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UNITED BANCORP INC /OH/
Form 10-K405
March 22, 2002

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 10-K

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE
ACT OF 1934

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2001

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE
ACT OF 1934

FOR THE TRANSITION PERIOD FROM N/A TO N/A

COMMISSION FILE NUMBER 0-16540

UNITED BANCORP, INC.

(Exact name of registrant as specified in its Charter.)

OHIO

34-1405357

(State or other jurisdiction of incorporation or organization)

(IRS) Employer Identificati

201 SOUTH FOURTH STREET, MARTINS FERRY, OHIO

43935

(Address of principal executive offices)

(ZIP Code)

REGISTRANT'S TELEPHONE NUMBER, INCLUDING AREA CODE: (740) 633-0445

SECURITIES REGISTERED PURSUANT TO SECTION 12(b) OF THE ACT:

COMMON STOCK, PAR VALUE \$1.00 A SHARE

NASDAQ REGULAR MARKET (SMALLCAP)

(Title of class)

(Name of each exchange on which registered)

SECURITIES REGISTERED PURSUANT TO SECTION 12(g) OF THE ACT:

COMMON STOCK, PAR VALUE \$1.00 A SHARE

(Title of class)

INDICATE BY CHECK MARK WHETHER THE REGISTRANT (1) HAS FILED ALL REPORTS REQUIRED
TO BE FILED BY SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 DURING
THE PRECEDING 12 MONTHS (OR FOR SUCH SHORTER PERIOD THAT THE REGISTRANT WAS
REQUIRED TO FILE SUCH REPORTS), AND (2) HAS BEEN SUBJECT TO SUCH FILING

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REQUIREMENTS FOR THE PAST 90 DAYS. YES X NO

INDICATE BY CHECK MARK IF DISCLOSURE OF DELINQUENT FILERS PURSUANT TO ITEM 405 OF REGULATION S-K IS NOT CONTAINED HEREIN, AND WILL NOT BE CONTAINED TO THE BEST OF REGISTRANT'S KNOWLEDGE, IN DEFINITIVE PROXY OR INFORMATION STATEMENTS INCORPORATED BY REFERENCE IN PART III OF THIS FORM 10-K OR ANY AMENDMENT TO THIS FORM 10-K. [X]

THE AGGREGATE MARKET VALUE OF THE VOTING STOCK HELD BY NON-AFFILIATES OF THE REGISTRANT AS OF MARCH 5, 2002.

COMMON STOCK, \$1.00 PAR VALUE: \$36,885,979

THE NUMBER OF SHARES OUTSTANDING OF THE REGISTRANT'S CLASSES OF COMMON STOCK AS OF MARCH 5, 2002.

COMMON STOCK, \$1.00 PAR VALUE: 3,148,836 SHARES

DOCUMENTS INCORPORATED BY REFERENCE
 PORTIONS OF THE ANNUAL SHAREHOLDERS REPORT FOR THE YEAR ENDED DECEMBER 31, 2001 ARE INCORPORATED BY REFERENCE INTO PARTS I AND II, (INDEX ON PAGE 2)

PORTIONS OF THE PROXY STATEMENT FOR THE ANNUAL SHAREHOLDERS MEETING TO BE HELD APRIL 17, 2002 ARE INCORPORATED BY REFERENCE INTO PART III (INDEX ON PAGE 2).

UNITED BANCORP, INC. FORM 10-K

INDEX OF ITEMS INCORPORATED BY REFERENCE WITHIN FORM 10-K

| PAGE # | FORM 10-K ITEM DESCRIPTION | REFERENCE DESCRIP |
|--------|-------------------------------|--|
| 3 | Part I, Item 1, (a) | Incorporated by reference to Pages 16-24 of the |
| 3 | Part I, Item 1, (b) | Incorporated by reference to Page 48, Note 1 of |
| 4 | Part I, Item 1, I | Incorporated by reference to Pages 39-40 of the |
| 5 | Part I, Item 1, II, B | Incorporated by reference to Page 52, Note 2 of |
| 7 | Part I, Item 1, III, C, 4 | Incorporated by reference to Page 59, Note 11 of |
| 7 | Part I, Item 1, IV | Incorporated by reference to Page 33-34 and Page To Shareholders. |
| 10 | Part I, Item 1, V, A | Incorporated by reference to Page 39 of the Annu |
| 10 | Part I, Item 1, VI, A | Incorporated by reference to Page 39 of the Annu |
| 11 | Part I, Item 2 | Incorporated by reference to Pages 16-24 of the |
| 11 | Part I, Item 3 | Incorporated by reference to Page 50, Note 1 of |

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| | | |
|----|--------------------------------------|--|
| 11 | Part II, Item 5 | Incorporated by reference to Page 4 of the Annual Report To Shareholders. |
| 12 | Part II, Item 6 | Incorporated by reference to inside back cover of the Annual Report To Shareholders. |
| 12 | Part II, Item 7 | Incorporated by reference to Pages 28-42, of the Annual Report To Shareholders. |
| 12 | Part II, Item 7A | Incorporated by reference to Pages 36-37 of the Annual Report To Shareholders. |
| 12 | Part II, Item 8 | Incorporated by reference to Pages 43-64 of the Annual Report To Shareholders. |
| 13 | Part III, Item 10 | Incorporated by reference to Pages 3-9 of the Annual Report To Shareholders. |
| 13 | Part III, Item 11 | Incorporated by reference to Pages 10-12 of the Annual Report To Shareholders. |
| 13 | Part III, Item 12 | Incorporated by reference to Pages 5-6 of the Annual Report To Shareholders. |
| 13 | Part III, Item 13 | Not applicable. |
| 14 | Part IV, Item 14, (a), 1 | Incorporated by reference to Pages 43-64 of the Annual Report To Shareholders. |
| 14 | Part IV, Item 14, (a), 2 | Incorporated by reference to Page 64 of the Annual Report To Shareholders. |
| 14 | Part IV, Item 14, (a), 3, Exhibit 10 | Incorporated by reference to Pages 9-10 of the Annual Report To Shareholders. |
| 14 | Part IV, Item 14, (a), 3, Exhibit 11 | Incorporated by reference to Page 50 and Page 63 of the Annual Report To Shareholders. |

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UNITED BANCORP, INC. FORM 10-K

PART I

ITEM 1 DESCRIPTION OF BUSINESS

(a) GENERAL DEVELOPMENT OF BUSINESS

United Bancorp, Inc. (Company) is a financial holding company headquartered in Martins Ferry, Ohio. The Company has two wholly-owned subsidiary banks, The Citizens Savings Bank, Martins Ferry, Ohio (CITIZENS) and The Community Bank, Lancaster, Ohio (COMMUNITY), collectively "Banks". For additional information about the Company's location and description of business, refer to Pages 16-20 and 21-24, Corporate Profile, in the Annual Report To Shareholders for the year ended December 31, 2001.

(b) FINANCIAL INFORMATION ABOUT BUSINESS SEGMENTS

Refer to Page 48, Note 1 of the Annual Report To Shareholders.

(c) NARRATIVE DESCRIPTION OF BUSINESS

The Company is a financial holding company as defined under the Bank Holding Company Act of 1956, as amended (the "BHC Act"). The BHC Act regulates acquisitions by the Company of voting shares or assets of any bank or other company. The Company is subject to the reporting requirements of, and examination and regulation by, the Board of Governors of the Federal Reserve System, as well as reporting requirements

under the Securities and Exchange Commission Act of 1934.

The Banks' are located in northeastern, eastern, and southeastern Ohio and are engaged in the business of commercial and retail banking in Belmont, Harrison, Tuscarawas, Carroll, Athens, Hocking, and Fairfield counties and the surrounding localities. The Banks provide a broad range of banking and financial services, which include accepting demand, savings and time deposits and granting commercial, real estate and consumer loans. CITIZENS conducts its business through its main office in Martins Ferry, Ohio and nine branches located in Bridgeport, Colerain, Dellroy, Dover, Jewett, New Philadelphia, St. Clairsville, Sherrodsville, and Strasburg, Ohio. In 1999, CITIZENS opened a full service brokerage division known as Brokerage United with securities provided through Raymond James Financial Services, Inc. member NASD/SIPC. COMMUNITY conducts its business through its seven offices in Amesville, Glouster, Lancaster, and Nelsonsville, Ohio.

The markets in which the Banks' operate continue to be highly competitive. CITIZENS competes for loans and deposits with other retail commercial banks, savings and loan associations, finance companies, credit unions and other types of financial institutions within the Mid-Ohio valley geographic area along the eastern border of Ohio, extending into the northern panhandle of West Virginia and the Tuscarawas and Carroll County geographic areas of northeastern Ohio. COMMUNITY also encounters similar competition for loans and deposits throughout the Athens, Hocking, and Fairfield County geographic areas of central and southeastern Ohio.

On November 12, 1999, President Clinton signed the Graham-Leach-Bliley Act of 1999 ("GLB Act"), which is intended to modernize the financial services industry. The GLB Act sweeps away large parts of a regulatory framework that had its origins in the Depression Era of the 1930s. Effective March 11, 2000, new opportunities became available for banks, other depository institutions, insurance companies and securities firms to enter into combinations that permit a single financial service organization to offer customers a more complete array of financial products and services. The GLB Act provides a new regulatory framework for regulation through the financial holding company, which will have as its umbrella regulator the Federal Reserve Board. The functional regulation of the financial holding company's separately regulated subsidiaries will be conducted by their primary functional regulator. The GLB Act makes satisfactory or above Community Reinvestment Act compliance for insured depository institutions and their financial holding companies necessary in order for them to engage in new financial activities. The GLB Act provides a federal right to privacy of non-public personal information of individual customers. The Company and Banks are also subject to certain state laws that deal with the use and distribution of non-public personal information.

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ITEM 1 DESCRIPTION OF BUSINESS (CONTINUED)

(c) NARRATIVE DESCRIPTION OF BUSINESS (CONTINUED)

The Company's two subsidiary banks are subject to regulation by the Ohio Division of Financial Institutions and the Federal Deposit Insurance Corporation ("FDIC"). The regulations and restrictions affecting the Banks pertain to, among other things, allowable loans, guidelines for allowance for loan losses, accountability for fair and accurate disclosures to customers and regulatory agencies, permissible investments and limitations of risk and regulation of capital requirements for safe and sound operation of the financial institution.

The Banks have no single customer or related group of customers whose banking activities, whether through deposits or lending, would have a material impact on the continued earnings capabilities if those activities were removed.

The Company itself, as a shell holding company, has no compensated employees. CITIZENS has 78 full time employees, with 25 of these serving in a management capacity and 14 part time employees. COMMUNITY has 31 full time employees, with 12 serving in a management capacity and 7 part time employees. The Company considers employee relations to be good at all subsidiary locations.

(d) FINANCIAL INFORMATION ABOUT FOREIGN AND DOMESTIC OPERATIONS

Not applicable.

I DISTRIBUTION OF ASSETS, LIABILITIES AND STOCKHOLDERS EQUITY; INTEREST RATES AND INTEREST DIFFERENTIAL

- A Refer to Page 39 of the Annual Report To Shareholders
- B Refer to Page 39 of the Annual Report To Shareholders
- C Refer to Page 40 of the Annual Report To Shareholders

ITEM 1 DESCRIPTION OF BUSINESS (CONTINUED)

II INVESTMENT PORTFOLIO

A The following table sets forth the carrying amount of securities at December 31, 2001, 2000 and 1999:

| (In thousands) | DECEMBER 31, | | |
|----------------|--------------|------|------|
| | 2001 | 2000 | 1999 |
| | | | |

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| | | | |
|---------------------------------|-----------|-----------|-----------|
| US Agency obligations | \$ 99,490 | \$ 75,685 | \$ 65,952 |
| Mortgage-backed obligations | 153 | 1,930 | 2,017 |
| State and municipal obligations | 10,748 | 13,434 | 14,187 |
| Other securities | 3,654 | 3,390 | 3,206 |
| | ----- | ----- | ----- |
| | \$114,045 | \$ 94,439 | \$ 85,362 |
| | ===== | ===== | ===== |

HELD TO MATURITY

| | | | |
|---------------------------------|-----------|-----------|----------|
| US Agency obligations | \$ -- | \$ 2,496 | \$ 2,494 |
| State and municipal obligations | 10,379 | 8,306 | 7,300 |
| | ----- | ----- | ----- |
| | \$ 10,379 | \$ 10,802 | \$ 9,794 |
| | ===== | ===== | ===== |

B Refer to Page 52, Note 2 of the Annual Report To Shareholders.

C Excluding holdings of U.S. Agency, there were no investments in securities of any one issuer exceeding 10% of the Company's consolidated shareholders' equity at December 31, 2001.

III LOAN PORTFOLIO

A TYPES OF LOANS

The amounts of gross loans outstanding at December 31, 2001, 2000, 1999, 1998 and 1997 are shown in the following table according to types of loans:

| | DECEMBER 31, | | | | |
|------------------------------|--------------|-----------|-----------|-----------|-----------|
| | 2001 | 2000 | 1999 | 1998 | 1997 |
| | ----- | ----- | ----- | ----- | ----- |
| (In thousands) | | | | | |
| Commercial loans | \$ 21,502 | \$ 20,415 | \$ 15,463 | \$ 12,912 | \$ 16,636 |
| Commercial real estate loans | 61,963 | 64,812 | 60,305 | 54,195 | 49,189 |
| Real estate loans | 54,153 | 55,931 | 51,357 | 49,438 | 49,857 |
| Installment loans | 45,722 | 55,339 | 53,391 | 47,676 | 55,795 |
| | ----- | ----- | ----- | ----- | ----- |
| Total loans | \$183,340 | \$196,497 | \$180,516 | \$164,221 | \$171,477 |
| | ===== | ===== | ===== | ===== | ===== |

Construction loans were not significant for the periods discussed.

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III LOAN PORTFOLIO (CONTINUED)

B MATURITIES AND SENSITIVITIES OF LOANS TO CHANGES IN INTEREST RATES

The following is a schedule of commercial and commercial real estate loans at December 31, 2001 maturing within the various time frames indicated:

| (In thousands) | ONE YEAR OR LESS | ONE THROUGH FIVE YEARS | AFTER FIVE YEARS | TOTAL |
|------------------------------|---------------------|---------------------------|---------------------|------------------|
| Commercial loans | \$ 18,298 | \$ 1,648 | \$ 1,556 | \$ 21,502 |
| Commercial real estate loans | 23,568 | 29,109 | 9,286 | 61,963 |
| Total | \$ 41,866 | \$ 30,757 | \$ 10,842 | \$ 83,465 |

The following is a schedule of fixed rate and variable rate commercial and commercial real estate loans at December 31, 2001 due to mature after one year:

| (In thousands) | FIXED RATE | VARIABLE RATE | TOTAL > ONE YEAR |
|------------------------------|------------------|------------------|------------------|
| Commercial loans | \$ 3,204 | \$ - | \$ 3,204 |
| Commercial real estate loans | 11,479 | 26,916 | 38,395 |
| Total | \$ 14,683 | \$ 26,916 | \$ 41,599 |

Variable rate loans are those loans with floating or adjustable interest rates.

C RISK ELEMENTS

1. NONACCRUAL, PAST DUE, RESTRUCTURED AND IMPAIRED LOANS

The following schedule summarizes nonaccrual loans, accruing loans which are contractually 90 days or more past due, troubled debt restructurings and impaired loans at December 31, 2001, 2000, 1999, 1998 and 1997:

| (In thousands) | DECEMBER 31, | | | | |
|--|--------------|------------|------------|------------|------------|
| | 2001 | 2000 | 1999 | 1998 | 1997 |
| Nonaccrual basis | \$ 661 | \$ 793 | \$ 987 | \$ 399 | \$ 480 |
| Accruing loans 90 days or greater past due | 157 | 124 | 36 | 150 | 319 |
| Troubled debt restructuring | N/A | N/A | N/A | N/A | N/A |
| Impaired loans | (1) | (1) | (1) | (1) | (1) |

(1) Loans considered impaired under the provisions of SFAS No. 114 and interest recognized on a cash received basis were not considered material during any of the periods presented.

The additional amount of interest income that would have been recorded on nonaccrual loans, had they been current, totaled \$81,272 for the year-ended December 31, 2001.

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UNITED BANCORP, INC. FORM 10-K

ITEM 1 DESCRIPTION OF BUSINESS (CONTINUED)

III LOAN PORTFOLIO (CONTINUED)

1. NONACCRUAL, PAST DUE, RESTRUCTURED AND IMPAIRED LOANS
(CONTINUED)

Interest income is not reported when full loan repayment is doubtful, typically when the loan is impaired or payments are past due over 90 days. Payments received on such loans are reported as principal reductions.

A loan is impaired when full payment under the loan terms is not expected. Impairment is evaluated in total for smaller-balance loans of similar nature such as residential mortgage, consumer, and credit card loans, and on an individual loan basis for other loans. If a loan is impaired, a portion of the allowance is allocated so that the loan is reported, net, at the present value of estimated future cash flows using the loan's existing rate or at the fair value of collateral if repayment is expected solely from the collateral.

2. POTENTIAL PROBLEM LOANS

The Company had no potential problem loans as of December 31, 2001 which have not been disclosed in Table C 1., but where known information about possible credit problems of borrowers causes management to have serious doubts as to the ability of such borrowers to comply with the present loan repayment terms and which may result in disclosure of such loans into one of the problem loan categories.

3. FOREIGN OUTSTANDING

Not applicable.

4. LOAN CONCENTRATIONS

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Refer to Page 59, Note 11 of the Annual Report To Shareholders.

D. OTHER INTEREST-BEARING ASSETS

Not applicable.

IV SUMMARY OF LOAN LOSS EXPERIENCE

For additional explanation of factors which influence management's judgment in determining amounts charged to expense, refer to Pages 33-34, "Management Discussion and Analysis" and Pages 48 - 49, Note 1 of the Annual Report To Shareholders.

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UNITED BANCORP, INC. FORM 10-K

ITEM 1 DESCRIPTION OF BUSINESS (CONTINUED)

IV SUMMARY OF LOAN LOSS EXPERIENCE (CONTINUED)

A ANALYSIS OF THE ALLOWANCE FOR LOAN LOSSES

The following schedule presents an analysis of the allowance for loan losses, average loan data and related ratios for the years ended December 31, 2001, 2000, 1999, 1998, and 1997:

| (In thousands) | 2001 | 2000 | 1999 | 1998 |
|--------------------------------------|------------|------------|------------|------------|
| | ----- | ----- | ----- | ----- |
| LOANS | | | | |
| Loans outstanding | \$ 183,340 | \$ 196,497 | \$ 180,516 | \$ 164,221 |
| Average loans outstanding | \$ 188,114 | \$ 190,386 | \$ 168,868 | \$ 168,626 |
| ALLOWANCE FOR LOAN LOSSES | | | | |
| Balance at beginning of year | \$ 2,790 | \$ 3,110 | \$ 3,033 | \$ 3,039 |
| Loan charge-offs: | | | | |
| Commercial | 268 | 125 | 85 | 139 |
| Commercial real estate | | 79 | 30 | |
| Real estate | 67 | 275 | 21 | 51 |
| Installment | 728 | 716 | 807 | 861 |
| | ----- | ----- | ----- | ----- |
| Total loan charge-offs | 1,063 | 1,195 | 943 | 1,051 |
| | ----- | ----- | ----- | ----- |
| Loan recoveries | | | | |
| Commercial | 27 | 2 | 50 | 87 |

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| | | | | |
|--|----------|----------|----------|----------|
| Commercial real estate | | 28 | 12 | |
| Real estate | 10 | 4 | 3 | 9 |
| Installment | 335 | 254 | 228 | 151 |
| Total loan recoveries | 372 | 288 | 293 | 247 |
| Net loan charge-offs | 691 | 907 | 650 | 804 |
| Provision for loan losses | 780 | 587 | 727 | 798 |
| Balance at end of year | \$ 2,879 | \$ 2,790 | \$ 3,110 | \$ 3,033 |
| Ratio of net charge-offs to average loans outstanding for the year | 0.37% | 0.49% | 0.38% | 0.48% |

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UNITED BANCORP, INC. FORM 10-K

ITEM 1 DESCRIPTION OF BUSINESS (CONTINUED)

IV SUMMARY OF LOAN LOSS EXPERIENCE (CONTINUED)

B ALLOCATION OF THE ALLOWANCE FOR LOAN LOSSES

The following table allocates the allowance for possible loan losses at December 31, 2001, 2000, 1999, 1998, and 1997. The allowance has been allocated according to the amount deemed to be reasonably necessary to provide for the probability of losses being incurred within the following categories of loans at the dates indicated:

| (In thousands) | 2001 | |
|------------------------|------------------|---------------------------|
| | ALLOWANCE AMOUNT | % OF LOANS TO TOTAL LOANS |
| Commercial | \$ 325 | 11.73% |
| Commercial real estate | 872 | 33.80% |
| Real estate | 381 | 29.54% |
| Installment | 613 | 24.93% |
| Unallocated | 688 | N/A |
| Total | \$ 2,879 | 100.00% |

| (In thousands) | 2000 | |
|----------------|-----------|---------------------|
| | ALLOWANCE | % OF LOANS TO TOTAL |

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| Loan type | AMOUNT | LOANS |
|------------------------|----------|---------|
| Commercial | \$ 263 | 10.39% |
| Commercial real estate | 835 | 32.98% |
| Real estate | 461 | 28.46% |
| Installment | 781 | 28.17% |
| Unallocated | 450 | N/A |
| Total | \$ 2,790 | 100.00% |

1999

| (In thousands) Loan type | ALLOWANCE AMOUNT | % OF LOANS TO TOTAL LOANS |
|-----------------------------|---------------------|---------------------------------|
| Commercial | \$ 195 | 8.57% |
| Commercial real estate | 439 | 33.40% |
| Real estate | 343 | 28.45% |
| Installment | 620 | 29.58% |
| Unallocated | 1,513 | N/A |
| Total | \$ 3,110 | 100.00% |

1998

| (In thousands) Loan type | ALLOWANCE AMOUNT | % OF LOANS TO TOTAL LOANS |
|-----------------------------|---------------------|---------------------------------|
| Commercial | \$ 215 | 7.87% |
| Commercial real estate | 432 | 33.00% |
| Real estate | 567 | 30.10% |
| Installment | 818 | 29.03% |
| Unallocated | 1,001 | N/A |
| Total | \$ 3,033 | 100.00% |

1997

| (In thousands) Loan type | ALLOWANCE AMOUNT | % OF LOANS TO TOTAL LOANS |
|-----------------------------|---------------------|---------------------------------|
| Commercial | \$ 403 | 9.70% |
| Commercial real estate | 322 | 28.69% |
| Real estate | 606 | 29.07% |
| Installment | 1,200 | 32.54% |
| Unallocated | 508 | N/A |
| Total | \$ 3,039 | 100.00% |

UNITED BANCORP, INC. FORM 10-K

ITEM 1 DESCRIPTION OF BUSINESS (CONTINUED)

V DEPOSITS

A SCHEDULE OF AVERAGE DEPOSIT AMOUNTS AND RATES

- (1) Refer to Page 39 of the Annual Report To Shareholders.
- (2) Refer to Page 39 of the Annual Report To Shareholders.
- (3) Refer to Page 39 of the Annual Report To Shareholders.
- (4) Refer to Page 39 of the Annual Report To Shareholders.
- (5) - (8) Not applicable.

B OTHER CATEGORIES

Not applicable.

C FOREIGN DEPOSITS

Not applicable.

D MATURITY ANALYSIS OF TIME DEPOSITS GREATER THAN \$100,000.

The following schedule details the maturities of time certificates of deposit in amounts of \$100,000 or more for the year ended December 31, 2001:

(In thousands)

| | | |
|--------------------------------|----|--------|
| Three months or less | \$ | 10,894 |
| Over three through six months | | 7,604 |
| Over six through twelve months | | 6,918 |
| Over twelve months | | 13,022 |
| | | ----- |
| Total | \$ | 38,438 |
| | | ===== |

E TIME DEPOSITS GREATER THAN \$100,000 ISSUED BY FOREIGN OFFICES.

Not applicable.

VI RETURN ON EQUITY AND ASSETS

The ratio of net income to daily average total assets and

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average shareholders' equity, and certain other ratios, were as follows:

| | DECEMBER 31, | | |
|-----------------------|--------------|--------|--------|
| | 2001 | 2000 | 1999 |
| | ----- | ----- | ----- |
| Dividend Payout Ratio | 56.82% | 58.82% | 46.73% |
| Equity to Assets | 8.93% | 8.85% | 8.85% |

(1) For other ratios refer to the inside back cover of the Annual Report To Shareholders.

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UNITED BANCORP, INC. FORM 10-K

ITEM 1 DESCRIPTION OF BUSINESS (CONTINUED)

VII SHORT-TERM BORROWINGS

Information concerning securities sold under agreements to repurchase is summarized as follows:

| (In thousands) | 2001 | 2000 | 1999 |
|---|-----------|----------|----------|
| | ----- | ----- | ----- |
| Balance at December 31, | \$ 7,811 | \$ 4,861 | \$ 5,788 |
| Weighted average interest rate at December 31 | 1.39% | 5.52% | 3.80% |
| Average daily balance during the year | \$ 10,695 | \$ 5,177 | \$ 7,306 |
| Average interest rate during the year | 3.59% | 5.45% | 4.30% |
| Maximum month-end balance during the year | \$ 20,653 | \$ 6,117 | \$ 8,506 |

Securities sold under agreements to repurchase are financing arrangements whereby the Company sells securities and agrees to repurchase the identical securities at the maturities of the agreements at specified prices

Information concerning the cash management line of credit from the Federal Home Loan Bank of Cincinnati, Ohio is summarized as follows:

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| (In thousands) | 2001 | 2000 | 1999 |
|---|-----------|-----------|-----------|
| | ----- | ----- | ----- |
| Balance at December 31, | \$ 10,100 | \$ 14,824 | \$ 19,145 |
| Weighted average interest rate at December 31 | 2.05% | 6.75% | 4.75% |
| Average daily balance during the year | \$ 14,783 | \$ 13,545 | \$ 9,363 |
| Average interest rate during the year | 4.01% | 6.26% | 5.55% |
| Maximum month-end balance during the year | \$ 24,995 | \$ 20,217 | \$ 22,028 |

No other individual component of the borrowed funds total comprised more than 30% of shareholders' equity and accordingly are not disclosed in detail.

ITEM 2 PROPERTIES

Refer to Pages 16-20 and 21-24, "Corporate Profile" in the Annual Report To Shareholders. Management believes the properties described on Pages 16-20 and 21-24 of the Annual Report to be in good operating condition for the purpose for which it is used. The properties are unencumbered by any mortgage or security interest and is, in management's opinion, adequately insured.

ITEM 3 LEGAL PROCEEDINGS

Refer to Page 50, Note 1 of the Annual Report To Shareholders.

ITEM 4 SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

No motions were submitted to shareholders for a vote during the fourth quarter of 2001.

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UNITED BANCORP, INC. FORM 10-K

PART II

ITEM 5 MARKET FOR REGISTRANT'S COMMON EQUITY AND RELATED SHAREHOLDER MATTERS

Refer to Page 4, "Shareholder Information" of the Annual Report To Shareholders.

ITEM 6 SELECTED FINANCIAL DATA

Refer to inside back cover, "Five Year Performance Summary" and pages 26-27 of the Annual Report To Shareholders.

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ITEM 7 MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Refer to Pages 28 - 42, "Management's Discussion and Analysis" of the Annual Report To Shareholders.

ITEM 7A QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Refer to Pages 36 - 37, "Asset/Liability Management and Sensitivity to Market Risks" of the Annual Report To Shareholders.

ITEM 8 FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

Refer to Pages 43 - 64 of the Annual Report To Shareholders.

ITEM 9 CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS

There were no changes in or disagreements with accountants.

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UNITED BANCORP, INC. FORM 10-K

PART III

ITEM 10 DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT

(a) Refer to Pages 3 - 9 of the Proxy Statement.

(b) Executive Officers of the Registrant:

| | | |
|------------------------|----|---|
| James W. Everson | 63 | Chairman, President and Chief Executive Officer |
| Alan M. Hooker | 50 | Executive Vice President - Administration |
| Norman F. Assenza, Jr. | 55 | Vice President - Operations and Security |
| Randall M. Greenwood | 37 | Vice President - Chief Financial Officer |
| James A. Lodes | 55 | Vice President - Lending |

(1) Each individual has held the position noted during the past five years, except for the following:

Randall M. Greenwood served as a Business Assurance Manager of Coopers and Lybrand LLP of Columbus, Ohio from 1993 to November of 1997. He served as a Manager for BankOne Corporation in Columbus, Ohio from February 1991 to August 1993 and as a Supervisor at Coopers and Lybrand LLP in Columbus, Ohio from September 1986 through February 1991. He has served as Vice President - Chief Financial Officer of United Bancorp, Inc. and as Senior Vice President - Chief Financial Officer of The Citizens Savings Bank, Martins Ferry, Ohio since December 1997.

Alan M. Hooker served as President of Fairfield National Division of the Park National Bank where he also served on their Advisory

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Board. He has held senior level banking positions with financial institutions in Washington, D.C., and Baltimore, Maryland. He has served as President and Chief Executive Officer of The Community Bank, Glouster, Ohio and as Executive Vice President - Administration of United Bancorp, Inc. since October 26, 1998.

ITEM 11 EXECUTIVE COMPENSATION

Refer to Pages 9 - 12 of the Proxy Statement.

ITEM 12 SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

Refer to Pages 5-6 of the Proxy Statement.

ITEM 13 CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

Not Applicable.

PART IV

ITEM 14 EXHIBITS, FINANCIAL STATEMENTS, SCHEDULES AND REPORTS ON FORM 8-K

(a) DOCUMENTS FILED AS PART OF FORM 10-K

1. The following consolidated financial statements appear in the 2001 Annual Report To Shareholders and are incorporated by reference:

| | |
|---|------|
| Report of Independent Auditors | Page |
| Consolidated Balance Sheets | Page |
| Consolidated Statements of Income | Page |
| Consolidated Statements of Shareholders' Equity | Page |
| Consolidated Statements of Cash Flow | Page |
| Notes to the Consolidated Financial Statements | Page |

2. The summary of selected quarterly results of operations appears on Page 64 in the 2001 Annual Report To Shareholders and is incorporated by reference.

3. Exhibits

| | |
|------------|---|
| 2 | Not Applicable |
| 3 (i) (ii) | Articles of Incorporation of United Bancorp, Inc. including Laws, previously filed with the Securities and Exchange Commission |
| 4 | Not applicable. |
| 9 | Not applicable. |
| 10 | Reference to special severance agreement on Page 9 of the Proxy Statement regarding computation of per share earnings (in consolidated financial statements on page 50 and Note 15 to the Proxy Statement.) |
| 11 | Statement regarding computation of per share earnings (in consolidated financial statements on page 50 and Note 15 to the Proxy Statement.) |

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| | |
|------|--|
| 12 | Not applicable. |
| 13 | Reference to the Annual Report To Shareholders for the fi |
| 16 | Not applicable. |
| 18 | Not applicable. |
| 21.1 | Reference to The Citizens Savings Bank, Martins Ferry, Oh 1902, previously filed with the Securities and Exchange C |
| 21.2 | Reference to The Community Bank, Lancaster, Ohio, incorpo filed with the Securities and Exchange Commission. |
| 22 | Not applicable. |
| 23 | Consents of Experts and Council. |
| 24 | Not applicable. |
| 99 | Not applicable. |

- (b) The Company filed no reports on SEC Form 8-K during the last quarter of the period covered by this report.

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UNITED BANCORP, INC. FORM 10-K

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

(Registrant) United Bancorp, Inc.

By: _____ March 15,
James W. Everson, Chairman, President & CEO

By: _____ March 15,
Randall M. Greenwood, CFO

By: _____ March 15,
Michael J. Arciello

By: _____ March 15,
Terry A. McGhee

By: _____ March 15,
John M. Hoopingarner

By: _____
Richard L. Riesbeck

March 15,

By: _____
L.E. Richardson, Jr.

March 15,

By: _____
Matthew C. Thomas

March 15,

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UNITED BANCORP, INC. FORM 10-K

EXHIBIT INDEX

| Exhibit No. ----- | Description ----- | SK Item 60 ----- |
|----------------------|----------------------------------|---------------------|
| 1 | Annual Report to Shareholders | 13 |
| 2 | Consents of Independent Auditors | 23 |

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