

**April 18, 2012**

**United Bancorp, Inc.  
Annual Meeting**

This being the time for the Annual Meeting of the stockholders of United Bancorp, Inc., Martins Ferry, Ohio, and required notice dated March 21, 2012, having been mailed to each shareholder, said notice and agent certification being made a part of these minutes, and with the majority of the outstanding stockholders being represented, the 29<sup>th</sup> Annual Meeting was called to order by Chairman James W. Everson, at 2:00 p.m. on Wednesday, April 18, 2012. The meeting was held in the Lower Level Community Room of The Citizens Savings Bank's main office, located at 201 South Fourth Street, Martins Ferry, Ohio.

Chairman J. Everson welcomed those shareholders joining us for the first time as well as those who had been with us many times in the past. Chairman Everson recognized Attorney Frank Fregiato, corporate counsel for United Bancorp, Inc. and The Citizens Savings Bank, Mr. David Tedtman, CPA and Partner, and Mr. Brett Merkel, CPA and Account Manager and Mr. Craig Liechty, CPA and Partner, of BKD, LLP, the Company's external auditor who were present in the capacity of assisting management's response to any questions from an accounting perspective that may arise and could not be fully answered by Management. Chairman Everson then recognized all of the Shareholders, Directors and Officers present and called upon the Secretary for the certification of shareholder mailing.

The Secretary reported that we have in file certification by the Company's Registrar and Transfer Agent, American Stock Transfer & Trust Company that on March 23, 2012, all exhibits were mailed to all shareholders of United Bancorp, Inc. as of the record date March 5, 2012, and a copy of this notice will be filed with the minutes.

The Chairman then called for the determination of a quorum. The Secretary responded that we have used the services of American Stock Transfer and Trust Company for the tabulation of the shares being voted. Of the 5,351,154 shares outstanding for this meeting, 4,703,700 shares or 76.1% of the outstanding shares were represented, which is a sufficient number of shares being voted to conduct the meeting and to follow its agenda. No shareholder present had indicated to the Secretary of their intent to withdraw or change their proxy vote(s).

Chairman J. Everson asked the Secretary if any shareholder proposals had been presented to him by December 31, 2011, for inclusion upon today's agenda. The Secretary responded that no such proposals had been received. Chairman Everson then announced that we were prepared to conduct our meeting pursuant to the distributed agenda.

On motion by Mr. Heslop, seconded, and unanimously carried, the shareholders present approved the waiver of the reading of the minutes of the last shareholders meeting held on April 20, 2011. Chairman J. Everson stated that copies were available for anyone that would like to review the minutes in addition to being posted on the company website.

Chairman J. Everson then called upon Senior Vice President and CFO Randall M. Greenwood for a presentation of the corporation's financial results from the past year. (The Powerpoint presentation material used during the Annual Meeting is made a part of these minutes.)

**Randall M. Greenwood, Senior Vice President, CFO and Treasurer**

CFO Greenwood welcomed the Shareholders and presented the 2011 financial review. He reported net earnings for 2011 of \$3,091,000 representing an increase of 19.2% or \$0.10 per share from

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2010's earnings of \$2,547,000. The significant changes in the income stream between 2010 and 2011 were a decrease in the Loan Loss Reserve of -\$152,000, a decrease in customer service fees of -\$127,000 as the result of new governmental regulations on overdraft fees and interchange income, an increase of \$323,000 in gains on the sale of investment securities, a decrease of -\$90,000 in gains on sales of loans into the secondary market, a decrease of \$366,000 in salaries and benefits, and a decrease in the FDIC premium of \$192,000, for total additional income of \$512,000 in 2011 or \$338,000 after tax which increased 2011 earnings per share by \$0.07 per share. As of 12/31/11, loans outstanding increased by \$6 million at an average yield of 6.28% compared to 6.74% for 2010 while investments decreased by \$16 million at an average yield of 2.98% compared to 4.48% in 2010. Net interest income decreased \$219,000 from 2010 to 2011. The average cost of deposits decreased from 1.69% in 2010 to 1.31% in 2011. The net interest margin comparison reflected an increase in the margin from 3.98% in 2009 to 4.02% in 2010 and up to 4.18% in 2011.

The Loan Trend graph reflected an increase in loan balances from \$238 million in 2008 to \$284 million in 2011. Commercial loans increased from \$139 million to \$183 million, residential loans increased from \$60 million to \$62 million while installment loans decreased over the past year back to the 2008 level of \$39 million. With regard to credit quality, UBCP compared favorably to the industry peer group. Total past due loans to total loans came in at 0.94% for 2011 compared to the peer group result of 1.05%. Non performing assets +90 days past due to total assets went down from 1.77% in 2010 to 1.75% in 2011 and compared favorably to the peer group at 2.56%. Turning to the Securities Portfolio Trend, Greenwood reported \$181 million of investments as of 12/31/07, \$145 million as of 12/31/08, \$110 million in 2009 and \$102 million at 12/31/10 and \$87 million at 12/31/11 and our Company's market value of investment securities showed an unrealized gain of approximately \$891,000 at 12/31/11. The 5-Year Deposit Trend Report reflected a decrease from \$331 million in 2007 to \$329 million in 2011. Transaction and savings deposits, which are our lowest cost of funding, increased from \$148 million in 2007 to \$167 million in 2011 while CD dependency during this period has fallen from 56% to 39%. The Wholesale Borrowing Trend reflected that the Company lowered its wholesale borrowing by \$10 million over the past year.

In conclusion, CFO Greenwood stated that the repositioning of the balance sheet helped the Company achieve strong earnings in 2011 by increasing the net interest margin. Moving into 2012, we believe the key is continued focus on core customer growth and continued improvement in delinquencies and non performing loans.

Chairman J. Everson thanked CFO Greenwood for his presentation and asked if there were any questions or discussion of the financial performance. There being none, Chairman Everson offered his remarks to the shareholders, the text of which follows and is made a part of these minutes.

**James W. Everson, Chairman and CEO**

*"We are pleased that we met our mid-year projection of diluted earnings at 62 cents as we continued our focus on keeping a balance between maintaining our "Well Capitalized" regulatory status, accruing sufficiently into our loan loss reserve while managing our asset quality and making capital expenditures for future growth, plus covering our generous dividend payment.*

*As announced in our Letter to shareholders accompanying our February dividend payment, we have completed the rebalancing of our Stockholders' Equity Accounts primarily made up of*

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*Common Stock (once known as Capital), Additional Paid in Capital (once known as Surplus) and our Retained Earnings Account (once known as Undivided Profits account).*

*By our following the proper accounting rules during that time we paid our historic eleven share dividends between 1996 and 2006, our Additional Paid in Capital Account grew and our Retained Earnings Account shrunk. This was because with each yearly share dividend payment during this time, an amount equal to the market price times the number of shares paid out was required to be transferred from Retained Earnings, with an amount of \$1.00 par value for each share dividend paid transferred into our Common Stock Account and the difference transferred into Additional Paid in Capital account. With full shareholder disclosure, cash dividend payments are permitted to be paid out of Additional Paid in Capital. Our actions of paying our dividends from Additional Paid in Capital since March 2008 through December 2010 have allowed regaining a better balance between these two accounts on our balance sheet today. The market positively accepted our announcement of restoring the payment of our cash dividends from Retained earnings with an recent uptick in daily volume to around 10,000 shares a day plus an uptick in pricing to the mid nine dollar range.*

*We are extremely pleased to have you present with us today and to have a quorum of outstanding shares represented at this meeting. Much stress has been carried with your management group these past few weeks resulting from a combination of events that delayed our mailing. We have learned the new postal delivery of first class mail has added to our stress and we apologize if you did not receive your shareholder materials as efficiently as in past years. We are focused on next year's mailing with the promise of better results.*

*My letter to shareholders in this year's annual report was pretty complete but I do want to mention some highlights.*

*How many within our group today have checked out our new website [www.unitedbancorp.com](http://www.unitedbancorp.com) We had wanted a new, modern look for our online presence for quite some time. In August of this past year, we joined forces with SNL who provided the whole package that allowed us to have an attractive homepage and a wide array of supporting information available for investor relations. SNL IR Solutions specializes in building and managing investor relations websites for companies in various industries across the market cap spectrum, from billion-dollar financial institutions to small community banks such as us and everyone in between. We are pleased with our custom design that mirrors our company's brand image and integrates our investor relations site with an all-in-one solution for site management, corporate governance and shareholder communications. Some of the options available on our web site include a complete corporate profile, current stock information with historical data, calculators, annual meeting documents including minutes of these meetings, balance sheets and income statements, peer analysis, as well as extensive dividend data, press releases and contact information. If you have not done so, please check us out at [www.unitedbancorp.com](http://www.unitedbancorp.com) We also just introduced new websites for our two bank divisions of The Citizens Savings Bank. You can link into these sites from our UBCP website or at [www.thecitizensbank.com](http://www.thecitizensbank.com) or [www.thecommunitybank.com](http://www.thecommunitybank.com). These new websites, along with some related and enhanced services, will give us a much stronger presence in the virtual, online banking world where you can apply on line for banking services and employment opportunities.*

*Today, we have pretty much managed the maximum return out of our asset management by the pricing of our products to reflect the near zero based interest rate environment the Federal Reserve*

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*is imposing upon the financial markets. As most within the financial sector, we continue to see a shrink in our net interest margin as higher yielding securities are either maturing or being called away only to be replaced by decreasing rate paying securities or newly generated higher yielding loans. We are working to preserve the shrink in our net interest rate margin by attracting lower cost deposit balances to our offices, particularly as we begin to see an inflow of funds from energy related lease payment activities in our market areas, while reducing higher cost funding such as Federal Home Loan Bank advances and allowing more costly term deposits to run off. And we continue to focus intently on managing our margin by restructuring our balance sheet by shifting out of lower yielding security investments into higher yielding loan relationships. Our focus continues to be on quality loan production and we have strengthened our loan production officers within our three regional banking markets which has enabled us to increase our average net outstanding loans by over \$10 million in 2011.*

*We also continue to reduce our net overhead through leveraging our recent investment in information technology. We began 2011 with our new era in technology as a result of the complete upgrading of our core operating systems the prior year, allowing for the timely implementation of many cost saving initiatives and process improvements. These initiatives and improvements included the outsourcing of customer statement production and the implementation of Transactional item image Capture, Correct and Balance at each of our banking centers. The latter of these undertakings realizes ongoing cost savings by eliminating the overhead of equipment maintenance costs and materials handling, a fleet of courier vehicles and the streamlining of personnel who worked within these areas of our operation. We were also able to renegotiate vendor contracts improving our revenue stream. Other efficiencies were gained by relocating our Tiltonsville Banking Center to a new energy efficient and staff/customer friendly facility. On a positive side-note, this relocation enabled us to work closely with officials from the Village of Tiltonsville to relocate their administrative offices into our former banking location which was a well received event within that community. Another cost saving initiative included the installation of the latest in Drive-Thru Closed Circuit Video Communication Equipment to effectively consolidate our Martins Ferry Auto Teller into our Main Office Banking Center. This efficiency allowed for expanded customer service hours at our Martins Ferry location, better flow through customer service at all locations and a reduction in personnel cost.*

*We are also pleased to report that in the June 2011 issue of US Banker Magazine, United Bancorp, Inc. continued its ranking in our Country's top 200 Community Banks and Thrifts as of December 31, 2010. Based upon our financial performance, we ranked 118 which is an improvement over last year's ranking of 146.*

*In the first quarter of this year, Dr. Leon Favede was graduated to Director Emeritus status, having served on our Citizens Savings Bank Board since 1981. This August, Herman E. Borkoski will also become a Director Emeritus, having served on our Citizens Savings Bank Board since 1987. Both gentlemen have been an integral part of our growth and success over the years and their wise counsel is most appreciated. As announced in this year's Annual Report, I shall attain magic age of Emeritus status in the first quarter of 2014.*

*As I begin to wind down my career in banking, I am pleased with our many accomplishments. Even though my time is somewhat limited with this great organization, I firmly believe there is still some time and opportunity for more accomplishment! We have grown over the past fifty years from one office and one community to now an operations center, twenty banking locations and four market*

*areas. This was the result of the hard work and dedication of many individuals working together in harmony. Of course, there were some speed bumps along the way! But, as a Team made up of our Employees, Officers and Directors that had a common vision, we always found a way to bring positive change and direction to our organization. We are proud of our board policies and management style and the fact that our company is trading today at a plus 120% of its book value versus many of our peer who, on average, are trading at less than 70% of their book values during these recent difficult economic times.*

*But, what truly excites me at this moment is to see the depth and skill level of our current group of Employees, Officers and Directors and the knowledge that our investment in United Bancorp, Inc., both yours and mine, is in good hands and our future is secure!”*

Chairman Everson commented briefly with regard to the local economy and the potential impact of the shale industry in the Bank’s market areas. There being no further matters for discussion to come before the meeting, Chairman Everson moved the agenda to the next order of business.

There were no matters of Old Business presented at the meeting.

Under New Business, the Chairman introduced the Directors standing for election. Chairman Everson then placed before the meeting Proposal #1 presented to the Stockholders and the Secretary reported as follows:

**Proposal #1 for the Election of Directors:**

James W. Everson	FOR – 2,655,663 (49.6%)	WITHHELD – 25,827
Scott A. Everson	FOR – 2,654,771 (49.6%)	WITHHELD – 26,719
John M. Hoopingarner	FOR – 2,651,031 (49.5%)	WITHHELD – 30,459
Samuel J. Jones	FOR – 2,656,488 (49.6%)	WITHHELD – 25,002
Terry A. McGhee	FOR – 2,656,778 (49.7%)	WITHHELD – 24,712
Richard L. Riesbeck	FOR – 2,657,027 (49.7%)	WITHHELD – 24,463
Matthew C. Thomas	FOR – 2,585,379 (48.3%)	WITHHELD – 96,111

The Inspector of Elections declared that there were sufficient votes cast to pass the proposal and the Chairman declared **Proposal #1 APPROVED** and the Directors were elected for the ensuing year.

Chairman Everson then placed before the meeting Proposal #2 presented to the Stockholders and the Secretary reported as follows:

**Proposal #2 to appoint the Independent Registered Public Accounting Firm, BKD LLP:**

FOR – 4,044,660 (75.6%)      AGAINST – 26,329      ABSTAIN – 711

The Inspector of Elections declared that there were sufficient votes cast to pass the proposal and the Chairman declared **Proposal #2 APPROVED** and the Independent Accounting Firm of BKD LLP was appointed for the ensuing year.

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Chairman Everson announced that, at the conclusion of today's meeting, the results of the voting on each proposal would be certified by an official statement by Randall Greenwood who had been appointed the Inspector of Elections for the purpose of certifying the official statement.

There being no further business to conduct, at 3:05 p.m. the Chairman called the meeting to a close and invited the group to return next year. On motion regularly moved, seconded and unanimously carried the meeting adjourned, sine die.

Respectfully submitted,

Lisa A. Basinger  
Corporate Secretary