, 2022, loans transferred to ORE totaled $1.4 million. The Company had no ORE in 2021.

(7) PREMISES AND EQUIPMENT

The following table summarizes premises and equipment as of December 31:

(in thousands)

	2022	2021
Land	$ 5,724	5,724
Buildings and leasehold improvements	27,028	25,391
Furniture and equipment	17,960	16,660
	50,712	47,775
Accumulated depreciation and amortization	(26,040)	(23,961)
	$ 24,672	23,814

At December 31, 2022 and 2021 premises and equipment subject to lease agreements in which the Company acts as lessor were as follows:

(in thousands)

	2022	2021
Land	$ 1,000	1,000
Buildings and leasehold improvements	3,848	3,757
Furniture and equipment	14	-
Accumulated depreciation and amortization	(114)	(16)
	$ 4,748	4,741

The Company had operating leases at December 31, 2022 and December 31, 2021. In the year ending December 31, 2022 the Company adopted ASC 2016-02 and has recorded a right-of-use asset and lease liability at December 31:

	2022	2021
Total right-of-use assets	$ 4,860	-
Total lease liabilities	4,920	-

As of December 31, 2022 the weighted average discount rate and the weighted average term for right of use asset was 1.96% and 85 months, respectively.

The Company is obligated under certain operating lease agreements for the rental of buildings that vary in terms from one to ten years. As of December 31, 2022, the minimum annual lease commitments under noncancellable operating leases (net of sublease income) are as follows:

(in thousands)

Year ended December 31:	
2023	$ 745
2024	803
2025	820
2026	882
2027	896
Thereafter	1,644
	$ 5,790

The Company recorded lease expense (net of sublease income of approximately $36,000 and $33,000 for the years ending December 31, 2022 and 2021, respectively) under these agreements of approximately $1.1 million in both 2022 and 2021. Of these amounts, $14,000 was paid to related parties in both 2022 and 2021.

(8) INTEREST-BEARING DEPOSITS

The following table summarizes interest-bearing deposits as of December 31:

(in thousands)

	2022	2021
Interest-bearing checking	$ 301,843	311,621
Insured money market	427,887	507,049
Savings accounts	237,046	199,322
Certificates of deposit	72,036	80,720
	$ 1,038,812	1,098,712

The aggregate amount of time deposits with balances of $250,000 or more was $42.1 million and $47.2 million as of December 31, 2022 and 2021, respectively.

As of December 31, 2022 and 2021 overdraft deposits totaling $84,900 and $19,000, respectively, were reclassified as loans.

A summary of the maturity of certificates of deposit as of December 31, 2022 follows:

(in thousands)

Year ended December 31:	
2023	$ 53,528
2024	14,300
2025	2,713
2026	500
2027	995
Total	$ 72,036

The Company accepts deposits from its executive officers, directors, and affiliated companies on substantially the same terms for comparable transactions with unrelated parties. The aggregate dollar amounts of these deposits were $32.6 million and $13.2 million at December 31, 2022 and 2021, respectively.

(9) SECURITIES SOLD UNDER AGREEMENTS TO REPURCHASE

Securities sold under agreements to repurchase consists of sweep repurchase agreements that mature in less than 30 days with a weighted average interest rate of 0.61 percent and 0.42 percent at December 31, 2022 and 2021, respectively. The daily average borrowings and maximum borrowings outstanding at any month-end during 2022 did not significantly fluctuate from year-end balances.

The U.S. government securities transferred under agreements to repurchase are book entry securities delivered on behalf of depositors into the Company's pledged safekeeping account maintained at a correspondent bank. The carrying value of securities that have been sold under agreements to repurchase were $104.3 million and $65.6 million at December 31, 2022 and 2021, respectively. The fair value of the underlying pledged securities was $93.8 million and $66.1 million at December 31, 2022 and 2021, respectively.

(10) INCOME TAXES

The following table summarizes the provision for income tax expense for the years ended December 31:

(in thousands)

		2022	2021
Current:			
Federal	$	5,955	6,983
State		1,846	1,930
Deferred:			
Federal		200	(233)
State		49	(57)
Provision for income taxes	$	8,050	8,623

The following table presents a reconciliation of expected tax expense to actual income tax expense, based on the federal rate of 21 percent for the years ended December 31:

(in thousands)

		2022	2021
Expected federal tax expense	$	8,748	8,473
Increases (decreases) in taxes resulting from:			
Tax-exempt interest income		(1,386)	(786)
State taxes, net of federal benefit		1,523	1,479
Captive insurance		(338)	(279)
Bank owned life insurance		(207)	(201)
Other		(290)	(63)
Provision for income taxes	$	8,050	8,623

Temporary differences between the amounts reported in the financial statements and the tax bases of liabilities and assets result in deferred taxes. The following table summarizes deferred tax assets and deferred tax liabilities at December 31:

(in thousands)

		2022	2021
Deferred tax assets			
Allowance for loan losses	$	5,327	5,007
Deferred compensation		1,641	1,562
Net unrealized loss on investment securities available for sale		6,123	92
Lease liability		1,685	-
Other		578	333
		15,354	6,994
Deferred tax liabilities			
Premises and equipment		2,148	1,148
Deferred loan costs		1,592	1,452
Deferred income on FHLB stock		139	139
Intangible assets		50	95
Right of use asset		1,668	-
Other		457	659
		6,054	3,493
Net deferred tax asset	$	9,300	3,501

Management believes that it is more likely than not that the results of future operations will generate sufficient taxable income to realize the deferred tax asset. The net deferred tax asset is included on the consolidated statements of financial condition as a component of other assets.

(11) FAIR VALUE

Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. To measure fair value, a hierarchy has been established which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs. This hierarchy uses three levels of inputs to measure the fair value of assets and liabilities as follows:

Level 1: Inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities in active markets.
Level 2: Inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument; and
Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The following is a description of the valuation methodologies used for instruments measured at fair value, as well as the general classification of such instruments pursuant to valuation methodology:

Investment securities, available for sale: The Company evaluates the fair value of investment securities, available for sale on a monthly basis. Where quoted prices are available in an active market, securities are classified within level 1 of the hierarchy. Level 1 includes securities that have quoted prices in an active market for identical assets. If quoted market prices are not available, then fair values are estimated using pricing models, quoted prices of securities with similar characteristics or discounted cash flows. The Company has categorized its investment in US Treasuries as Level 1 and all other investments is securities, available for sale as Level 2.

Equity securities: The Company evaluates the fair value of equity securities on a monthly basis. Where quoted prices are available in an active market, equity securities are classified within level 1 of the hierarchy. Level 1 includes equity securities that have quoted prices in an active market for identical assets. If quoted market prices are not available, then fair values are estimated using pricing models, quoted prices of securities with similar characteristics or discounted cash flows. The Company has categorized its equity securities as Level 2.

There were no transfers between Level 2 and Level 3 during 2022 or 2021.

The following table summarizes financial assets measured at fair value on a recurring basis as of December 31:

(in thousands)

Description of Financial Instrument		Fair Value	2022 Level 1	2022 Level 2	2022 Level 3
Recurring:					
Investment securities, available for sale					
U.S. government agency	$	158,070	-	158,070	-
U.S. government agency mortgage backed securities		85,859	-	85,859	-
U.S. treasury		21,442	21,442	-	-
Equity securities		6,582	-	6,582	-

Description of Financial Instrument		Fair Value	2021 Level 1	2021 Level 2	2021 Level 3
Recurring:					
Investment securities, available for sale					
U.S. government agency	$	130,929	-	130,929	-
U.S. government agency mortgage backed securities		48,788	-	48,788	-
Equity securities		7,330	-	7,330	-

At December 31, 2022 there were no impaired commercial real estate loans. At December 31, 2021 impaired commercial real estate loans with a fair value of $1.9 million were measured at fair value on a nonrecurring basis.

(12) COMMITMENTS AND CONTINGENT LIABILITIES

The Company is party to financial instruments with off-balance sheet risk in the normal course of business to meet the financing needs of its customers. These financial instruments include commitments to extend credit and letters of credit, and involve, to varying degrees, elements of credit risk. The Company's exposure to credit loss in the event of nonperformance by the other party to the financial instrument for commitments to extend credit is represented by the contractual amount of those instruments. The Company uses the same credit policies in making commitments and conditional obligations as it does for on-balance-sheet instruments. The reserve for unfunded lending commitments was $1.2 million and $1.1 million at December 31, 2022 and 2021, respectively.

In the normal course of business, the Company enters into commitments and contingent liabilities to extend credit under various lending agreements. Off balance-sheet loan commitments and letters of credit, upon which the reserve for unfunded lending commitments is calculated, was $485.6 million and $394.6 million as of December 31, 2022 and 2021, respectively. Commitments on letters of credit totaled $1.5 million and $1.2 million as of December 31, 2022 and 2021, respectively, and $484.1 million and $393.4 million respectively, on all other loan commitments.

The Company has lines of credit established with the FHLB of Des Moines for $276.7 million (45 percent of total bank assets), Federal Reserve Bank Discount Window for $254.1 million, Zions First National Bank for $15 million, JP Morgan Chase for $10 million, and Pacific Coast Bankers' Bank for $50 million. The FHLB credit line is limited to the amount of pledged collateral, which was $369.8 million as of December 31, 2022. The lines of credit are reviewed on an annual basis and market interest rates are set at the time funds are borrowed. At December 31, 2022, the Company's credit enhancement obligation as part of our participation in the FHLB Mortgage Partnership Finance program was approximately $603,000, which reduces the available line of credit with the FHLB by that amount. During 2022, the Company also established a line of credit with the FRB's discount window. The discount window credit line is limited to assessed value of pledged collateral which was $391.5 million at December 31, 2022. The Company did not have any outstanding borrowings from unaffiliated banks at December 31, 2022 or 2021.

In the normal course of its business, the Company becomes involved in litigation. In the opinion of management, based upon discussion with legal counsel, liabilities, if any, arising from these proceedings would not have a material adverse effect on the Company's financial position or results of operations.

(13) SEGMENT INFORMATION

The Company has identified three reportable segments, Community Banking, Mortgage Banking, and Corporate Trust. These segments are determined by the products and services offered and are distinguished in the information provided to the chief operating decision maker who uses such information to review segment performance. Loans, investments, deposits, and personal trust products provide the revenues in the Community Banking segment, Loan sales and origination fees drive income in the Mortgage Banking segment, and Corporate Trust revenues are earned from fees collected by providing various corporate trust services, such as aircraft owner trusts. Certain unallocated income and expense items are excluded from the review of reportable segments and included in the 'Other' category.

Segment results as are summarized as follows:

(in thousands)

Year ended December 31, 2022:	Community Banking	Mortgage Banking	Corporate Trust	Other	Total Segments
Net interest income after provision for loan losses	$ 76,033	2,457	(158)	(271)	78,061
Noninterest income	6,823	5,745	10,493	73	23,134
Noninterest expense	(39,106)	(8,314)	(5,761)	(6,357)	(59,538)
Segment income before provision for income taxes	$ 43,750	(112)	4,574	(6,555)	41,657
Average gross loans	$ 1,601,126	7	-	-	1,601,133
Average deposits	1,618,850	168	275,436	-	1,894,454
Total assets	2,410,826	2,671	688	-	2,414,185

Year ended December 31, 2021:	Community Banking	Mortgage Banking	Corporate Trust	Other	Total Segments
Net interest income after provision for loan losses	$ 62,871	2,273	(8)	(432)	64,704
Noninterest income	7,309	12,877	9,573	(55)	29,704
Noninterest expense	(35,770)	(8,867)	(5,451)	(3,972)	(54,060)
Segment income before provision for income taxes	$ 34,410	6,283	4,114	(4,459)	40,348
Average gross loans	$ 1,401,116	10	-	-	1,401,126
Average deposits	1,500,197	156	231,845	-	1,732,198
Total assets	2,136,693	19,531	964	-	2,157,188

(14) REGULATORY CAPITAL REQUIREMENTS

The Company is subject to various regulatory capital requirements administered by the federal banking agencies. Failure to meet minimum capital requirements can initiate certain actions by regulators that, if undertaken, could have a direct material effect on the Company's financial statements. Under capital adequacy guidelines and the regulatory framework for prompt corrective action, the Company must meet specific capital guidelines that involve quantitative measures of the Company's assets, liabilities, and certain off-balance sheet items as calculated under regulatory accounting practices. The Company's capital amounts and classification are also subject to qualitative judgments by the regulators about components, risk weightings, and other factors.

As of December 31, 2022, the most recent notification from the Federal Deposit Insurance Corporation categorized the Bank as well capitalized under the regulatory framework for prompt corrective action. To be categorized as well capitalized, the Bank must maintain certain Total, Tier 1, and CET1 capital to risk-weighted assets and Tier 1 capital to quarterly average asset ratios. There are no conditions or events since that notification that management believes have changed the Banks's category.

Dividends declared by the Company in any calendar year may not, without the approval of the federal regulatory agencies, exceed net income for that year combined with net income less dividends paid for the preceding two years. At December 31, 2022, the Company had approximately $85 million available for payment of dividends under the aforementioned restrictions.

Capital amounts and ratios as of December 31, 2022 are summarized as follows:

(in thousands)

	Actual		Minimum capital requirement including CET1 capital conservation buffer		Minimum to be well capitalized under prompt corrective action provisions	
	Amount	Ratio	Amount	Ratio	Amount	Ratio
Total Capital						
(to risk weighted assets)						
Consolidated	$ 378,517	20.97%	144,428	8.00%	189,562	10.50%
Bank of Utah	372,117	20.64%	144,261	8.00%	189,342	10.50%
Tier 1 Capital						
(to risk weighted assets)						
Consolidated	357,377	19.80%	108,321	6.00%	153,455	8.50%
Bank of Utah	350,977	19.46%	108,196	6.00%	153,277	8.50%
Common Equity Tier 1 Capital						
(to risk weighted assets)						
Consolidated	357,377	19.80%	81,241	4.50%	126,375	7.00%
Bank of Utah	350,977	19.46%	81,147	4.50%	126,228	7.00%
Tier 1 Capital						
(to quarterly average assets)						
Consolidated	357,377	.15.28%	93,551	4.00%	152,021	6.50%
Bank of Utah	350,977	15.06%	93,229	4.00%	151,498	6.50%

Capital amounts and ratios as of December 31, 2021 are summarized as follows:

(in thousands)

	Actual		Minimum capital requirement including CET1 capital conservation buffer		Minimum to be well capitalized under prompt corrective action provisions	
	Amount	Ratio	Amount	Ratio	Amount	Ratio
Total Capital						
(to risk weighted assets)						
Consolidated	$ 260,265	16.42%	166,401	10.50%	N/A	N/A
Bank of Utah	253,657	16.01%	166,338	10.50%	158,417	10.00%
Tier 1 Capital						
(to risk weighted assets)						
Consolidated	240,452	15.17%	134,705	8.50%	N/A	N/A
Bank of Utah	233,852	14.76%	134,655	8.50%	126,734	8.00%
Common Equity Tier 1 Capital						
(to risk weighted assets)						
Consolidated	240,452	15.17%	110,934	7.00%	N/A	N/A
Bank of Utah	233,852	14.76%	110,892	7.00%	102,971	6.50%
Tier 1 Capital						
(to quarterly average assets)						
Consolidated	240,452	11.22%	139,322	6.50%	N/A	N/A
Bank of Utah	233,852	10.95%	138,770	6.50%	106,746	5.00%

Schedule 1

BOU BANCORP, INC.
CONSOLIDATING SCHEDULE – STATEMENT OF FINANCIAL CONDITION
December 31, 2022

(in thousands)

	BOU Bancorp, Inc.	Bank of Utah	Utah Risk Management, Inc.	Eliminations	Consolidated
ASSETS					
Cash and due from banks	$ -	19,278	16	-	19,294
Interest-bearing deposits in banks	4,248	174,592	2,346	(461)	180,725
Federal funds sold	-	111	-	-	111
Investment securities:					
Equity securities, at fair value	-	6,582	-	-	6,582
Available for sale, at fair value	-	263,503	1,868	-	265,371
Held to maturity, at amortized cost	-	115,298	-	-	115,298
Total investment securities	-	385,383	1,868	-	387,251
Loans held for sale	-	2,523	-	-	2,523
Loans	-	1,715,800	-	-	1,715,800
Less allowance for loan losses	-	19,940	-	-	19,940
Net loans	-	1,695,860	-	-	1,695,860
Investment in Bank of Utah	341,601	-	-	(341,601)	-
Investment in Utah Risk Management, Inc.	2,662	-	-	(2,662)	-
Accrued interest receivable	-	7,762	12	-	7,774
Goodwill	-	8,903	-	-	8,903
Bank owned life insurance	-	36,477	-	-	36,477
Premises and equipment, net	-	29,532	-	-	29,532
Investment in affordable housing tax, net credits	-	24,779	-	-	24,779
Other assets	438	21,532	691	(1,705)	20,956
Total assets	$ 348,949	2,406,732	4,933	(346,429)	2,414,185
LIABILITIES AND STOCKHOLDERS' EQUITY					
Deposits:					
Noninterest-bearing	$ -	903,216	-	-	903,216
Interest-bearing	-	1,039,273	-	(461)	1,038,812
Total deposits	-	1,942,489	-	(461)	1,942,028
Securities sold under agreements to repurchase	-	84,927	-	-	84,927
Other liabilities	948	37,715	2,271	(1,705)	39,229
Total liabilities	948	2,065,131	2,271	(2,166)	2,066,184
Common stock	23,310	3,656	2	(3,658)	23,310
Paid-in capital	122,025	115,309	248	(115,557)	122,025
Accumulated other comprehensive loss	(18,466)	(18,433)	(33)	18,466	(18,466)
Retained earnings	221,132	241,069	2,445	(243,514)	221,132
Total stockholders' equity	348,001	341,601	2,662	(344,263)	348,001
	$ 348,949	2,406,732	4,933	(346,429)	2,414,185

Schedule 1

BOU BANCORP, INC.
CONSOLIDATING SCHEDULE – STATEMENT OF FINANCIAL CONDITION
December 31, 2021

(in thousands)

		BOU Bancorp, Inc.	Bank of Utah	Utah Risk Management, Inc.	Eliminations	Consolidated
ASSETS						
Cash and due from banks	$	-	19,935	34	-	19,969
Interest-bearing deposits in banks		5,049	208,359	3,700	(432)	216,676
Federal funds sold		-	1,893	-	-	1,893
Investment securities:						
Equity securities, at fair value		-	7,330	-	-	7,330
Available for sale, at fair value		-	179,717	-	-	179,717
Held to maturity, at amortized cost		-	118,302	-	-	118,302
Total investment securities		-	305,349	-	-	305,349
Loans held for sale		-	19,089	-	-	19,089
Loans		-	1,509,323	-	-	1,509,323
Less allowance for loan losses		-	18,986	-	-	18,986
Net loans		-	1,490,337	-	-	1,490,337
Investment in Bank of Utah		242,802	-	-	(242,802)	-
Investment in Utah Risk Management, Inc.		2,273	-	-	(2,273)	-
Accrued interest receivable		-	5,678	9	-	5,687
Goodwill		-	8,903	-	-	8,903
Bank owned life insurance		-	35,490	-	-	35,490
Premises and equipment, net		-	23,813	-	-	23,813
Deferred tax asset		-	3,501	-	-	3,501
Investment in affordable housing tax credits		-	18,533	-	-	18,533
Other assets		73	8,428	653	(1,206)	7,948
Total assets	$	250,197	2,149,308	4,396	(246,713)	2,157,188
LIABILITIES AND STOCKHOLDERS' EQUITY						
Deposits:						
Noninterest-bearing	$	-	732,568	-	-	732,568
Interest-bearing		-	1,099,144	-	(432)	1,098,712
Total deposits		-	1,831,712	-	(432)	1,831,280
Securities sold under agreements to repurchase		-	45,064	-	-	45,064
Other liabilities		795	29,730	2,123	(1,206)	31,442
Total liabilities		795	1,906,506	2,123	(1,638)	1,907,786
Common stock		16,900	3,656	2	(3,658)	16,900
Paid-in capital		5,271	26,809	248	(27,057)	5,271
Accumulated other comprehensive loss		(278)	(278)	-	278	(278)
Retained earnings		230,146	212,615	2,023	(214,638)	230,146
Treasury stock		(2,637)	-	-	-	(2,637)
Total stockholders' equity		249,402	242,802	2,273	(245,075)	249,402
	$	250,197	2,149,308	4,396	(246,713)	2,157,188

Schedule 2

BOU BANCORP, INC.
CONSOLIDATING SCHEDULE – STATEMENT OF INCOME
Year ended December 31, 2022

(in thousands)

	BOU Bancorp, Inc.	Bank of Utah	Utah Risk Management, Inc.	Eliminations	Consolidated
INTEREST INCOME:					
Interest and fees on loans	$ -	74,530	-	-	74,530
Interest on investment securities:					
Taxable	-	6,582	28	-	6,610
Tax-exempt	-	42	-	-	42
Interest on loans held for sale	-	351	-	-	351
Interest on cash and cash equivalents	71	2,514	25	(1)	2,609
Total interest income	71	84,019	53	(1)	84,142
INTEREST EXPENSE:					
Interest on deposits	-	4,609	-	(1)	4,608
Interest on securities sold under agreement to repurchase and other borrowings	-	373	-	-	373
Total interest expense	-	4,982	-	(1)	4,981
Net interest income	71	79,037	53	-	79,161
Provision for loan losses	-	1,100	-	-	1,100
Net interest income after provision for loan losses	71	77,937	53	-	78,061
NONINTEREST INCOME:					
Dividend from Bank of Utah	6,032	-	-	(6,032)	-
Equity in undistributed income of Bank of Utah	28,455	-	-	(28,455)	-
Dividend from Utah Risk Management, Inc.	1,220	-	-	(1,220)	-
Equity in undistributed income of Utah Risk Management, Inc.	421	-	-	(421)	-
Service charges on deposits	-	849	-	-	849
Gain on sale of loans	-	5,166	-	-	5,166
Trust fees	-	14,132	-	-	14,132
Cash surrender value increase of bank owned life insurance	-	987	-	-	987
Other	-	2,000	1,881	(1,881)	2,000
	36,128	23,134	1,881	(38,009)	23,134
NONINTEREST EXPENSES:					
Salaries and employee benefits	1,574	37,121	-	-	38,695
Net occupancy expense	11	3,119	-	-	3,130
Equipment expense	-	6,156	-	-	6,156
Professional fees and services	1,684	3,003	93	-	4,780
Advertising expense	-	1,770	-	-	1,770
Office expense	-	1,443	1	-	1,444
Other	301	4,953	189	(1,881)	3,562
	3,570	57,565	283	(1,881)	59,537
Income before provision for income taxes	32,629	43,506	1,651	(36,128)	41,658
(Benefit from)/provision for income taxes	(979)	9,020	9	-	8,050
Net income	$ 33,608	34,486	1,642	(36,128)	33,608

Schedule 2

BOU BANCORP, INC.
CONSOLIDATING SCHEDULE – STATEMENT OF INCOME
Year ended December 31, 2021

(in thousands)

	BOU Bancorp, Inc.	Bank of Utah	Utah Risk Management , Inc.	Eliminations	Consolidated
INTEREST INCOME:					
Interest and fees on loans	$ -	64,849	-	-	64,849
Interest on investment securities:					
Taxable	-	3,731	-	-	3,731
Tax-exempt	-	86	-	-	86
Interest on loans held for sale	-	409	-	-	409
Interest on cash and cash equivalents	14	462	41	(1)	516
Total interest income	14	69,537	41	(1)	69,591
INTEREST EXPENSE:					
Interest on deposits	-	3,558	-	(1)	3,557
Interest on securities sold under agreement to repurchase and other borrowings	-	230	-	-	230
Total interest expense	-	3,788	-	(1)	3,787
Net interest income	14	65,749	41	-	65,804
Provision for loan losses	-	1,100	-	-	1,100
Net interest income after provision for loan losses	14	64,649	41	-	64,704
NONINTEREST INCOME:					
Dividend from Bank of Utah	6,580	-	-	(6,580)	-
Equity in undistributed income of Bank of Utah	25,042	-	-	(25,042)	-
Dividend from Utah Risk Management, Inc.	1,500	-	-	(1,500)	-
Equity in undistributed income of Utah Risk Management, Inc.	(147)	-	-	147	-
Service charges on deposits	-	981	-	-	981
Gain on sale of loans	-	12,329	-	-	12,329
Trust fees	-	12,902	-	-	12,902
Cash surrender value increase of bank owned life insurance	-	957	-	-	957
Other	-	2,535	1,690	(1,690)	2,535
	32,975	29,704	1,690	(34,665)	29,704
NONINTEREST EXPENSES:					
Salaries and employee benefits	1,494	33,940	-	-	35,434
Net occupancy expense	10	2,969	-		2,979
Equipment expense	-	5,810	-	-	5,810
Professional fees and services	50	3,444	92	-	3,586
Advertising expense	-	1,376	-	-	1,376
Office expense	-	1,493	1	-	1,494
Other	264	4,528	279	(1,690)	3,381
	1,818	53,560	372	(1,690)	54,060
Income before provision for income taxes	31,171	40,793	1,359	(32,975)	40,348
(Benefit from)/provision for income taxes	(554)	9,170	7	-	8,623
Net income	$ 31,725	31,623	1,352	(32,975)	31,725

BOARD OF DIRECTORS

BOU Bancorp, Inc.

Frank W. Browning
Chairman of the Board

Benjamin F. Browning
Vice Chairman, CEO

Branden P Hansen
President

Jonathan W. Browning
Secretary to the Board

Douglas L. DeFries
Banker

Dr. Gary R. Gibbons
Physician, Retired

George E. Hall
Entrepreneur

Marlin K. Jensen
Attorney, Retired

Eugene B. Jones
Certified Public Accountant, Retired

Scott D. Nelson
Developer, Retired

Steven M. Petersen
Manufacturer

Christopher R. Sorenson
Investment Advisory

(not pictured)
Tai S. Bright
Investment Advisory

Utah Risk Management, Inc.

Larry M. Wood
Chairman of the Board, President

Benjamin F. Browning
Vice President

Nathan L. DeFries
Treasurer

OFFICERS

Larry M. Wood
President

Benjamin F. Browning
Vice President

Colby J. Dustin
Vice President

Joshua C. Miller
Secretary

Branden P. Hansen
Vice President

Nathan L. DeFries
Treasurer

SENIOR MANAGEMENT

Bank of Utah

Frank W. Browning
Chairman of the Board

Benjamin F. Browning
Vice Chairman, CEO

Branden P Hansen
President

Nathan L. DeFries
Executive Vice President,
Chief Financial Officer

M. Brady Fosmark
Executive Vice President,
Chief Lending Officer

Cari G. Fullerton
Executive Vice President,
Chief Credit Officer

Brian S. Stevens
Executive Vice President,
Chief Operating Officer

Colby J. Dustin
Senior Vice President,
Chief Risk Officer

Shawn M. Choate
Senior Vice President,
Human Resources

Roger L. Christensen
Senior Vice President,
Business Development
& Communications

Jon W. Croasmun
Senior Vice President,
Corporate Trust

Eric D. DeFries
Senior Vice President,
Residential Lending

T. Craig Roper
Senior Vice President,
Branch & Relationship
Banking

Menah C. Strong
Senior Vice President,
Deposit Operations

(not pictured)
Colleen Schulthies
Senior Vice President,
General Counsel

Bank of Utah Officers

CORPORATE TRUST:

Michael R. Arsenault Senior Vice President, Corporate Trust Counsel
Jodie B. Curtis Senior Vice President, Senior Corporate Trust Officer, Assistant Secretary
Margaret P. (Peggy) Hawkins Vice President, Corporate Trust Officer
Jennifer Miller Vice President, Corporate Trust Officer
Kirk G. Peterson Vice President, Corporate Trust Officer, Administrative Manager
Joseph H. Pugsley Vice President, Corporate Trust Counsel
Dillon Schmutz Vice President, Trust Operations and Services Manager
R. Kade Baird Assistant Vice President, Corporate Trust Counsel
Sharlee M. Kuch Assistant Vice President, Corporate Trust Administrator
Jamille R. Pool Assistant Vice President, Corporate Trust Officer
Stella Wilson Assistant Vice President, Corporate Trust Administrator

DEPOSIT OPERATIONS:

John W. Walton Senior Vice President, Treasury Management
Susana K. Feightner Vice President, Central Operations Manager
Stacey K. Mackay Vice President, Branch Manager, Heber City
Jessica H. Orme Vice President, Treasury Management Operations Manager
David B. Rusch Vice President, Retail Banking Manager
Jillian L. Weadock Vice President, Treasury Management Relationship Manager Team Leader
Trevor L. Austin Assistant Vice President, Treasury Management Team Leader
Melissa V. Bernson Assistant Vice President, Branch Manager
David P. Kuhni Assistant Vice President, Branch Manager, Lindon and Orem
Matthew K. Linford Assistant Vice President, Treasury Management Team Leader
Jodi L. Miller Assistant Vice President, Treasury Management Team Leader
Sherri A. Webb Assistant Vice President, Branch Manager, South Ogden
Helen C. White Assistant Vice President, Branch Manager, Tremonton

PERSONAL TRUST:

Jodie K. Buckner Vice President, Senior Trust Officer
Randy H. Hahn Vice President, Personal Trust Manager
Jeff Kahn Vice President, Trust Officer
Brenda L. Lambert Vice President, Senior Trust Officer
Kyle R. Brown Assistant Vice President, Trust Officer
Janna Coley Assistant Vice President, Trust Officer
Michael D. Dustin Assistant Vice President, Trust Officer

ADMINISTRATION:

Christopher J. Powell Senior Vice President, Internal Audit Manager
Carl R. Behunin Vice President, BSA-Deposit Compliance Manager
Jonathan W. Browning Vice President, Secretary to the Board
Laura Castro Vice President, Lending Compliance Officer
Mary McBride Vice President, Digital Customer Experience and Sales Manager
Charly Owens Vice President, Small Business & Corporate Banking Manager
Cherie Hanson Vice President, Communications and Marketing Manager
Kirk A. Jolly Vice President, Controller
Elizabeth N. Warner Vice President, Lending Compliance Officer
Jay D. Weaver Vice President, Technology Officer
Christopher N. McIntyre Assistant Vice President, IT Data Center Manager
Andrew N. Richards Assistant Vice President, Assistant Controller
Chelsi L. Banks Assistant Vice President, Deposit Compliance Officer

LENDING:

Jared M. Anderson Senior Vice President, Team Leader, Ogden Municipal
Michael W. Asay Senior Vice President, Team Leader, Lindon
Daniel S. Boren Senior Vice President, Collections/Special Assets
Gregory J. Brown Senior Vice President, Portfolio Manager
Kelly D. Crane-Hale Senior Vice President, Team Leader, Orem
Reed W. Dixon Senior Vice President, Credit Administrator II
Norman G. Fukui Senior Vice President, Team Leader, Box Elder, Small Business
Larry R. Hintze Senior Vice President, Team Leader, Redwood
Krista L. Lewis Senior Vice President, Team Leader, Logan
Spencer R. Richins Senior Vice President, Team Leader, Bountiful
David K. Snow Senior Vice President, Relationship Manager
Kevin E. Stocking Senior Vice President, Relationship Manager, Utah Valley
H. Bradley Stucki Senior Vice President, Team Leader, St. George
Eric S. Blanchard Vice President, Relationship Manager
Andrew Cunningham Vice President, Senior Credit Risk Manager
Jeremy B. Hubbard Vice President, Relationship Manager
Bryce D. Huff Vice President, Team Leader City Creek
Alan P. Lunt Vice President, Team Leader
Jack K. Mangum Vice President, Relationship Manager
Matthew F. Nelson Vice President, Relationship Manager
Jeff L. Norton Vice President, Relationship Manager
Todd J. Penovich Vice President, Credit Analyst
Rachel L. Phillips Vice President, Loan Operations Manager
Michael G. Tulane Vice President, Portfolio Manager
Michael J. Wells Vice President, Team Leader, Utah Valley
Ran D. Jones Assistant Vice President, Portfolio Manager
Nicole Mansfield Assistant Vice President, Portfolio Manager
Blake W. Ostler Assistant Vice President, Portfolio Manager
Sally K. Perry Assistant Vice President, Relationship Manager
Jared S. Taylor Assistant Vice President, Portfolio Manager
Brian G. Wahlen Assistant Vice President, Portfolio Manager

RESIDENTIAL LENDING:

Kathy L. Robles Senior Vice President, Mortgage Operations
Wesley T. Barlow Vice President, Mortgage Area Manager
Michael Child Vice President, residential Construction Sales Manager
Jennifer H. Dee Vice President, Mortgage Branch Manager, Ogden
W. Dan Farnsworth Vice President, Mortgage Branch Manager, Providence
Kathy M. Fausett Vice President, Mortgage Branch Manager, Price
Cindee L. Himelright Vice President, Consumer Servicing Manager
John P. Neil Vice President, Mortgage Loan Officer
Russell G. Piggott Vice President, Mortgage Branch Manager, Logan City Center
Timothy D. Roberts Vice President, Mortgage Branch Manager, City Creek
Linda C. Rose Vice President, Mortgage Branch Manager, South Ogden
Thomas E. Rutter Vice President, Mortgage Branch Manager, St. George
John R. Serfustini Vice President, Secondary Marketing Manager
Angela L. Vause Vice President, Mortgage Processing Manager
Katherine L. Davis Assistant Vice President, Relationship Manager, Consumer
Tiffany A. Flint Assistant Vice President, Mortgage Loan Closing & Post Closing Manager
Cynthia Lee Assistant Vice President, Senior Mortgage Underwriter

BANK OF UTAH LOCATIONS

OGDEN (MAIN)
2605 Washington Blvd.
Ogden, UT 84401
801-409-5001

BEN LOMOND
115 Washington Blvd.
Ogden, UT 84404
801-399-4425

BOUNTIFUL
100 South 500 West
Bountiful, UT 84010
801-689-0900

BRIGHAM CITY
80 East 800 South
Brigham City, UT 84302
435-723-9313

CITY CREEK BANKING CENTER
50 South 200 East
Salt Lake City, UT 84111
801-532-7111

HEBER CITY
620 West 100 South
Heber City, UT 84032
435-654-1300

LAYTON
717 West Antelope Dr.
Layton, UT 84041
801-773-2221

LINDON
144 South State Street
Lindon, UT 84042
801-922-9888

LOGAN
5 East 1400 North
Logan, UT 84341
435-752-7102

LOGAN CITY CENTER
45 East 200 North, Ste. 102
Logan, Utah 84321
435-792-4600

OREM
1000 West 800 North
Orem, UT 84057
801-765-4401

PRICE
475 East Main, Ste. B
Price, UT 84501
385-999-6501

PROVO
3670 North University
Provo, UT 84604
801-377-4222

PROVIDENCE
121 North Gateway Dr.
Providence, UT 84332
435-752-7198

REDWOOD
2309 South Redwood Rd.
Salt Lake City, UT 84119
801-973-2798

ROY
5729 South 1900 West
Roy, UT 84067
801-825-1647

SANDY
9320 South State
Sandy, UT 84070
801-562-5375

SOUTH OGDEN
4605 Harrison Blvd.
Ogden, UT 84403
801-394-6611

ST. GEORGE BANKING CENTER
335 East St. George Blvd., Ste. 103
St. George, UT 84770
435-986-7225

ST. GEORGE MORTGAGE
243 East St. George Blvd., Ste. 110
St. George, UT 84790
435-986-7221

TREMONTON
25 North Tremont St.
Tremonton, UT 84337
435-257-3613

BANK OF UTAH

Sunset over Farmington Bay Waterfowl Management Area. Credit: Steve Greenwood