News, Analysis and Perspective for Community Banks by the Nation's **First** Bankers' Bank

UBB First for Your Success™

Independent

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Beyond the Core: Why Independent Technology Advice Matters More Than Ever

For community banks, technology decisions have never carried greater strategic importance.

Core processing platforms, digital banking, payments, lending, artificial intelligence, data strategy and cybersecurity are no longer separate technology projects—they are fundamental drivers of growth, operational efficiency, customer experience and long-term competitiveness.

Yet the technology marketplace has also become more complex than ever before. Banks are asked to evaluate disparate vendors, evolving pricing models and increasingly sophisticated integration requirements. At the same time,

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Jim Amundson A note from the CEO

Once again, event season is in full swing, and our team is enjoying opportunities to attend meetings and annual conventions throughout our territory. We are grateful for our valued association partners and the events that bring us together with fellow community bankers to exchange ideas, strengthen relationships, and celebrate our shared commitment to community banking.

In this issue's cover story, ICI Consulting, UBB's core vendor contract negotiation partner, explains the value of gaining an outside perspective when evaluating your bank's current or future core processing platform. For the past four years, our partnership with ICI has been defined by a shared commitment to helping community banks make informed decisions and achieve long-term success.

With National Check Professionals Day earlier this month, Blake Tolbird, UBB's Director of Payments Solutions, highlights the importance of continuing education and the professional certifications available within the banking industry. UBB is proud to have seven accredited payments professionals on our team, including five National Check Professionals.

The trusted advisors from BankValue, UBB's bank valuation consulting service, also provide a timely update on merger and acquisition activity, bank valuations and current industry trends.

UBB offers a wide range of consulting services designed to support your bank's risk management needs, including Loan Review Consulting Services. As you evaluate your risk management framework, I encourage you to read "What Bankers Should Look for When Hiring a Third-Party Loan Review Vendor" by Ron Wolpert, UBB's Loan Review Managing Consultant. With more than 40 years of banking experience, Ron understands the expertise, independence, and service community banks should expect from a trusted loan review partner.

We recently completed data collection for our Compensation and Benefits Survey and look forward to sharing the results before annual review planning begins this fall. In this issue's Q&A, USource™ Human Resources Consulting Manager Ellie Oehrlein explains how reliable compensation and benefits data can help your bank make informed, competitive decisions during the annual review process.

You can learn more about Ellie in this issue's Employee Spotlight on page 11. Then, turn to page 12 to discover how Farmers State Bank in Mountain City, Tennessee, is *"Keeping the Community in Community Banking."*

At UBB, we understand that community banks are the backbone of the communities they serve, and that your leadership plays an essential role in helping those communities grow and thrive. Thank you for everything you do. UBB will always be in your corner because we are ***First** for Your Success.*

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executive teams are expected to make long-term technology decisions that may shape their institution for the next decade or longer.

That is where an independent perspective becomes invaluable.

Experience Without an Agenda

Since 1994, ICI Consulting has focused exclusively on serving financial institutions. During that time, we have completed more than 1,300 consulting engagements, helping our bank clients across the United States evaluate technology, negotiate contracts, modernize their environments and successfully execute complex conversions.

Our philosophy is straightforward: we will help you identify the right vendor with the right product set at the right price.

Unlike software providers or system integrators, ICI does not sell technology. We represent only one party throughout every engagement—your bank.

That independence allows us to objectively evaluate competing solutions, challenge vendor assumptions and ensure every recommendation aligns with the bank's long-term strategic objectives rather than a sales quota.

Looking Beyond Features

Selecting a technology partner is about much more than comparing feature lists. Successful projects begin with understanding the institution itself. Every bank has unique goals, customer expectations, staffing realities, growth plans and operational priorities. A solution that is ideal for one organization may not be the best fit for another. That is why our process begins with listening.

Before issuing RFPs or reviewing demonstrations, we work closely with executive leadership and operational teams to understand where the institution is today—and where it wants to be tomorrow. Only then do we begin evaluating potential technology partners.

This strategic approach consistently leads to better decisions because technology becomes aligned with business strategy rather than driving it.

Negotiation Is About More Than Price

One of the biggest misconceptions in technology procurement is that negotiation is simply about reducing cost. While pricing certainly matters, the contract itself often has a much greater impact over the life of the relationship. Service level agreements, implementation milestones, accountability provisions, escalation procedures, renewal language, performance metrics, termination rights and future flexibility frequently determine whether a partnership succeeds years after the initial implementation.

Our consultants have spent decades working on both sides of the table—as banking executives and as leaders within major fintech organizations. That experience provides valuable insight into how contracts are structured and where opportunities exist to improve both financial and operational outcomes.

As we often remind our clients: "You do not get what you deserve. You get what you negotiate."

Technology Continues to Evolve

Artificial intelligence, cloud adoption, open APIs, embedded finance and real-time payments are rapidly changing the banking technology landscape. While these innovations create exciting opportunities, they also generate considerable noise. Not every new technology is ready for every institution.

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The challenge for community banks is distinguishing genuine strategic value from marketing hype. Our role is not to recommend technology because it is new. Our responsibility is to help clients determine whether it advances their business objectives, improves operational efficiency, enhances customer experience and delivers measurable return on investment.

Sometimes that means embracing innovation. Sometimes it means waiting.

Either way, the decision should be informed—not influenced.

A Shared Commitment to Community Banking

One of the reasons ICI values its relationship with United Bankers' Bank is our shared commitment to helping community banks succeed. We have been the trusted core consultant UBB has endorsed since our partnership formed in 2022.

Both organizations believe independent expertise, trusted relationships and long-term partnerships create stronger institutions. Banks make better technology decisions when they have experienced, objective advisors sitting on the same side of the table.

At ICI, that has been our mission for more than 30 years—and it is one we remain committed to every day.

Preparing for Your Next Core Renewal

If your institution's core processing agreement expires within the next 18 to 36 months, now is the time to begin planning. The most successful technology initiatives start well before a contract reaches its expiration date, giving banks the time needed to evaluate options, strengthen their negotiating position and make strategic decisions without unnecessary pressure.

As part of our commitment to the community banking industry, ICI is pleased to offer UBB member banks a complimentary Core Pricing Analysis or a complimentary Technology Strategy Session. Whether you are preparing for your next core renewal, evaluating new technology investments or simply looking for an independent perspective on your technology roadmap, we would welcome the opportunity to start a conversation.

To request a complimentary Core Pricing Analysis, visit www.ubbsolutions.com

Continuing Education: Building Expertise, Strengthening Community Banks

By Blake Tolbird, AAP, SVP, Director of Payment Solutions

The payments industry has never moved faster. From evolving fraud schemes and changing network rules to the rapid growth of same-day and instant payments, today's banking professionals are expected to navigate an increasingly complex payments landscape while continuing to deliver exceptional service to customers. Every day presents new opportunities to learn, adapt, and stay ahead of change.

Continuing education is one of the best investments we can make. Every certification earned at United Bankers' Bank strengthens our ability to serve respondent banks with confidence, reduce operational risk, and provide knowledgeable guidance when our customers need it most.

That commitment is reflected in the nationally recognized industry certifications earned by members of our operations team, including Accredited ACH Professional (AAP), Accredited Payments Risk Professional (APRP), National Check Professional (NCP), and Accredited Faster Payments Professional (AFPP).

While each certification focuses on a different area of payments, they all share a common purpose: equipping banking professionals with the expertise needed to support financial institutions in our ever-changing environment. For community banks, that expertise matters. As payment systems continue to evolve, having a trusted correspondent bank with knowledgeable resources becomes even more valuable.

Why Continuing Education?
Behind every payment is a team working to ensure transactions are processed accurately, securely, and according to industry rules. Whether it is understanding ACH return requirements, resolving check adjustments, implementing instant payment services, or helping financial institutions navigate emerging fraud trends, education plays a critical role in reducing operational risk.

Knowledge helps prevent costly mistakes before they happen. It enables employees to recognize potential fraud, understand rule changes, and answer customer questions with confidence, providing practical solutions to operational challenges.

Understanding the Certifications.
Each accreditation represents a significant investment in time, study, and dedication.

The Accredited ACH Professional (AAP) designation recognizes expertise in ACH operations, Nacha rules, electronic payments, and risk management. ACH continues to be one of the fastest-growing payment channels, making knowledgeable resources essential for community banks.

The Accredited Payments Risk Professional (APRP) designation recognizes expertise in payments risk management, fraud prevention, regulatory compliance, and emerging threats across the payment ecosystem. As fraud continues to evolve and payment channels become more complex, APRP-certified professionals help financial institutions strengthen controls, identify risk, and protect both their customers and their organizations.

The National Check Professional (NCP) designation demonstrates advanced knowledge of check processing, image exchange, check adjustments/returns, and fraud prevention. While payment methods continue to diversify, check operations remain an important part of serving customers and managing operational risk.

The Accredited Faster Payments Professional (AFPP) designation is the newest certification available to

Building Expertise continued pg 5

Building Expertise from pg 4

payments professionals. Designed specifically for today's evolving payments landscape, it focuses on instant payments operational readiness, fraud considerations, emerging payment rails, and the future of money movement. As financial institutions continue adopting services like FedNow and RTP, expertise in faster payments has become increasingly important.

A Commitment to Learning.
Earning one of these credentials is about more than passing an exam. It reflects a commitment to bettering yourself and serving customers at the highest level.

Karl Funk, Payments Manager at UBB, is one of the newly accredited Faster Payments Professionals. Karl recently completed the AFPP certification and shared his experience:

Q: Why does continuing education matter in today's payment environment?

Karl: As transaction processing moves to a 24x7x365 real-time model, relying on outdated operational frameworks can leave banks vulnerable to poor efficiency and higher fraud risks.

Q: Did anything surprise you while going through the certification process?

Karl: How quickly the operational rules and risk frameworks are evolving. It's not a static certification where you memorize the manual. It requires a commitment to ongoing learning since the landscape is constantly changing.

His perspective reinforces an important point: learning doesn't end after earning a certification. The payments industry continues to evolve, and maintaining expertise requires curiosity, collaboration, and a willingness to learn.

Accredited professionals continuously monitor industry developments and payment network updates for trends or operational changes so they can help customers confidently navigate new challenges and opportunities.

Investing in Our Customers.
Professional certifications ultimately benefit the customers we serve. When community bank customers call with questions about ACH deadlines, check processing rules, or instant payment implementations, they are not simply looking for an answer. They are looking for a trusted partner who understands the operational realities behind each transaction. That is the value continuing education provides.

As payments continue to evolve, UBB is committed to investing in the knowledge and expertise of our employees so we can continue delivering the guidance, service, and operational support our customers have come to expect.

The banking industry will continue to change. New technologies will emerge, fraud tactics will advance, and payment networks will grow. By investing in education today, we ensure we are prepared to help our customers meet tomorrow's challenges with confidence.

Whether you are just beginning your career in payments or looking to expand your expertise, there has never been a better time to invest in your professional development. Earning an industry accreditation not only strengthens your own knowledge and confidence but also empowers your bank with a trusted payments resource who can help reduce risk, improve operational procedures, and better serve customers.

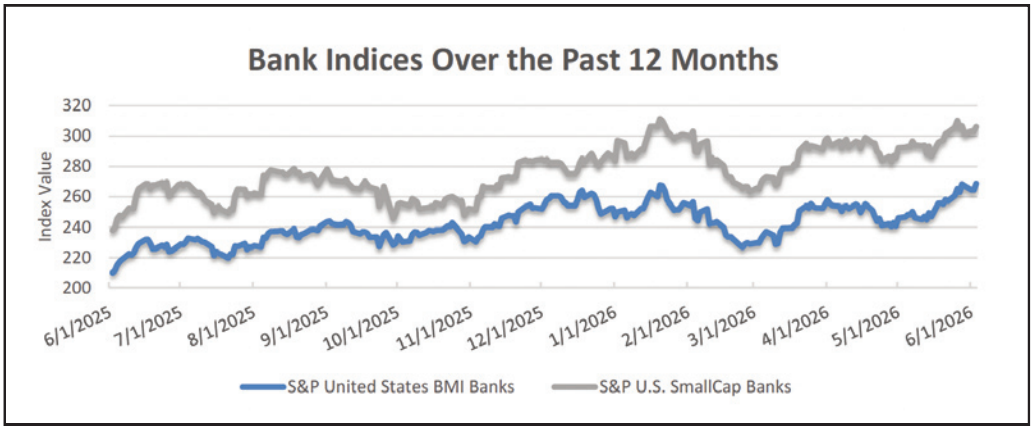
Every accreditation begins with a decision to learn. If you have ever considered earning an industry certification, we encourage you to take the first step. UBB is proud to support fellow banking professionals with guidance, resources, and encouragement throughout the accreditation journey. Together, we can continue building stronger payments professionals and stronger community banks.

UBB's Accredited Professionals:
- Sharon Becker, Sr. Operations Support Specialist - AAP and NCP
- Karl Funk, Payments Manager – AFPP
- Peter Olson, Operations Support Specialist – NCP
- Maria Patch, Sr. Operations Support Specialist – AAP, APRP, and NCP
- Blake Tolbird, Director of Payment Solutions - AAP
- Tamara Umberhandt, Customer Integration Manager – AAP and NCP
- Elizabeth Woodruff, Correspondent Banking Officer – AAP and NCP

UBB's accredited professionals would be happy to answer questions you may have about their accreditation experience.

Bank Valuations Show Signs of Stabilization

By BankValue

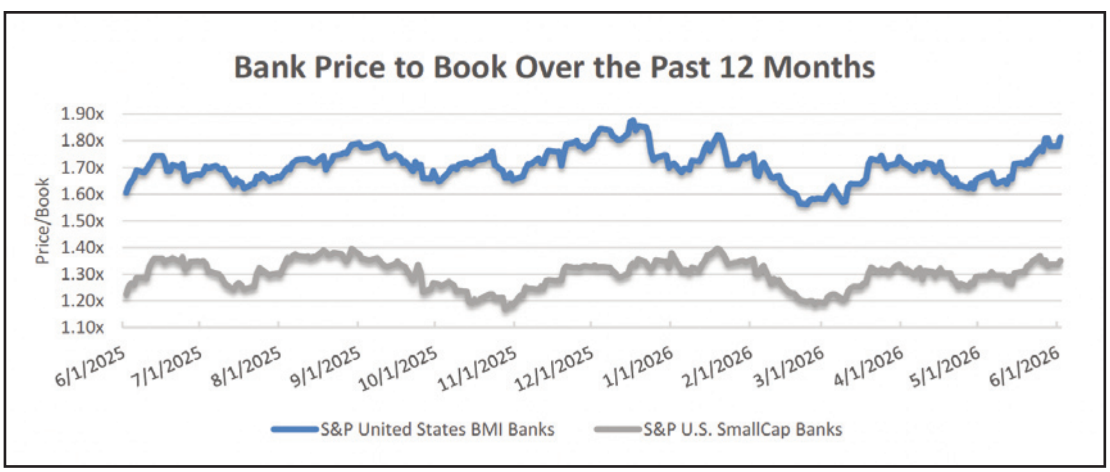


Bank valuations entered 2026 with a more constructive outlook than in recent years. After a period of elevated interest rates, unrealized securities losses, margin pressure, and slower M&A activity, the industry is showing signs of stabilization. These improving earnings, stronger deposit trends, and renewed acquisition interest are helping support valuations across the banking sector.

Industry performance in the first quarter of 2026 was generally favorable. Quarterly net income totaled $80.5 billion, up 3.60% from the prior quarter and 14.30% from the year-ago quarter. Return on assets improved to 1.26%, compared to 1.23% in the fourth quarter of 2025 and 1.16% one year earlier. More than half of all banks reported higher net income from the prior quarter.

Community banks also posted stronger results. First quarter net income increased 3.90% from the prior quarter to $8.1 billion. Pretax return on assets rose to 1.42%, up 7 basis points from the prior quarter and 26 basis points from the year-ago quarter. Meanwhile, the percentage of unprofitable community banks declined to 4.90%, down from 7.40% in the prior quarter.

Despite improved earnings, valuation gains are still modest. Net interest margin continues to be a key factor. The industry reported a net interest margin of 3.31% in the first quarter of 2026, down 8 basis points from the prior quarter. Community bank net interest margin was stronger at 3.71%, though it also declined from the prior quarter. These margin trends remain tied to the pace at which earning asset yields and funding costs adjust in the current rate environment.



Public bank stock performance has reflected both optimism and caution. Over the last twelve months, from June 1, 2025 to June 1, 2026, the S&P U.S. BMI Banks Index increased approximately 20.90%, while the S&P U.S. SmallCap Banks Index increased approximately 22.68%. Both indices declined from their all-time highs

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early in the first quarter, then rebounded to near all-time highs again near the end of the second quarter. The pullback appears to have tracked closely with broader market weakness following the onset of the Iran conflict, suggesting the dip was likely attributable to the market's overall response to heightened geopolitical risk rather than factors specific to the banking industry.

Price-to-book multiples also moved lower during the first quarter of 2026. The S&P U.S. BMI Banks Index declined from 1.80x to 1.63x, while the S&P U.S. SmallCap Banks Index declined from 1.29x to 1.24x. Note that price-to-book ratios increased slightly in May, primarily in the S&P U.S. BMI Bank Index.

Unrealized securities losses remain an important consideration. Industry-wide unrealized losses totaled $325.1 billion in the first quarter of 2026, up from the prior quarter but down materially from the year-ago quarter. Community banks reported $32.2 billion in unrealized securities losses, up 8.90% from the prior quarter but down 23.20% from one year earlier. While pressure has eased from prior peaks, these losses continue to affect tangible book value, capital flexibility, and transaction pricing.

M&A activity is one of the clearest signs that confidence is returning. Closed bank transactions increased 31.68% in 2025 to 133 deals, although activity remains below pre-pandemic levels. Even so, early 2026 activity suggests the market could continue moving closer to historical levels if current conditions hold.

Overall, the valuation environment appears healthier than it has been in several years. The market is not without risk, but stronger profitability, improved M&A sentiment, and more manageable securities losses are creating a better backdrop for community banks. For banks considering a sale, acquisition, capital raise, or shareholder liquidity event, now is an important time to understand current valuation drivers and prepare for potential opportunities.

Announcements

UBB Welcomes

Graham Wiley joined the lending team as a Loan Coordinator in April. Graham has over 10 years of lending experience.

Also in April, our operations team welcomed two new Wire Support Specialists, Justine Tirrell and Tanya Williams. Both joined UBB with prior banking experience.

This summer, UBB invited Carson Fellows to intern in our IT department. He was with UBB until August 6th and will be a sophomore at Purdue University in the fall. We wish him a successful future (hopefully in banking).

In June, our lending department welcomed Lisa Balesteri, Portfolio Manager, to their team. Lisa has over 25 years of experience in banking, including over 14 years in community banking.

Also in June, Mike Freire started at UBB as the IT Service Desk Manager. Mike has over 15 years of experience in IT.

Jenna Rutherford joined the operations team in June as an Operations Support Specialist with over 10 years of banking experience.

In July, Sarah Jaeger started as UBB's internal Compliance & BSA Officer. Prior to UBB, Sarah worked as a Financial Institution Examination Program Director for the State of Minnesota and has over 10 years of financial services experience.

John Peterson, Chief Marketing Officer, Retires

On August 26th, John Peterson, EVP and Chief Marketing Officer, will retire after 24 years with UBB. We thank him for his service and wish him well in retirement.

Q & A

By Ellie Oehrlein, VP, USource HR Consulting Services Manager

Q:

Does my HR team need a Compensation and Benefits Survey to prepare for annual reviews?

A:

Yes. As HR teams head into annual review season, a compensation and benefits survey is one of the most important tools in the process.

Compensation and benefits surveys help ensure that decisions are grounded in real data, not just internal history or assumptions. In today's environment, with pay transparency requirements expanding and labor costs continuing to rise, relying solely on internal benchmarks is no longer enough.

Market data provides a clearer picture of how your organization compares to others competing for the same talent. It gives leadership the ability to step back and define a compensation strategy that is intentional. Whether the goal is to attract new employees, retain top performers, or support growth, having that external perspective helps ensure compensation decisions align with where the business is headed, not just where it has been.

Surveys also play an important role in supporting pay equity and compliance. There is growing scrutiny around how pay decisions are made, and organizations need to be confident that their ranges are both competitive and defensible. When HR teams benchmark roles against reliable data, they can identify gaps early and make thoughtful adjustments before reviews are finalized. That reduces risk and supports more transparent conversations with employees.

Another benefit is how survey data strengthens internal job analysis. When roles are clearly defined and aligned to market benchmarks, it becomes much easier for managers to have consistent and meaningful conversations about performance and pay. It removes some subjectivity and helps ensure decisions feel fair across teams.

At the end of the day, compensation and benefits surveys allow organizations to be proactive rather than reactive. Instead of making pay decisions under pressure or based on incomplete information, HR teams can approach annual reviews with a clear, data-driven plan. That leads to better outcomes for employees, stronger retention, and a more sustainable path forward for the organization.

If you're evaluating your compensation strategy or preparing for annual reviews, contact the USource team. We work closely with organizations to provide market insights, support pay decisions, and ensure your approach is both competitive and compliant.

For more information or to start the conversation, reach out to the USource team at usource@ubb.com.

What Bankers Should Look for When Hiring a Third-Party Loan Review Vendor

By Ron Wolpert, Vice President, Loan Review Managing Consultant

Independent loan review remains one of the most important components of a bank's risk management framework. Regulators, boards of directors, and executive management rely on loan review findings to assess portfolio quality, identify emerging credit risks, and validate the effectiveness of underwriting and credit administration practices.

However, not all third-party loan review vendors provide the same level of expertise, consistency, or value. Selecting the right partner can significantly improve a bank's ability to identify risks, prepare for examinations, and strengthen overall credit governance.

When evaluating a third-party loan review vendor, bankers should focus on the following key considerations.

Industry Expertise and Reviewer Experience

The quality of any loan review engagement ultimately depends on the expertise of the individuals performing the work. Banks should evaluate the qualifications, experience, and industry backgrounds of the review team.

An effective vendor should have professionals experienced with the lending products and programs your bank offers. In community banking, that includes commercial real estate, construction and development lending, commercial and industrial lending (including operating lines), agricultural term loans and operating lines, and, to some extent, asset-based lending (ABL) and factoring.

Knowledge of SBA lending and other specialty programs should be apparent when applicable.

Reviewers should understand not only credit analysis but also the practical realities of credit administration, loan administration, loan workouts, and related credit functions.

Understanding of Regulatory Expectations

A strong loan review vendor should possess a thorough understanding of federal and state regulations, guidance statements, examination expectations, and industry best practices.

Regulatory agencies increasingly rely on vendors, including for loan review. Review findings should align with standards commonly evaluated by federal and state regulators, including credit risk identification, risk rating accuracy, allowance methodologies, problem loan management, concentration risk, and the effectiveness of overall credit administration practices (often with emphasis on the latter).

Ability to Tailor Reviews to the Bank's Risk Profile and Credit Programs

One size does not fit all! Every institution has a unique lending strategy, portfolio composition, and risk appetite. A loan review vendor should customize its approach based on the bank's size, staffing expertise and structure, credit culture, and lending programs.

Almost universally, regulatory and interagency policy statements indicate they should be applied based on the size and complexity of each institution. To that end, vendors should be able to adjust their approach when reviewing a $1 billion bank versus a $100 million bank without sacrificing integrity. Yes, the regulations are the same, but applying unrealistic and/or universal expectations can lead to a less than satisfactory review.

Quality of Reporting

Loan review reports should provide more than a list of exceptions. They should offer meaningful insights that assist management and the board in understanding portfolio trends and emerging risks. Effective reports typically include:

- Executive summaries
- Portfolio trend analysis
- Risk rating stratification and migration analysis
- Criticized and classified asset exposure
- Credit administration observations
- Recommendations for improvement
- Management responses

Technology/Logistics

Modern loan reviews increasingly rely on technology to complete file reviews and use data analytics to identify risk patterns and improve review efficiency. When evaluating vendors, consider review logistics and data management.

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Prior to COVID, loan reviews in community banks were done on-site with a few exceptions here and there. In fact, up until that time, I spent approximately 30 years on the road as an examiner or consultant. Since that time, it has been entirely the opposite, as I work from home nearly 100 percent of the time, as reviews are conducted off-site.

There are pros and cons to on-site versus off-site reviews, so this should be thoroughly vetted before choosing a vendor. In addition, the integrity of data provided to the vendor must be considered. As far as data management and manipulation are concerned, banks should ask vendors if they can provide such things as portfolio segmentation analysis; concentration monitoring; risk trend reporting; data-driven portfolio insights, etc.

Advanced analytical capabilities can help management identify emerging risks before they become significant credit problems.

Communication

With off-site reviews now the norm, the value of establishing and maintaining good communication with the vendor cannot be understated. This starts during the planning process and continues even beyond when the report is issued.

Is the vendor capable of establishing protocols for ongoing and open communications? The vendor should demonstrate the ability to communicate findings professionally, discuss disagreements constructively, present results to management and boards, respond promptly to questions, provide ongoing industry insights, and be available post-review if questions arise during an examination, audit, etc.

Strong communication often distinguishes exceptional loan review firms from merely adequate providers.

Capacity and Scalability

Banks should confirm that the vendor has sufficient resources to meet deadlines and support growth.

Questions to consider include:

- Can the vendor handle larger review scopes if the portfolio expands
- How quickly can supplemental reviews be completed?
- Is there sufficient reviewer depth to ensure continuity?
- What contingency plans exist if key reviewers become unavailable?

A scalable partner can support the institution as lending activities evolve. This is not equally important to all banks, but it should be considered when growth and market expansion are on the horizon.

Reputation and Client References

The proof is in the pudding. Before selecting a vendor, bankers should seek references from peer institutions. Conversations with existing clients often provide valuable insights into the reviewers' quality of work, professionalism, and consistency. Areas to explore include:

- Approach and attitude to loan review – are they a valued partner, or do they have a "gotcha" mentality?
- Accuracy of findings
- Timeliness of deliverables
- Quality of reviewer interactions ("bedside manner")
- Credibility with regulatory agencies
- Overall satisfaction

Long-standing client relationships often indicate a vendor's ability to consistently deliver value.

Pricing

Community banks are sensitive to pricing more than ever before. This is always a big consideration when I speak with potential client banks, but I ask them to keep an open mind. The lowest cost alternative may sound good, but are you going to get quality results? You may be comforted by engaging a larger regional or national vendor, but that comes at a much higher cost, so you need to ensure you're receiving value for your investment.

Conclusion

Selecting a third-party loan review vendor is a strategic risk management decision. While pricing is a consideration, it certainly is not the only one. Banks should prioritize expertise, independence, regulatory knowledge, reporting quality, and meaningful insights into portfolio risk.

The right loan review partner serves not only as an independent assessor of credit quality but also as a trusted resource that helps management, boards, and regulators gain confidence in the institution's risk management practices. A well-executed loan review program can strengthen credit culture, improve portfolio performance, and support the long-term safety and soundness of the bank.

Ron Wolpert, Vice President, Managing Consultant - Loan Review • 614-940-1420 • ron.wolpert@ubb.com

United Bankers' Bank
Call Report (unaudited)
6/30/2026

Balance Sheet (000's)

Assets:		
Cash and Due from Banks	$	106,453
Investments	$	89,904
Fed Funds Sold & Securities Purchased Under Agreement to Resell	$	43,437
Loans		
Outstanding	$	779,972
Loss Reserve	$	(13,453)
Other Assets	$	44,530
TOTAL ASSETS		$1,050,843
Liabilities and Capital:		
Deposits	$	635,555
Fed Funds Purchased	$	212,199
Other Liabilities	$	56,058
Equity Capital	$	147,031
TOTAL LIABILITIES & CAPITAL		$1,050,843

INCOME STATEMENT (YTD)

Interest Income	$	27,208
Interest Expense	$	10,368
Net Interest Income	$	16,840
Loss Provision	$	235
Net Interest Income (After Provision)	$	16,605
Other Income	$	10,362
Total Income	$	26,967
Operating Expenses	$	19,404
Securities Gains (Losses)	$	1,897
Net Income Before Taxes	$	9,460
Tax	$	2,223
NET INCOME	$	7,237

Employee Spotlight

Ellie Oehrlein

VP, USource HR Consulting Manager
651-870-5799 • Ellie.oehrlein@ubb.com

Family Members: My husband, Jason, and stepson, Chase.

Pets: A 12-year-old Yorkie named Mika Mae.

What do you listen to on your drive to work: When not working remotely, I listen to podcasts and music, usually something upbeat or a good business or personal development podcast to start the day right.

Interests: Spending quality time with family and friends, staying active, traveling, and trying new cuisine. I'm also passionate about supporting my husband in our ministry and staying engaged in our community through outreach and events.

If I could live anywhere in the world, it would be: I don't have a single specific location in mind, but I'm drawn to places that offer a blend of natural beauty and vibrant culture. Ideally somewhere near the water with access to both outdoor activities and a dynamic city.

If I could have one super power (besides flying), it would be: The ability to instantly understand and solve complex problems.

Many people don't know that: I really enjoy trying new things and pushing myself outside of my comfort zone. I love the satisfaction of conquering my fears—even if I must do it afraid!

If I was not working in banking, I would: Be doing something focused on people and strategy, possibly in independent HR consulting or leading a business venture.

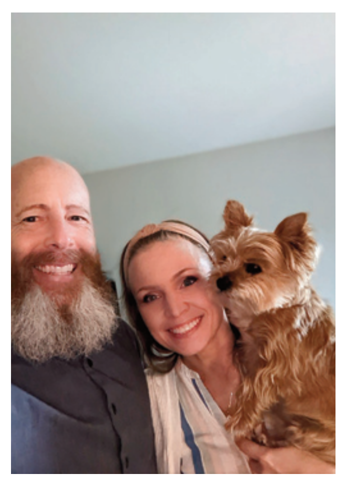
I started working at UBB: March 2026.

My favorite part of working for UBB: The people—collaborating with a talented team and building strong relationships with clients and colleagues.

The best advice I ever got was: Stay focused on what you can control and always show up with integrity and consistency!

First For Your Success means: Putting our customers and each other first! Being proactive, responsive, and committed to helping others succeed.

Ellie with her husband, Jason
at Wilderness Fellowship Ministries



Jason, Ellie and Mika Mae

Keeping the *Community* in Community Banking

Farmers State Bank • Mountain City, Tennessee

Tucked in the Appalachian Mountains of Tennessee, Mountain City lies near the meeting point of Tennessee, North Carolina, and Virginia. At the heart of Mountain City, Farmers State Bank is the "oldest and largest financial institution serving Mountain City and surrounding areas." We sat down with Elizabeth McElyea, Senior Vice President, to learn how Farmers State Bank is *Keeping the Community in Community Banking*.

Farmers State Bank gives goodie bags to Johnson County Cancer Support

Farmers State Bank booth at the Johnson County High School Career Fair

Farmers State Bank Team at High School Homecoming face painting booth

What is your community most known for?
The Appalachian culture and scenery, early country music, Watauga Lake, Doe Mountain, "The Snake" (US Route 421), Copperhead Road, and agriculture. Mountain City was once considered the Green Bean capital of the world.

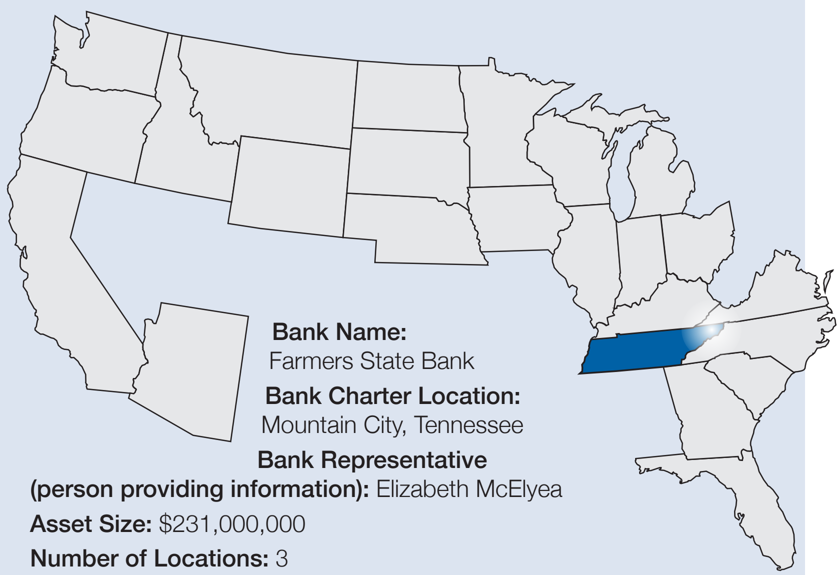
How is your bank involved in the community?
We actively invest in our community through employee volunteerism, financial support to local non-profits, and robust support for athletics at all levels. Our team is dedicated to being a visible, engaged partner in the community we serve.

Do you have any goals or programs to encourage bank employees to be active in the community?
Living and working in a small community means our employees know the people who walk through our doors each day, and they enjoy being able to help their friends, neighbors, and local families. The Bank is very supportive of employees taking time away from work to volunteer and be involved in the community. When leadership actively encourages community involvement, it builds a corporate culture free of guilt. Employees feel safe stepping away from their desks to serve. By investing our time and resources locally, we strive to build a stronger, more vibrant future for everyone. We believe that when our community thrives, we all thrive together.

What makes community involvement important to you and your bank?
Community involvement is the backbone of local banking and relies on local relationships. Our presence in the community allows us to keep local money working locally.

Our commitment extends far beyond financial transactions. When our staff volunteers for local events and serves on nonprofit boards, we build trust with the community. We answer to our neighbors, so our business can only thrive if our local economy thrives.

What do you like best about your community?
Without a doubt, it's the people. Whenever there is a need, our people never hesitate to step up and support one another.



Bank Name:
Farmers State Bank
Bank Charter Location:
Mountain City, Tennessee
Bank Representative (person providing information): Elizabeth McElyea
Asset Size: $231,000,000
Number of Locations: 3
Number of Employees: 48
Year Bank was Incorporated: 1902
City Population: 18,718 (Johnson County, TN)

What do you like best about being a community banker?
Being a community banker gives me the ability to truly take care of people. In large institutions, banking can feel transactional. At Farmers State Bank, it is relationship driven. In a small town, banking is built on relationships, not just numbers.

I love seeing the impact of our work on families and businesses right outside our front door. Every day, we have the privilege of serving our community and deepening those relationships.

We have the unique ability to sit across the desk from someone, listen to their story, and find flexible solutions that a big bank might reject. Knowing we can make a difference in the lives of others through community banking is the best reward of all.

Your Core Vendor has a Negotiation Team.

Do You?

ICI Consulting

UBB partnered with ICI Consulting to provide community banks with access to a team of experienced, dedicated industry consultants who will negotiate with the bank's current core or other potential core processing vendors to identify the best long-term solution.

What ICI does:

- Provides unbiased and independent expertise
- Saves community banks significant amounts of time and money on core processing contract negotiations
- Works tirelessly to provide community banks with better contract terms, service-level agreements, and fairer pricing

Don't be one of the 97% of Community Banks that are Paying Too Much for Their Core Processing System.

If your core vendor contract renewal is 3 years or less away, now is the time to act. Team up with ICI to level the negotiation playing field with your core vendor.

To request additional information and pricing visit:
www.ubbsolutions.com