

# People's Utah Bancorp

## Investor Presentation

Presenters:

Len Williams, President & CEO

Mark Olson, EVP & CFO

May 8, 2018

# Forward Looking Statements

This presentation contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements are subject to risks and uncertainties, including, but not limited to:

- The credit and concentration risks of our lending activities;
- Changes in general economic conditions, either nationally or in our market areas;
- Competitive market pricing factors and interest rate risks;
- Market interest rate volatility;
- Investments in new branches and new business opportunities;
- Balance sheet (for example, loans) concentrations;
- Fluctuations in demand for loans and other financial services in our market areas;
- Changes in legislative or regulatory requirements or the results of regulatory examinations;
- The ability to recruit and retain key management and staff;
- Risks associated with our ability to implement our expansion strategy and merger integration;
- Stability of funding sources and continued availability of borrowings;
- Adverse changes in the securities markets;
- The inability of key third-party providers to perform their obligations to us;
- Changes in accounting policies and practices and the use of estimates in determining fair value of certain of our assets, which estimates may prove to be incorrect and result in significant declines in valuation; and
- These and other risks as may be detailed from time to time in our filings with the Securities and Exchange Commission.

The Company cautions readers not to place undue reliance on any forward-looking statements. Moreover, you should treat these statements as speaking only as of the date they are made and based only on information then actually known to the Company. The Company does not undertake and specifically disclaims any obligation to revise any forward-looking statements to reflect the occurrence of anticipated or unanticipated events or circumstances after the date of such statements. These risks could cause our actual results in 2018 and beyond to differ materially from those expressed in any forward-looking statements by, or on behalf of, us, and could negatively affect the Company's operating results, financial condition and stock price performance.

# Company Overview

- Over 100+ years operating history
- Headquarters in Utah County
- Largest community bank in Utah
- Only public community bank in Utah
- 26 full service branch locations located throughout Utah and Southern Idaho
- Strong core deposit base with 37% noninterest bearing, and 49 bps cost of funds year to date 2018
- Provide highly personalized service to small and medium sized businesses and individuals

# Operating Structure

**PEOPLE'S UTAH BANCORP**

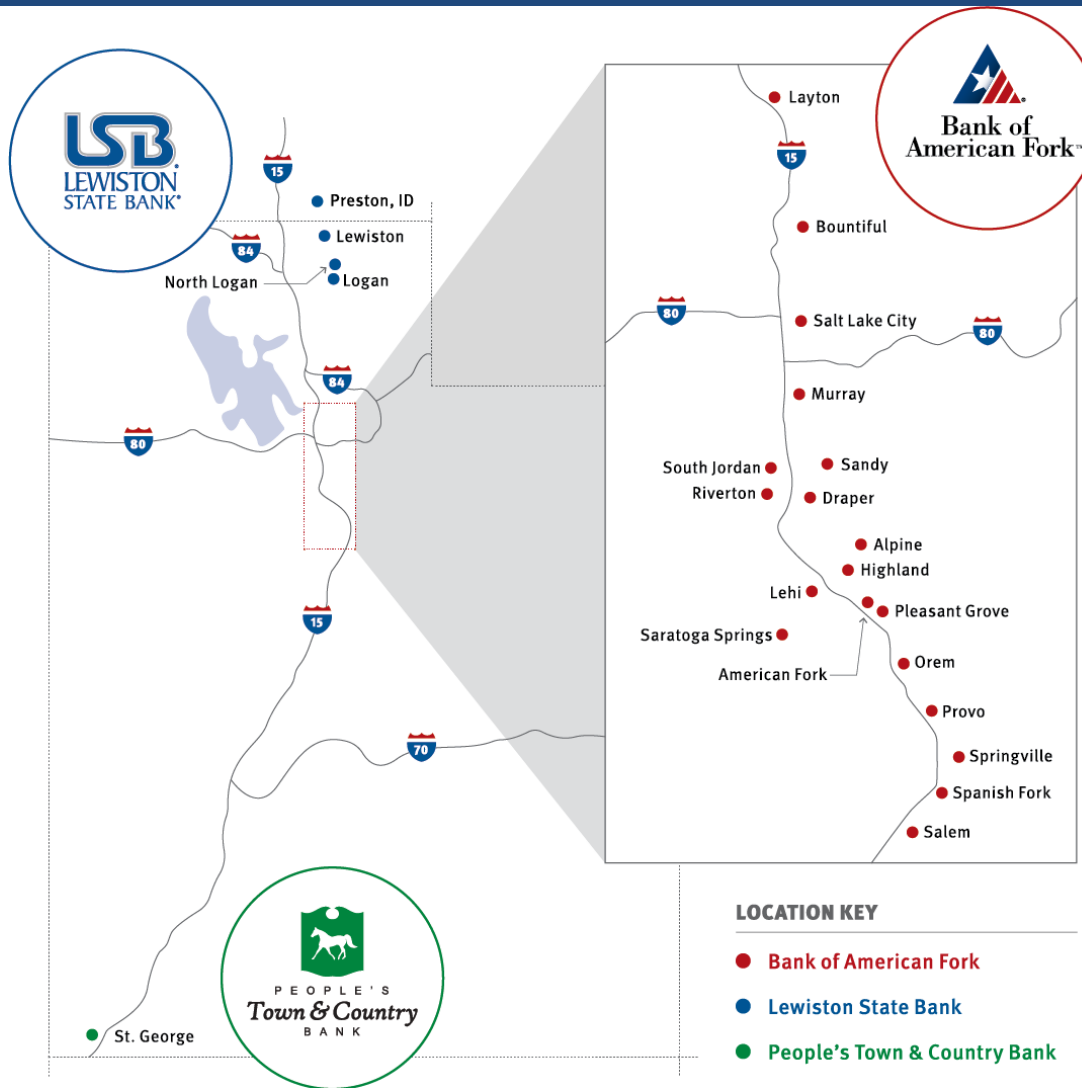
***People's Intermountain Bank***

D I V I S I O N S



*People's Intermountain Bank Mortgage*

# Target Market



# Strong Market Dynamics in Utah

Personal Income  
Growth **No.2**  
in the nation

4.4% Y/Y, Q2 2017

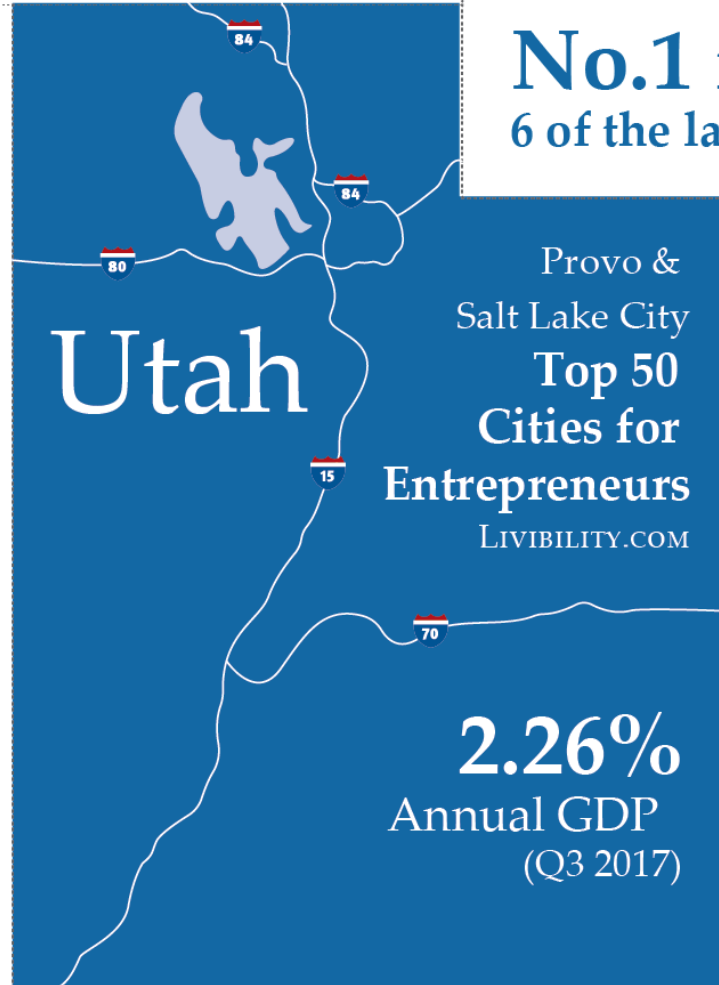
KEM C. GARDNER  
ECONOMIC SUMMARY,  
NOVEMBER 2017

**3<sup>RD</sup>**  
Fastest  
Population  
Growth

U.S. CENSUS BUREAU

Job  
Growth **2.9%**  
vs. 1.4% nationally

Y/Y Nov. 2017  
UTAH DEPARTMENT OF  
WORKFORCE SERVICES



**No.1 for Business**

6 of the last 8 years FORBES

**Top 10**

since 2007

“America’s Top  
States for Business”

CNBC

**3.2%**  
Unemployment

vs. 4.1% nationally

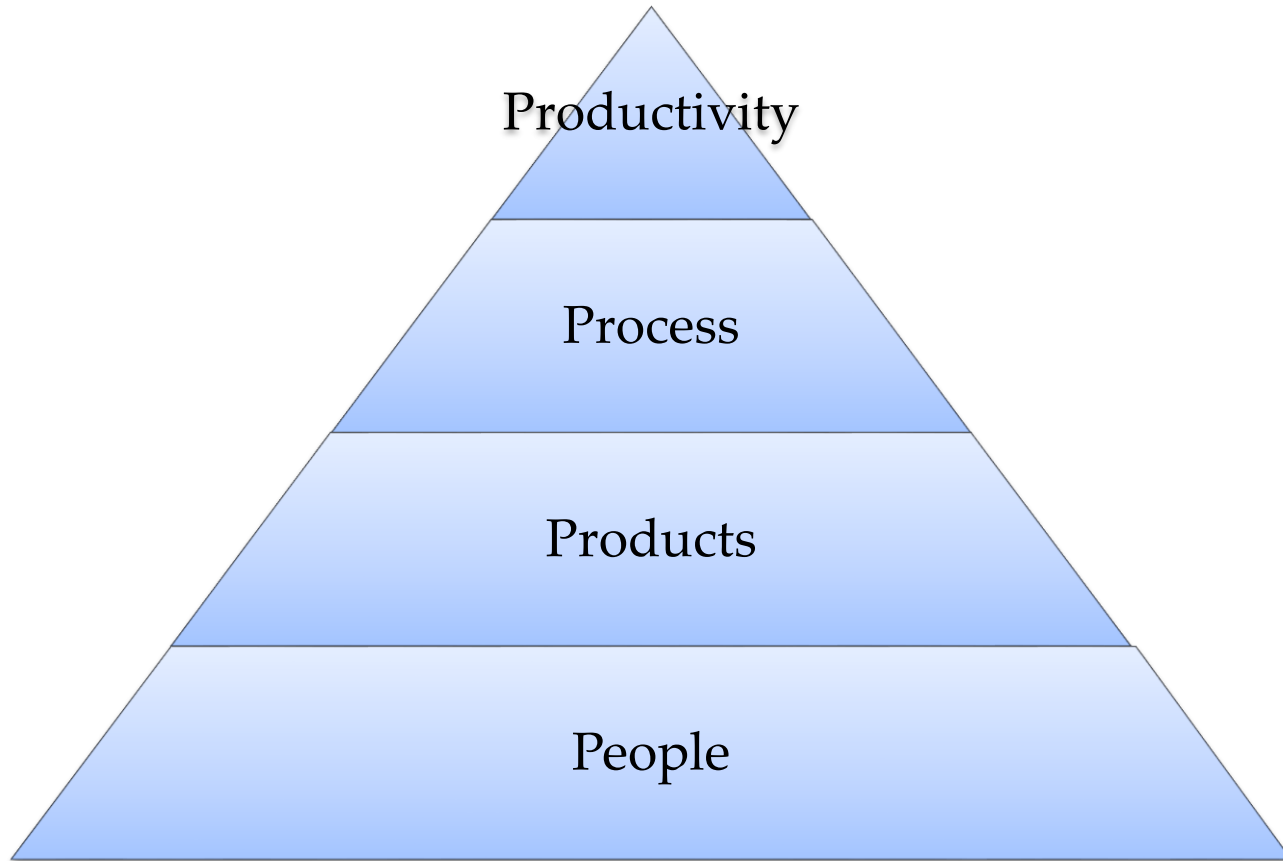
Nov. 2017

UTAH DEPARTMENT OF  
WORKFORCE SERVICES

# Business Model

- **Customers** — Small to medium local businesses, and moderate to high net worth individuals;
- **Market Niches** — Real estate construction, land acquisition and development, commercial real estate, commercial & industrial, agriculture, equipment leasing, and residential real estate;
- **Loan Products** — Commercial real estate, construction, commercial & industrial, multi-family, single family, home equity lines, and other consumer loans;
- **Customer Interaction** — Local decision making, market specialists, full service branch locations, local/regional advisory boards; and
- **Community Service** — Active involvement in communities, service hours, and community donations.

# Business Model – Continued





# Business Strategy

- **Hire and Retain the Best Bankers in Our Markets**
- **Continue Strong Organic Growth**
  - Increase market share in current area of operations and expand in recently acquired markets
- **Expand Product Offerings**
  - Expand Commercial & Industrial lending, particularly in Commercial Banking Centers
  - Enhance treasury cash management and other fee-based services

# Business Strategy – continued

- **Enhance Operating Efficiencies**
  - Leverage existing operating structure over recently acquired portfolios
  - Ensure operating model is scalable
  - Utilize technology to lower overall operating costs, while enhancing customer experience
- **Active Pursue Acquisition Opportunities**
  - Transactions that are within the Intermountain West
  - Tangible book value dilution earned back in less than 4 years
  - Earnings accretion within 1 year

# Deposit Market Share in Utah—2017

- PUB has a strong market presence in three of the four counties that make-up the population centers of Utah
- PUB – largest deposit share of Utah community banks

	Rank	# of Branches	Total Deposits In Market	Total Market Share (%)	% Increase in Deposits
<b>Utah</b>					
Wells Fargo & Co. (CA)	1	110	18,860,395	29.20	0.16%
Zions Bancorp. (UT)	2	99	16,724,090	25.89	8.27%
JPMorgan Chase & Co. (NY)	3	53	14,299,538	22.14	12.51%
KeyCorp (OH)	4	33	3,409,312	5.28	-18.71%
U.S. Bancorp (MN)	5	71	2,399,947	3.72	8.35%
<b>People's Utah Bancorp (UT)</b>	<b>6</b>	<b>25</b>	<b>1,739,540</b>	<b>2.69</b>	<b>10.84%</b>
BOU Bancorp Inc. (UT)	7	14	956,723	1.48	19.05%
Cache Valley Banking Co. (UT)	8	13	920,706	1.43	1.78%
Southern Utah Bancorp. (UT)	9	12	807,550	1.25	7.17%
Green Dot Corp. (CA)	10	1	764,778	1.18	33.84%
<b>Total For Institutions In Market</b>		<b>506</b>	<b>64,596,921</b>		

Source: SNL Financial, 6/30/2017 deposit data. Excluding industrial banks.

# Deposit Market Share in Utah—2017

	# of Rank	# of Branches	Total Deposits in Market	Total Market Share %	% Increase in Deposits
<b>Utah County</b>					
Wells Fargo & Co. (CS)	1	15	1,699,606	22.99	(7.37)
Zions Bancorp. (UT)	2	13	1,487,467	20.12	1.99
<b>People's Utah Bancorp (UT)</b>	<b>3</b>	<b>12</b>	<b>1,101,418</b>	<b>14.90</b>	<b>9.51</b>
Central BanCorp. (UT)	4	10	753,351	10.19	6.96
JPMorgan Chase & Co. (NY)	5	8	748,147	10.12	10.72
Community Bancorp. (UT)	6	4	302,625	4.09	22.79
Capital Community Bancorp (UT)	7	4	280,798	3.80	40.13
U.S. Bancorp (MN)	8	8	101,941	1.38	6.10
KeyCorp (OH)	9	3	71,535	0.97	14.32
<b>Market Total</b>		<b>81</b>	<b>7,394,041</b>	<b>100.00</b>	<b>6.77</b>

	# of Rank	# of Branches	Total Deposits in Market	Total Market Share %	% Increase in Deposits
<b>Cache County</b>					
Zions Bancorp (UT)	1	5	418,905	28.16	3.01
Cache Valley Banking Co. (UT)	2	2	348,530	23.43	6.57
Wells Fargo & Co. (CA)	3	5	249,310	16.76	6.83
<b>People's Utah Bancorp (UT)</b>	<b>4</b>	<b>3</b>	<b>233,134</b>	<b>15.67</b>	<b>3.96</b>
JPMorgan Chase & Co. (NY)	5	2	71,826	4.83	12.68
BOU Bancorp Inc. (UT)	6	2	71,240	4.79	2.49
Washington Federal Inc. (WA)	7	1	51,332	3.45	(2.40)
KeyCorp (OH)	8	1	29,020	1.95	14.79
U.S. Bancorp (MN)	9	1	14,456	0.97	29.46
<b>Market Total</b>		<b>22</b>	<b>1,487,753</b>	<b>100.00</b>	<b>5.24</b>

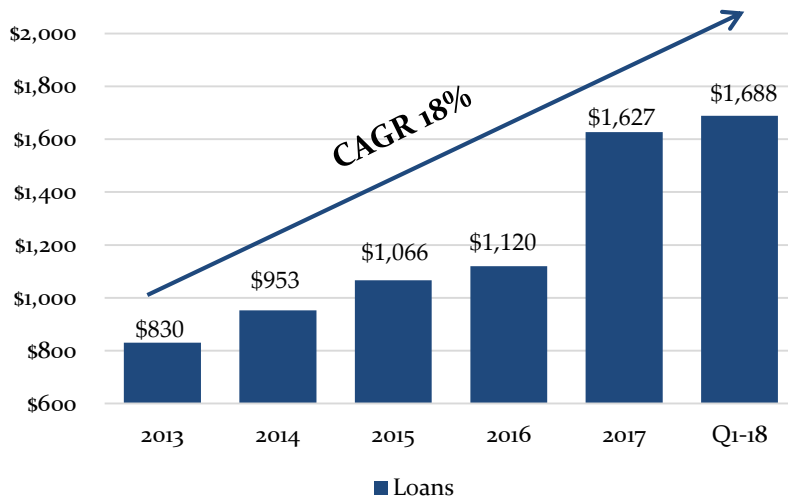
	# of Rank	# of Branches	Total Deposits in Market	Total Market Share %	% Increase in Deposits
<b>Salt Lake County</b>					
JPMorgan Chase & Co. (NY)	1	29	12,540,046	2.86	12.24
Zions Bancorp. (UT)	2	33	11,214,579	2.56	9.77
Wells Fargo & Co. (CA)	3	40	6,791,261	1.55	(0.30)
KeyCorp (OH)	4	17	2,952,089	0.67	(21.75)
U.S. Bancorp (MN)	5	39	1,891,139	0.43	9.06
<b>People's Utah Bancorp (UT)</b>	<b>6</b>	<b>6</b>	<b>227,574</b>	<b>0.05</b>	<b>10.85</b>
<i>Other Market Participants (43)</i>		39	2,821,861	0.64	7.08
<b>Market Total</b>		<b>219</b>	<b>438,868,508</b>	<b>100.00</b>	<b>(18.16)</b>

	# of Rank	# of Branches	Total Deposits in Market	Total Market Share %	% Increase in Deposits
<b>Washington County</b>					
Zions Bancorp. (UT)	1	8	688,156	30.64	5.53
Wells Fargo & Co. (CA)	2	7	553,883	24.66	(1.33)
Cache Valley Banking Co. (UT)	3	4	339,293	15.11	21.23
Southern Utah Bancorp (UT)	4	4	266,129	11.85	12.94
JPMorgan Chase & Co. (NY)	5	4	150,207	6.69	26.39
<b>People's Utah Bancorp (UT)</b>	<b>6</b>	<b>2</b>	<b>138,245</b>	<b>6.15</b>	<b>35.99</b>
U.S. Bancorp (MN)	7	4	91,467	4.07	1.52
Community Bancorp. (UT)	8	1	18,792	0.84	98.60
<b>Market Total</b>		<b>34</b>	<b>2,246,172</b>	<b>100.00</b>	<b>9.62</b>

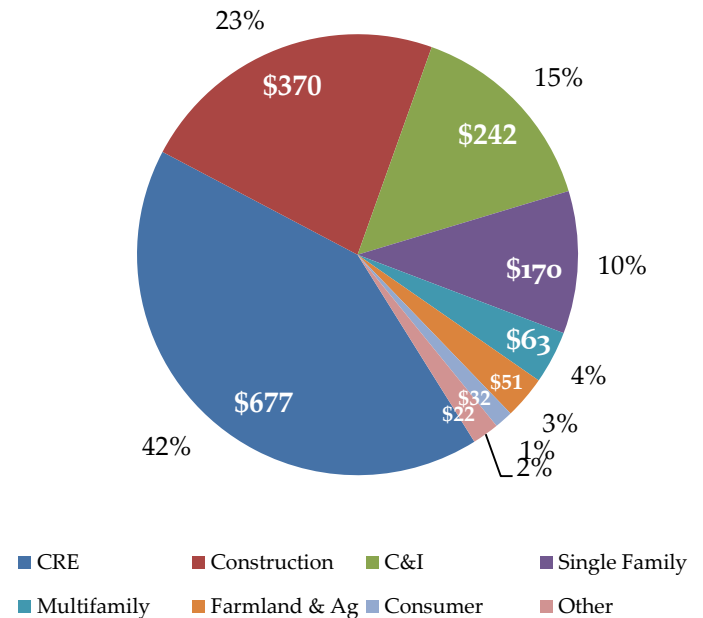
Source: SNL Financial, 6/30/2017 deposit data. Excluding industrial banks.

# Loan Growth Trend & Composition

Loan Portfolio Growth

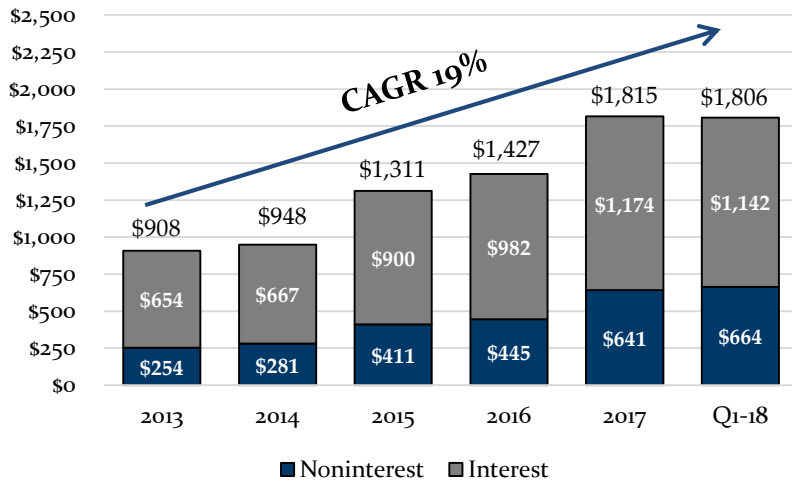


Loan Composition

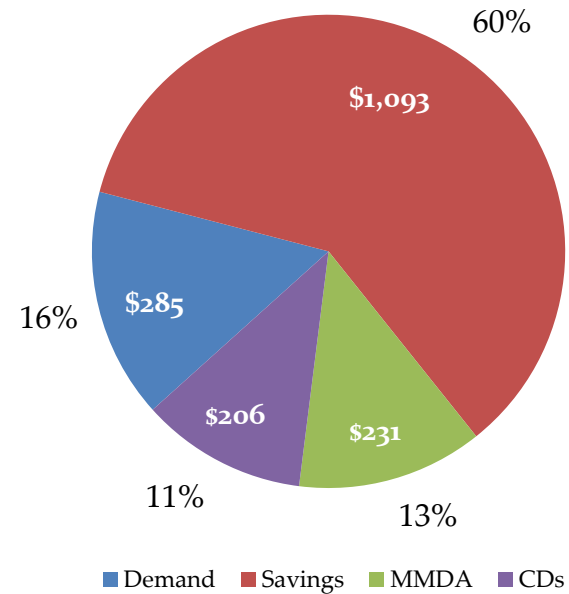


# Deposit Growth Trend & Composition

## Deposit Portfolio Growth

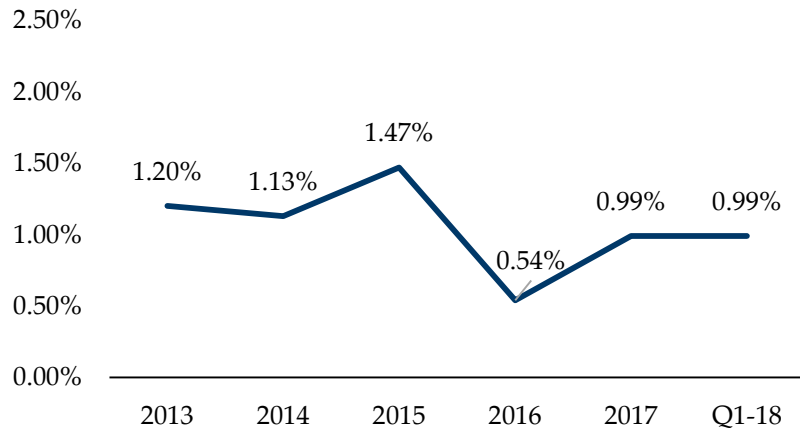


## Deposit Composition

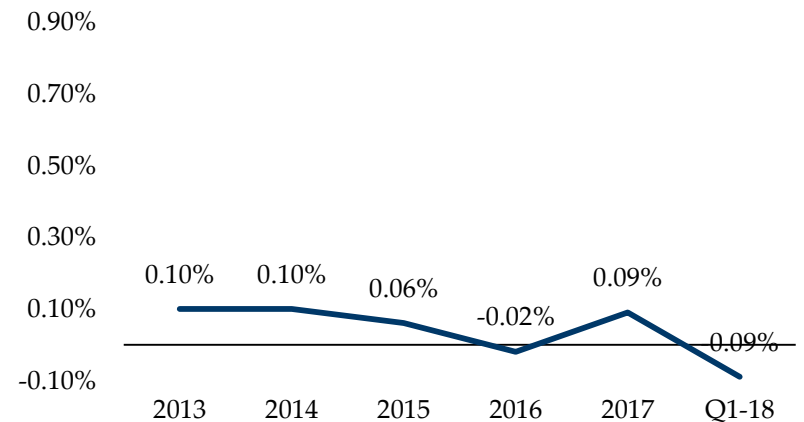


# Asset Quality Trends

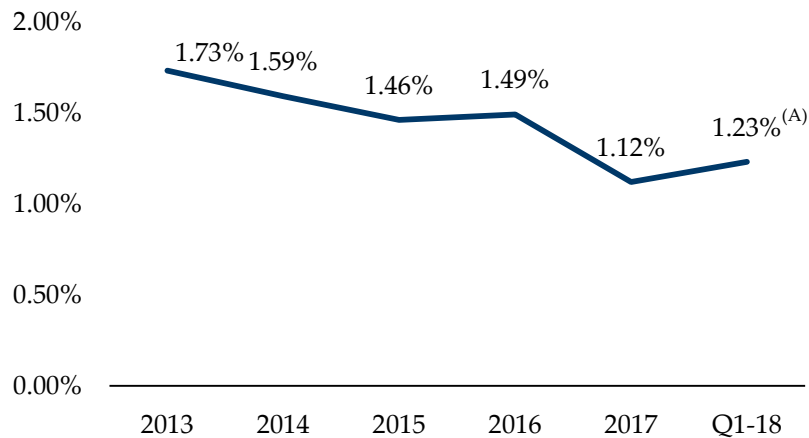
## 30+ Delinquent Loans / Gross Loans



## NCOs / Average Loans

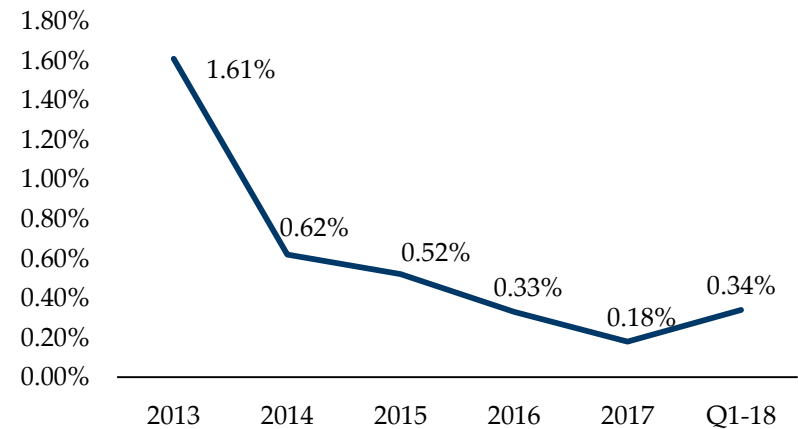


## Loan Loss Reserves / Gross Loans



<sup>(A)</sup> Excluding fair value loans = 1.55%

## NPAs / Assets



# Financial Performance



# Company Snapshot—Q1-18

(Dollars in thousands)

## Balance Sheet Highlights

Total assets	\$ 2,163,438
Cash and investments	\$ 365,295
Gross loans HFI & HFS	\$ 1,698,148
Noninterest bearing deposits	\$ 664,438
Total deposits	\$ 1,806,325
Shareholders' equity	\$ 263,799

## Capital

Tangible equity to tangible assets	11.00%
Tier 1 leverage capital	11.26%
Total risk-based capital	14.71%

## Asset Quality

30+ delinquent loans	0.99%
NPL to loans (%)	0.44%
NPA to assets (%)	0.34%
ALLL to Loans HFI (%)	1.23%
Net chargeoffs (%)	-0.09%

Publicly traded on NASDAQ (symbol "PUB")

## Profitability Q1-18

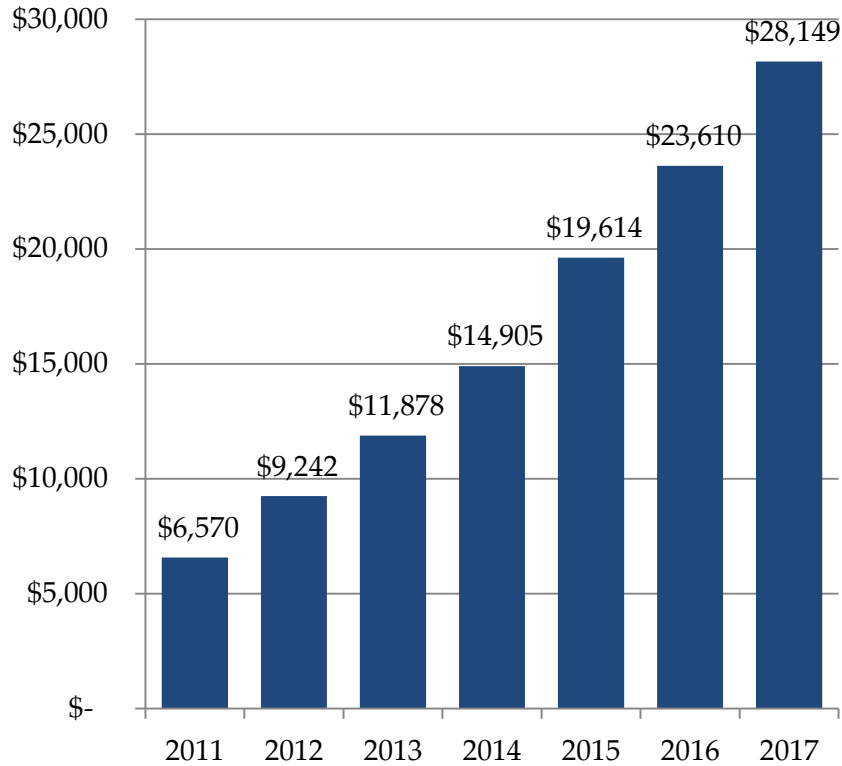
Net income	\$ 9,004
Net income - core	\$ 9,269
EPS	\$ 0.48
EPS - core	\$ 0.49
ROAA	1.70%
ROAA - core	1.75%
ROAE	13.96%
ROAE - core	14.37%
Net interest margin	5.22%
Efficiency ratio	55.02%
Efficiency ratio - core	53.86%

## Market Information (at 01/29/18)

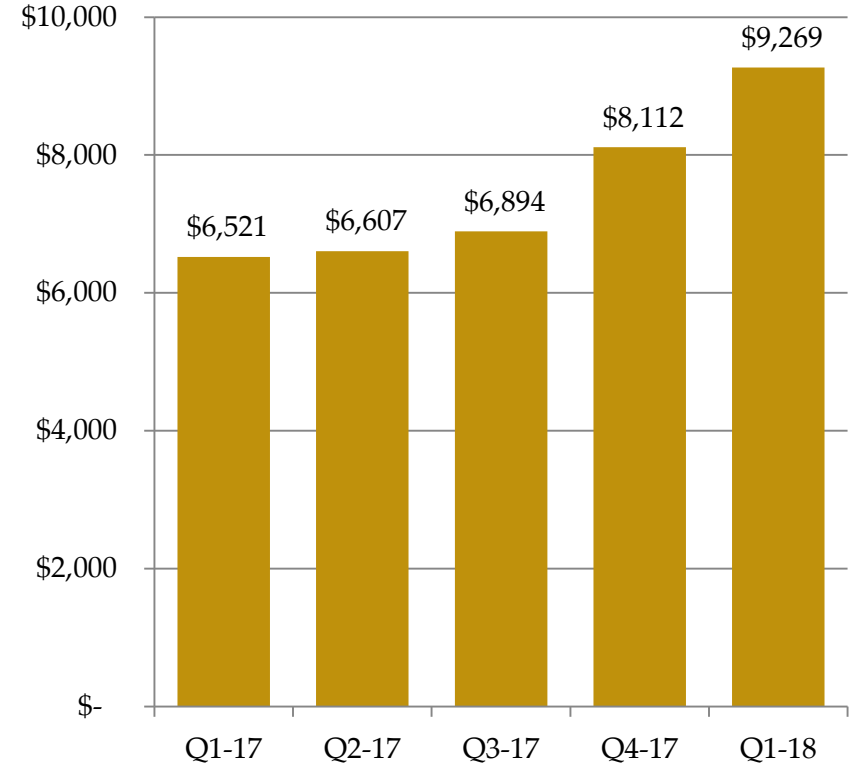
Current stock price	\$ 32.80
Tangible book value per share	\$ 12.57
Market capitalization	\$612,500
Price / TBV (%)	267%
Price / LTM EPS (x)	30.4x

# Net Income (“Core”)

Annual Core Net Income



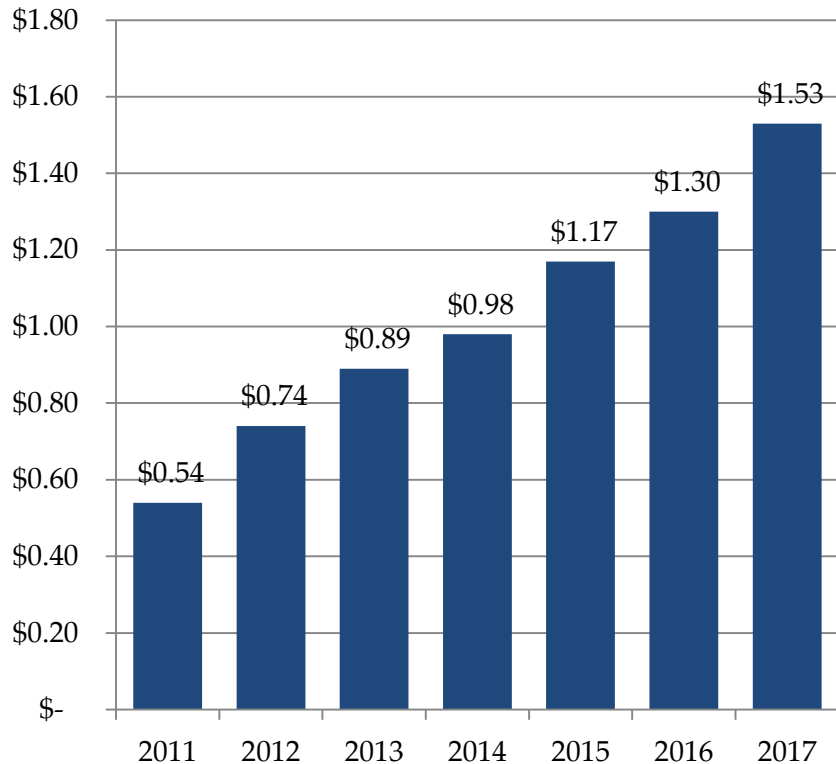
Quarterly Core Net Income



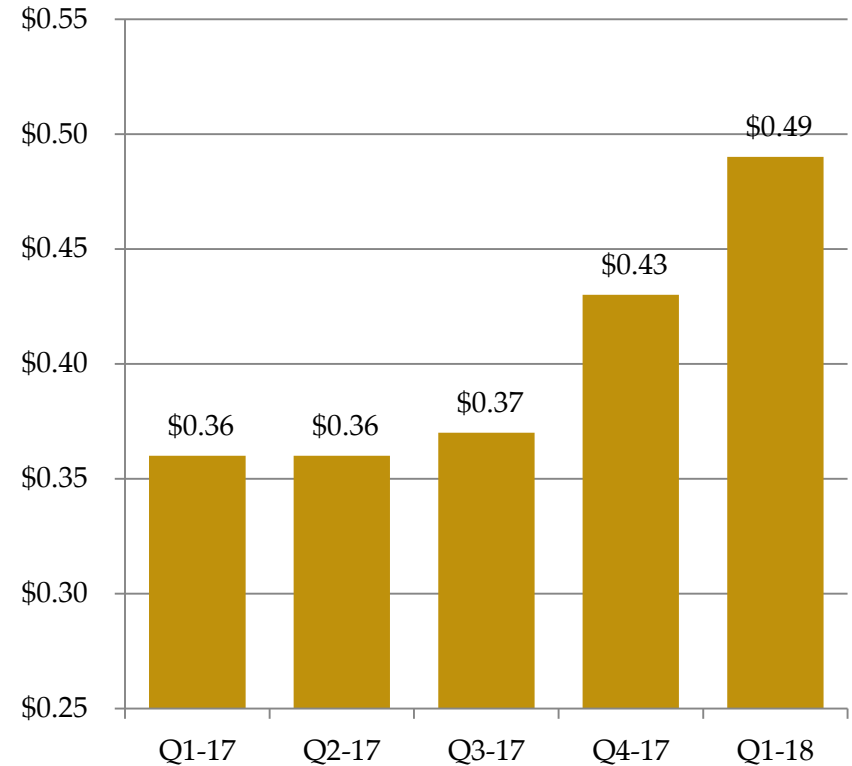
“Core” is a non-GAAP measure that excludes costs associated with acquisitions and write-off of DTA

# Diluted Earnings Per Share (“Core”)

Annual Core EPS



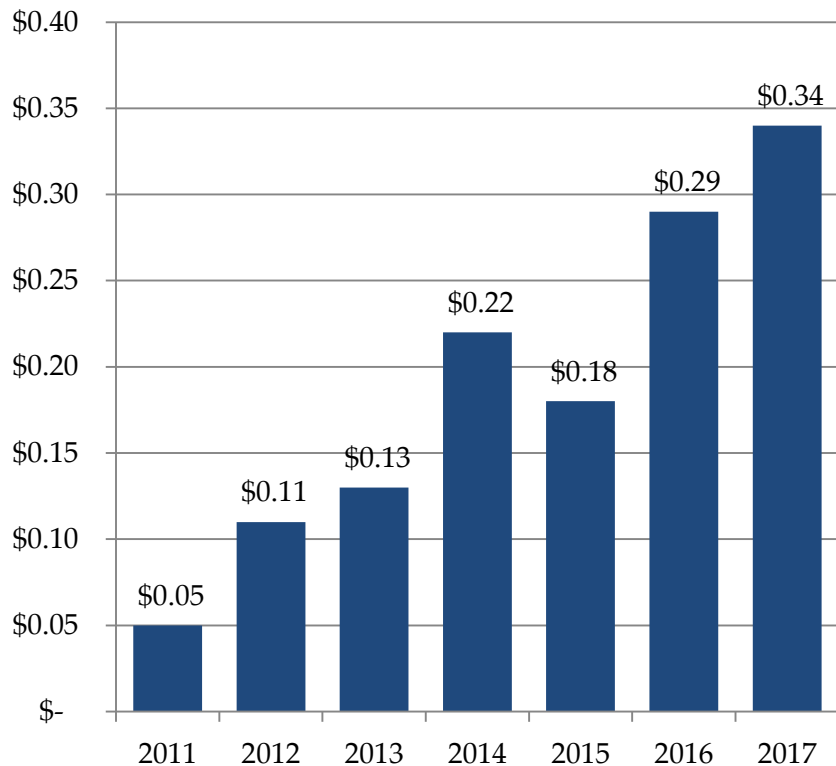
Quarterly Core EPS



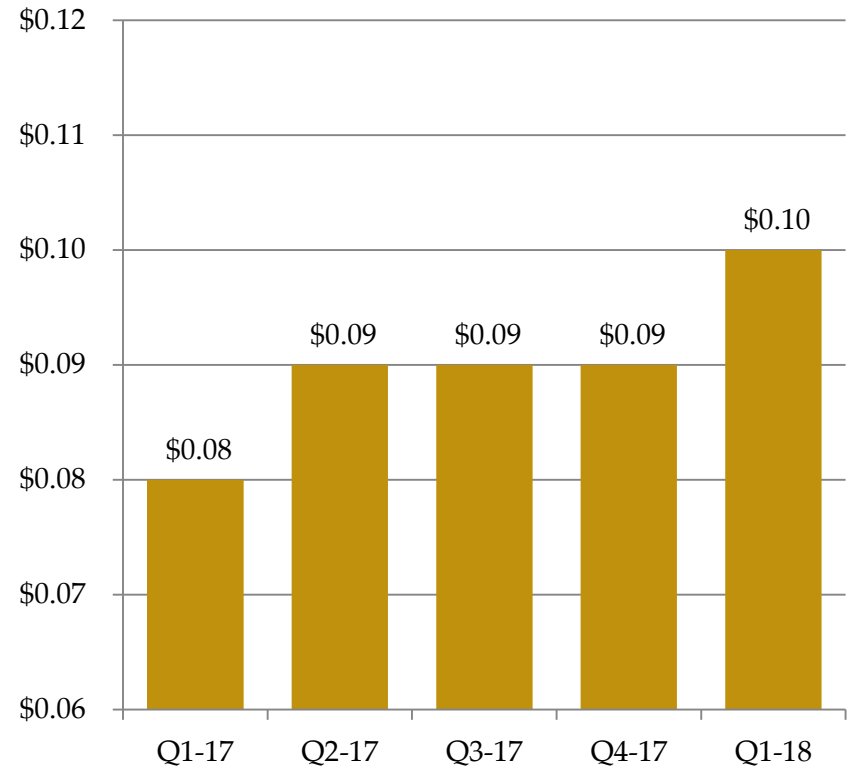
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# Dividends Per Share

Annual Dividends Per Share



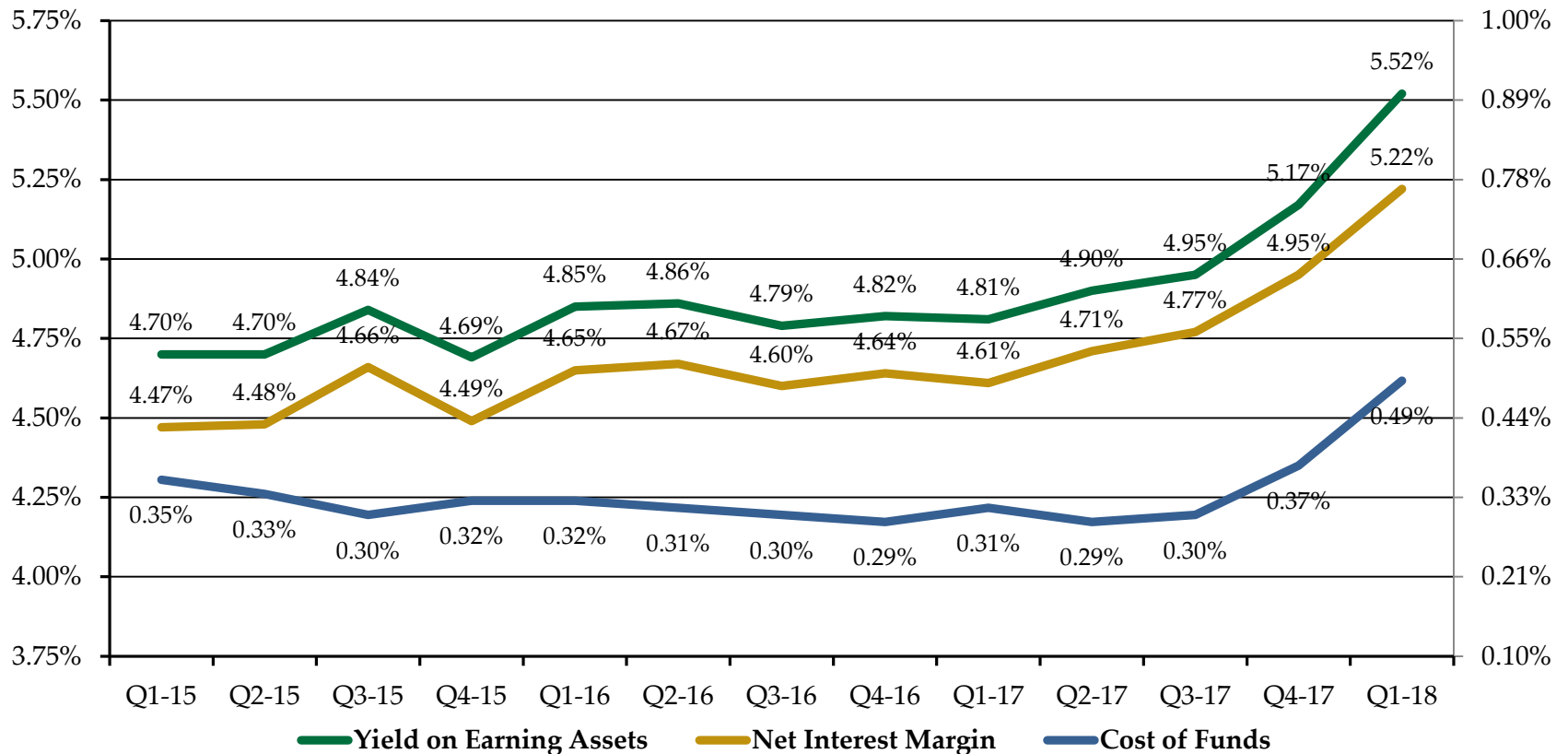
Quarterly Dividends Per Share



# Net Interest Margin

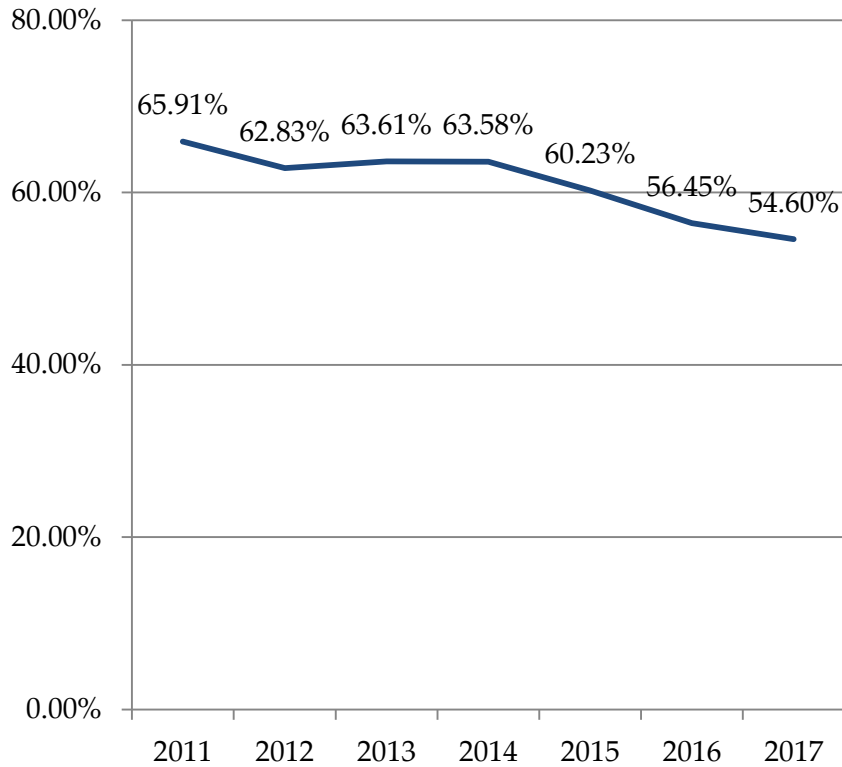
## Yields & NIM

## COF

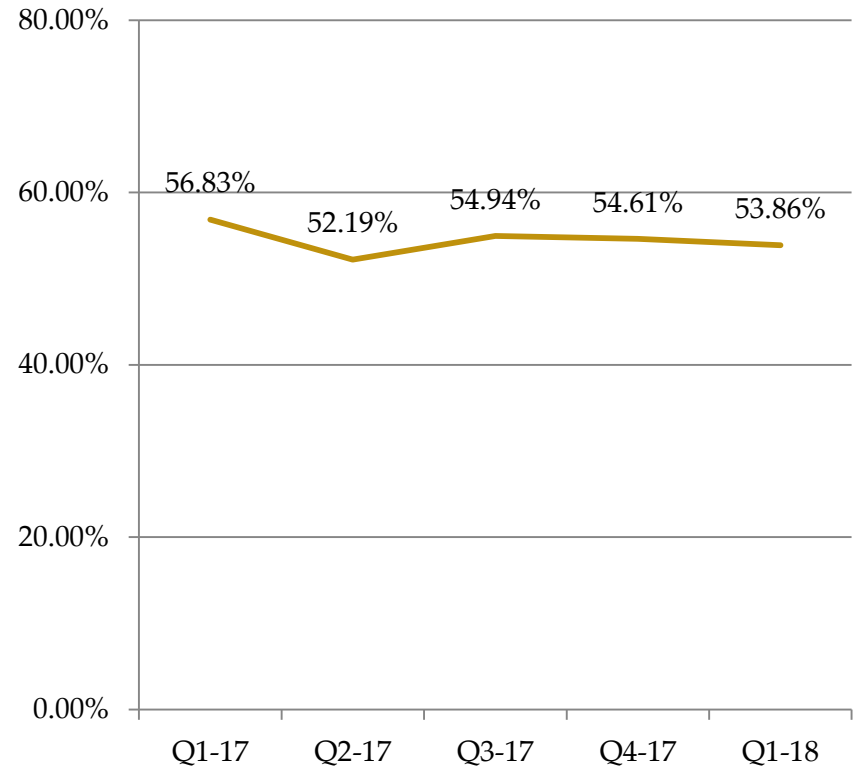


# Efficiency Ratio ("Core")

## Annual Core Efficiency Ratio



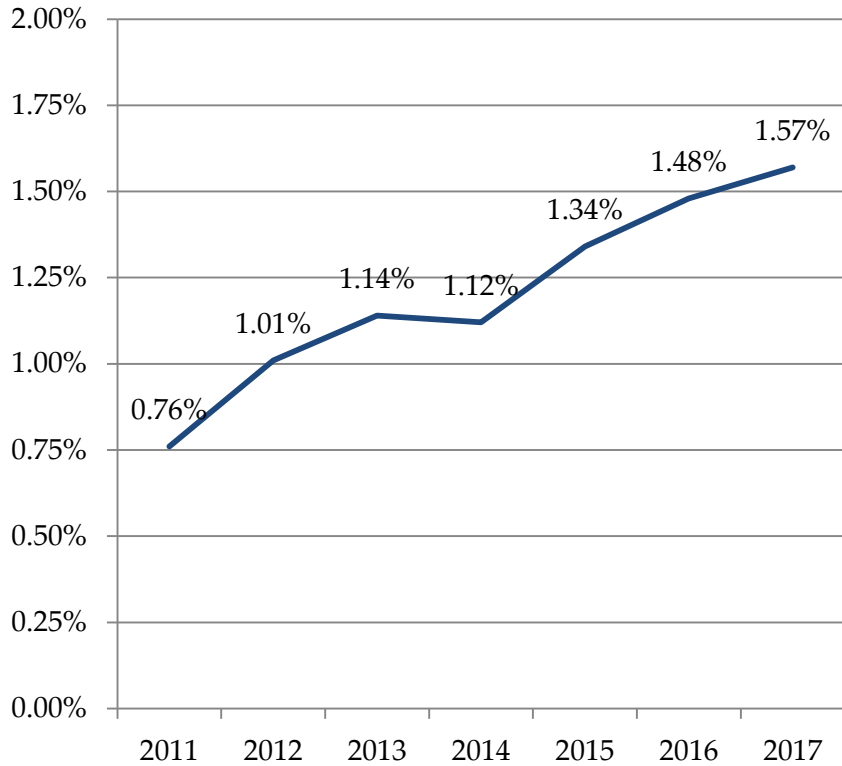
## Quarterly Core Efficiency Ratio



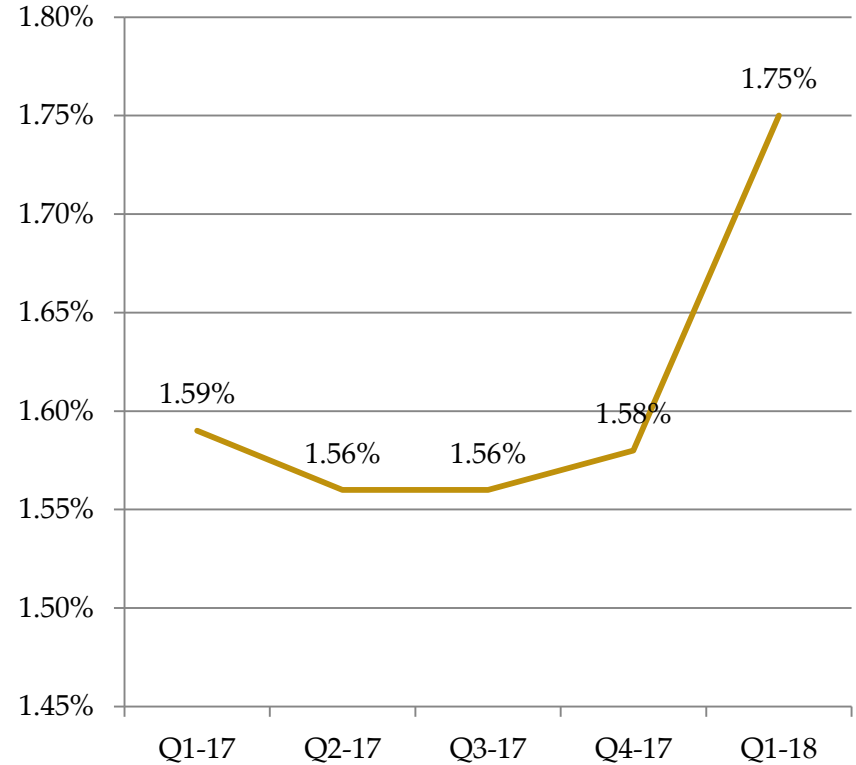
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# Return on Assets (“Core”)

Annual Core ROA



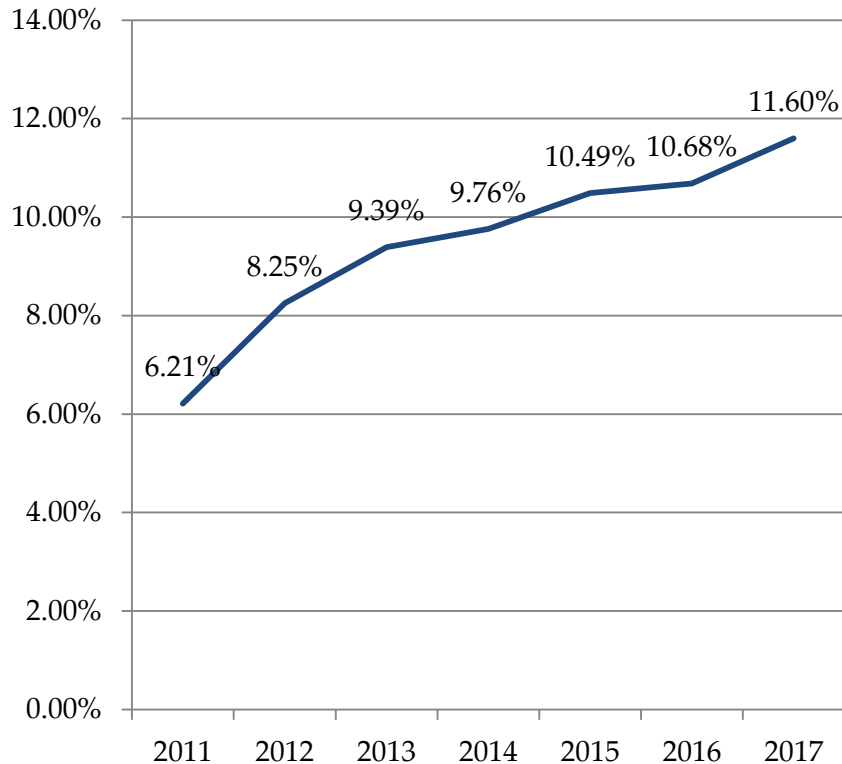
Quarterly Core ROA



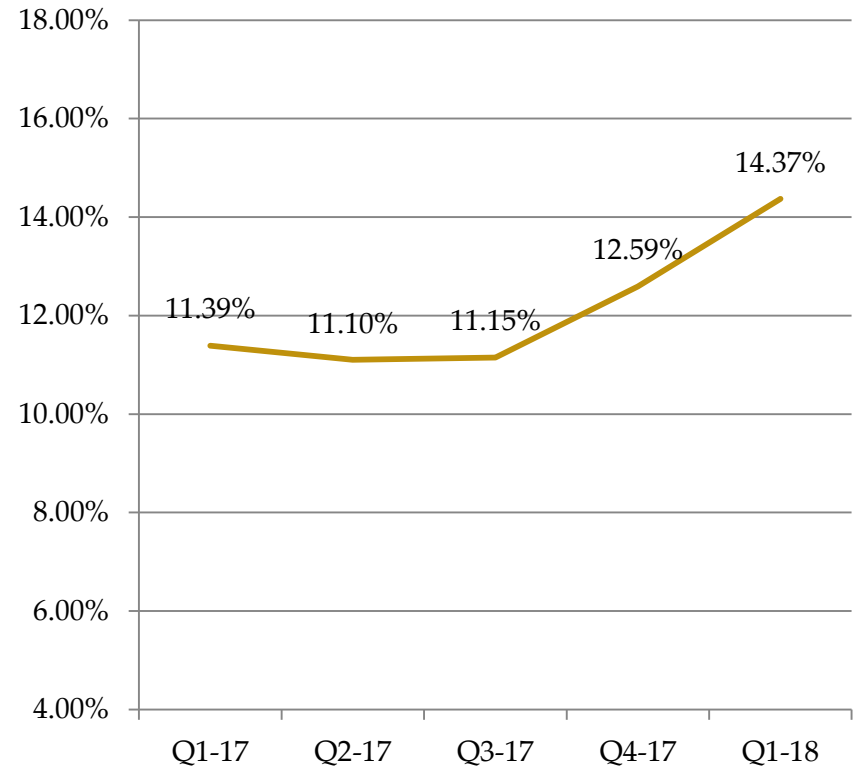
“Core” is a non-GAAP measure that excludes costs associated with acquisitions and write-off of DTA

# Return on Equity (“Core”)

Annual Core ROE



Quarterly Core ROE



“Core” is a non-GAAP measure that excludes costs associated with acquisitions and write-off of DTA