

October 16, 2023

United Bancorp of Princeton, Inc. Shareholders

**RE: 3rd Quarter 2023 Distributions and Other Updates**

Dear Shareholders:

At our September Board Meeting our Board of Directors again approved a quarterly distribution of \$3.33 per share. This distribution will be paid to all shareholders of record as of September 30, 2023, and will be paid on or around the 16<sup>th</sup> of October 2023. This brings year-to-date total distributions to \$9.99 per share, which through the first three quarters of the year is consistent with the distributions paid in recent memory.

Annual earnings continue to track with our forecasted budget, standing at \$1,485,325 through the first nine months of the year. That modestly exceeds our 2023 year-to-date budget by \$14,430. As projected, that trails our 2022 year-to-date results by -\$382,417. On a positive note, we have seen our net interest margin stabilize as we have moved through the year, with our net interest income for nine months still ahead of our 2022 number by \$133,213. Our investment in various strategic initiatives has led to an increase in our non-interest expense, which stands \$501,610 higher than experienced in the first three quarters of 2022. We continue to project final 2023 earnings in the \$1,950,000 range.

Loan growth continues to be strong as the company grew loans another \$3.89 million during the third quarter, bringing our year-to-date loan growth to \$6.51 million (up 5.4%). Total loans were \$127,296,604 as of 9/30/2023. Funding challenges, both deposit retention and pricing continue to be a pressure on the banking industry at large. While we have begun some modest reliance on non-core funding sources, we remain in a solid position from an overall liquidity standpoint and, as noted above, have been able to maintain our net interest margin throughout the year.

I am very pleased to announce the recent opening of a new division within our company named InvestFB Wealth Management. Through a partnership with Midwestern Securities Trading Company, LLC, we now offer local financial advisory services in both our Princeton and Eddyville markets outside of our traditional services. We have two licensed financial advisors, the recently added Cullen Pope and me. Both Cullen and I are available to discuss your financial future and are excited to bring this valuable service to what we believe have been underserved markets in both Caldwell and Lyon Counties.

As always, thank you for your support of United Bancorp of Princeton, Inc. Let me also invite you to consider utilizing any of the services we provide, as by doing so can be of double benefit to our shareholders. Not only do we strive to provide competitive financial solutions, as a shareholder you also stand to benefit from the success of our company.

If you have any questions or would like to talk to us about any of our services, please feel free to reach out to me at either 270-680-1101 or [jeff.mcdaniels@farmersbk.com](mailto:jeff.mcdaniels@farmersbk.com).

Best wishes!

Jeff R. McDaniels  
President/CEO