SUNOCO LOGISTICS PARTNERS LP
Form 4
August 18, 2008

FORM 4

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. *See* Instruction 1(b).

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

OMB APPROVAL

OMB Number:	3235-0287
Expires:	January 31, 2005
Estimated average burden hours per response...	0.5

(Print or Type Responses)

1. Name and Address of Reporting Person *
FREDERICKSON PHILIP L
(Last) (First) (Middle)
1735 MARKET STREET
(Street)
PHILADELPHIA, PA 19103-7583
(City) (State) (Zip)

2. Issuer Name **and** Ticker or Trading Symbol
SUNOCO LOGISTICS PARTNERS LP [SXL]

3. Date of Earliest Transaction (Month/Day/Year)
08/14/2008

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer
(Check all applicable)
__X__ Director _____ 10% Owner
_____ Officer (give title below) _____ Other (specify below)

6. Individual or Joint/Group Filing(Check Applicable Line)
_X_ Form filed by One Reporting Person
___ Form filed by More than One Reporting Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1.Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)		4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)			5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price			

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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SEC 1474 (9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(*e.g.*, puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security	2. Conversion or Exercise	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any	4. Transaction Code	5. Number of	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Securities (Instr. 3 and 4)	8. Price of Derivative Security

(Instr. 3)	Price of Derivative Security	(Month/Day/Year)	(Instr. 8)		Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)						(Instr. 5)
			Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares	
Restricted Units	(1)	08/14/2008	A		6		(2)	(3)	Common Units	6	$ 48.29

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
FREDERICKSON PHILIP L 1735 MARKET STREET PHILADELPHIA, PA 19103-7583	X			

Signatures

Bruce D. Davis, Jr.	08/18/2008
**Signature of Reporting Person	Date

Explanation of Responses:

* If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

(1) The conversion rate is 1 for 1.

(2) Not Applicable

(3) Restricted Units acquired pursuant to the Directors' Mandatory Deferred Compensation Account, in transactions exempt under Rule 16b-3(d).

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.
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See accompanying notes to the consolidated financial statements.

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UNITED COMMUNITY BANCORP AND SUBSIDIARIES

Consolidated Statements of Comprehensive Income (Loss)

(In thousands)

	(Unaudited) For the six months ended December 31, 2010	(Unaudited) For the six months ended December 31, 2009	For the year ended June 30, 2010	For the year ended June 30, 2009
Net income	$ 850	$ 698	$ 1,014	$ 719
Other comprehensive loss, net of tax				
Unrealized loss on available for sale securities	(445)	(61)	411	551
Reclassification adjustment for gains on available for sale securities included in income	(27)	(23)	(190)	112
Total comprehensive income (loss)	$ 378	$ 614	$ 1,235	$ 1,382

See accompanying notes to consolidated financial statements.

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UNITED COMMUNITY BANCORP AND SUBSIDIARY

Consolidated Statements of Stockholders Equity

For the six months ended December 31, 2010 (unaudited) and for the years ended June 30, 2010 and 2009

(In thousands, except per share data)	Common Stock	Additional Paid-In Capital	Retained Earnings	Shares Purchased for Stock plans	Treasury Stock	Unrealized Gain (Loss) on Securities Available for Sale	Total
Balance at June 30, 2008	$ 36	$ 37,965	$ 28,581	$ (5,057)	$ (6,649)	$ (387)	$ 54,489
Net income			719				719
Cash dividends of $0.37 per share*			(1,096)				(1,096)
Stock-based compensation expense		500					500
Amortization of ESOP shares		(94)		223			129
Reclassification of shares already earned		(1,580)		1,580			
Shares repurchased					(325)		(325)
Unrealized loss on investments:							
Net change during the period, net of deferred taxes of $442						663	663
Balance at June 30, 2009	$ 36	$ 36,791	$ 28,204	$ (3,254)	$ (6,974)	$ 276	$ 55,079
Net income			1,014				1,014
Cash dividends of $0.41 per share*			(1,170)				(1,170)
Stock-based compensation expense		298					298
Amortization of ESOP shares		(94)		212			118
Shares repurchased					(80)		(80)
Unrealized loss on investments:							
Net change during the period, net of deferred taxes of $442						221	221
Balance at June 30, 2010	$ 36	$ 36,995	$ 28,048	$ (3,042)	$ (7,054)	$ 497	$ 55,480
Net income			850				850
Cash dividends of $0.22 per share*			(703)				(703)
Stock-based compensation expense		(35)					(35)
Amortization of ESOP shares		(47)		147			100
Shares repurchased							
Unrealized loss on investments:							
Net change during the period, net of deferred taxes of $243						(472)	(472)

Balance at December 31, 2010	$ 36	$ 36,913	$ 28,195	$ (2,895)	$ (7,054)	$ 25	$ 55,220

* paid on all shares other than MHC

See accompanying notes to consolidated financial statements.

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UNITED COMMUNITY BANCORP AND SUBSIDIARIES

Consolidated Statements of Cash Flows

(In thousands)

(In thousands)	(Unaudited) Six months ended December 31, 2010	2009	Year ended June 30, 2010	2009
Operating activities:				
Net income	$ 850	$ 698	$ 1,014	$ 719
Adjustments to reconcile net income to net cash provided by operating activities:				
Depreciation	266	231	454	472
Provision for loan losses	1,456	946	2,509	2,447
Provision for loss on sale of real estate acquired through foreclosure		300	510	770
Deferred loan origination costs	(40)	(5)	(84)	(31)
Amortization of premium on investments	509	(24)	341	153
Proceeds from sale of loans	13,835	17,376	25,409	28,901
Loans disbursed for sale in the secondary market	(14,876)	(15,427)	(23,302)	(30,416)
Gain on sale of loans	(442)	(196)	(278)	(526)
Amortization of intangible asset	217			
Amortization of acquisition-related loan yield discount	(124)			
Amortization of acquisition-related credit risk discount	(102)			
Amortization of acquisition-related CD yield adjustment	(72)			
(Gain) loss on the sale of available for sale securities	(44)	(39)	(311)	183
ESOP shares committed to be released	100	72	118	129
Stock-based compensation expense	(35)	189	298	500
Deferred income taxes	(252)	36	(503)	(50)
(Gain) loss on sale of other real estate owned	25	(20)	(34)	(50)
Effects of change in operating assets and liabilities:				
Accrued interest receivable	153	24	(545)	(394)
Prepaid expenses and other assets	326	(1,669)	(1,099)	(87)
Accrued interest on deposits	(40)	(3)	104	(62)
Accrued expenses and other	(226)	(250)	468	591
Net cash provided by operating activities	1,484	2,239	5,069	3,249
Investing activities:				
Proceeds from maturity of available for sale investment securities	5,302	4,890	16,640	6,250
Proceeds from the sale of available for sale investment securities	4,044	3,498	9,639	1,550
Proceeds from maturity of held to maturity investment securities	20		44	25
Proceeds from the sale of mortgage-backed securities		5,350	10,918	
Proceeds from repayment of mortgage-backed securities available for sale	8,729	4,554	11,650	5,863
Proceeds from sale of other real estate owned	180	1,759	2,276	1,088
Proceeds (purchases) from sale of Federal Home Loan Bank stock	8			(90)
Purchases of available for sale investment securities	(15,143)	(8,713)	(42,118)	(41,003)
Purchases of mortgage-backed securities	(25,479)	(17,670)	(49,813)	(10,346)
Increase in cash surrender value of life insurance	(139)	(140)	(283)	(256)
Cash received form acquisition of branches			3,376	
Net increase (decrease) in loans, net of acquisition	10,087	(71)	3,420	8,814
Capital expenditures, net of acquisition	(337)	(258)	(796)	(163)

Net cash used in investing activities	(12,728)	(6,801)	(35,047)	(28,268)
Financing activities:				
Net decrease in deposits, net of acquisition	(300)	(2,699)	37,258	18,842
Repayments of Federal Home Loan Bank advances	(500)	(500)	(1,000)	(1,000)
Dividends paid to stockholders	(703)	(545)	(1,170)	(1,096)
Repurchases of common stock		(73)	(80)	(325)
Net increase (decrease) in advances from borrowers for payment of insurance and taxes	67	(9)	(11)	(108)
Net cash provided by (used in) financing activities	(1,436)	(3,826)	34,997	16,313
Net increase (decrease) in cash and cash equivalents	(12,680)	(8,388)	5,019	(8,706)
Cash and cash equivalents at beginning of period	32,023	27,004	27,004	35,710
Cash and cash equivalents at end of period	$ 19,343	$ 18,616	$ 32,023	27,004

See accompanying notes to consolidated financial statements.

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UNITED COMMUNITY BANCORP

Notes to Consolidated Financial Statements

NOTE 1 BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

United Community Bancorp (the Company) is a Federally-chartered corporation, which was organized to be the mid-tier holding company for United Community Bank (the Bank), which is a Federally-chartered, FDIC-insured savings bank. The Company was organized in conjunction with the Bank s reorganization from a mutual savings bank to the mutual holding company structure on March 30, 2006. United Community MHC, a Federally-chartered corporation, is the mutual holding company parent of the Company. At December 31 (unaudited) and June 30, 2010, United Community MHC owned 4,655,200 shares, or 59% of the Company s outstanding common stock and must always own at least a majority of the voting stock of the Company. In addition to the shares of the Company, United Community MHC was capitalized with $100,000 in cash from the Company. The Company, through the Bank, operates in a single business segment providing traditional banking services through its office and branches in Southeastern Indiana. UCB Real Estate Management Holdings, LLC, a wholly-owned subsidiary of United Community Bank, holds and operates real estate assets that are acquired by the Bank through, or in lieu of, foreclosure. UCB Financial Services, Inc, a wholly-owned subsidiary of United Community Bank, collects commissions on investments referred to Lincoln Financial Group.

In the opinion of management, all adjustments (consisting solely of normal and recurring adjustments) necessary for the fair presentation of the consolidated financial condition and the consolidated results of operations for the unaudited periods presented have been included. The results of operations and other data presented for the six month period ended December 31, 2010, are not necessarily indicative of the results of operations that may be expected for the year ending June 30, 2011. Certain prior year amounts have been reclassified to conform to the current year presentation.

PRINCIPLES OF CONSOLIDATION The consolidated financial statements include the accounts of the Company and the Bank. All significant intercompany balances and transactions have been eliminated.

USE OF ESTIMATES IN THE PREPARATION OF FINANCIAL STATEMENTS The consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP). In preparing consolidated financial statements in accordance with GAAP, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. The most significant estimates and assumptions in the Company s financial statements are recorded in the allowances for loan and other real estate losses and deferred income taxes. Actual results could differ significantly from those estimates.

CASH AND CASH EQUIVALENTS For purposes of reporting cash flows, cash and cash equivalents include cash and interest-bearing deposits in other financial institutions with original maturities of less than ninety days.

INVESTMENT SECURITIES Investment and mortgage-backed securities are classified upon acquisition into one of three categories: held to maturity, trading, and available for sale, in accordance with FASB Accounting Standards Codification (ASC) Topic 320, Investments. Debt securities that the Bank has the positive intent and ability to hold to maturity are classified as held to maturity securities and reported at amortized cost. Debt and equity securities that are bought and held principally for the purpose of selling in the near-term are classified as trading securities and reported at fair value, with unrealized gains and losses included in earnings. The Bank had no trading securities at December 31, 2010 (unaudited), June 30, 2010 or 2009. Debt and equity securities not classified as either held to maturity securities or trading securities are classified as available for sale securities and reported at fair value, with unrealized gains or losses excluded from earnings and reported as a separate component of stockholders equity, net of deferred taxes.

Securities are recorded net of applicable premium or discount with the premium or discount being amortized on the interest method over the estimated average life of the investment.

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The Bank designates its investments in Government agency bonds, certain municipal bonds, and mortgage-backed securities as available for sale.

Gains and losses realized on the sale of investment securities are accounted for on the trade date using the specific identification method.

LOANS RECEIVABLE Loans receivable that management has the intent and ability to hold until maturity or payoff are reported at their outstanding unpaid principal balances reduced by any charge-offs or specific valuation accounts and net of any deferred fees or costs on originated loans, or unamortized premiums or discounts on purchased loans. Interest on loans is calculated by using the simple interest method on daily balances of the principal amount outstanding. Loans held for sale are recorded at lower of cost or market determined in the aggregate. Loans are designated for sale as a part of the Bank s asset/liability management strategy. Market value is determined based on expected volatility in interest rates and the anticipated holding period before the loan is sold. Due to the holding period being short term, the market value and cost of the loan are approximately the same. The Bank had $1,847,000, $364,000 and $2,193,000 in loans held for sale at December 31, 2010 (unaudited), June 30, 2010 and 2009, respectively.

The Bank defers all loan origination fees, net of certain direct loan origination costs, and amortizes them over the contractual life of the loan as an adjustment of yield in accordance with ASC 310-20, Receivables Nonrefundable Fees and Other.

The Bank retains the servicing on loans sold and agrees to remit to the investor loan principal and interest at agreed-upon rates. These rates can differ from the loan s contractual interest rate resulting in a yield differential. In addition to previously deferred loan origination fees and cash gains, gains on the sale of loans can represent the present value of the future yield differential less normal servicing fees, capitalized over the estimated life of the loans sold. Normal servicing fees are determined by reference to the stipulated minimum servicing fee set forth by the government agencies to which the loans are sold. Such servicing fees are amortized to operations over the life of the loans using the interest method. If prepayments are higher than expected, an immediate charge to operations is made. If prepayments are lower than original estimates, then the related adjustments are made prospectively.

The mortgage servicing rights recorded by the Bank are segregated into pools for valuation purposes using as pooling criteria, the loan term and coupon rate in accordance with ASC 860-50-30. Once pooled, each grouping of loans is evaluated on a discounted earnings basis to determine the present value of the future earnings that a purchaser could expect to realize from each portfolio. Earnings are projected from a variety of sources including loan-servicing fees, interest earned on float, net interest earned on escrows, miscellaneous income and costs to service the loans. The present value of future earnings is the economic value for the pool. The Company has selected the amortized cost method for valuation under guidance of ASC 860-50, Transfers and Servicing Servicing Assets and Liabilities.

The allowance for loan losses is increased by charges to income and decreased by charge-offs (net of recoveries). Management s periodic evaluation of the adequacy of the allowance is based on the Bank s past loan loss experience, known and inherent risks such as amount of loan, type of loan, concentrations, adverse situations that may affect the borrower s ability to repay, the estimated value of any underlying collateral, and current economic conditions. In addition, various regulatory agencies, as an integral part of their examination process, periodically review the Bank s allowance for loan losses. Such agencies may require the Bank to recognize additions to the allowance based on judgments different from those of Management.

Although Management uses the best information available to make these estimates, future adjustments to the allowance may be necessary due to economic, operating, regulatory and other conditions that may be beyond the Bank s control.

The Bank s internal asset review committee reviews each loan with three or more delinquent payments, and each loan ninety days or more past due, and decides on whether the circumstances involved give reason to place the loan on non-accrual status. The Board of Directors reviews this information as determined by the internal asset review committee each month. Loans may be returned to accrual status when all principal and interest amounts contractually due (including arrearages) are reasonably assured of repayment within an acceptable period of time, and there is a sustained period of repayment performance by the borrower, in accordance with the contractual terms of interest and principal. While a loan is classified as non-accrual, interest income is generally recognized on a cash basis.

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A loan is defined as impaired when, based on current information and events, it is probable that a creditor will be unable to collect all amounts due according to the contractual terms of the loan agreement. The Bank considers its investment in one-to-four family residential loans and consumer installment loans to be homogeneous and therefore excluded from separate identification for evaluation of impairment. With respect to the Bank s investment in multi-family and nonresidential loans, such loans are collateral-dependent and, as a practical expedient, are carried at the lower of cost or fair value based upon the most recent real estate appraisals. Collateral-dependent loans which are more than ninety days delinquent and are considered to constitute more than a minimum delay in repayment are evaluated for impairment at that time.

Cash receipts on a nonaccrual loan are applied to principal and interest in accordance with its contractual terms unless full payment of principal is not expected, in which case cash receipts, whether designated as principal or interest, are applied as a reduction of the carrying value of the loan. A nonaccrual loan is generally returned to accrual status when principal and interest payments are current, full collectibility of principal and interest is reasonably assured and a consistent record of performance has been demonstrated.

It is the Bank s policy to charge off unsecured credits that are more than one hundred and twenty days delinquent. Similarly, collateral dependent loans which are more than ninety days delinquent are considered to constitute more than a minimum delay in repayment and are evaluated for impairment at that time. Impaired loans would be charged off in the same manner as all loans are subject to charge off.

From time to time, as part of our loss mitigation process, loans may be renegotiated in a troubled debt restructuring (TDR) when management determines that greater economic value will ultimately be recovered under the new terms than through foreclosure, liquidation, or bankruptcy. Management may consider the borrower s payment status and history, the borrower s ability to pay upon a rate reset on an adjustable rate mortgage, size of the payment increase upon a rate reset, period of time remaining prior to the rate reset, and other relevant factors in determining whether a borrower is experiencing financial difficulty. However, TDRs are also considered to be impaired, except for those that have been performing under the new terms for at least six consecutive months. TDRs are accounted for as set forth in ASC 310 Receivables (ASC 310). A TDR may be on non-accrual or it may accrue interest. A TDR is typically on non-accrual until the borrower successfully performs under the new terms for six consecutive months. However, a TDR may be placed on accrual immediately following the TDR in those instances where a borrower s payments are current prior to the modification and management determines that principal and interest under the new terms are fully collectible.

Existing performing loan customers who request a loan (non-TDR) modification and who meet the Bank s underwriting standards may, usually for a fee, modify their original loan terms to terms currently offered. The modified terms of these loans are similar to the terms offered to new customers. The fee assessed for modifying the loan is deferred and amortized over the life of the modified loan using the level-yield method and is reflected as an adjustment to interest income. Each modification is examined on a loan-by-loan basis and if the modification of terms represents more than a minor change to the loan, then the unamortized balance of the pre-modification deferred fees or costs associated with the mortgage loan are recognized in interest income at the time of the modification. If the modification of terms does not represent more than a minor change to the loan, then the unamortized balance of the pre-modification deferred fees or costs continue to be deferred.

CONCENTRATION OF CREDIT RISK The Bank grants residential and commercial loans to customers in local counties in Southeastern Indiana, Northern Kentucky, and Southwestern Ohio. Although the Bank has a diversified loan portfolio, a substantial portion of its debtors ability to honor their contracts is dependent upon the local economy.

Management maintains deposit accounts with financial institutions in excess of federal deposit insurance limits. The Company has not experienced any losses in such accounts. The Company believes it is not exposed to any significant credit risk on cash and cash equivalents.

OTHER REAL ESTATE OWNED Real estate properties acquired through, or in lieu of, loan foreclosure are initially recorded at fair value at the date of foreclosure, and are transferred to the Bank s wholly-owned subsidiary,

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UCB Real Estate Management Holdings, LLC. Holding costs, including losses from operations, are expensed when incurred. Valuations are periodically performed, and an allowance for losses is established by a charge to operations if the carrying value of a property exceeds its estimated net realizable value.

PROPERTY AND EQUIPMENT Property and equipment is carried at cost. Depreciation is provided on the straight-line method over the estimated useful lives of the assets. The estimated useful lives are as follows:

Land improvements	7 15 years
Buildings	15 39 years
Furniture and equipment	3 10 years

Significant renewals and betterments are charged to the property and equipment account. Maintenance and repairs are charged to operations in the period incurred.

INCOME TAXES The Company accounts for income taxes in accordance with ASC 740-10-50. Pursuant to the provisions of ASC 740-10-50, a deferred tax liability or deferred tax asset is computed by applying the current statutory tax rates to net taxable or deductible differences between the tax basis of an asset or liability and its reported amount in the consolidated financial statements that will result in taxable or deductible amounts in future periods. Deferred tax assets are recorded only to the extent that the amount of net deductible or taxable temporary differences or carry forward attributes may be utilized against current period earnings, carried back against prior years earnings, offset against taxable temporary differences reversing in future periods, or utilized to the extent of management s estimate of future taxable income. A valuation allowance is provided for deferred tax assets to the extent that the value of net deductible temporary differences and carry forward attributes exceeds management s estimates of taxes payable on future taxable income. Deferred tax liabilities are provided on the total amount of net temporary differences taxable in the future. The Company applies a more likely than not recognition threshold for all tax uncertainties.

The Company s principal temporary differences between pretax financial income and taxable income result primarily from timing differences for certain components of compensation and post-retirement expense, book and tax bad debt deductions, and amortization of intangible assets. Additional temporary differences result from depreciation expense computed utilizing accelerated methods for tax purposes, and for limitations on annual deductions related to charitable contributions to the UCB Charitable Foundation.

The determination of current and deferred income taxes is an accounting estimate which is based on the analyses of many factors including interpretation of federal and state income tax laws, the evaluation of uncertain tax positions, differences between the tax and financial reporting basis of assets and liabilities (temporary differences), estimates of amounts due or owed such as the timing of reversal of temporary differences and current financial accounting standards. Actual results could differ from the estimates and tax law interpretations used in determining the current and deferred income tax liabilities.

EMPLOYEE STOCK OWNERSHIP PLAN The Company accounts for the United Community Bank Employee Stock Ownership Plan (ESOP) in accordance with ASC 718-40, Compensation Stock Compensation Employee Stock Ownership Plans. ESOP shares pledged as collateral are reported as unearned ESOP shares in stockholders equity. As shares are committed to be released from collateral, the Bank will record compensation expense equal to the current market price of the shares. To the extent that the fair value of the ESOP shares differs from the cost of such charges, the difference is recorded to stockholders equity as additional paid-in capital. Additionally, the shares become outstanding for basic net income per share computations.

STOCK-BASED COMPENSATION The Company applies the provisions of ASC 718, Compensation Stock Compensation, which requires the Company to measure the cost of employee services received in exchange for awards of equity instruments and to recognize this cost in the financial statements over the period during which the employee is required to provide such services. The Company has elected to recognize compensation cost associated with its outstanding stock-based compensation awards with graded vesting on an accelerated basis pursuant to ASC 718. The expense is calculated for stock options at the date of grant using the Black-Scholes option pricing model. The expense associated with restricted stock awards is calculated based upon the value of the common stock on the date of grant.

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EARNINGS PER SHARE In June 2008, the Financial Accounting Standards Board (FASB) issued ASC 260-10-65-2, Transition Related to FSP EITF 03-6-1, Determining Whether Instruments Granted in Share-Based Payment Transactions are Participating Securities. This guidance concludes that non-vested shares with non-forfeitable dividend rights are considered participating securities and, thus, subject to the two-class method pursuant to ASC 260, Earnings per Share, when computing basic and diluted EPS. This guidance became effective for the Company on July 1, 2009 and has been applied retrospectively as required. The Company s restricted share awards contain non-forfeitable dividend rights but do not contractually obligate the holders to share in the losses of the Company. Accordingly, during periods of net income, unvested restricted shares are included in the determination of both basic and diluted EPS. During periods of net loss, these shares are excluded from both basic and diluted EPS.

Basic earnings per share (EPS) is based on the weighted average number of common shares and unvested restricted shares outstanding, adjusted for ESOP shares not yet committed to be released. Diluted EPS reflects the potential dilution that could occur if securities or other contracts to issue common stock, such as outstanding stock options, were exercised or converted into common stock or resulted in the issuance of common stock. Diluted EPS is calculated by adjusting the weighted average number of shares of common stock outstanding to include the effects of contracts or securities exercisable or which could be converted into common stock, if dilutive, using the treasury stock method.

For the six months ending December 31, 2010 (unaudited) and each of the years ended June 30, 2010 and 2009, outstanding options to purchase 346,304 shares were excluded from the computations of diluted earnings per share as their effect would have been anti-dilutive. The following is a reconciliation of the basic and diluted weighted average number of common shares outstanding:

	(Unaudited) December 31,		June 30,	
	2010	2009	2010	2009
Basic weighted average outstanding shares	7,631,858	7,610,139	7,616,623	7,589,898
Effect of dilutive stock options				
Diluted weighted average outstanding shares	7,631,858	7,610,139	7,616,623	7,589,898

COMPREHENSIVE INCOME (LOSS) The Company presents in the consolidated statement of comprehensive income (loss) those amounts from transactions and other events which currently are excluded from the consolidated statement of operations and are recorded directly to stockholders equity.

GOODWILL In June 2010, the Company acquired three branches from Integra Bank National Association (Integra), which was accounted for under the purchase method of accounting. Under the purchase method, the Company is required to allocate the cost of an acquired company to the assets acquired, including identified intangible assets, and liabilities assumed based on their estimated fair values at the date of acquisition. The excess cost over the value of net assets acquired represents goodwill, which is not subject to amortization.

Goodwill arising from business combinations represents the value attributable to unidentifiable intangible elements in the business acquired. Goodwill recorded by the Company in connection with its acquisition relates to the inherent value in the business acquired and this value is dependent upon the Company s ability to provide quality, cost-effective services in a competitive market place. As such, goodwill value is supported ultimately by revenue that is driven by the volume of business transacted. A decline in earnings as a result of a lack of growth or the inability to deliver cost-effective services over sustained periods can lead to impairment of goodwill that could adversely impact earnings in future periods.

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Goodwill is not amortized but is tested for impairment when indicators of impairment exist, or at least annually. Potential goodwill impairment exists when the fair value of the reporting unit (as defined by US GAAP) is less than its carrying value. An impairment loss is recognized in earnings only when the carrying amount of goodwill is less than its implied fair value.

FAIR VALUE OF FINANCIAL INSTRUMENTS ASC 820, Fair Value Measurements and Disclosures, requires disclosure of the fair value of financial instruments, both assets and liabilities, whether or not recognized in the consolidated balance sheet, for which it is practicable to estimate the value. For financial instruments where quoted market prices are not available, fair values are estimated using present value or other valuation methods.

The following methods and assumptions are used in estimating the fair values of financial instruments:

Cash and cash equivalents

The carrying values presented in the consolidated statements of position approximate fair value.

Investments and mortgage-backed securities

For investment securities (debt instruments) and mortgage-backed securities, fair values are based on quoted market prices, where available. If a quoted market price is not available, fair value is estimated using quoted market prices of comparable instruments.

Loans receivable

The fair value of the loan portfolio is estimated by evaluating homogeneous categories of loans with similar financial characteristics. Loans are segregated by types, such as residential mortgage, commercial real estate, and consumer. Each loan category is further segmented into fixed and adjustable rate interest, terms, and by performing and non-performing categories. The fair value of performing loans, except residential mortgage loans, is calculated by discounting contractual cash flows using estimated market discount rates which reflect the credit and interest rate risk inherent in the loan. For performing residential mortgage loans, fair value is estimated by discounting contractual cash flows adjusted for prepayment estimates using discount rates based on secondary market sources. The fair value for significant non-performing loans is based on recent internal or external appraisals. Assumptions regarding credit risk, cash flow, and discount rates are judgmentally determined by using available market information.

Federal Home Loan Bank stock

The Bank is a member of the Federal Home Loan Bank system and is required to maintain an investment based upon a pre-determined formula. The carrying values presented in the consolidated statements of position approximate fair value.

Deposits

The fair values of passbook accounts, NOW accounts, and money market savings and demand deposits approximate their carrying values. The fair values of fixed maturity certificates of deposit are estimated using a discounted cash flow calculation that applies interest rates currently offered for deposits of similar maturities.

Advance from Federal Home Loan Bank

The fair value is calculated using rates available to the Company on advances with similar terms and remaining maturities.

Off-balance sheet items

Carrying value is a reasonable estimate of fair value. These instruments are generally variable rate or short-term in nature, with minimal fees charged.

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ADVERTISING - The Bank expenses advertising costs as incurred. Advertising costs consist primarily of television, radio, newspaper and billboard advertising.

SUBSEQUENT EVENTS - The Company evaluates events and transactions occurring subsequent to the date of the financial statements for matters requiring recognition or disclosure in the financial statements.

EFFECT OF RECENT ACCOUNTING PRONOUNCEMENTS

In January 2011, the FASB issued ASU 2011-1, Receivables (Topic 310): Deferral of the Effective Date of Disclosures about Troubled Debt Restructurings in Update No. 2010-20 , which delays the effective date of the disclosures about troubled debt restructurings in ASU 2010-20 in order to allow the FASB time to complete its deliberations on what constitutes a troubled debt restructuring. The effective date of the new disclosures about troubled debt restructurings and the guidance for determining what constitutes a troubled debt restructuring will then be coordinated. Currently, that guidance is anticipated to be effective for interim and annual periods ending after June 15, 2011. Management is currently evaluating the impact, if any, that the adoption of the remaining amendments will have on its consolidated financial statements.

In December 2010, the FASB issued ASU 2010-29, Disclosure of Supplementary Pro Forma Information for Business Combinations. The amendments in this update specify that if a public entity presents comparative financial statements, the entity should disclose revenue and earnings of the combined entity as though the business combination(s) that occurred during the current year had occurred as of the beginning of the comparable prior annual reporting period only. The amendments also expand the supplemental pro forma disclosures under Topic 805 to include a description of the nature and amount of material, nonrecurring pro forma adjustments directly attributable to the business combination included in the reported pro forma revenue and earnings. The amendments in this Update are effective prospectively for business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after December 15, 2010. Early adoption is permitted. This ASU is not expected to have a significant impact on the Company s financial statements.

In December 2010, the FASB issued ASU 2010-28, When to Perform Step 2 of the Goodwill Impairment Test for Reporting Units with Zero or Negative Carrying Amounts. This ASU modifies Step 1 of the goodwill impairment test for reporting units with zero or negative carrying amounts. For those reporting units, an entity is required to perform Step 2 of the goodwill impairment test if it is more likely than not that a goodwill impairment exists. In determining whether it is more likely than not that a goodwill impairment exists, an entity should consider whether there are any adverse qualitative factors indicating an impairment may exist. The qualitative factors are consistent with the existing guidance, which requires that goodwill of a reporting unit be tested for impairment between annual tests if an event occurs or circumstances change that would more likely than not reduce the fair value of a reporting unit below its carrying amount. For public entities, the amendments in this Update are effective for fiscal year, and interim periods within those years, beginning after December 15, 2010. Early adoption is not permitted. This ASU is not expected to have a significant impact on the Company s financial statements.

In July 2010, the FASB issued Accounting Standards Update (ASU) 2010-20, Disclosures About the Credit Quality of Financing Receivables and the Allowance for Credit Losses. The purpose of this Update is to improve transparency by companies that hold financing receivables, including loans, leases and other long-term receivables. The Update requires such companies to disclose more information about the credit quality of their financing receivables and the credit reserves against them. This guidance became effective during the three month period ended December 31, 2010 (unaudited), with the exception of certain disclosures which include information for activity that occurs during a reporting period (activity in the allowance for credit losses and modifications of financing receivables) which will be effective for the first interim or annual period beginning after December 15, 2010.

In April 2010, the FASB issued ASU No. 2010-18, Receivables (Topic 310): Effect of Loan Modification when the Loan is Part of a Pool that is accounted for as a Single Asset (a consensus of the FASB Emerging Issues Task Force). The amendments in this update affect any entity that acquires loans subject to ASC Subtopic 310-30, that accounts for some or all of those loans within pools, and that subsequently modifies one or more of those loans after acquisition. ASU No. 2010-18 became effective for modifications of loans accounted for within pools under Subtopic 310-30 occurring in the interim period ending September 30, 2010, and the amendments are to be applied prospectively. The adoption of this guidance did not have a material impact on the Company s financial statements.

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In January 2010, the FASB issued ASU No. 2010-06, Improving Disclosure about Fair Value Measurements, under Topic 820, Fair value Measurements and Disclosures, to improve and provide new disclosures for recurring and nonrecurring fair value measurements under the three-level hierarchy of inputs for transfers in and out of Levels 1 and 2, and activity in Level 3. This update also clarifies existing disclosures of the level of disaggregation for the classes of assets and liabilities and the disclosure about inputs and valuation techniques. ASU No. 2010-06 became effective during the year ended June 30, 2010, except for the disclosures about purchases, sales, issuances, and settlements in the roll forward of activity in Level 3 fair value measurements, which becomes effective for the interim period ending September 30, 2011. The adoption of this guidance did not have a material impact on the Company s financial statements.

NOTE 2 ACQUISITION

On June 4, 2010 the Bank completed the purchase of three banking offices of Integra Bank Corporation s wholly-owned bank subsidiary, Integra Bank N.A., located in Milan, Versailles, and Osgood, Indiana and a portfolio of selected loans originated by other offices of Integra Bank. This acquisition was consistent with the Bank s strategy to strengthen and expand its Southeast Indiana market share. This transaction added $53.3 million in deposits and $45.9 million in loans. The deposits were purchased at a premium of 4.50%. As a result of the acquisition, the Company recorded a core deposit intangible asset of $1,400,000 and goodwill of $2,522,000. The results of operations for this acquisition have been included since the transaction date of June 4, 1010. Expenses associated with this transaction were $439,000 for the year ended June 30, 2010.

NOTE 3 SUBSEQUENT EVENTS PLAN OF CONVERSION AND REORGANIZATION

The Boards of Directors of United Community Bancorp, MHC (MHC) and the Company adopted a Plan of Conversion and Reorganization (the Plan) on March 10, 2011. Pursuant to the Plan, the MHC will convert from the mutual holding company form of organization to the fully public form. The MHC will be merged into the Company, and the MHC will no longer exist. The Company will merge into a new Indiana corporation named United Community Bancorp. As part of the conversion, the MHC s ownership interest of the Company will be offered for sale in a public offering. The existing publicly held shares of the Company, which represents the remaining ownership interest in the Company, will be exchanged for new shares of common stock of United Community Bancorp, the new Indiana corporation. The exchange ratio will ensure that immediately after the conversion and public offering, the public shareholders of the Company will own the same aggregate percentage of United Community Bancorp common stock that they owned immediately prior to that time (excluding shares purchased in the stock offering and cash received in lieu of fractional shares). When the conversion and public offering are completed, all of the capital stock of United Community Bank will be owned by United Community Bancorp, the Indiana corporation.

The Plan provides for the establishment, upon the completion of the conversion, of special liquidation accounts for the benefit of certain depositors of United Community Bank in an amount equal to the greater of the MHC s ownership interest in the retained earnings of the Company as of the date of the latest balance sheet contained in the prospectus or the retained earnings of United Community Bank at the time it reorganized into the MHC. Following the completion of the conversion, under the rules of the Office of Thrift Supervision, United Community Bank will not be permitted to pay dividends on its capital stock to United Community Bancorp, its sole shareholder, if United Community Bank s shareholder s equity would be reduced below the amount of the liquidation accounts. The liquidation accounts will be reduced annually to the extent that eligible account holders have reduced their qualifying deposits. Subsequent increases will not restore an eligible account holder s interest in the liquidation accounts.

Direct costs of the conversion and public offering will be deferred and reduce the proceeds from the shares sold in the public offering. If the conversion and public offering are not completed, all costs will be charged to expense in the period in which the public offering is terminated. No costs have been incurred related to the conversion as of December 31, 2010 (unaudited).

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NOTE 4 INVESTMENT AND MORTGAGE-BACKED SECURITIES

Investment securities available for sale at December 31, 2010 (unaudited) consist of the following:

	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Market Value
		(In thousands)		
Mortgage-backed securities	$ 74,257	$ 631	$ 228	$ 74,660
U. S. Government corporations and agencies	50,454	172	18	50,608
Municipal bonds	15,736	16	450	15,302
Other equity securities	211		87	124
Total	$ 140,658	$ 819	$ 783	$ 140,694

Investment securities held to maturity at December 31, 2010 (unaudited) consist of the following:

	Amortized Cost	Gross Unrealized Holding Gains	Gross Unrealized Holding Losses	Estimated Market Value
		(In thousands)		
Municipal bonds	$ 611	$	$	$ 611

Investment securities available for sale at June 30, 2010 consist of the following:

	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Market Value
		(In thousands)		
Mortgage-backed securities	$ 56,669	$ 636	$ 67	$ 57,238
U. S. Government corporations and agencies	49,157	212		49,369
Municipal bonds	12,538	137	84	12,591
Other equity securities	211		82	129
Total	$ 118,575	$ 985	$ 233	$ 119,327

Investment securities held to maturity at June 30, 2010 consist of the following:

	Amortized Cost	Gross Unrealized Holding Gains	Gross Unrealized Holding Losses	Estimated Market Value
		(In thousands)		
Municipal bonds	$ 631	$	$	$ 631

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Investment securities available for sale at June 30, 2009 consist of the following:

	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Market Value
		(In thousands)		
Mortgage-backed securities	$ 29,144	$ 619	$ 50	$ 29,713
U. S. League Intermediate Term Portfolio	60		13	47
U. S. Government corporations and agencies	39,515	218	92	39,641
Municipal bonds	7,091		139	6,952
Other equity securities	211		82	129
Total	$ 76,021	$ 837	$ 376	$ 76,482

Investment securities held to maturity at June 30, 2009 consist of the following:

	Amortized Cost	Gross Unrealized Holding Gains	Gross Unrealized Holding Losses	Estimated Market Value
		(In thousands)		
Municipal bonds	$ 175	$	$	$ 175

Gross proceeds on the sale of investment and mortgage-backed securities were $4,044,000 and $8,848,000 for the six months ended December 31, 2010 and 2009 (unaudited), respectively. Gross proceeds on the sale of investment and mortgage-backed securities were $20,557,000 and $1,550,000 million for the years ended June 30, 2010 and 2009, respectively. Realized gains for the six months ended December 31, 2010 and 2009 (unaudited) were $44,000 and $129,000, respectively. Realized gains for the years ended June 30, 2010 and 2009 were $437,000 and $93,000, respectively. Gross realized losses for the six months ended December 31, 2010 and 2009 (unaudited) were $0 and $90,000, respectively. Gross realized losses for the years ended June 30, 2010 and 2009 were $126,000 and $276,000, respectively.

The mortgage-backed securities, U.S. Government agency bonds and municipal bonds available for sale have the following maturities at December 31, 2010 (unaudited):

	Amortized cost	Estimated market value
	(In thousands)	
Due or callable in one year or less	$ 38,150	$ 38,282
Due or callable in 1 - 5 years	86,560	86,986
Due or callable in 5 - 10 years	1,039	1,025
Due or callable in greater than 10 years	14,698	14,277
Total debt securities	$ 140,447	$ 140,570

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The callable bonds and municipal bonds available for sale have the following maturities at June 30, 2010:

	Amortized cost	Estimated market value
	(Dollars in thousands)	
Due or callable in one year or less	$ 30,964	$ 31,093
Due or callable in 1 - 5 years	18,193	18,276
Due or callable in 5 - 10 years	269	279
Due or callable in greater than 10 years	12,269	12,312
Total debt securities	$ 61,695	$ 61,960

All other securities available for sale at December 31, 2010 (unaudited) are saleable within one year. The Bank held $611,000 and $631,000 in investment securities that are being held to maturity at December 31, 2010 (unaudited) and June 30, 2010, respectively. The investment securities held to maturity have annual returns of principal and will be fully matured between 2014 and 2019.

The expected returns of principal of investments held to maturity are as follows as of December 31, 2010 (unaudited, in thousands):

January 1, 2011 through June 30, 2011	$ 45
2012	68
2013	71
2014	74
2015	77
2016 and thereafter	276
	$ 611

The expected returns of principal of investments held to maturity are as follows as of June 30, 2010 (in thousands):

2011	$ 65
2012	68
2013	71
2014	74
2015	77
2016 and thereafter	276
	$ 631

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The table below indicates the length of time individual investment securities and mortgage-backed securities have been in a continuous loss position at December 31, 2010 (unaudited):

	Less than 12 months		12 months or longer		Total	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
			(In thousands)			
Mortgage-backed securities	$ 35,687	$ 228	$	$	$ 35,687	$ 228
U.S. Government corporations and agencies	3,680	18			3,680	18
Municipal bonds	12,833	450			12,833	450
Other equity securities			124	87	124	87
	$ 52,200	$ 696	$ 124	$ 87	$ 52,324	$ 783
Number of investments	44		1		45	

The table below indicates the length of time individual investment securities and mortgage-backed securities have been in a continuous loss position at June 30, 2010 and 2009:

	Less than 12 Months		12 Months or Longer		Total	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
			(Dollars in thousands)			
June 30, 2010						
Municipal bonds	$ 6,703	$ 84	$	$	$ 6,703	$ 84
Mortgage-backed securities	8,888	67			8,888	67
Other equity securities			129	82	129	82
	$ 15,591	$ 151	$ 129	$ 82	$ 15,720	$ 233
Number of investments	19		1		20	
June 30, 2009						
U.S. League Intermediate - Term Portfolio & Callable Government agencies	$ 9,624	$ 92	$ 60	$ 13	$ 9,684	$ 105
Municipal bonds	2,533	63	2,568	76	5,101	139
Mortgage-backed securities			1,427	50	1,427	50
Other equity securities			129	82	129	82
	$ 12,157	$ 155	$ 4,184	$ 221	$ 16,341	$ 376
Number of investments	12		18		30	

Securities available for sale are reviewed for possible other-than-temporary impairment on a quarterly basis. During this review, Management considers the severity and duration of the unrealized losses as well as its intent and ability to hold the securities until recovery, taking into account balance sheet management strategies and its market view and outlook. Management also assesses the nature of the unrealized losses taking into consideration factors such as changes in risk-free interest rates, general credit spread widening, market supply and demand, creditworthiness of the issuer or any credit enhancement providers, and the quality of the underlying collateral. Management does not intend to sell these securities in the foreseeable future, and does not believe that it is more likely than not that the Bank will be required to sell a security in an unrealized loss position prior to a recovery in its value. The decline in market value is due to changes in market interest rates. The fair values are expected to recover as the securities approach maturity dates.

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The detail of interest and dividends on investment securities is as follows:

	(Unaudited) For the six months ended December 31, 2010	(Unaudited) For the six months ended December 31, 2009	For the year ended June 30, 2010	For the year ended June 30, 2009
	(In thousands)			
Taxable interest income	$ 1,083	$ 1,202	$ 2,212	$ 1,924
Nontaxable interest income	293	168	382	196
Dividends	6	4	8	8
Total	$ 1,382	$ 1,374	$ 2,602	$ 2,128

Mortgage-backed securities available for sale at December 31, 2010 (unaudited) consist of the following:

	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Market Value
	(In thousands)			
FNMA	$ 56,202	$ 357	$ 160	$ 56,399
FHLMC	13,769	274	68	13,975
GNMA	4,286			4,286
Total	$ 74,257	$ 631	$ 228	$ 74,660

Mortgage-backed securities available for sale at June 30, 2010 consist of the following:

	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Market Value
	(In thousands)			
FNMA	$ 40,237	$ 345	$ 11	$ 40,571
FHLMC	16,432	291	56	16,667
Total	$ 56,669	$ 636	$ 67	$ 57,238

Mortgage-backed securities available for sale at June 30, 2009 consist of the following:

	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Market Value
	(In thousands)			
FNMA	$ 13,154	$ 254	$ 25	$ 13,383
FHLMC	15,705	353	25	16,033
GNMA	285	12		297
Total	$ 29,144	$ 619	$ 50	$ 29,713

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NOTE 5 LOANS RECEIVABLE

Loans receivable consist of the following:

	(Unaudited) At December 31, 2010	At June 30, 2010	At June 30, 2009
	(In thousands)		
Residential real estate:			
One-to-four family	$ 137,251	$ 137,473	$ 124,391
Multi-family	47,907	46,777	47,060
Construction	1,549	1,566	1,609
Nonresidential real estate	71,127	77,568	66,970
Agricultural	1,973	1,831	
Land	4,580	5,401	5,059
Commercial	3,614	5,513	4,439
Consumer	36,558	39,125	27,774
	304,559	315,254	277,302
Less:			
Allowance for losses	6,684	5,681	4,213
Undisbursed portion of loans in process	171	494	1,231
Deferred loan costs, net	(536)	(496)	(412)
	$ 298,240	$ 309,575	$ 272,270

As of December 31, 2010 (unaudited), June 30, 2010 and 2009, the Bank was servicing loans for the benefit of others in the amount of $59,664,000, $52,341,000 and $45,108,000, respectively. The Bank recognized $442,000 and $196,000 pre-tax gains on sale of loans during the six months ended December 31, 2010 and 2009 (unaudited), respectively. The Bank recognized $278,000 and $526,000, of pre-tax gains on sale of loans during the years ended June 30, 2010 and 2009, respectively. The carrying value of mortgage servicing rights approximated $572,000 at December 31, 2010 (unaudited). The carrying value of mortgage servicing rights approximated $471,000 and $405,000 as of June 30, 2010 and 2009, respectively. No impairment has been recognized on the mortgage service assets and correspondingly, no valuation allowance has been recognized as of December 31, 2010 (unaudited), and June 30, 2010 and 2009.

The Bank sells loans in the secondary market. Proceeds from the sales of mortgage loans totaled $13,835,000 and $17,376,000 for the six months ended December 31, 2010 and 2009 (unaudited), respectively. Proceeds from the sales of mortgage loans totaled $25,409,000 and $28,901,000 during the years ended June 30, 2010 and 2009, respectively. The Bank had $1,847,000, $364,000 and $2,193,000 available in 1-4 family fixed rate loans designated as held for sale at December 31, 2010 (unaudited), June 30, 2010 and 2009, respectively. It is generally management s intention to hold all other loans originated to maturity or earlier repayment.

Changes in the allowance for losses on loans are as follows:

	(Unaudited) For the six months ended December 31, 2010	2009	For the year ended June 30, 2010	2009
	(In thousands)			
Balance at beginning of period	$ 5,681	$ 4,213	$ 4,213	$ 4,619
Provisions charged to income	1,456	946	2,509	2,447
Charge-offs	(482)	(913)	(1,087)	(2,871)
Recoveries	29	14	46	18

Balance at end of period	$ 6,684	$ 4,260	$ 5,681	$ 4,213

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The following table provides information with respect to nonaccrual loans.

	At December 31, 2010 (Unaudited)	At June 30, 2010	At June 30, 2009
		(In thousands)	
Nonaccrual loans:			
One- to four-family residential real estate	$ 2,602	$ 1,533	$ 1,943
Multi-family residential real estate	2,137	2,137	1,065
Nonresidential real estate	1,123	1,455	386
Consumer	140	155	84
Restructured nonaccrual loans:			
One- to four-family residential real estate	1,021	903	
Multifamily residential real estate	11,477	3,108	1,427
Nonresidential real estate	4,953	1,283	1,069
Total nonperforming loans	$ 23,453	$ 10,574	$ 5,974

As part of management s loss mitigation process, loans may be renegotiated in a troubled debt restructuring (TDR) when management determines that greater economic value will ultimately be recovered under the new terms than through foreclosure, liquidation, or bankruptcy. Management may consider the borrower s payment status and history, the borrower s ability to pay upon a rate reset on an adjustable rate mortgage, size of the payment increase upon a rate reset, period of time remaining prior to the rate reset, and other relevant factors in determining whether a borrower is experiencing financial difficulty. However, TDRs are also considered to be impaired, except for those that have been performing under the new terms for at least six consecutive months. TDRs are accounted for as set forth in ASC 310 Receivables. A TDR may be on non-accrual or it may accrue interest. A TDR is typically on non-accrual until the borrower successfully performs under the new terms for six consecutive months. However, a TDR may be placed on accrual immediately following the TDR in those instances where a borrower s payments are current prior to the modification and management determines that principal and interest under the new terms are fully collectible.

Existing performing loan customers who request loan a (non-TDR) modification and who meet the Bank s underwriting standards may, usually for a fee, modify their original loan terms to terms currently offered. The modified terms of these loans are similar to the terms offered to new customers. The fee assessed for modifying the loan is deferred and amortized over the life of the modified loan using the level-yield method and is reflected as an adjustment to interest income. Each modification is examined on a loan-by-loan basis and if the modification of terms represents more than a minor change to the loan, then the unamortized balance of the pre-modification deferred fees or costs associated with the mortgage loan are recognized in interest income at the time of the modification. If the modification of terms does not represent more than a minor change to the loan, then the unamortized balance of the pre-modification deferred fees or costs continue to be deferred.

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The following table provides information with respect to loans that are classified as troubled debt restructurings. Troubled debt restructurings are considered to be nonperforming loans, except for those that have been performing under the new terms for a period of at least six consecutive months. For additional information regarding troubled debt restructurings on nonaccrual status, see the table of nonperforming assets on the proceeding page.

	At December 31, 2010 (Unaudited) (In thousands)				
	Loan Status				
	Accrual	Nonaccrual	Total unpaid principal balance	Related allowance	Recorded investment
One- to four-family residential real estate	$ 486	$ 1,021	$ 1,507	$ 237	$ 1,270
Multifamily residential real estate		11,477	11,477	1,118	10,359
Nonresidential real estate	2,999	4,953	7,952	690	7,262
Total	$ 3,485	$ 17,451	$ 20,936	$ 2,045	$ 18,891
Number of loans	5	19			

	At June 30, 2010 (In thousands)				
	Loan Status				
	Accrual	Nonaccrual	Total unpaid principal balance	Related allowance	Recorded investment
One- to four-family residential real estate	$ 422	$ 903	$ 1,325	$ 159	$ 1,166
Multifamily residential real estate	1,981	3,108	5,089	1,012	4,077
Nonresidential real estate	2,600	1,283	3,883	676	3,207
	$ 5,003	$ 5,294	$ 10,297	$ 1,847	$ 8,450
Number of loans	5	12			

	At June 30, 2009 (In thousands)				
	Loan Status				
	Accrual	Nonaccrual	Total unpaid principal balance	Related allowance	Recorded investment
One- to four-family residential real estate	$ 350	$	$ 350	$ 24	$ 326
Multifamily residential real estate	1,296	1,427	2,723	230	2,493
Nonresidential real estate	1,000	1,069	2,069	334	1,735
	$ 2,646	$ 2,496	$ 5,142	$ 588	$ 4,554
Number of loans	3	2			

Loans that were included in troubled debt restructuring at June 30, 2010 were given concessions of interest rates between 1% and 5% or structured as interest only payment loans for periods of one to three years. Many of these loans also had balloon payments due at the end of their lowered rate period, requiring the borrower to refinance into market rates at that time. At December 31, 2010 (unaudited), there were 14 loans requiring payments of principal and interest, eight loans requiring interest only payments, and two loans had no payments due until 2011. At June 30, 2010, seven loans required principal and interest payments, eight loans required interest only payments, and two loans had no payments due until 2011. At June 30, 2009, three required interest only payments, and two loans had no payments due until 2011. The overall increases in troubled debt restructurings from June 30, 2010 to December 31, 2010 (unaudited), and from June 30, 2009 to June 30, 2010, related to continued weakness in the local economy.

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Interest income that would have been recorded for the six months ended December 31, 2010 and 2009 (unaudited), and the years ended June 30, 2010 and 2009 had nonaccruing loans been current according to their original terms was, $602,000, $139,000, $590,000, and $361,000. No interest related to nonaccrual loans was included in interest income for the six months ended December 31, 2010 and 2009 (unaudited), and the years ended June 30, 2010 and 2009.

The following table illustrates certain disclosures required by ASC 310-10-50-11B(c), (g) and (h).

Allowance for Credit Losses and Recorded Investment in Loans Receivable

For the six months ended December 31, 2010 (unaudited)

	Mortgage	Consumer	One- to four-family nonowner occupied	Multi-family nonowner occupied	Non-residential real estate (In thousands)	Const.	Land	Commercial and Agricultural	Total
Allowance for Credit Losses:									
Beginning Balance:	$ 439	$ 908	$ (20)	$ 2,863	$ 1,256	$ 4	$ 10	$ 221	$ 5,681
Charge offs	(133)	(105)			(206)			(38)	$ (482)
Recoveries	17	11			1				$ 29
Provision	547	184	73	259	345	9	22	17	$ 1,456
Ending Balance:	$ 870	$ 998	$ 53	$ 3,122	$ 1,396	$ 13	$ 32	$ 200	$ 6,684
Balance, Individually Evaluated	$ 217	$ 706	$	$ 2,658	$	$	$	$	$ 3,581
Balance, Collectively Evaluated	$ 653	$ 199	$ 53	$ 464	$ 1,396	$ 13	$ 32	$ 200	$ 3,010
Balance, Loans acquired with deteriorated credit quality	$	$ 93	$	$	$	$	$	$	$ 93
Financing receivables:									
Ending Balance	$ 122,987	$ 36,558	$ 14,264	$ 47,907	$ 71,127	$ 1,549	$ 4,580	$ 5,587	$ 304,559
Ending Balance: individually evaluated for impairment	$ 1,348	$ 776	$ 980	$ 13,614	$ 9,033	$	$	$	$ 25,751
Ending Balance: collectively evaluated for impairment	$ 100,096	$ 33,502	$ 12,371	$ 34,018	$ 54,190	$ 1,549	$ 3,901	$ 3,303	$ 242,930
Ending Balance: loans acquired with deteriorated credit quality	$ 14,594	$ 9,373	$ 913	$ 583	$ 8,583	$	$	$ 3,426	$ 37,472

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The following table illustrates certain disclosures required by ASC 310-10-50-29(b).

At December 31, 2010 (unaudited):

Credit Risk Profile by Internally Assigned Grade

	Mortgage	Consumer	One- to four-family nonowner occupied	Multi-family nonowner occupied	Non-residential real estate (In thousands)	Construction	Land	Commercial and Agricultural	Total
Grade:									
Pass	$ 118,482	$ 35,028	$ 11,976	$ 33,609	$ 55,430	$ 1,549	$ 1,852	$ 5,312	$ 263,238
Special mention	853	89	979	2,973	7,291			241	12,426
Substandard	3,435	819	1,100	9,975	8,129		2,698	34	26,190
Doubtful									
Loss	217	622	209	1,350	277		30		2,705
Total:	$ 122,987	$ 36,558	$ 14,264	$ 47,907	$ 71,127	$ 1,549	$ 4,580	$ 5,587	$ 304,559

The following table illustrates certain disclosures required by ASC 310-10-50-7A for gross loans.

At December 31, 2010 (unaudited):

Age Analysis of Past Due Loans Receivable

	30-59 days past due	60-89 days past due	Greater than 90 days (In thousands)	Total past due	Total current	Total loans receivable
Mortgage	$ 2,370	$ 1,276	$ 1,628	$ 5,274	$ 117,713	$ 122,987
Consumer	260	43	724	1,027	35,531	36,558
One- to four-family nonowner occupied	328		302	630	13,634	14,264
Multi-family nonowner occupied	1,983	681	12,233	14,897	33,010	47,907
Non-residential real estate	2,808	546	5,207	8,561	62,566	71,127
Construction					1,549	1,549
Land					4,580	4,580
Commercial and agricultural	22			22	5,565	5,587
Total	$ 7,771	$ 2,546	$ 20,094	$ 30,411	$ 274,148	$ 304,559

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The following table illustrates certain disclosures required by ASC 310-10-50-15.

Impaired Loans

For the six months ended December 31, 2010 (unaudited)

	Recorded investment (In thousands)	Unpaid principal balance	Allowance	Interest income recognized
With an allowance recorded:				
Mortgage	$ 1,132	$ 1,349	$ (217)	$ 10
Consumer	230	936	(706)	
One- to four-family nonowner occupied	771	980	(209)	9
Multi-family nonowner occupied	10,777	12,157	(1,380)	135
Non-residential real estate	7,964	9,033	(1,069)	173
Construction				
Land				
Commercial and agricultural				
Total	$ 20,874	$ 24,455	$ (3,581)	$ 327

The bank had no impaired loans recorded without a valuation allowance at December 31, 2010 (unaudited).

ASC 310-30, Loans and Debt Securities Acquired with Deteriorated Credit Quality, requires acquired loans to be recorded at fair value and prohibits carrying over valuation allowances when initially accounting for acquired impaired loans. Loans carried at fair value, mortgage loans held for sale, and loans to borrowers in good standing under revolving credit agreements are excluded from the scope of this pronouncement. It limits the yield that may be accreted to the excess of the undiscounted expected cash flows over the investor s initial investment in the loan. The excess of the contractual cash flows over expected cash flows may not be recognized as an adjustment of yield. Subsequent increases in cash flows expected to be collected are recognized prospectively through an adjustment of the loan s yield over its remaining life. Decreases in expected cash flows are recognized as impairments.

The Company acquired loans pursuant to the acquisition of Integra branches in June 2010. The Company reviewed the loan portfolio at acquisition to determine whether there was evidence of deterioration of credit quality since origination and if it was probable that it will be unable to collect all amounts due according to the loan s contractual terms. When both conditions existed, the Company accounted for each loan individually, considered expected prepayments, and estimated the amount and timing of discounted expected principal, interest, and other cash flows (expected at acquisition) for each loan. The Company determined the excess of the loan s scheduled contractual principal and contractual interest payments over all cash flows expected at acquisition as an amount that should not be accreted into interest income (nonaccretable difference). The remaining amount, representing the excess of the loan s cash flows expected to be collected over the amount paid, is accreted into interest income over the remaining life of the loan (accretable yield).

Over the life of the loan, the Company continues to estimate cash flows expected to be collected. The Company evaluates at the balance sheet date whether the present value of its loans determined using the effective interest rates has decreased, and if so, the Company establishes a valuation allowance for the loan. Valuation allowances for acquired loans reflect only those losses incurred after acquisition; that is, the present value of cash flows expected at acquisition that are not expected to be collected. Valuation allowances are established only subsequent to our acquisition of the loans. For loans that are not accounted for as debt securities, the present value of any subsequent increase in the loan s or pool s actual cash flows or cash flows expected to be collected is used first to reverse any existing valuation allowance for that loan. For any remaining increases in cash flows expected to be collected, the Company adjusts the amount of accretable yield recognized on a prospective basis over the loan s remaining life. The Company does not have any such loans that were accounted for as debt securities.

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Loans that were acquired in the Integra branch acquisition for which there was evidence of deterioration of credit quality since origination and for which it was probable that all contractually required payments would not be made as scheduled had an outstanding balance of $45.7 million and a carrying amount of $43.7 million at June 30, 2010. The carrying amount of these loans is included in the balance sheet amount of loans receivable at June 30, 2010. No loans have experienced further deterioration since the acquisition date.

The following table depicts the accretable yield (in thousands) at the beginning and end of the period.

Balance, June 30, 2009	$
Accretion	
Disposals	
Additions	1,400
Balance, June 30, 2010	$ 1,400
Accretion	(217)
Balance, December 31, 2010 (unaudited)	$ 1,183

NOTE 6 OTHER REAL ESTATE OWNED

Other real estate owned consists of the following at:

	(Unaudited) December 31, 2010	June 30 2010	2009
	(Dollars in thousands)		
One to four family	$ 24	$ 169	$
Multifamily			
Land	340	340	340
Commercial real estate			2,304
Allowance for losses on real estate owned	(212)	(212)	(704)
	$ 152	$ 297	$ 1,940

Activity in the allowance for losses on real estate owned is as follows:

	(Unaudited) For the six months ended December 31, 2010	2009	For the year ended June 30, 2010	2009
	(In thousands)			
Balance, beginning of period	$ 212	$ 704	$ 704	$ 111
Provision for losses on real estate owned		300	510	770
Charged off upon sale of property		(564)	(1,002)	(177)
Balance, end of period	$ 212	$ 440	$ 212	$ 704

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NOTE 7 PROPERTY AND EQUIPMENT

Property and equipment is summarized as follows:

	(Unaudited) December 31, 2010	June 30, 2010	June 30, 2009
	(Dollars in thousands)		
Land and land improvements	$ 2,977	$ 2,977	$ 1,830
Building and building improvements	4,837	4,898	4,538
Furniture and equipment	3,675	3,337	2,884
	11,489	11,212	9,252
Less: accumulated depreciation	3,905	3,699	3,241
	$ 7,584	$ 7,513	$ 6,011

NOTE 8 - DEPOSITS

Deposits at December 31, 2010 (unaudited) consist of the following:

	(Dollars in thousands) Weighted Average Rate	Balance
Demand deposit accounts	0.36%	$ 106,917
Passbook	0.41%	66,705
Money market deposit accounts	0.50%	39,021
Total demand and passbook deposits		212,643
Certificates of deposit:		
Less than 12 months	1.29%	71,169
12 months to 24 months	2.14%	88,937
24 to 36 months	2.87%	7,256
More than 36 months	3.84%	12,939
Individual retirement accounts	2.99%	36,864
Total certificates of deposit		217,165
Total deposit accounts		$ 429,808

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Deposits at June 30, 2010 and 2009 consist of the following:

	June 30, 2010		June 30, 2009	
	(Dollars in thousands)			
	Weighted Average Rate	Balance	Weighted Average Rate	Balance
Demand deposit accounts	0.48%	$ 103,216	0.50%	$ 71,854
Passbook	0.43%	53,989	0.31%	40,980
Money market deposit accounts	0.61%	55,062	0.61%	61,933
Total demand and passbook deposits		212,267		174,767
Certificates of deposit:				
Less than 12 months	1.75%	73,467	2.32%	95,081
12 months to 24 months	2.59%	93,114	3.63%	38,241
24 months to 36 months	3.13%	6,313	3.59%	2,484
More than 36 months	4.27%	9,647	3.65%	2,228
Individual retirement accounts	3.24%	35,372	4.38%	26,815
Total certificates of deposit		217,913		164,849
Total deposit accounts		$ 430,180		$ 339,616

Interest expense on deposits is as follows:

	For the six months ended December 31, (unaudited)		For the years ended June 30,	
	2010	2009	2010	2009
	(In thousands)			
NOW and money market accounts	$ 483	$ 454	$ 871	$ 1,609
Savings	135	65	136	285
Certificates of deposit	2,408	2,716	5,314	5,872
	$ 3,026	$ 3,235	$ 6,321	$ 7,766

The aggregate amount of time deposits with a minimum denomination of $100,000 was approximately $110,880,000, $113,371,000 and $89,805,000 at December 31, 2010 (unaudited), June 30, 2010 and 2009, respectively. Individual deposits with denominations of more than $250,000 are not federally insured.

Total non-interest bearing deposits were $23,503,000, $28,627,000 and $16,531,000 at December 31, 2010 (unaudited), June 30, 2010 and 2009, respectively. Municipal deposits totaled $138,639,000, $121,607,000 and $124,282,000 at December 31, 2010 (unaudited), June 30, 2010 and 2009, respectively.

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Maturities of certificate accounts are as follows:

	(Unaudited) December 31, 2010	June 30, 2010	June 30, 2009
		(In thousands)	
One year or less	$ 147,867	$ 162,465	$ 108,551
1 2 years	44,868	34,825	44,132
2 3 years	13,933	13,671	9,244
3 4 years	7,460	2,959	2,035
4 5 years	3,022	3,943	747
Over 5 years	15	50	140
	$ 217,165	$ 217,913	$ 164,849

NOTE 9 GOODWILL AND ACQUISITION INTANGIBLES

Goodwill

The Integra acquisition included $2,522,000 in goodwill. Further details of this transaction are included in Note 2.

Intangible Assets

The Integra acquisition included a core deposit intangible asset of $1,400,000, net of amortization of $217,000 at December 31, 2010 (unaudited). Amortization of the core deposit intangible is as follows (dollars in thousands):

January 1, 2011 through June 30, 2011	$ 94
2012	226
2013	179
2014	142
2015	118
2016	118
2017 and thereafter	306
	$ 1,183

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NOTE 10 FAIR VALUES OF ASSETS AND LIABILITIES

The estimated fair values of the Company's financial instruments are as follows:

	(Unaudited) December 31, 2010 Carrying Amounts	Fair Value
	(In thousands)	
Financial assets:		
Cash and due from banks	$ 19,343	$ 19,343
Investment securities available for sale	66,034	66,034
Investment securities held to maturity	611	611
Mortgage-backed securities	74,660	74,660
Loans receivable and loans receivable held for sale	300,087	294,234
Accrued interest receivable	2,137	2,137
Investment in FHLB stock	2,008	2,008
Financial liabilities:		
Deposits	$ 429,808	$ 431,508
Accrued interest payable	85	85
FHLB advance	2,333	2,387
Off balance-sheet items	$	$

	June 30, 2010 Carrying Amounts	Fair Value	2009 Carrying Amounts	Fair Value
	(In thousands)			
Financial assets:				
Cash and interest bearing deposits	$ 32,023	32,023	$ 27,004	27,004
Investment securities available for sale	62,089	62,089	46,769	46,769
Investment securities held to maturity	631	631	175	175
Mortgage-backed securities	57, 238	57,238	29,713	29,713
Loans receivable and loans held for sale	309,939	304,943	274,463	270,760
Accrued interest receivable	2,290	2,290	1,745	1,745
Investment in FHLB stock	2,016	2,016	2,016	2,016
Financial liabilities:				
Deposits	$ 430,180	432,091	$ 339,616	341,322
Accrued interest payable	126	126	23	23
FHLB advances	2,833	2,904	3,833	3,856
Off-balance sheet items				

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As discussed in Note 1, Basis of Presentation and Summary of Significant Accounting Pronouncements, ASC 820-10-50-2 also establishes a fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value:

Level 1 Quoted prices in active markets for identical assets or liabilities.

Level 2 Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

Fair value methods and assumptions are set forth below for each type of financial instrument. Where quoted prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. Other equity securities are classified as Level 1 securities. Level 2 securities include U.S. Government and agency mortgage-backed securities, U.S. Government agency bonds, municipal securities, and other real estate owned. If quoted market prices are not available, the Bank utilizes a third party vendor to calculate the fair value of its available for sale securities. The third party vendor uses quoted prices of securities with similar characteristics when available classified as Level 2 inputs. If such quotes are not available, the third party vendor uses pricing models or discounted cash flow models with observable inputs to determine the fair value of these securities classified as Level 2 inputs. For other real estate owned, the Bank utilizes appraisals obtained from independent third parties to determine fair value.

Fair value measurements for certain assets and liabilities measured at fair value on a recurring basis:

	Total	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant other unobservable inputs (Level 3)
December 31, 2010 (unaudited)		(In thousands)		
Mortgage-backed securities	$ 74,660	$	$ 74,660	$
U.S. Government corporations and agencies	50,608		50,608	
Municipal bonds	15,302		15,302	
Other equity securities	124	124		
June 30, 2010:				
Mortgage-backed securities	$ 57,238	$	$ 57,238	$
U.S. Government corporations and agencies	49,369		49,369	
Municipal bonds	12,591		12,591	
Other equity securities	129	129		
June 30, 2009:				
Mortgage-backed securities	$ 29,713	$	$ 29,713	$
U.S. League intermediate-term portfolio	47		47	
U.S. Government corporations and agencies	39,641		39,641	
Municipal bonds	6,952		6,952	
Other equity securities	129	129		

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Fair value measurements for certain assets and liabilities measured at fair value on a nonrecurring basis:

	Total	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant other unobservable inputs (Level 3)
December 31, 2010 (unaudited):		(In thousands)		
Other real estate owned	$ 152	$	$ 152	$
Loans available for sale	1,847		1,847	
Impaired loans	24,455		24,455	
June 30, 2010:				
Other real estate owned	$ 297	$	$ 297	$
Loans held for sale	364		364	
Impaired loans	13,854		13,854	
June 30, 2009:				
Other real estate owned	$ 1,940	$	$ 1,940	$
Loans held for sale	2,193		2,193	
Impaired loans	7,512		7,512	

The adjustments to other real estate owned and impaired loans are based primarily on appraisals of the real estate or other observable market prices. Our policy is that fair values for these assets are based on current appraisals.

NOTE 11 BORROWED FUNDS

Pursuant to collateral agreements with the FHLB, advances are secured by all stock in the FHLB and a blanket pledge agreement for qualifying first mortgage loans. The Bank had $2,333,000, $2,833,000 and $3,833,000 in outstanding FHLB advances at December 31, 2010 (unaudited), June 30, 2010 and 2009, respectively. At December 31, 2010 (unaudited), June 30, 2010 and 2009, the Bank had only one advance from the FHLB. The original amount of the advance was $5,000,000 at a fixed interest rate of 3.2%. Principal payments of $83,000 are due on a monthly basis until the loan is paid in full in April 2013. Interest payments are also due at the time that the principal payment is made.

NOTE 12 EMPLOYEE BENEFIT PLANS

401(k) Profit Sharing Plan

The Bank has a standard 401(k) profit sharing plan. Eligible participants must be at least 18 years of age and have one year of service. The Bank makes matching contributions based on each employee's deferral contribution. Total expense under the plan for the six months ended December 31, 2010 (unaudited) and 2009, and the years ended June 30, 2010 and 2009 totaled $68,000, $65,000, $125,000 and $118,000, respectively.

ESOP

As of December 31, 2010 (unaudited), June 30, 2010 and 2009, the ESOP owned 202,061, 216,239, and 245,262 shares, respectively, of the Company's common stock, which were held in a suspense account until released for allocation to the participants. Additionally, as of December 31, 2010 (unaudited), the Company has committed to release 28,836 shares. As of June 30, 2010 the Company has committed to release 14,658 shares. The Company recognized a benefit of $44,000 and compensation expense of $72,000 during the six months ended December 31, 2010 and 2009 (unaudited), respectively, which equals the fair value of the ESOP shares during the periods in which they became committed to be released. For the years ended June 30, 2010 and 2009, the Company recognized compensation expense of $118,000 and $130,000, respectively. The fair value of the unearned ESOP shares approximated $1,574,000 at June 30, 2010.

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Contributions to the ESOP and shares released from the suspense account will be allocated to each eligible participant based on the ratio of each such participant's compensation, as defined in the ESOP, to the total compensation of all eligible plan participants. Participants become 100% vested in their accounts upon three years of service. Participants with less than three years of service are 0% vested in their accounts.

The term loan, which bears interest at 7.75%, is payable in fifteen annual installments of $370,000 through December 31, 2020. Shares purchased with the loan proceeds are initially pledged as collateral for the term loan and are held in a suspense account for future allocation to the ESOP participants. Each plan year, in addition to any discretionary contributions, the Company shall contribute cash to the ESOP to enable the ESOP to make its principal and interest payments under the term loan. Company contributions may be increased by any investment earnings attributable to such contributions and any cash dividends paid with respect to Company stock held by the ESOP.

Deferred Compensation

In March 2002, the Bank adopted a supplemental retirement income program with selected officers and board members. To fund this plan, the Bank purchased single-premium life insurance policies on each officer and director, at a cumulative total cost of $5,100,000. The cash surrender value of these policies was $7,247,000, $7,109,000, and $6,826,000 at December 31, 2010 (unaudited), June 30, 2010 and 2009, respectively. The directors' liability is accrued based on life expectancies, return on investment and a discount rate. For the officers, an annual contribution based on actuarial assumptions is made to a secular trust with the employee as the beneficiary. Deferred compensation payments are funded by available assets in the secular trust. No further funding is required by the Bank, with the exception that upon a change in control of the Bank, the plan provides for full supplemental benefits which would have occurred at age 65.

Future expected contributions for the funding of officers deferred compensation are as follows (in thousands):

2011	$ 99
2012	197
2013	197
2014	197
2015	197
2016	197
2017 and thereafter	275
	$ 1,359

At December 31, 2010 (unaudited) and June 30, 2010, the Bank had accrued directors' supplemental retirement expense of $1,319,000 and $1,315,000, respectively. Officers and directors supplemental retirement expense totaled $199,000 and $207,000 for the six months ended December 31, 2010 and 2009 (unaudited), respectively.

Supplemental Executive Retirement Plan

A Supplemental Executive Retirement Plan (SERP) was established to provide participating executives (as determined by the Company's Board of Directors) with benefits that cannot be provided under the 401(k) Profit Sharing Plan or ESOP as a result of limitations imposed by the Internal Revenue Code. The SERP will also provide benefits to eligible employees if they retire or are terminated following a change in control before the complete allocation of shares under the ESOP. SERP expense totaled $3,000, $3,000, $7,000 and $7,000 for the six months ended December 31, 2010 and 2009 (unaudited) and for the years ended June 30, 2010 and 2009, respectively.

Employee Severance Compensation Plan

An Employee Severance Compensation Plan (Severance Plan) was established to provide eligible employees with severance benefits if a change in control of the Bank occurs causing involuntary termination of employment in a comparable position. Employees are eligible upon the completion of one year of service. Under the Severance Plan, eligible employees will be entitled to severance benefits ranging from one month of compensation, as defined in the plan, up to 199% of compensation. Such benefits are payable within five business days from termination of employment.

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NOTE 13 STOCK-BASED COMPENSATION

In November 2006, the Company adopted the United Community Bancorp 2006 Equity Incentive Plan (Equity Incentive Plan) for the issuance of restricted stock, incentive stock options and non-statutory stock options to employees, officers and directors of the Company. The aggregate number of shares of common stock reserved and available for issuance pursuant to awards granted under the Equity Incentive Plan is 580,630. Of the total shares available, 414,736 may be issued in connection with the exercise of stock options and 165,894 may be issued as restricted stock. The maximum number of shares of common stock that may be covered by options granted under the Equity Incentive Plan to any one person during any one calendar year is 103,684.

In December 2006, the Board of Directors of the Company authorized the funding of a trust that purchased 165,894 shares of the Company's outstanding common stock to be used to fund restricted stock awards under the Equity Incentive Plan.

In December 2006, the Company granted restricted stock awards for a total of 149,297 shares of common stock, incentive stock option awards for a total of 219,446 shares of common stock and non-statutory stock option awards for a total of 153,815 shares of common stock. These awards vest at 20% annually from January 2008 through January 2012. The restricted stock awards were valued at the stock price on the date of grant, or $11.53 per share. The stock options were valued using the following assumptions: expected volatility of 11.49%, risk-free interest rate of 4.6%, expected term of ten years and expected dividend yield of 2.3%.

During each of the six months ended December 31, 2010 and 2009, no restricted share awards or stock options became fully vested. Total recognized compensation expense for the six months ended December 31, 2010 and 2009 (unaudited) and for the years ended June 30, 2010 and 2009 was $109,000, $189,000, $298,000, and $500,000, respectively. The remaining unvested expense as of December 31, 2010 (unaudited) that will be recorded as expense in future periods is $97,000. The weighted average time over which this expense will be recorded is 12 months.

Information related to stock options for the six months ended December 31, 2010 (unaudited) and years ended June 30, 2010 and 2009 is as follows:

	Shares	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term
Outstanding at June 30, 2009	346,304	$ 11.53	7.5 years
Granted			
Forfeited			
Exercised			
Outstanding at June 30, 2010	346,304	11.53	6.5 years
Granted			
Forfeited			
Exercised			
Outstanding at December 31, 2010 (unaudited)	346,304	11.53	6.0 years
Exercisable at December 31, 2010 (unaudited)	207,783	11.53	6.0 years
Fair value of options		$ 2.37	

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A summary of the status of unvested stock options for the six months ended December 31, 2010 (unaudited) and years ended June 30, 2010 and 2009 is as follows:

	Shares	Weighted Average Grant Date Fair Value
Outstanding at June 30, 2009	207,782	$ 2.37
Granted		
Vested	(69,261)	$ 2.37
Forfeited		
Outstanding at June 30, 2010	138,521	$ 2.37
Granted		
Vested		
Forfeited		
Outstanding at December 31, 2010 (unaudited)	138,521	$ 2.37

Information related to restricted stock grants for the six months ended December 31, 2010 (unaudited) and years ended June 30, 2010 and 2009 is as follows:

	Shares	Weighted Average Grant Date Fair Value
Outstanding at June 30, 2009	83,108	$ 11.53
Granted		
Vested	(27,703)	(11.53)
Forfeited		
Outstanding at June 30, 2010	55,405	11.53
Granted		
Vested		
Forfeited		
Outstanding at December 31, 2010 (unaudited)	55,405	$ 11.53

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NOTE 14 SUPPLEMENTAL CASH FLOW INFORMATION

	(Unaudited) Six Months Ended December 31,	
	2010	2009
	(In thousands)	
Supplemental disclosure of cash flow information is as follows:		
Cash paid during the period for:		
Income taxes, net of refunds received	$ 682	$
Interest	$ 3,109	$ 3,296
Supplemental disclosure of non-cash investing and financing activities is as follows:		
Unrealized losses on securities designated as available for sale, net of tax	$ (472)	$ (84)
Transfers of loans to other real estate owned	$ 60	$ 888

	For the years ended June 30,	
	2010	2009
	(In thousands)	
Supplemental disclosure of cash flow information is as follows:		
Cash paid during the period for:		
Income taxes, net of refunds received	$	$ 10
Interest	$ 6,327	$ 7,970
Supplemental disclosure of non-cash investing and financing activities is as follows:		
Unrealized gains on securities designated as available for sale, net of tax	$ 221	$ 663
Transfers of loans to other real estate owned	$ 1,109	$ 787

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NOTE 15 COMMITMENTS

Leases

The Bank is party to various operating leases for property and equipment. Lease expense for the six months ended December 31, 2010 and 2009 (unaudited) and for the years ended June 30, 2010 and 2009 was $23,000, $20,000 $43,000 and $41,000, respectively.

Future minimum lease payments under these lease agreements are as follows as of December 31, 2010 (unaudited):

January 1, through June 30, 2011	$ 25,000
2012	37,000
2013	16,000
2014	11,000
	$ 89,000

The Bank entered into lease agreements with various tenants who lease space from the Bank in certain locations where the Bank has a branch office. Revenue from these leases for the six months ended December 31, 2010 and 2009 (unaudited) and for the years ended June 30, 2010 and 2009 was $21,000, $18,000, $37,000 and $42,000, respectively.

Future minimum lease payments under these lease agreements are as follows as of December 31, 2010 (unaudited):

January 1, through June 30, 2011	$ 15,000
2012	42,000
2013	42,000
2014	42,000
2015	42,000
2016	24,000
Total	$ 207,000

Loans

In the ordinary course of business, the Bank has various outstanding commitments to extend credit that are not reflected in the accompanying consolidated financial statements. These commitments involve elements of credit risk in excess of the amounts recognized in the balance sheet.

The Bank uses the same credit policies in making commitments for loans as it does for loans that have been disbursed and recorded in the consolidated balance sheet. The Bank generally requires collateral when it makes loan commitments, which generally consists of the right to receive first mortgages on improved or unimproved real estate when performance under the contract occurs.

Commitments to extend credit are agreements to lend to a customer as long as there is no violation of any condition established in the contract. Commitments generally have fixed expiration dates or other termination clauses and may require payment of a fee. Since some portions of the commitments are expected to expire without being drawn upon, the total commitment amounts do not necessarily represent future cash requirements. Certain of these commitments are for fixed rate loans, and, therefore, their values are subject to market risk as well as credit risk. Generally, these commitments do not extend beyond 90 days.

At December 31, 2010 (unaudited) the Bank s total commitment to extend credit at variable rates was $27,076,000. The amount of fixed rate commitments was approximately $140,000 at December 31, 2010 (unaudited). The fixed rate loan commitments at December 31, 2010 (unaudited) have interest rates ranging from 3.25% to 4.88%. In addition, the bank had $713,000 of letters of credit outstanding at December 31, 2010 (unaudited).

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At June 30, 2010, the Bank s total commitment to extend credit at variable rates was $36,981,000. The amount of fixed rate commitments was approximately $826,000 at June 30, 2010. The fixed rate loan commitments at June 30, 2010 have interest rates ranging from 4.25% to 5.00%. In addition, the Bank had $856,000 of letters of credit outstanding at June 30, 2010.

NOTE 16 RELATED PARTY TRANSACTIONS

Loans to executive officers, directors and their affiliated companies, totaled $3,444,000, $3,517,000 and $3,508,000 at December 31, 2010 (unaudited), June 30, 2010 and 2009, respectively. All loans were current at December 31, 2010 (unaudited), June 30, 2010 and 2009, respectively.

The activity in loans to executive officer, directors and their affiliated companies are as follows:

	(Unaudited) For the six months ended, December 31 2010	For the year ended June 30, 2010	2009
	(Dollars in thousands)		
Beginning balance	$ 3,508	$ 3,508	$ 3,393
New loans	12	138	169
Payments on loans	(61)	(129)	(54)
Ending balance	$ 3,459	$ 3,517	$ 3,508

Deposits from officers and directors and affiliates totaled $1,679,000, $1,975,000 and $2,078,000 at December 31, 2010 (unaudited) June 30, 2010 and 2009, respectively.

NOTE 17 REGULATORY CAPITAL

The Bank is subject to regulatory capital requirements administered by federal banking agencies. Capital adequacy guidelines and prompt corrective action regulation involve quantitative measures of assets, liabilities, and certain off balance sheet items calculated under regulatory accounting practices. Capital amounts and classifications are also subject to qualitative judgments by regulators. Failure to meet capital requirements can initiate regulatory action that, if undertaken, could have a direct material effect on the consolidated financial statements.

Prompt corrective action regulations provide five classifications: well capitalized, adequately capitalized, undercapitalized, significantly undercapitalized and critically undercapitalized, although these terms are not used to represent overall financial condition. If adequately capitalized, regulatory approval is required to accept broker deposits. If undercapitalized, capital distributions are limited, as is asset growth and expansion, and capital restoration plans are required. At August 9, 2010, the most recent regulatory notifications categorized the Bank as well capitalized. There are no conditions or events since that notification that management believes have changed the institution s category. Management believes that, under current regulatory capital regulations, the Bank will continue to meet its minimum capital requirements in the foreseeable future. Actual and required capital amounts and ratios are presented below:

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The following tables summarize the Bank's capital amounts and the ratios required:

	Actual		For capital adequacy purposes		To be well capitalized under prompt corrective action	
	Amount	Ratio	Amount	Ratio	Amount	Ratio
			(Dollars in thousands)			
December 31, 2010 (unaudited)						
Tier 1 capital to risk-weighted assets	$ 46,518	15.75%	$ 11,815	4%	$ 17,723	6%
Total capital to risk-weighted assets	49,621	16.8%	23,631	8%	29,538	10%
Tier 1 capital to adjusted total assets	46,518	9.61%	19,369	4%	$ 24,211	5%
Tangible capital to adjusted total assets	$ 46,518	9.61%	7,263	1.5%		

	Actual		For capital adequacy purposes		To be well capitalized under prompt corrective action	
	Amount	Ratio	Amount	Ratio	Amount	Ratio
			(Dollars in thousands)			
June 30, 2010						
Tier 1 capital to risk-weighted assets	$ 44,811	13.54%	$ 13,240	4%	$ 19,860	6%
Total capital to risk-weighted assets	47,233	14.27%	26,479	8%	33,099	10%
Tier 1 capital to adjusted total assets	44,811	9.26%	19,548	4%	$ 24,435	5%
Tangible capital to adjusted total assets	$ 44,811	9.17%	$ 7,331	1.5%		

	Actual		For capital adequacy purposes		To be well capitalized under prompt corrective action	
	Amount	Ratio	Amount	Ratio	Amount	Ratio
			(Dollars in thousands)			
June 30, 2009						
Tier 1 capital to risk-weighted assets	$ 48,216	17.50%	$ 11,022	4%	$ 16,533	6%
Total capital to risk-weighted assets	50,689	18.40%	22,044	8%	27,555	10%
Tier 1 capital to adjusted total assets	48,216	12.08%	15,972	4%	$ 19,965	5%
Tangible capital to adjusted total assets	$ 48,216	12.08%	$ 5,989	1.5%		

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Dividends from the Bank are one of the major sources of funds for the Company. These funds aid the parent company in payment of dividends to shareholders, expenses, and other obligations. Payment of dividends to the parent company is subject to various legal and regulatory limitations. Regulatory approval is required prior to the declaration of any dividends in excess of available retained earnings. The amount of dividends that may be declared without regulatory approval is further limited to the sum of net income for the current year and retained net income for the preceding two years, less any required transfers to surplus or common stock. As of December 31, 2010 (unaudited), the Bank has never paid dividends income to the Company in excess of regulatory limits.

NOTE 18 INCOME TAXES

The components of the provision for income taxes are summarized as follows:

	(Unaudited) For the six months ended December 31,		For the year ended June 30,	
	2010	2009	2010	2009
	(Dollars in thousands)			
Current tax expense:				
Federal	$ 515	$ 188	$ 695	$ 174
State	(62)	55	134	53
	453	243	829	227
Deferred tax benefit:				
Federal	(285)	34	(414)	(32)
State	34	2	(72)	(18)
	(251)	36	(486)	(50)
	$ 202	$ 279	$ 343	$ 177

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The tax effect of temporary differences that give rise to significant portions of deferred tax assets and deferred tax liabilities at December 31, 2010 (unaudited), June 30, 2010 and 2009 are as follows:

	(Unaudited) December 31, 2010	June 30, 2010	June 30, 2009
	(Dollars in thousands)		
Deferred tax assets arising from:			
Loan loss reserve	$ 2,607	$ 2,250	$ 1,667
Reserve for loss on real estate owned	83	84	278
Vacation and bonus accrual	274	285	223
Supplemental retirement	488	435	416
Stock-based compensation	361	331	361
Contribution to UCB Charitable Foundation	216	274	347
Acquisition-related expenses	180	174	
State depreciation differences	58	87	95
Other-than-temporary impairment			1
Amortization of intangible assets	33		
Yield adjustment for purchased loans and deposits	523	608	
Reserve for loss on deposit accounts	62	59	40
AMT credit carryforward	135	135	135
Post-retirement health care benefits	50	50	50
Total deferred tax assets	5,070	4,772	3,613
Deferred tax liabilities arising from:			
Mortgage servicing rights	(223)	(186)	(161)
Depreciation	(220)	(223)	(223)
Deferred loan fees	(209)	(196)	(159)
Unrealized gain in market value of investments	(13)	(256)	(180)
Total deferred tax liabilities	(665)	(861)	(723)
Valuation allowance	(190)	(190)	(190)
Net deferred tax asset	$ 4,215	$ 3,721	$ 2,700

During the year ended June 30, 2006, the Company contributed $1,858,000 to fund the UCB Charitable Foundation. The deduction for federal income tax purposes is limited to ten percent of federal taxable income. The non-deductible portion, which approximates $805,000 at June 30, 2010, is available for future deductions through the year ended June 30, 2011. At December 31, 2010 (unaudited) and June 30, 2010, the Company has recorded a valuation allowance against $560,000 of this amount, based on the level of anticipated future taxable income. Net deferred tax liabilities and federal income tax expense in future years can be significantly affected by changes in enacted tax rates.

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The rate reconciliations are as follows:

	(Unaudited) For the six months ended December 31, 2010	2009	For the year ended June 30, 2010	2009
	(Dollars in thousands)			
Federal income taxes at statutory rate	$ 369	$ 332	$ 461	$ 305
State taxes, net of federal benefit	(41)	37	62	35
Increase (decrease) in taxes resulting primarily from:				
Non-taxable income on Bank-owned life insurance	(47)	(47)	(96)	(87)
Non-deductible stock-based compensation	7	12	19	106
Tax exempt income	(103)	(58)	(137)	(67)
Other	17	3	34	(115)
	$ 202	$ 279	$ 343	$ 177

Retained earnings at December 31, 2010 (unaudited), June 30, 2010, and 2009, include approximately $749,000 related to the pre-1987 allowance for loan losses for which no deferred federal income tax liability has been recognized. These amounts represent an allocation of income to bad debt deductions for tax purposes only. If the Bank no longer qualifies as a bank, or in the event of a liquidation of the Bank, income would be created for tax purposes only, which would be subject to the then-current corporate income tax rate. The unrecorded deferred income tax liability on the above amount for financial statement purposes was approximately $255,000.

The Company adopted the provisions of ASC 275-10-50-8 to account for uncertainty in income taxes effective July 1, 2007. Implementation resulted in no cumulative effect adjustment to retained earnings as of the date of adoption. The Company had no unrecognized tax benefits as of December 31, 2010 (unaudited), June 30, 2010 and 2009. The Company recognized no interest and penalties on the underpayment of income taxes during the six months ended December 31, 2010 (unaudited) or during fiscal years June 30, 2010 and 2009, and had no accrued interest and penalties on the balance sheet as of December 31, 2010 (unaudited), June 30, 2010 and 2009. The Company has no tax positions for which it is reasonably possible that the total amounts of unrecognized tax benefits will significantly increase with the next twelve months. The Company is no longer subject to U.S. federal, state and local income tax examinations by tax authorities for tax years before 2006.

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NOTE 19 PARENT ONLY FINANCIAL STATEMENTS

The following condensed financial statements summarize the financial position of United Community Bancorp (parent company only) as of December 31, 2010 (unaudited), June 30, 2010 and 2009, and the results of its operations and cash flows for the six months ended December 31, 2010 and 2009 (unaudited), and fiscal years ended June 30, 2010 and 2009 (all amounts in thousands):

UNITED COMMUNITY BANCORP

STATEMENTS OF FINANCIAL CONDITION

December 31, 2010 and 2009 (unaudited)

	2010	2009
ASSETS		
Cash and cash equivalents	$ 2,313	$ 3,266
Securities available for sale at estimated market value	124	126
Deferred income taxes	191	306
Prepaid expenses and other assets	2,414	4,480
Investment in United Community Bank	50,395	49,294
	55,437	55,472
LIABILITIES AND STOCKHOLDERS EQUITY		
Other liabilities	183	136
Stockholders equity	55,254	55,336
	$ 55,437	$ 55,472

UNITED COMMUNITY BANCORP

STATEMENTS OF OPERATIONS

For the six months ended December 31, 2010 and 2009 (unaudited)

	2010	2009
Interest income:		
ESOP loan	$ 89	$ 100
Securities	6	4
Other income:		
Equity in earnings of United Community Bank	890	741
Net revenue	985	845
Operating expenses:		
Other operating expenses	172	175
Income before income taxes	813	670
Income tax benefit	(37)	(28)

Net income	$ 850	$ 698

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UNITED COMMUNITY BANCORP

STATEMENTS OF CASH FLOWS

For the six months ended December 31, 2010 and 2009 (unaudited)

	2010	2009
Operating activities:		
Net earnings	$ 850	$ 698
Adjustments to reconcile net income to net cash provided by operating activities:		
Equity in earnings of United Community Bank	(890)	(741)
Shares committed to be released	(44)	72
Dividend received from subsidiary		2,360
Amortization and expense of stock-based compensation plans	109	189
Deferred income taxes	56	21
Effects of change in assets and liabilities	136	(7)
	217	2,592
Financing activities:		
Purchase of treasury stock		(73)
Dividends paid to stockholders	(701)	(545)
	(701)	(618)
Net increase (decrease) in cash and cash equivalents	(484)	1,974
Cash and cash equivalents at beginning of period	2,797	1,292
Cash and cash equivalents at end of period	$ 2,313	$ 3,266

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UNITED COMMUNITY BANCORP

STATEMENTS OF FINANCIAL CONDITION

June 30, 2010 and 2009

	2010	2009
ASSETS		
Cash and cash equivalents	$ 2,797	$ 1,292
Securities available for sale at estimated market value	128	128
Accrued interest receivable	89	100
Deferred income taxes	247	327
Prepaid expenses and other assets	2,376	4,600
Investment in United Community Bank	49,940	48,636
	55,577	55,083
LIABILITIES AND STOCKHOLDERS EQUITY		
Other liabilities	97	4
Stockholders equity	55,480	55,079
	$ 55,577	$ 55,083

UNITED COMMUNITY BANCORP

STATEMENTS OF OPERATIONS

June 30, 2010 and 2009

	2010	2009
Interest income:		
ESOP loan	$ 189	$ 205
Securities	9	22
Other income:		
Equity in earnings of United Community Bank	1,080	1,025
Net revenue	1,278	1,252
Operating expenses:		
Other operating expenses	295	306
Income before income taxes	983	946
Income tax expense (benefit)	(31)	227
Net income	$ 1,014	$ 719

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UNITED COMMUNITY BANCORP

STATEMENTS OF CASH FLOWS

June 30, 2010 and 2009

	2010	2009
Operating activities:		
Net earnings	$ 1,014	$ 719
Adjustments to reconcile net income to net cash provided by operating activities:		
Equity in earnings of United Community Bank	(1,080)	(1,235)
Shares committed to be released	212	129
Amortization and expense of stock-based compensation plans	204	500
Deferred income taxes (benefits)	80	(108)
Effects of change in assets and liabilities	2,325	96
	2,755	101
Financing activities:		
Purchase of treasury stock	(80)	(325)
Dividends paid to stockholders	(1,170)	(1,097)
	(1,250)	(1,422)
Net increase (decrease) in cash and cash equivalents	1,505	(1,321)
Cash and cash equivalents at beginning of year	1,292	2,613
Cash and cash equivalents at end of year	$ 2,797	$ 1,292

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NOTE 20 QUARTERLY FINANCIAL DATA (UNAUDITED)

The following tables present quarterly financial information for the Company for 2010 and 2009:

	For the six months ended December 31, 2010 (Unaudited, dollars in thousands)	
	Second quarter	First quarter
Interest income	$ 5,033	$ 5,030
Interest expense	1,433	1,635
Net interest income	3,600	3,395
Provision for loan losses	737	719
Net interest income after provision for loan losses	2,863	2,676
Other income	973	995
Other expense	3,204	3,251
Income before income taxes	632	420
Provision for income taxes	53	149
Net income	$ 579	$ 271

	For the year ended June 30, 2010 (Dollars in thousands)			
	Fourth quarter	Third quarter	Second quarter	First quarter
Interest income	$ 4,688	4,716	4,711	$ 4,821
Interest expense	1,594	1,542	1,588	1,705
Net interest income	3,094	3,174	3,123	3,116
Provision for loan losses	1,112	451	324	622
Net interest income after provision for loan losses	1,982	2,723	2,799	2,494
Other income	1,180	749	942	686
Other expense	3,346	2,908	3,069	2,875
Income (loss) before income taxes	(184)	564	672	305
Provision (benefit) for income taxes	(150)	214	196	83
Net income (loss)	$ (34)	350	476	$ 222

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	For the year ended June 30, 2009 (Dollars in thousands)			
	Fourth quarter	Third quarter	Second quarter	First quarter
Interest income	$ 4,689	5,049	5,030	$ 5,144
Interest expense	1,733	1,774	2,091	2,308
Net interest income	2,956	3,275	2,939	2,836
Provision for loan losses	1,052	664	396	335
Net interest income after provision for loan losses	1,904	2,611	2,543	2,501
Other income	854	735	502	696
Other expense	3,480	2,738	2,639	2,593
Income (loss) before income taxes	(722)	608	406	604
Provision (benefit) for income taxes	(443)	259	144	217
Net income (loss)	$ (279)	349	262	$ 387

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You should rely only on the information contained in this prospectus. Neither United Community Bank nor United Community Bancorp has authorized anyone to provide you with different information. This prospectus does not constitute an offer to sell or a solicitation of an offer to buy any of the securities offered by this prospectus to any person or in any jurisdiction in which an offer or solicitation is not authorized or in which the person making an offer or solicitation is not qualified to do so, or to any person to whom it is unlawful to make an offer or solicitation in those jurisdictions. The information contained in this prospectus is accurate only as of the date of this prospectus, regardless of the time of delivery of this prospectus or of any sale of common stock.

(Proposed Holding Company for United Community Bank)

Up to

4,350,364 Shares

COMMON STOCK

Prospectus

SANDLER O NEILL + PARTNERS, L.P.

, 2011

Until __________, 2011, all dealers that effect transactions in these securities, whether or not participating in this offering, may be required to deliver a prospectus when acting as underwriters and with respect to their unsold allotments or subscriptions.

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Prospectus of United Community Bancorp (New)

Proxy Statement of United Community Bancorp

Conversion Proposed Your Vote is Important

Dear Shareholder:

You are cordially invited to attend the special meeting of shareholders of United Community Bancorp. The meeting will be held on __________, 2011 at ______ __.m., local time, at __________, Indiana.

United Community Bancorp, a federal corporation, is soliciting shareholder votes regarding the conversion of United Community Bank from the partially public mutual holding company form of organization to the fully-public stock holding company structure. The conversion involves the formation of a new holding company for United Community Bank, which is also to be called United Community Bancorp, an Indiana corporation, the exchange of shares of new United Community Bancorp for your shares of the existing United Community Bancorp, and the sale by new United Community Bancorp of up to ______ shares of common stock.

The Proxy Vote Your Vote Is Very Important

We have received conditional regulatory approval to implement the conversion, however we must also receive the approval of our shareholders. This proxy statement/prospectus describes the proposals before our shareholders. **Please promptly vote the enclosed proxy card. Our Board of Directors urges you to vote FOR each of the proposals set forth in this proxy statement/prospectus.**

The Exchange

At the conclusion of the conversion, each share of United Community Bancorp common stock owned by the public will be exchanged for between 0.6906 and 0.9343 shares of common stock of new United Community Bancorp so that United Community Bancorp s existing public shareholders will own approximately the same percentage of new United Community Bancorp common stock as they owned of United Community Bancorp s common stock immediately before the conversion. The actual number of shares that you will receive will depend on the percentage of United Community Bancorp common stock held by the public at the completion of the conversion, the final independent appraisal of new United Community Bancorp and the number of shares of new United Community Bancorp common stock sold in its offering. The exchange ratio will not depend on the market price of United Community Bancorp common stock. Based on the exchange ratio, we expect to issue between 3,215,486 and 4,350,364 shares (subject to increase to 5,002,918 shares) of new United Community Bancorp common stock to the holders of United Community Bancorp common stock. Shortly after the completion of the conversion, our exchange agent will send a transmittal form to each shareholder of United Community Bancorp who holds stock certificates. The transmittal form will explain the procedure to follow to exchange your shares. Please do not deliver your certificate(s) before you receive the transmittal form. Shares of United Community Bancorp that are held in street name (e.g. in a brokerage account) will be converted automatically at the conclusion of the conversion; no action or documentation is required of you.

The Stock Offering

We are offering the shares of common stock of new United Community Bancorp for sale at $8.00 per share. The shares are being offered in a subscription offering to eligible depositors of United Community Bank. If all shares are not subscribed for in the subscription offering, shares are expected to be available in a community offering to United Community Bancorp public shareholders and others not eligible to place orders in the subscription offering. **If you are interested in purchasing shares of our common stock, you may request a stock order form and prospectus by calling our Stock Information Center at the phone number in the Questions and Answers section herein. The stock offering period is expected to expire on __________, 2011.**

United Community Bancorp s common stock is currently listed on the Nasdaq Global Market under the symbol UCBA. We expect that new United Community Bancorp s common stock will trade on the Nasdaq Global Market under the trading symbol UCBAD for a period of 20 trading days after the completion of the offering. Thereafter, the trading symbol will revert to UCBA.

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This document serves as the proxy statement for the special meeting of shareholders of United Community Bancorp and the prospectus for the shares of new United Community Bancorp common stock to be issued in exchange for shares of United Community Bancorp common stock. We urge you to read this entire document carefully. You can also obtain information about our companies from documents that we have filed with the Securities and Exchange Commission and the Office of Thrift Supervision. This document does not serve as the prospectus relating to the offering by new United Community Bancorp of its shares of common stock in the offering, which will be made pursuant to a separate prospectus.

This proxy statement/prospectus contains information that you should consider in evaluating the plan conversion. **In particular, you should carefully read the section captioned Risk Factors beginning on page for a discussion of certain risk factors relating to the conversion and offering.**

These securities are not deposits or savings accounts and are not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency.

None of the Securities and Exchange Commission, the Office of Thrift Supervision or any state securities regulator has approved or disapproved of these securities or determined if this proxy statement/prospectus is accurate or complete. Any representation to the contrary is a criminal offense.

The date of this proxy statement/prospectus is __________, 2011, and is first being mailed to shareholders

of United Community Bancorp on or about __________, 2011.

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United Community Bancorp

92 Walnut Street

Lawrenceburg, Indiana 47025

(812) 537-4822

Notice of Special Meeting of Shareholders

On __________, 2011, United Community Bancorp will hold its special meeting of shareholders at ____________________, ____________, ____________, Indiana. The meeting will begin at __ p.m., Eastern time. At the meeting, shareholders will consider and act on the following:

1. The approval of a plan of conversion and reorganization pursuant to which: (A) United Community MHC, which currently owns 59.3% of the common stock of United Community Bancorp, will merge with and into United Community Bancorp, with United Community Bancorp being the surviving entity; (B) United Community Bancorp will merge with and into new United Community Bancorp, an Indiana corporation recently formed to be the holding company for United Community Bank, with new United Community Bancorp being the surviving entity; (C) the outstanding shares of United Community Bancorp, other than those held by United Community MHC, will be converted into shares of common stock of new United Community Bancorp; and (D) new United Community Bancorp will offer shares of its common stock for sale in a subscription offering and, if necessary, in a direct community offering and/or syndicated community offering.

2. The following informational proposals:

   2a Approval of a provision in new United Community Bancorp s articles of incorporation requiring a super-majority vote to approve certain amendments to new United Community Bancorp s articles of incorporation; and

   2b Approval of a provision in new United Community Bancorp s articles of incorporation to limit the voting rights of shares beneficially owned in excess of 10% of new United Community Bancorp s outstanding voting stock.

3. The approval of the adjournment of the meeting, if necessary, to solicit additional proxies in the event that there are not sufficient votes at the time of the meeting to approve the plan of conversion.

4. Such other business that may properly come before the meeting.

NOTE: The board of directors is not aware of any other business to come before the meeting.

The provisions of new United Community Bancorp s articles of incorporation which are summarized as informational proposals 2a and 2b were approved as part of the process in which the board of directors of United Community Bancorp approved the plan of conversion. These proposals are informational in nature only, because the Office of Thrift Supervision s regulations governing mutual-to-stock conversions do not provide for votes on matters other than the plan of conversion. While we are asking you to vote with respect to each of the informational proposals listed above, the proposed provisions for which an informational vote is requested will become effective if shareholders approve the plan of conversion, regardless of whether shareholders vote to approve any or all of the informational proposals.

Only shareholders as of **[RecordDate]** are entitled to receive notice of the meeting and to vote at the meeting and any adjournments or postponements of the meeting.

Please complete and sign the enclosed form of proxy, which is solicited by the board of directors, and mail it promptly in the enclosed envelope. The proxy will not be used if you attend the meeting and vote in person.

BY ORDER OF THE BOARD OF DIRECTORS

Elmer G. McLaughlin
Corporate Secretary

Lawrenceburg, Indiana

__________, 2011

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Questions and Answers

You should read this document for more information about the conversion and offering. The plan of conversion described in this document has been conditionally approved by the Office of Thrift Supervision.

The Proxy Vote

Q: What am I being asked to approve?

A: United Community Bancorp shareholders as of **[RecordDate]** are asked to vote on the plan of conversion. Under the plan of conversion, United Community Bank will convert from the mutual holding company form of organization to the stock holding company form, and as part of such conversion, our newly formed stock holding company, also named United Community Bancorp, will offer for sale, in the form of shares of its common stock, United Community MHC s 59.3% ownership interest in United Community Bancorp. In addition to the shares of common stock to be issued to those who purchase shares in the offering, public shareholders of United Community Bancorp as of the completion of the conversion and offering will receive shares of new United Community Bancorp common stock in exchange for their existing shares of United Community Bancorp common stock. The exchange will be based on an exchange ratio that will result in United Community Bancorp s existing public shareholders owning approximately the same percentage of new United Community Bancorp common stock as they owned of United Community Bancorp immediately prior to the conversion and offering.

Shareholders also are asked to vote on the following informational proposals with respect to the articles of incorporation of new United Community Bancorp:

- Approval of a provision in new United Community Bancorp s articles of incorporation requiring a super-majority vote to approve certain amendments to new United Community Bancorp s articles of incorporation; and

- Approval of a provision in new United Community Bancorp s articles of incorporation to limit the voting rights of shares beneficially owned in excess of 10% of new United Community Bancorp s outstanding voting stock.

The provisions of new United Community Bancorp s articles of incorporation, which are summarized as informational proposals were approved as part of the process in which the board of directors of United Community Bancorp approved the plan of conversion. These proposals are informational in nature only, because the Office of Thrift Supervision s regulations governing mutual-to-stock conversions do not provide for votes on matters other than the plan of conversion. While we are asking you to vote with respect to each of the informational proposals listed above, the proposed provisions for which an informational vote is requested will become effective if shareholders approve the plan of conversion, regardless of whether shareholders vote to approve any or all of the informational proposals. The provisions of new United Community Bancorp s articles of incorporation which are summarized as informational proposals may have the effect of deterring or rendering more difficult attempts by third parties to obtain control of new United Community Bancorp, if such attempts are not approved by the board of directors, or may make the removal of the board of directors or management, or the appointment of new directors, more difficult.

In addition, shareholders will vote on the election of directors, the ratification of the appointment of auditors, and a proposal to adjourn the special meeting, if necessary, to solicit additional proxies if there are not sufficient votes at the time of the special meeting to approve the plan of conversion.

YOUR VOTE IS IMPORTANT. WE CANNOT COMPLETE THE CONVERSION AND OFFERING UNLESS THE PLAN OF CONVERSION RECEIVES THE AFFIRMATIVE VOTE OF A MAJORITY OF SHARES HELD BY OUR PUBLIC SHAREHOLDERS.

Q: What is the conversion and related stock offering?

A: United Community Bank is converting from a partially-public mutual holding company structure to a fully-public stock holding company ownership structure. Currently, United Community MHC owns 59.3% of United Community Bancorp s common stock. The remaining 40.7% of United Community Bancorp s common stock is owned by public shareholders. As a result of the conversion, our newly formed stock holding company, also named United Community Bancorp, will become the parent of United Community Bank.

Shares of common stock of new United Community Bancorp, representing the 59.3% ownership interest of United Community MHC in United Community Bancorp, are being offered for sale to eligible depositors of United Community Bank, United Community Bank s employee stock ownership plan and, possibly, to the public. At the completion of the conversion and offering, public shareholders of United Community Bancorp will exchange their shares of United Community Bancorp common stock for shares of common stock of new United Community Bancorp.

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After the conversion and offering are completed, United Community Bank will be a wholly-owned subsidiary of new United Community Bancorp, and 100% of the common stock of new United Community Bancorp will be owned by public shareholders. Our organization will have completed the transition from partial to fully-public ownership. As a result of the conversion and offering, United Community Bancorp and United Community MHC will cease to exist.

See *Proposal 1 Approval of the Plan of Conversion* for more information about the conversion and offering.

Q: What are reasons for the conversion and offering?

A: The primary reasons for the conversion and offering are to increase capital to support the growth of our interest-earning assets, create a more liquid and active market than currently exists for United Community Bancorp common stock, structure our business in a form that will provide access to capital markets and facilitate acquisitions of other financial institutions and eliminate any regulatory uncertainty associated with dividend waivers by our mutual holding company.

Q: Why should I vote?

A: You are not required to vote, but your vote is very important. In order for us to implement the plan of conversion, we must receive the affirmative vote of (1) the holders of at least two-thirds of the outstanding shares of United Community Bancorp common stock, including shares held by United Community MHC and (2) the holders of a majority of the outstanding shares of United Community Bancorp common stock entitled to vote at the special meeting, excluding shares held by United Community MHC. **Your board of directors recommends that you vote FOR the plan of conversion.**

Q: What happens if I don t vote?

A: **Your prompt vote is very important. Not voting will have the same effect as voting *Against* the plan of conversion.** Without sufficient favorable votes FOR the plan of conversion, we cannot complete the conversion and offering.

Q: How do I vote?

A: You should mark your vote, sign your proxy card and return it in the enclosed proxy reply envelope. Alternatively, you may vote by telephone or via the Internet, by following instructions on your proxy card. **PLEASE VOTE PROMPTLY. NOT VOTING HAS THE SAME EFFECT AS VOTING *AGAINST* THE PLAN OF CONVERSION.**

Q: If my shares are held in street name, will my broker automatically vote on my behalf?

A: No. Your broker will not be able to vote your shares without instructions from you. You should instruct your broker to vote your shares, using the directions that your broker provides to you.

Q: What if I do not give voting instructions to my broker?

A: Your vote is important. If you do not instruct your broker to vote your shares, the unvoted proxy will have the same effect as a vote against the plan of conversion.

The Exchange

Q: I currently own shares of United Community Bancorp common stock. What will happen to my shares as a result of the conversion?

A: At the completion of the conversion, your shares of United Community Bancorp common stock will be canceled and exchanged for shares of common stock of new United Community Bancorp, a newly formed Indiana corporation. The number of shares you will receive will be based on an exchange ratio, determined as of the completion of the conversion and offering, that is intended to result in United Community Bancorp s existing public shareholders owning the same percentage interest of new United Community Bancorp common stock as they currently own of United Community Bancorp common stock, without giving effect to cash paid in lieu of issuing fractional shares or shares that existing shareholders may purchase in the offering.

Q: Does the exchange ratio depend on the market price of United Community Bancorp common stock?

A: No, the exchange ratio will not be based on the market price of United Community Bancorp common stock. Therefore, changes in the price of United Community Bancorp common stock between now and the completion of the conversion and offering will not effect the calculation of the exchange ratio.

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Q: How will the actual exchange ratio be determined?

A: Because the purpose of the exchange ratio is to maintain the ownership percentage of the existing public shareholders of United Community Bancorp, the actual exchange ratio will depend on the number of shares of new United Community Bancorp s common stock sold in the offering and, therefore, cannot be determined until the completion of the conversion and offering.

Q: How many shares will I receive in the exchange?

A: You will receive between 0.6906 and 0.9343 (subject to increase to 1.0745) shares of new United Community Bancorp common stock for each share of United Community Bancorp common stock you own on the date of the completion of the conversion and offering. For example, if you own 100 shares of United Community Bancorp common stock, and the exchange ratio is 0.8125 (at the midpoint of the offering range), you will receive 81 shares of new United Community Bancorp common stock and $2.00 in cash, the value of the fractional share, based on the $8.00 per share purchase price in the offering. Shareholders who hold shares in street name at a brokerage firm or are held in book-entry form by our transfer agent will receive these funds in their accounts. Shareholders who hold stock certificates will receive a check in the mail.

Q. Why did the board of directors base the exchange ratio on an $8.00 per share stock price?

A. In adopting the plan of conversion, the board of directors focused on the value of the shares to be received in the exchange in comparison to the market price of United Community Bancorp common stock. Because United Community Bancorp common stock has been trading below $10.00 per share since 2008, the board of directors concluded that an offering price of $8.00 is consistent with the historical trading range of our stock.

Q. Why does the board of directors support the conversion if the value of the shares to be received in the exchange might be less than the current market value of United Community Bancorp common stock?

A. Over the 30 trading days before ______, 2011, which is the date on which the board of directors last amended the plan of conversion, the price of United Community Bancorp common stock traded between $______ and $______. Based on the offering price of $8.00 per share and the exchange ratio, the value of the shares to be received in exchange for each share of United Community Bancorp common stock would range from $______ to $______. In adopting the plan of conversion, the board of directors focused on our prospects for generating shareholder value and on the price of our stock relative to our peers. For the reasons described above, the board of directors concluded that converting to the stock holding company form would give us the best opportunity to generate shareholder value. The board of directors also considered that compared to the peer group used in Keller & Company s appraisal of our common stock, our common stock would be priced at a discount of ______% to the peer group on a price-to-book basis and at a discount of ______% to the peer group on a price-to-tangible book basis, which could make our stock an attractive investment.

Q: Should I submit my stock certificates now?

A: No. If you hold a stock certificate for United Community Bancorp common stock, instructions for exchanging your certificate will be sent to you after completion of the conversion and offering. Until you submit the transmittal form and certificate, you will not receive your new certificate and check for cash in lieu of fractional shares, if any. If your shares are held in street name at a brokerage firm, the share exchange will occur automatically upon completion of the conversion and offering, without any action on your part. Please do not send in your stock certificate until you receive a transmittal form and instructions.

Stock Offering

Q: May I place an order to purchase shares in the offering, in addition to the shares that I will receive in the exchange?

A: Eligible depositors of United Community Bank have priority subscription rights allowing them to purchase common stock in the subscription offering. Shares not purchased in the subscription offering may be made available for sale to the public in a community offering. United Community Bancorp shareholders have a preference in the community offering after orders submitted by residents of our communities. If you would like to receive a prospectus and stock order form, please call our Stock Information Center toll-free at (__) __-__ from 10:00 a.m. to 4:00 p.m., Eastern time, Monday through Friday. The Stock Information Center will be closed weekends and bank holidays.

Order forms, along with full payment, must be received (not postmarked) no later than 4:00 p.m., Eastern time on ______, 2011.

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Other Questions?

For answers to questions about the conversion or voting, please read this proxy statement/prospectus. Questions about voting may be directed to our proxy information agent, Phoenix Advisory Partners LLC, by calling toll-free (800) 576-4314, Monday through Friday, from 9:00 a.m. to 5:00 p.m., Eastern time. For answers to questions about the stock offering, you may call our Stock Information Center, toll-free, at (__) __-__ from 10:00 a.m. to 4:00 p.m. Eastern time, Monday through Friday. A copy of the plan of conversion is available from United Community Bank upon written request to the Corporate Secretary and is available for inspection at the offices of United Community Bank and at the Office of Thrift Supervision.

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Summary

This summary highlights material information from this document and may not contain all the information that is important to you. To understand the conversion and offering fully, you should read this entire document carefully.

Special Meeting of Shareholders

Date, Time and Place; Record Date

The special meeting of United Community Bancorp shareholders is scheduled to be held at ___________________, ___________, ___________, Indiana at ____ __.m., Eastern time, on ______, 2011. Only United Community Bancorp shareholders of record as of the close of business on **[RecordDate]** are entitled to notice of, and to vote at, the special meeting of shareholders and any adjournments or postponements of the meeting.

Purpose of the Meeting

Shareholders will be voting on the following proposals at the special meeting:

1. Approval of the plan of conversion;

2. The following informational proposals:

   2a Approval of a provision in new United Community Bancorp s articles of incorporation requiring a super-majority vote to approve certain amendments to new United Community Bancorp s articles of incorporation; and

   2b Approval of a provision in new United Community Bancorp s articles of incorporation to limit the voting rights of shares beneficially owned in excess of 10% of new United Community Bancorp s outstanding voting stock;

3. The approval of the adjournment of the special meeting, if necessary, to solicit additional proxies in the event that there are not sufficient votes at the time of the special meeting to approve the plan of conversion.

The provisions of new United Community Bancorp s articles of incorporation which are summarized as informational proposals 2a and 2b were approved as part of the process in which the board of directors of United Community Bancorp approved the plan of conversion. These proposals are informational in nature only, because the Office of Thrift Supervision s regulations governing mutual-to-stock conversions do not provide for votes on matters other than the plan of conversion. While we are asking you to vote with respect to each of the informational proposals listed above, the proposed provisions for which an informational vote is requested will become effective if shareholders approve the plan of conversion, regardless of whether shareholders vote to approve any or all of the informational proposals. The provisions of new United Community Bancorp s articles of incorporation which are summarized as informational proposals may have the effect of deterring or rendering more difficult attempts by third parties to obtain control of new United Community Bancorp, if such attempts are not approved by the board of directors, or may make the removal of the board of directors or management, or the appointment of new directors, more difficult.

Vote Required

Proposal 1: Approval of the Plan of Conversion. Approval of the plan of conversion requires (1) at least a majority of the total number of votes eligible to be cast by depositors of United Community Bank, (2) the affirmative vote of holders of at least *two-thirds of the outstanding shares* of United Community Bancorp, including shares held by United Community MHC and (3) *a majority of the votes eligible to be cast* by shareholders of United Community Bancorp, excluding shares held by United Community MHC.

Informational Proposals 2a and 2b. While we are asking you to vote with respect to each of the informational proposals listed above, the proposed provisions for which an informational vote is requested will become effective if shareholders approve the plan of conversion, regardless of whether shareholders vote to approve any or all of the informational proposals.

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Proposal 3: Approval of the adjournment of the special meeting. We must obtain the affirmative vote of the majority of the shares represented at the special meeting and entitled to vote to adjourn the special meeting, if necessary, to solicit additional proxies in the event that there are not sufficient votes at the time of the special meeting to approve the proposal to approve the plan of conversion.

As of the record date, there were ______ shares of United Community Bancorp common stock outstanding, of which United Community MHC owned 4,655,200, or 59.3%. The directors and executive officers of United Community Bancorp (and their affiliates), as a group, beneficially owned ______ shares of United Community Bancorp common stock, representing __% of the outstanding shares of United Community Bancorp common stock and __% of the shares held by persons other than United Community MHC as of such date. United Community MHC and our directors and executive officers intend to vote their shares in favor of each of the proposals set forth in this proxy statement/prospectus.

Our Company

United Community Bancorp is, and new United Community Bancorp following the completion of the conversion and offering will be, the unitary savings and loan holding company for United Community Bank, a federally chartered savings bank. United Community Bank is headquartered in Lawrenceburg, Indiana and has served customers in Indiana since 1999. In addition to our main office, we operate nine branch offices in Dearborn and Ripley Counties, Indiana, which we consider our market area. United Community Bancorp s common stock is traded on the Nasdaq Global Market under the symbol UCBA.

At December 31, 2010, United Community Bancorp had approximately $490.8 million in assets, $429.8 million in deposits and $55.2 million in stockholders equity. At December 31, 2010, United Community Bank exceeded all regulatory capital requirements and was not a participant in any of the U.S. Treasury s capital raising programs for financial institutions. United Community Bancorp s principal executive offices are located at 92 Walnut Avenue, Lawrenceburg, Indiana 47025 and its telephone number is (812) 537-4822. United Community Bancorp s website address is www.bankucb.com. Information on this website should not be considered a part of this proxy statement/prospectus.

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The Conversion

Description of the Conversion

[Same as Prospectus]

Reasons for the Conversion and Offering

[Same as Prospectus]

Conditions to Completing the Conversion and Offering

[Same as Prospectus]

The Exchange of Existing Shares of United Community Bancorp Common Stock

[Same as Prospectus]

Ownership of New United Community Bancorp after Completion of the Conversion and Offering

[Same as Prospectus]

Effect of the Conversion on Shareholders of United Community Bancorp

The following table compares historical information for United Community Bancorp with similar information on a pro forma and per equivalent United Community Bancorp share basis. The information listed as per equivalent United Community Bancorp share was obtained by multiplying the pro forma amounts by the exchange ratio indicated in the table.

	United Community Bancorp Historical	Pro Forma	Exchange Ratio	Per Equivalent United Community Bancorp Share
Book value per share at December 31, 2010:				
Sale of 3,215,486	$ 10.19	14.13	0.6906	$ 9.76
Sale of 3,782,925	8.66	12.63	0.8125	10.26
Sale of 4,350,364	7.53	11.51	0.9343	10.75
Sale of 5,002,918	6.55	10.55	1.0745	11.34
Earnings per share for the six months ended December 31, 2010:				
Sale of 3,215,486	$ 0.16	$ 0.14	0.6906	$ 0.10
Sale of 3,782,925	0.14	0.12	0.8125	0.10
Sale of 4,350,364	0.12	0.10	0.9343	0.09
Sale of 5,002,918	0.10	0.08	1.0745	0.09
Price per share (1):				
Sale of 3,215,486	$ 7.44	$ 8.00	0.6906	$ 5.52
Sale of 3,782,925	7.44	8.00	0.8125	6.50
Sale of 4,350,364	7.44	8.00	0.9343	7.47
Sale of 5,002,918	7.44	8.00	1.0745	8.60

(1) At February 18, 2011, which was the date of the appraisal.

How We Determined the Offering Range and Exchange Ratio

[Same as Prospectus]

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Possible Change in Offering Range

[Same as Prospectus]

How We Intend to Use the Proceeds of the Offering

[Same as Prospectus]

Benefits of the Conversion to Management

[Same as Prospectus]

Purchases by Directors and Executive Officers

[Same as Prospectus]

Market for New United Community Bancorp s Common Stock

[Same as Prospectus]

United Community Bancorp s Dividend Policy

[Same as Prospectus]

Dissenters Rights

Shareholders of United Community Bancorp do not have dissenters rights in connection with the conversion and offering.

Differences in Shareholder Rights

As a result of the conversion, existing shareholders of United Community Bancorp will become shareholders of new United Community Bancorp. The rights of shareholders of new United Community Bancorp will be less than the rights shareholders currently have. The decrease in shareholder rights results from differences between the articles of incorporation and bylaws of new United Community Bancorp and the charter and bylaws of United Community Bancorp and from distinctions between Indiana and federal law. The differences in shareholder rights under the articles of incorporation and bylaws of new United Community Bancorp are not mandated by Indiana law but have been chosen by management as being in the best interests of the corporation and all of its shareholders. However, the provisions in new United Community Bancorp s articles of incorporation and bylaws may make it more difficult to pursue a takeover attempt that management opposes. These provisions will also make the removal of the board of directors or management, or the appointment of new directors, more difficult.

The differences in shareholder rights include the following:

- supermajority voting requirements for certain business combinations and changes to some provisions of the articles of incorporation and bylaws;
- limitation on the right to vote shares; and
- greater lead time required for shareholders to submit business proposals or director nominations.

Tax Consequences

[Same as Prospectus]

Questions

Questions about voting may be directed to our proxy information agent, ________________, at (__) __-__.

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Risk Factors

You should consider carefully the following risk factors when deciding how to vote on the conversion and before purchasing shares of new United Community Bancorp common stock.

Risks Related to Our Business

[Same as Prospectus]

Risks Related to the Offering and Share Exchange

The market value of new United Community Bancorp common stock received in the share exchange may be less than the market value of United Community Bancorp common stock exchanged.

The number of shares of new United Community Bancorp common stock you receive will be based on an exchange ratio that will be determined as of the date of completion of the conversion and offering. The exchange ratio will be based on the percentage of United Community Bancorp common stock held by the public before the completion of the conversion and offering, the final independent appraisal of new United Community Bancorp common stock prepared by Keller & Company, Inc. and the number of shares of common stock sold in the offering. The exchange ratio will ensure that existing public shareholders of United Community Bancorp common stock will own approximately the same percentage of new United Community Bancorp common stock after the conversion and offering as they owned of United Community Bancorp common stock immediately before the completion of the conversion and offering, exclusive of the effect of their purchase of additional shares in the offering and the receipt of cash in lieu of fractional shares. The exchange ratio will not depend on the market price of United Community Bancorp common stock.

The exchange ratio ranges from a minimum of 0.6906 to a maximum of 0.9343 shares of new United Community Bancorp common stock per share of United Community Bancorp common stock (subject to increase to 1.0745 shares). Shares of new United Community Bancorp common stock issued in the share exchange will have an initial value of $8.00 per share. Depending on the exchange ratio and the market value of United Community Bancorp common stock at the time of the exchange, the initial market value of the new United Community Bancorp common stock that you receive in the share exchange could be less than the market value of the United Community Bancorp common stock that you currently own. See *Proposal 1 Approval of the Plan of Conversion Share Exchange Ratio for Current Shareholders.*

[Same as Prospectus]

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A Warning About Forward-Looking Statements

This proxy statement/prospectus contains forward-looking statements, which can be identified by the use of words such as believes, expects, anticipates, estimates or similar expressions. Forward-looking statements include, but are not limited to:

- statements of our goals, intentions and expectations;
- statements regarding our business plans, prospects, growth and operating strategies;
- statements regarding the value of our loan and investment portfolios; and
- estimates of our risks and future costs and benefits.

These forward-looking statements are subject to significant risks and uncertainties. Actual results may differ materially from those contemplated by the forward-looking statements due to, among others, the following factors:

- general economic conditions, either nationally or in our market area, that are worse than expected;
- changes in the interest rate environment that reduce our interest margins or reduce the fair value of financial instruments;
- changes in real estate values, which could impact the quality of the assets securing the loans in our portfolio;
- increased competitive pressures among financial services companies;
- changes in consumer spending, borrowing and savings habits;
- legislative or regulatory changes that adversely affect our business;
- adverse changes in the securities markets; and
- changes in accounting policies and practices, as may be adopted by United Community Bank, regulatory agencies or the Public Accounting Oversight Board.

Any of the forward-looking statements that we make in this prospectus and in other public statements we make may later prove incorrect because of inaccurate assumptions, the factors illustrated above or other factors that we cannot foresee. Consequently, no forward-looking statement can be guaranteed.

Further information on other factors that could affect us are included in the section captioned *Risk Factors.*

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Selected Consolidated Financial and Other Data

[Insert from Offering Prospectus]

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Special Meeting of United Community Bancorp Shareholders

Date, Place, Time and Purpose

United Community Bancorp s board of directors is sending you this document for the purpose of requesting that you allow your shares of United Community Bancorp to be represented at the special meeting by the persons named in the enclosed proxy card. At the special meeting, the United Community Bancorp board of directors will ask you to vote on a proposal to approve the plan of conversion. You will also be asked to vote on informational provisions regarding new United Community Bancorp s articles of incorporation. You also may be asked to vote on a proposal to adjourn the special meeting if necessary to permit further solicitation of proxies if there are not sufficient votes at the time of the meeting to approve the plan of conversion. The special meeting will be held at ____________________, ________________, ____________, Indiana, at ______ __.m., Eastern time, on ______, 2011.

Who Can Vote at the Meeting

You are entitled to vote your United Community Bancorp common stock if our records show that you held your shares as of the close of business on **[RecordDate]**. If your shares are held in a stock brokerage account or by a bank or other nominee, you are considered the beneficial owner of shares held in street name and these proxy materials are being forwarded to you by your broker or nominee. As the beneficial owner, you have the right to direct your broker or nominee how to vote.

As of the close of business on **[RecordDate]**, there were ______ shares of United Community Bancorp common stock outstanding. Each share of common stock has one vote.

Attending the Meeting

If you are a shareholder as of the close of business on **[RecordDate]**, you may attend the meeting. However, if you hold your shares in street name, you will need proof of ownership to be admitted to the meeting. A recent brokerage statement or a letter from a bank or broker are examples of proof of ownership. If you want to vote your shares of United Community Bancorp common stock held in street name in person at the meeting, you will have to get a written proxy in your name from the broker, bank or other nominee who holds your shares.

Vote Required

The special meeting will be held only if there is a quorum. A quorum exists if a majority of the outstanding shares of common stock entitled to vote, represented in person or by proxy, is present at the meeting. If you return valid proxy instructions or attend the meeting in person, your shares will be counted for purposes of determining whether there is a quorum, even if you abstain from voting. Broker non-votes also will be counted for purposes of determining the existence of a quorum. A broker non-vote occurs when a broker, bank or other nominee holding shares for a beneficial owner does not vote on a particular proposal because the nominee does not have discretionary voting power with respect to that item and has not received voting instructions from the beneficial owner.

Proposal 1: Approval of the Plan of Conversion. To be approved, the plan of conversion requires the affirmative vote of at least two-thirds of the outstanding shares of United Community Bancorp common stock, including the shares held by United Community MHC, *and* the affirmative vote of a majority of votes eligible to be cast at the meeting, excluding shares of United Community MHC. Abstentions and broker non-votes will have the same effect as a vote against the plan of conversion.

Informational Proposals 2a and 2b: Approval of Certain Provisions in New United Community Bancorp s Articles of Incorporation. While we are asking you to vote with respect to each of the informational proposals, the proposed provisions for which an informational vote is requested will become effective if shareholders approve the plan of conversion, regardless of whether shareholders vote to approve any or all of the informational proposals.

Proposal 3: Approval of the Adjournment of the Special meeting. In voting on the approval of the adjournment of the special meeting, you may vote in favor of the proposal, vote against the proposal or abstain from voting. We must obtain the affirmative vote of the majority of the votes cast by holders of outstanding shares of United Community Bancorp common stock to adjourn the special meeting, if necessary, to solicit additional proxies in the event that there are not sufficient votes at the time of the special meeting to approve the proposal to approve the plan of conversion.

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Shares Held by United Community MHC and Our Officers and Directors

As of **[RecordDate]**, United Community MHC beneficially owned 4,655,200 shares of United Community Bancorp common stock. This equals 59.3% of our outstanding shares. United Community MHC intends to vote all of its shares in favor of each of the proposals and Board nominees. Because United Community MHC owns in excess of 50% of the outstanding shares of United Community Bancorp common stock, the votes it casts will ensure the presence of a quorum and control the outcome of the vote on the proposals.

As of **[RecordDate]**, our officers and directors beneficially owned ______ shares of United Community Bancorp common stock, not including shares that they may acquire upon the exercise of outstanding stock options. This equals __% of our outstanding shares and __% of shares held by persons other than United Community MHC.

Voting by Proxy

Our board of directors is sending you this proxy statement to request that you allow your shares of United Community Bancorp common stock to be represented at the special meeting by the persons named in the enclosed proxy card. All shares of United Community Bancorp common stock represented at the meeting by properly executed and dated proxies will be voted according to the instructions indicated on the proxy card. If you sign, date and return a proxy card without giving voting instructions, your shares will be voted as recommended by our board of directors. Our board of directors recommends that you vote **FOR** approval of the plan of conversion and reorganization, **FOR** each of the Informational Proposals 2a and 2b, and **FOR** approval of the adjournment of the special meeting.

If any matters not described in this proxy statement are properly presented at the special meeting, the persons named in the proxy card will use their judgment to determine how to vote your shares. We do not know of any other matters to be presented at the special meeting.

You may revoke your proxy at any time before the vote is taken at the meeting. To revoke your proxy, you must either advise the Corporate Secretary of United Community Bancorp in writing before your common stock has been voted at the special meeting, deliver a later-dated proxy or attend the special meeting and vote your shares in person. Attendance at the special meeting will not in itself constitute revocation of your proxy.

If your United Community Bancorp common stock is held in street name, you will receive instructions from your broker, bank or other nominee that you must follow to have your shares voted. Your broker, bank or other nominee may allow you to deliver your voting instructions via the telephone or the Internet. Please see the instruction form provided by your broker, bank or other nominee that accompanies this proxy statement/prospectus.

Solicitation of Proxies

United Community Bancorp will pay for this proxy solicitation. In addition to soliciting proxies by mail, directors, officers and employees of United Community Bancorp may solicit proxies personally and by telephone. None of these persons will receive additional or special compensation for soliciting proxies. United Community Bancorp will, upon request, reimburse brokers, banks and other nominees for their expenses in sending proxy materials to their customers who are beneficial owners and obtaining their voting instructions. United Community Bancorp has retained Phoenix Advisory Partners LLC, a proxy solicitation firm, and has agreed to pay them a fee of $______ plus reasonable out-of-pocket expenses and charges for telephone calls made and received in connection with these services.

Participants in the ESOP, 401(k) Plan or Equity Incentive Plan

If you participate in the ESOP or the Equity Incentive Plan, or if you invest in United Community Bancorp common stock through the United Community Bancorp Stock Fund in our 401(k) Plan, you will receive a vote authorization form for each plan that reflects all shares you may direct the trustees to vote on your behalf under the respective plans. Under the terms of the ESOP, all allocated shares of United Community Bancorp common stock held by the ESOP are voted by the ESOP trustee, as directed by plan participants. All unallocated shares of United Community Bancorp common stock held by the ESOP and all allocated shares for which no timely voting instructions are received are voted by the ESOP trustee in the same proportion as shares for which the trustee has received timely voting instructions from other ESOP participants, subject to the exercise of its fiduciary duties. Under the terms of the 401(k) Plan, a participant may direct the trustee how to vote the shares in the United Community Bancorp Stock Fund credited to his or her account. The trustee will vote all shares for which it does not receive timely instructions from participants in the same

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proportion as shares for which the trustee received voting instructions from other 401(k) Plan participants. Under the Equity Incentive Plan, participants may direct the trustee how to vote their unvested restricted stock awards. The trustee will vote all shares held in the trust for which it does not receive timely instructions as directed by United Community Bancorp. The deadline for returning your voting instructions to each plan s trustee is ______ , 2011.

Proposal 1 Approval of the Plan of Conversion

This conversion is being conducted pursuant to a plan of conversion approved by the boards of directors of United Community MHC, United Community Bancorp and United Community Bank. The Office of Thrift Supervision has conditionally approved the plan of conversion; however, such approval does not constitute a recommendation or endorsement of the plan of conversion by such agency.

General

On March 10, 2011, the boards of directors of United Community MHC, United Community Bancorp and United Community Bank unanimously adopted the plan of conversion. The second-step conversion that we are now undertaking involves a series of transactions by which we will convert our organization from the partially public mutual holding company form to the fully public stock holding company structure. Under the plan of conversion, United Community Bank will convert from the mutual holding company form of organization to the stock holding company form of organization and become a wholly owned subsidiary of new United Community Bancorp, a newly formed Indiana corporation. Current shareholders of United Community Bancorp, other than United Community MHC, will receive shares of new United Community Bancorp common stock in exchange for their shares of United Community Bancorp common stock. Following the conversion and offering, United Community Bancorp and United Community MHC will no longer exist.

The conversion to a stock holding company structure also includes the offering by new United Community Bancorp of its common stock to eligible depositors of United Community Bank in a subscription offering and, if necessary, to members of the general public through a community offering and/or a syndicate of registered broker-dealers. The amount of stock offered for sale in the offering is based on an independent appraisal of new United Community Bancorp. Most of the terms of the offering are required by the regulations of the Office of Thrift Supervision.

Consummation of the conversion and offering requires the approval of the Office of Thrift Supervision. In addition, pursuant to Office of Thrift Supervision regulations, consummation of the conversion and offering is conditioned upon the approval of the plan of conversion by (1) at least a majority of the total number of votes eligible to be cast by depositors of United Community Bank, (2) the holders of at least two-thirds of the outstanding shares of United Community Bancorp common stock and (3) the holders of at least a majority of the outstanding shares of common stock of United Community Bancorp, excluding shares held by United Community MHC.

The Office of Thrift Supervision approved our plan of conversion, subject to, among other things, approval of the plan of conversion by United Community MHC s members (depositors of the United Community Bank) and United Community Bancorp s shareholders. Meetings of United Community MHC s members and United Community Bancorp s shareholders have been called for this purpose on ______, 2011.

Funds received before completion of the offering will be maintained in a segregated account at United Community Bank. If we fail to receive the necessary shareholder or member approval, or if we cancel the conversion and offering for any reason, orders for common stock already submitted will be canceled, subscribers funds will be returned promptly with interest calculated at United Community Bank s passbook savings rate and all deposit account withdrawal holds will be cancelled. We will not make any deduction from the returned funds for the costs of the offering.

The following is a brief summary of the pertinent aspects of the conversion and offering. A copy of the plan of conversion is available from United Community Bancorp upon written request to the Corporate Secretary and is available for inspection at the offices of United Community Bank and at the Office of Thrift Supervision. The plan of conversion is also filed as an exhibit to the registration statement, of which this prospectus forms a part, that new United Community Bancorp has filed with the Securities and Exchange Commission. See *Where You Can Find More Information*.

The board of directors recommends that you vote **FOR** the adoption of the plan of conversion.

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Reasons for the Conversion and Offering

[Insert from Offering Prospectus]

Description of the Conversion

[Insert from Offering Prospectus]

Share Exchange Ratio for Current Shareholders

[Insert from Offering Prospectus]

How We Determined the Offering Range and the $8.00 Purchase Price

[Insert from Offering Prospectus]

Subscription Offering and Subscription Rights

Under the plan of conversion, we have granted rights to subscribe for our common stock to the following persons in the following order of priority:

1. Persons with deposits in United Community Bank with balances of $50 or more (qualifying deposits) as of the close of business on December 31, 2009 (eligible account holders).

2. Our employee stock ownership plan.

3. Persons with qualifying deposits in United Community Bank as of the close of business on __________, 2011 who are not eligible account holders, excluding our officers, directors and their associates (supplemental eligible account holders).

4. Depositors of United Community Bank as of the close of business on __________, 2011, who are not eligible or supplemental eligible account holders (other members).

The amount of common stock that any person may purchase will depend on the availability of the common stock after satisfaction of all subscriptions having prior rights in the subscription offering and to the maximum and minimum purchase limitations set forth in the plan of conversion. See *Limitations on Purchases of Shares*.

Purchase of Shares

Eligible depositors of United Community Bank have priority subscription rights allowing them to purchase common stock in the subscription offering. Shares not purchased in the subscription offering may be available for sale to the public in a community offering. You, as a shareholder on the record date, will be given a preference in the community offering after natural persons residing in Dearborn and Ripley Counties, Indiana. You may request a stock order form and prospectus by calling our Stock Information Center at (__) ____ - ____, Monday through Friday, between 10:00 a.m. and 4:00 p.m., Eastern Time. The Stock Information Center will be closed on weekends and bank holidays. The stock offering is expected to expire on __________, 2011.

Marketing Arrangements

[Insert from Offering Prospectus]

Delivery of Certificates

After completion of the conversion, each holder of a certificate(s) evidencing shares of United Community Bancorp common stock (other than United Community MHC), upon surrender of the certificate to our transfer agent, which is anticipated to serve as the exchange agent for the conversion, will receive a certificate(s) representing the number of full shares of new United Community Bancorp common stock into which the holder s shares have been converted based on the exchange ratio. Promptly following the consummation of the conversion, the exchange agent will mail to each such holder of record of an outstanding certificate evidencing

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shares of United Community Bancorp common stock a form of letter of transmittal (which shall specify that delivery shall be effected, and risk of loss and title to such certificate shall pass, only upon delivery of such certificate to the exchange agent) advising such holder of the terms of the exchange and of the procedure for surrendering to the exchange agent such certificate in exchange for a certificate(s) evidencing new United Community Bancorp common stock. **United Community Bancorp shareholders should not forward their certificates to the exchange agent until they have received the transmittal letter.** If you hold shares of United Community Bancorp common stock in street name, your account will automatically be credited with shares of new United Community Bancorp common stock following consummation of the conversion. No transmittal forms will be mailed relating to shares held in street name.

We will not issue any fractional shares of new United Community Bancorp common stock. For each fractional share that would otherwise be issued as a result of the exchange of new United Community Bancorp common stock for United Community Bancorp common stock, we will pay an amount equal to the product obtained by multiplying the fractional share interest to which the former United Community Bancorp shareholder would otherwise be entitled by $8.00. Payment for fractional shares will be made as soon as practicable after receipt by the exchange agent of surrendered United Community Bancorp stock certificates. If you hold shares of United Community Bancorp common stock in street name, your account will automatically be credited with cash in lieu of fractional shares. If you hold a stock certificate, you will receive a check.

No holder of a certificate representing shares of United Community Bancorp common stock will be entitled to receive any dividends on United Community Bancorp common stock until the certificate representing such holder s shares of United Community Bancorp common stock is surrendered in exchange for certificates representing shares of new United Community Bancorp common stock. If we declare dividends after the conversion but before surrender of certificates representing shares of United Community Bancorp common stock, dividends payable on shares of United Community Bancorp common stock not then issued shall accrue without interest. Any such dividends shall be paid without interest upon surrender of the certificates representing shares of United Community Bancorp common stock. We will be entitled, after the completion of the conversion, to treat certificates representing shares of United Community Bancorp common stock as evidencing ownership of the number of full shares of new United Community Bancorp common stock into which the shares of United Community Bancorp common stock represented by such certificates shall have been converted, notwithstanding the failure on the part of the holder thereof to surrender such certificates.

We will not be obligated to deliver a certificate(s) representing shares of new United Community Bancorp common stock to which a holder of United Community Bancorp common stock would otherwise be entitled as a result of the conversion until such holder surrenders the certificate(s) representing the shares of United Community Bancorp common stock for exchange as provided above, or provides an appropriate affidavit of loss and indemnity agreement and/or a bond. If any certificate evidencing shares of United Community Bancorp common stock is to be issued in a name other than that in which the certificate evidencing United Community Bancorp common stock surrendered in exchange therefor is registered, it shall be a condition of the issuance that the certificate so surrendered shall be properly endorsed and otherwise be in proper form for transfer and that the person requesting such exchange pay to the exchange agent any transfer or other tax required by reason of the issuance of a certificate for shares of common stock in any name other than that of the registered holder of the certificate surrendered or otherwise establish to the satisfaction of the exchange agent that such tax has been paid or is not payable.

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Restrictions on Repurchase of Stock

[Insert from Offering Prospectus]

Effects of Conversion on Depositors and Borrowers

[Insert from Offering Prospectus]

Liquidation Rights

[Insert from Offering Prospectus]

Material Income Tax Consequences

[Insert from Offering Prospectus]

Accounting Consequences

The conversion will be accounted for as a change in legal organization and form and not a business combination. Accordingly, the carrying amount of the assets and liabilities of United Community Bank will remain unchanged from their historical cost basis.

Interpretation, Amendment and Termination

All interpretations of the plan of conversion by our board of directors will be final, subject to the authority of the Office of Thrift Supervision. The plan of conversion provides that, if deemed necessary or desirable by the board of directors, the plan of conversion may be substantively amended by a majority vote of the board of directors as a result of comments from regulatory authorities or otherwise, at any time prior to the submission of proxy materials to the members of United Community MHC and shareholders of United Community Bancorp. Amendment of the plan of conversion thereafter requires a majority vote of the board of directors, with the concurrence of the Office of Thrift Supervision. The plan of conversion may be terminated by a majority vote of the board of directors at any time prior to the earlier of the date of the special meeting of shareholders and the date of the special meeting of members of United Community MHC, and may be terminated by the board of directors at any time thereafter with the concurrence of the Office of Thrift Supervision. The plan of conversion will terminate if the conversion and offering are not completed within 24 months from the date on which the members of United Community MHC approve the plan of conversion, and may not be extended by us or the Office of Thrift Supervision.

Proposals 2a and 2b Informational Proposals Related to the

Articles of Incorporation of New United Community Bancorp

By their approval of the plan of conversion as set forth in Proposal 1, the board of directors of United Community Bancorp has approved each of the informational proposals numbered 2a and 2b, both of which relate to provisions included in the articles of incorporation of new United Community Bancorp. Each of these informational proposals is discussed in more detail below.

As a result of the conversion, the public shareholders of United Community Bancorp, whose rights are presently governed by the charter and bylaws of United Community Bancorp, will become shareholders of new United Community Bancorp, whose rights will be governed by the articles of incorporation and bylaws of new United Community Bancorp. The following informational proposals address the material differences between the governing documents of the two companies. This discussion is qualified in its entirety by reference to the articles of incorporation of United Community Bancorp and the articles of incorporation of new United Community Bancorp. See *Where You Can Find Additional Information* for procedures for obtaining a copy of those documents.

The provisions of new United Community Bancorp s articles of incorporation which are summarized as informational proposals 2a and 2b were approved as part of the process in which the board of directors of United Community Bancorp approved the plan of conversion. These proposals are informational in nature only, because the Office of Thrift Supervision s regulations governing mutual-to-stock conversions do not provide for votes on matters other than the plan of conversion. United Community Bancorp s shareholders are not being asked to approve these informational proposals at the special meeting. While we are asking you to vote with respect to each of the informational proposals set forth below, the proposed provisions for which an informational vote is requested will become effective if shareholders approve the plan of conversion, regardless of whether shareholders vote to approve

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any or all of the informational proposals. The provisions of new United Community Bancorp s articles of incorporation which are summarized as informational proposals may have the effect of deterring or rendering more difficult attempts by third parties to obtain control of new United Community Bancorp, if such attempts are not approved by the board of directors, or may make the removal of the board of directors or management, or the appointment of new directors, more difficult.

Informational Proposal 2a Approval of a Provision in New United Community Bancorp s Articles of Incorporation Requiring a Super-Majority Vote to Approve Certain Amendments to New United Community Bancorp s Articles of Incorporation. No amendment of the charter of United Community Bancorp may be made unless it is first proposed by the board of directors, then preliminarily approved by the Office of Thrift Supervision, and thereafter approved by the holders of a majority of the total votes eligible to be cast at a legal meeting. The articles of incorporation of new United Community Bancorp generally may be amended by the holders of a majority of the shares entitled to vote; provided, however, that any amendment of Section 3.04 (limitation on common stock voting rights), Section 4.02 (classification of board of directors), Section 4.05 (removal of directors), Section 4.06 (special shareholder meetings), Article V (approval of certain business combinations), Article VI (evaluations of business combinations), Article VII (indemnification), Article IX (conduct of affairs of corporation) and Article X (amendment of certain provisions of the Articles), must be approved by the affirmative vote of the holders of at least two-thirds (2/3) of the outstanding shares entitled to vote, except that the board of directors may amend the articles of incorporation without any action by the shareholders to the fullest extent allowed under Indiana law.

These limitations on amendments to specified provisions of new United Community Bancorp s articles of incorporation are intended to ensure that the referenced provisions are not limited or changed upon a simple majority vote. While this limits the ability of shareholders to amend those provisions, United Community MHC, as the holder of a majority of the outstanding shares of United Community Bancorp, currently can effectively block any shareholder proposed change to the charter.

This provision in new United Community Bancorp s articles of incorporation could have the effect of discouraging a tender offer or other takeover attempt where to ability to make fundamental changes through amendments to the articles of incorporation is an important element of the takeover strategy of the potential acquiror. The board of directors believes that the provisions limiting certain amendments to the articles of incorporation will put the board of directors in a stronger position to negotiate with third parties with respect to transactions potentially affecting the corporate structure of new United Community Bancorp and the fundamental rights of its shareholders, and to preserve the ability of all shareholders to have an effective voice in the outcome of such matters.

The board of directors recommends that you vote FOR the approval of a provision in new United Community Bancorp s articles of incorporation requiring a super-majority vote to approve certain amendments to new United Community Bancorp s articles of incorporation.

Informational Proposal 2b. Approval of a Provision in New United Community Bancorp s Articles of incorporation to Limit the Voting Rights of Shares Beneficially Owned in Excess of 10% of New United Community Bancorp s Outstanding Voting Stock. The articles of incorporation of new United Community Bancorp provide that in no event shall any person who directly or indirectly beneficially owns in excess of 10% of the then-outstanding shares of common stock as of the record date for the determination of shareholders entitled or permitted to vote on any matter (the 10% limit) be entitled or permitted to any vote in respect of the shares held in excess of the 10% limit. This 10% limit restriction does not apply if the beneficial owner s ownership of shares in excess of the 10% limit was approved by a majority of unaffiliated directors. Beneficial ownership is determined pursuant to the federal securities laws and includes, but is not limited to, shares as to which any person and his or her affiliates (1) have the right to acquire upon the exercise of conversion rights, exchange rights, warrants or options and (2) have or share investment or voting power (but shall not be deemed the beneficial owner of any voting shares solely by reason of a revocable proxy granted for a particular meeting of shareholders, and that are not otherwise beneficially, or deemed by new United Community Bancorp to be beneficially, owned by such person and his or her affiliates).

The foregoing restriction does not apply to:

- any director or officer acting solely in their capacities as directors and officers; or
- any employee benefit plans of new United Community Bancorp or any subsidiary or a trustee of a plan.

The charter of United Community Bancorp provides that, for a period of five years from the effective date of United Community Bank s minority stock offering, no person, other than United Community MHC, shall directly or indirectly offer to acquire or acquire more than 10% of the then-outstanding shares of common stock. The foregoing restriction does not apply to:

the purchase of shares by underwriters in connection with a public offering; or

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the purchase of shares by any employee benefit plans of United Community Bancorp or any subsidiary.

This provision is intended to limit the ability of any person to acquire a significant number of shares of new United Community Bancorp common stock and thereby gain sufficient voting control so as to cause new United Community Bancorp to effect a transaction that may not be in the best interests of new United Community Bancorp and its shareholders generally. This provision will not prevent a shareholder from seeking to acquire a controlling interest in new United Community Bancorp, but it will prevent a shareholder from voting more than 10% of the outstanding shares of common stock unless that shareholder has first persuaded the board of directors of the merits of the course of action proposed by the shareholder. The board of directors of new United Community Bancorp believes that fundamental transactions generally should be first considered and approved by the board of directors as the board generally believes that it is in the best position to make an initial assessment of the merits of any such transactions and that the board of directors ability to make the initial assessment could be impeded if a single shareholder could acquire a sufficiently large voting interest so as to control a shareholder vote on any given proposal. This provision in new United Community Bancorp s articles of incorporation makes an acquisition, merger or other similar corporate transaction less likely to occur, even if such transaction is supported by most shareholders, because it can prevent a holder of shares in excess of the 10% limit from voting the excess shares in favor of the transaction. Thus, it may be deemed to have an anti-takeover effect.

The board of directors recommends that you vote FOR the approval of a provision in new United Community Bancorp s articles of incorporation to limit the voting rights of shares beneficially owned in excess of 10% of new United Community Bancorp s outstanding voting stock.

Proposal 3 Adjournment of the Special Meeting

If there are not sufficient votes to constitute a quorum or to approve the plan of conversion at the time of the special meeting, the plan of conversion may not be approved unless the special meeting is adjourned to a later date or dates in order to permit further solicitation of proxies. In order to allow proxies that have been received by United Community Bancorp at the time of the special meeting to be voted for an adjournment, if necessary, United Community Bancorp has submitted the question of adjournment to its shareholders as a separate matter for their consideration. The board of directors of United Community Bancorp recommends that shareholders vote FOR the adjournment proposal. If it is necessary to adjourn the special meeting, no notice of the adjourned special meeting is required to be given to shareholders (unless the adjournment is for more than 30 days or if a new record date is fixed), other than an announcement at the special meeting of the hour, date and place to which the special meeting is adjourned.

The board of directors recommends that you vote FOR the adjournment of the special meeting, if necessary, to solicit additional proxies in the event that there are not sufficient votes at the time of the special meeting to approve the proposal to approve the plan of conversion.

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Use of Proceeds

[Insert from Offering Prospectus]

Our Dividend Policy

[Insert from Offering Prospectus]

Market for the Common Stock

[Insert from Offering Prospectus]

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Capitalization

[Insert from Offering Prospectus]

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Regulatory Capital Compliance

[Insert from Offering Prospectus]

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Pro Forma Data

[Insert from Offering Prospectus]

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Our Business

[Insert from Offering Prospectus]

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Management s Discussion and Analysis of Financial Condition and Results of Operations

[Insert from Offering Prospectus]

Stock Ownership

[Insert from Offering Prospectus]

Subscriptions by Executive Officers and Directors

[Insert from Offering Prospectus]

Regulation and Supervision

[Insert from Offering Prospectus]

Federal and State Taxation

[Insert from Offering Prospectus]

Comparison of Shareholders Rights

[Insert from Offering Prospectus]

Restrictions on Acquisition of New United Community Bancorp

[Insert from Offering Prospectus]

Description of New United Community Bancorp Capital Stock

[Insert from Offering Prospectus]

Transfer Agent and Registrar

The transfer agent and registrar for the common stock of new United Community Bancorp will be Illinois Stock Transfer, Chicago, Illinois.

Registration Requirements

In connection with the conversion and offering, we will register our common stock with the Securities and Exchange Commission under Section 12(b) of the Securities Exchange Act of 1934, as amended, and will not deregister our common stock for a period of at least three years following the conversion and offering. As a result of registration, the proxy and tender offer rules, insider trading reporting and restrictions, annual and periodic reporting and other requirements of that statute will apply.

Legal and Tax Opinions

The legality of our common stock has been passed upon for us by Kilpatrick Townsend & Stockton LLP, Washington, D.C. The federal income tax consequences of the conversion have been opined upon by Kilpatrick Townsend & Stockton LLP. Clark, Schaefer, Hackett & Co. has provided an opinion to us regarding the Indiana income tax consequences of the conversion. Kilpatrick Townsend & Stockton LLP and Clark, Schaefer, Hackett & Co. have consented to the references to their opinions in this proxy statement/prospectus.

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Experts

The consolidated financial statements of United Community Bancorp and subsidiaries as of June 30, 2010 and 2009, and for each of the years in the three-year period ended June 30, 2010, have been included herein in reliance upon the report of Clark, Schaefer, Hackett & Co., independent registered public accounting firm, which is included herein and upon the authority of said firm as experts in accounting and auditing.

Keller & Company, Inc. has consented to the summary in this proxy statement/prospectus of its report to us setting forth its opinion as to our estimated pro forma market value and to the use of its name and statements with respect to it appearing in this proxy statement/prospectus.

Miscellaneous

United Community Bancorp s Annual Report to Shareholders has been included with this proxy statement. Any shareholder who has not received a copy of the Annual Report may obtain a copy by writing to the Corporate Secretary of United Community Bancorp. The Annual Report is not to be treated as part of the proxy solicitation material or as having been incorporated by reference into this proxy statement.

If you and others who share your address own your shares in street name, your broker or other holder of record may be sending only one annual report and proxy statement to your address. This practice, known as householding, is designed to reduce our printing and postage costs. However, if a shareholder residing at such an address wishes to receive a separate annual report or proxy statement in the future, he or she should contact the broker or other holder of record. If you own your shares in street name and are receiving multiple copies of our annual report and proxy statement, you can request householding by contacting your broker or other holder of record.

Where You Can Find More Information

New United Community Bancorp has filed with the Securities and Exchange Commission a registration statement under the Securities Act of 1933, as amended, that registers the common stock to be issued in exchange for shares of United Community Bancorp common stock. This proxy statement/prospectus forms a part of the registration statement. The registration statement, including the exhibits, contains additional relevant information about United Community Bancorp and its common stock. The rules and regulations of the Securities and Exchange Commission allow us to omit certain information included in the registration statement from this proxy statement/prospectus. You may read and copy the registration statement at the Securities and Exchange Commission s public reference room at 100 F Street, NE, Room 1580, Washington, D.C. 20549. Please call the Securities and Exchange Commission at 1-800-SEC-0330 for further information on the Securities and Exchange Commission s public reference rooms. The registration statement also is available to the public from commercial document retrieval services and at the Internet World Wide Web site maintained by the Securities and Exchange Commission at http://www.sec.gov.

United Community MHC has filed an application for approval of the plan of conversion with the Office of Thrift Supervision. This proxy statement/prospectus omits certain information contained in the application. The application may be inspected, without charge, at the offices of the Office of Thrift Supervision, 1700 G Street, NW, Washington, D.C. 20552 and at the offices of the Regional Director of the Office of Thrift Supervision at the Central Regional Office of the Office of Thrift Supervision, 1 South Wacker Drive, Suite 2000, Chicago, Illinois 60606.

A copy of the plan of conversion is available without charge from United Community Bank.

The appraisal report of Keller & Company, Inc. has been filed as an exhibit to our registration statement and to our application to the Office of Thrift Supervision. Portions of the appraisal report were filed electronically with the Securities and Exchange Commission and are available on its Web site as described above. The entire appraisal report is available at the public reference room of the Securities and Exchange Commission and the offices of the Office of Thrift Supervision as described above.

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PART II

INFORMATION NOT REQUIRED IN PROSPECTUS

Item 13. Other Expenses of Issuance and Distribution.

The following table sets forth our anticipated expenses of the offering:

SEC filing fee (1)	$ 7,831
OTS filing fee	12,000
FINRA filing fee (1)	7,245
EDGAR, printing, postage and mailing	300,000
Legal fees and expenses	450,000
Accounting fees and expenses	50,000
Appraiser s fees and expenses	50,000
Marketing firm expenses (including legal fees) (2)	150,000
Conversion agent fees and expenses	30,000
Business plan fees and expenses	50,000
Transfer agent and registrar fees and expenses	20,000
Certificate printing	5,000
Miscellaneous	17,924
TOTAL	$ 1,150,000

(1) Based on the registration of $67.4 million of common stock.

(2) In addition, Sandler O Neill + Partners, L.P. will receive a fee equal to 1.0% of the aggregate purchase price of shares sold in the subscription and community offering, excluding shares purchased by directors, officers and employees of United Community Bancorp and members of their immediate families and the United Community Bank Employee Stock Ownership Plan and Trust. In addition, Sandler O Neill + Partners, L.P., and other selected dealers will receive aggregate fees currently estimated to be 5.5% of the aggregate price of shares sold in the syndicated community offering, if any.

Item 14. Indemnification of Directors and Officers.

Article VII of the Articles of Incorporation of United Community Bancorp (New) provides as follows:

Section 7.01. General Provisions. This corporation shall, to the fullest extent to which it is empowered to do so by the Indiana Business Corporation Act or any other applicable laws, as from time to time in effect, indemnify any person who was or is a party, or is threatened to be made a party, to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative and whether formal or informal, by reason of the fact that he or she is or was a director, officer or employee of this corporation, or who, while serving as such director, officer or employee of this corporation, is or was serving at the request of this corporation as a director, officer, partner, trustee, employee or agent of another corporation, partnership, joint venture, trust, employee benefit plan or other enterprise, whether for profit or not, against expenses (including attorneys fees), judgments, settlements, penalties and fines (including excise taxes assessed with respect to employee benefit plans) actually or reasonably incurred by him in accordance with such action, suit or proceeding, if he or she acted in good faith and in a manner he or she reasonably believed, in the case of conduct in his or her official capacity, was in the best interest of this corporation, and in all other cases, was not opposed to the best interests of this corporation, and with respect to any criminal action or proceeding, he or she either had reasonable cause to believe his or her conduct was lawful or no reasonable cause to believe his or her conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement or conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the person did not meet the prescribed standard of conduct.

Section 7.02. Indemnification Authorized. To the extent that a director, officer or employee of this corporation has been successful, on the merits or otherwise, in the defense of any action, suit or proceeding referred to in Section 7.01 of this Article VII, or in the defense of any claim, issue or matter therein, this corporation shall indemnify such person against expenses (including attorneys fees) actually and reasonably incurred by such person in connection therewith. Any other indemnification under Section 7.01 of this Article VII (unless ordered by a court) shall be made by this corporation only as authorized in the specific case, upon a determination that indemnification of the director, officer or employee is permissible in the circumstances because he or she has met the applicable standard of conduct. Such determination shall be made (a) by the board of directors by a majority vote of a quorum consisting of directors who were not at the time parties to such action, suit or proceeding; or (b) if a quorum cannot be obtained under subdivision (a), by a majority vote of a committee duly designated by the board of directors (in which designation directors who are parties may participate), consisting solely of two or more directors not at the time parties to such action, suit or proceeding; or (c) by special legal counsel: (i) selected by the board of directors or its committee in the manner prescribed in subdivision (a) or (b), or (ii) if a quorum of the board of directors cannot be obtained under subdivision (a) and a committee cannot be designated under subdivision (b), selected by a majority vote of the full board of directors (in which selection directors who are parties may participate); or (d) by stockholders, but shares owned by or voted under the control of directors who are at the time parties to such action, suit or proceeding may not be voted on the determination.

Authorization of indemnification and evaluation as to reasonableness of expenses shall be made in the same manner as the determination that indemnification is permissible, except that if the determination is made by special legal counsel, authorization of indemnification and evaluation as to reasonableness of expenses shall be made by those entitled under subsection (c) to select counsel.

Section 7.03. Definition of Good Faith. For purposes of any determination under Section 7.01 of this Article VII, a person shall be deemed to have acted in good faith and to have otherwise met the applicable standard of conduct set forth in Section 7.01 of this Article VII if his or her action is based on information, opinions, reports, or statements, including financial statements and other financial data, if prepared or presented by (a) one or more officers or employees of this corporation or other enterprise whom he or she reasonably believes to be reliable and competent in the matters presented; (b) legal counsel, public accountants, appraisers or other persons as to matters he or she reasonably believes are within the person s professional or expert competence; or (c) a committee of the board of directors of this corporation or another enterprise of which the person is not a member if he or she reasonably believes the committee merits confidence. The term another enterprise as used in this Section 7.03 shall mean any other corporation or any partnership, joint venture, trust, employee benefit plan or other enterprise of which such person is or was serving at the request of this corporation as a director, officer, partner, trustee, employee or agent. The provisions of this Section 7.03 shall not be deemed to be exclusive or to limit in any way the circumstances in which a person may be deemed to have met the applicable standards of conduct set forth in Section 7.01 of this Article VII.

Section 7.04. Advancement of Expenses. Expenses incurred in connection with any civil or criminal action, suit or proceeding may be paid for or reimbursed by this corporation in advance of the final disposition of such action, suit or proceeding, as authorized in the specific case in the same manner described in Section 7.02 of this Article VII, upon receipt of a written affirmation of the director, officer or employee s good faith belief that he or she has met the standard of conduct described in Section 7.01 of this Article VII and upon receipt of a written undertaking on behalf of the director, officer or employee to repay such amount if it shall ultimately be determined that he or she did not meet the standard of conduct set forth in this Article VII, and a determination is made that the facts then known to those making the determination would not preclude indemnification under this Article VII.

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Section 7.05. Non-Exclusivity. The indemnification provided by this Article VII shall not be deemed exclusive of any other rights to which a person seeking indemnification may be entitled under these Articles of Incorporation, this corporation s Bylaws, any resolution of the board of directors or stockholders, any other authorization, whenever adopted, after notice, by a majority vote of all voting stock then outstanding, or any contract, both as to action in his or her official capacity and as to action in another capacity while holding such office, and shall continue as to a person who has ceased to be a director, officer or employee, and shall inure to the benefit of the heirs, executors and administrators of such a person.

Section 7.06. Vestment of Rights. The right of any individual to indemnification under this Article VII shall vest at the time of occurrence or performance of any event, act or omission giving rise to any action, suit or proceeding of the nature referred to in Section 7.01 of this Article VII and, once vested, shall not later be impaired as a result of any amendment, repeal, alteration or other modification of any or all of these provisions. Notwithstanding the foregoing, the indemnification afforded under this Article VII shall be applicable to all alleged prior acts or omissions of any individual seeking indemnification hereunder, regardless if such alleged acts or omissions may have occurred before the adoption of this Article VII. To the extent such prior acts or omissions cannot be deemed to be covered by this Article VII, the right of any individual to indemnification shall be governed by the indemnification provisions in effect at the time of such prior acts or omissions.

Section 7.07. Insurance. This corporation may purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of this corporation, or who is or was serving at the request of this corporation as a director, officer, partner, trustee, employee or agent of another corporation, partnership, joint venture, trust, employee benefit plan or other enterprise, against any liability asserted against or incurred by the individual in that capacity or arising from the individual s status as a director, officer, employee or agent, whether or not this corporation would have power to indemnify the individual against the same liability under this Article VII.

Section 7.08. Other Definitions. For purposes of this Article VII, serving an employee benefit plan at the request of this corporation shall include any service as a director, officer or employee of this corporation which imposes duties on, or involves services by such director, officer or employee with respect to an employee benefit plan, its participants, or its beneficiaries. A person who acted in good faith and in a manner he or she reasonably believed to be in the best interests of the participants and beneficiaries of an employee benefit plan shall be deemed to have acted in a manner not opposed to the best interest of this corporation referred to in this Article VII.

For purposes of this Article VII, party includes any individual who is or was a plaintiff, defendant or respondent in any action, suit or proceeding.

For purposes of this Article VII, official capacity, when used with respect to a director, shall mean the office of director of this corporation; and when used with respect to an individual other than a director, shall mean the office in this corporation held by the officer or the employment or agency relationship undertaking by the employee or agent on behalf of this corporation. Official capacity does not include service for any other foreign or domestic corporation or any partnership, joint venture, trust, employee benefit plan, or other enterprise, whether for profit or not, except as set forth in Section 1 of this Article VII.

Section 7.09. Business Expenses. Any payments made to any indemnified party under this Article VII under any other right of indemnification shall be deemed to be an ordinary and necessary business expense of this corporation, and payment thereof shall not subject any person responsible for the payment, or the board of directors, to any action for corporate waste or to any similar action.

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Item 15. Recent Sales of Unregistered Securities.

None.

Item 16. Exhibits and Financial Statement Schedules.

The exhibits filed as a part of this Registration Statement are as follows:

(a) List of Exhibits

Exhibit	Description	Location
1.1	Engagement Letter by and between United Community Bancorp, United Community Bank, United Community MHC and Sandler O Neill + Partners, L.P., as marketing and records agent	Filed herewith
1.2	Draft Agency Agreement	To be filed by amendment
2.0	Plan of Conversion and Reorganization	Filed herewith
3.1	Articles of Incorporation of United Community Bancorp	Filed herewith
3.2	Bylaws of United Community Bancorp	Filed herewith
4.0	Specimen Common Stock Certificate of United Community Bancorp	Filed herewith
5.0	Form of Opinion of Kilpatrick Townsend & Stockton LLP re: Legality	Filed herewith
8.1	Form of Opinion of Kilpatrick Townsend & Stockton LLP re: Federal Tax Matters	Filed herewith
8.2	Form of Opinion of Clark, Schaefer, Hackett & Co. re: State Tax Matters	Filed herewith
10.1	+ Form of ESOP Loan Documents	Filed herewith
10.2	+ United Community Bank 401(k) Profit Sharing Plan and Trust and Adoption Agreement	To be filed by amendment
10.3	+ Amended and Restated United Community Bank Employee Severance Compensation Plan	Incorporated herein by reference to Exhibit 10.1 to the United Community Bancorp (File No. 0-51800) Quarterly Report on Form 10-Q for the Quarter Ended December 31, 2008, filed on February 9, 2009
10.4	+ Amended and Restated United Community Bank Supplemental Executive Retirement Plan	Incorporated herein by reference to Exhibit 10.2 to the United Community Bancorp (File No. 0-51800) Quarterly Report on Form 10-Q for the Quarter Ended December 31, 2008, filed on February 9, 2009

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Exhibit	Description	Location
10.5	+ Amended and Restated Employment Agreement between United Community Bancorp and Certain Executive Officers	Incorporated herein by reference to Exhibit 10.3 to the United Community Bancorp (File No. 0-51800) Quarterly Report on Form 10-Q for the Quarter Ended December 31, 2008, filed on February 9, 2009
10.6	+ Employment Agreement between United Community Bank and Certain Executive Officers	Incorporated herein by reference to Exhibit 10.4 to the United Community Bancorp (File No. 0-51800) Quarterly Report on Form 10-Q for the Quarter Ended December 31, 2008, filed on February 9, 2009
10.7	+ United Community Bank Directors Retirement Plan	Incorporated herein by reference to Exhibit 10.6 to the United Community Bancorp (File No. 333-130302) Registration Statement on Form S-1, filed on December 14, 2005
10.8	+ First Amendment to the United Community Bank Directors Retirement Plan	Incorporated herein by reference to Exhibit 10.6 to the United Community Bancorp (File No. 0-51800) Quarterly Report on Form 10-Q for the Quarter Ended December 31, 2008, filed on February 9, 2009
10.9	+ Executive Supplemental Retirement Income Agreements between United Community Bank and William F. Ritzmann, Elmer G. McLaughlin and James W. Kittle and Grantor Trust Agreements thereto	Incorporated herein by reference to Exhibit 10.11 to the United Community Bancorp (File No. 333-130302) Registration Statement on Form S-1, filed on December 14, 2005
10.10	+ First Amendment to the United Community Bank Executive Supplemental Retirement Income Agreements	Incorporated herein by reference to Exhibit 10.5 to the United Community Bancorp (File No. 0-51800) Quarterly Report on Form 10-Q for the Quarter Ended December 31, 2008, filed on February 9, 2009
10.11	+ Rabbi Trust related to Directors Retirement Plan and Executive Supplemental Retirement Income Agreements	Incorporated herein by reference to Exhibit 10.12 to the United Community Bancorp (File No. 333-130302) Registration Statement on Form S-1, filed on December 14, 2005
10.12	+ United Community Bancorp 2006 Equity Incentive Plan	Incorporated herein by reference to Appendix C to the United Community Bancorp definitive Proxy Statement (File No. 0-51800), filed on October 5, 2006
23.1	Consent of Kilpatrick Townsend & Stockton LLP	Contained in Exhibits 5.0 and 8.1
23.2	Consent of Clark, Schaefer, Hackett & Co.	Filed herewith
23.3	Consent of Keller & Company, Inc.	Filed herewith
24.0	Powers of Attorney	Included on the signature page
99.1	Appraisal Report of Keller & Company, Inc. (P)	Filed herewith
99.2	Draft Marketing Materials	To be filed by amendment

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Exhibit	Description	Location
99.3	Draft Subscription Order Form and Instructions	To be filed by amendment
99.4	Form of Proxy for United Community Bancorp Special Meeting of Shareholders	Filed herewith

\+ Management contract or compensation plan or arrangement.
(P) The supporting financial schedules are filed in paper pursuant to Rule 202 of Regulation S-T.

(b) Financial Statement Schedules

All schedules have been omitted as not applicable or not required under the rules of Regulation S-X.

Item 17. Undertakings.

The undersigned registrant hereby undertakes:

(1) To file, during any period in which offers or sales are being made, a post-effective amendment to this registration statement:

(i) To include any prospectus required by Section 10(a)(3) of the Securities Act of 1933;

(ii) To reflect in the prospectus any facts or events arising after the effective date of the registration statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the registration statement. Notwithstanding the forgoing, any increase or decrease in volume of securities offered (if the total dollar value of securities offered would not exceed that which was registered) and any deviation from the low or high end of the estimated maximum offering range may be reflected in the form of prospectus filed with the Commission pursuant to Rule 424(b) if, in the aggregate, the changes in volume and price represent no more than a 20% change in the maximum aggregate offering price set forth in the Calculation of Registration Fee table in the effective registration statement;

(iii) To include any material information with respect to the plan of distribution not previously disclosed in the registration statement or any material change to such information in the registration statement.

(2) That, for the purpose of determining any liability under the Securities Act of 1933, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(3) To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

(4) That, for purposes of determining any liability under the Securities Act of 1933, the information omitted from the form of prospectus filed as part of this registration statement in reliance upon Rule 430A and contained in a form of prospectus filed by the registrant pursuant to Rule 424(b)(1) or (4) or 497(h) under the Securities Act shall be deemed to be part of this registration statement as of the time it was declared effective.

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(5) That, for the purpose of determining any liability under the Securities Act of 1933, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(6) That, for the purpose of determining liability of the registrant under the Securities Act of 1933 to any purchaser in the initial distribution of the securities:

The undersigned registrant undertakes that in a primary offering of securities of the undersigned registrant pursuant to this registration statement, regardless of the underwriting method used to sell the securities to the purchaser, if the securities are offered or sold to such purchaser by means of any of the following communications, the undersigned registrant will be a seller to the purchaser and will be considered to offer or sell such securities to such purchaser:

(i) Any preliminary prospectus or prospectus of the undersigned registrant relating to the offering required to be filed pursuant to Rule 424;

(ii) Any free writing prospectus relating to the offering prepared by or on behalf of the undersigned registrant or used or referred to by the undersigned registrant;

(iii) The portion of any other free writing prospectus relating to the offering containing material information about the undersigned registrant or its securities provided by or on behalf of the undersigned registrant; and

(iv) Any other communication that is an offer in the offering made by the undersigned registrant to the purchaser.

The undersigned registrant hereby undertakes to provide to the underwriter at the closing specified in the underwriting agreement certificates in such denominations and registered in such names as required by the underwriter to permit prompt delivery to each purchaser.

Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the registrant pursuant to the foregoing provisions, or otherwise, the registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Act and will be governed by the final adjudication of such issue.

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SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the registrant has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Lawrenceburg, State of Indiana on March 14, 2011.

United Community Bancorp

By: /s/ William F. Ritzmann
William F. Ritzmann
President and Chief Executive Officer

POWER OF ATTORNEY

We, the undersigned directors and officers of United Community Bancorp (the Company) hereby severally constitute and appoint William F. Ritzmann with full power of substitution, our true and lawful attorney-in-fact and agent, to do any and all things in our names in the capacities indicated below which said William F. Ritzmann may deem necessary or advisable to enable United Community Bancorp to comply with the Securities Act of 1933, as amended, and any rules, regulations and requirements of the Securities and Exchange Commission, in connection with the registration statement on Form S-1 of United Community Bancorp, including specifically but not limited to, power and authority to sign for us in our names in the capacities indicated below, the registration statement and any and all amendments (including post-effective amendments) thereto; and we hereby ratify and confirm all that said William F. Ritzmann shall lawfully do or cause to be done by virtue thereof.

Pursuant to the requirements of the Securities Act of 1933, this registration statement has been signed by the following persons in the capacities and on the dates indicated.

Name	Title	Date
/s/ William F. Ritzmann William F. Ritzmann	President, Chief Executive Officer and Director (principal executive officer)	March 14, 2011
/s/ Vicki A. March Vicki A. March	Senior Vice President, Chief Financial Officer and Treasurer (principal financial and accounting officer)	March 14, 2011
/s/ Michael B. Shannon Michael B. Shannon	Vice President and Controller	March 14, 2011
/s/ Elmer G. McLaughlin Elmer G. McLaughlin	Executive Vice President, Chief Operating Officer, Corporate Secretary and Director	March 14, 2011
/s/ Ralph B. Sprecher Ralph B. Sprecher	Chairman of the Board	March 14, 2011

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/s/ Robert J. Ewbank Robert J. Ewbank	Director	March 14, 2011
/s/ Jerry W. Hacker Jerry W. Hacker	Director	March 14, 2011
/s/ James D. Humphrey James D. Humphrey	Director	March 14, 2011
/s/ Eugene B. Seitz, II Eugene B. Seitz, II	Director	March 14, 2011
/s/ G. Michael Seitz G. Michael Seitz	Director	March 14, 2011
/s/ Richard C. Strzynski Richard C. Strzynski	Director	March 14, 2011