



April 15, 2025

United Bancorp of Princeton, Inc. Shareholders

RE: 1st Quarter 2025 Distributions and Annual Shareholder Meeting Update

Dear Shareholders:

I am pleased to share our 1st Quarter 2025 results. Through the first 3 months of the year net income at the bank level totaled \$666,457, which easily exceeded both the budget number of \$543,785 and last year's first 3-month total of \$473,198. I mentioned in my end-of-2024 shareholder communications that we were projecting 2025 annual earnings to be very near our best net income level ever. This strong start in the first quarter of the year increases the confidence factor that our 2025 operating year will end up being the best performance in our company's history.

The biggest factor in the improved earnings is tied to our \$30.46 million in loan growth over the last 12 months, which represented a year-over-year growth rate of right at 19%. Our balance sheet finished the 1st quarter at \$227.62 million, which represented a 11.35% growth rate over the same 12-month timeframe. Our balance sheet growth was somewhat less than our loan growth as \$8 million of the new loan balances were funded through a reallocation of maturing investments. Also funding our growth was a 10.5% increase in our overall deposits and \$2.34 million in new FHLB borrowings.

Tangible equity also increased during the first quarter, growing from \$13.79 million at the end of 2024 to \$14.73 million as of 3/31/25. Part of that improvement was from an increase in retained earnings, which as a reminder is basically the difference between our net income and shareholder distributions during the quarter. The other factor was an overall decrease in market interest rates, which effectively lowered the unrealized loss relating to the market value of our security portfolio from -\$6.40 million to -\$5.87 million. That increased our tangible book value per share from \$161.69 to \$172.72 and correspondingly increased the 1.2x multiple from \$195 per share discussed at the end of 2024 to an updated \$207 per share as of 3/31/25.

You will also be pleased to know that our Board of Directors approved first quarter distributions equal to \$3.33 per share, payable to all shareholders of record as of March 31, 2025. This matches our trend over the last several years. This distribution will be posted to your accounts on April 15, 2025.

I also wanted to provide you with the voting results from our Annual Shareholders Meeting that was held Tuesday, March 18, 2025. All shares voted were voted by proxy. Shares totaling 50,285 of our total 85,286 outstanding shares (or 58.96%) were voted specific to the election of the recommended holding company directors, with 50,103 of those shares voting in support and 182 shares against.

Specific to the recommended amendment relating to preemptive rights, a total of 50,285 (58.96%) shares were also voted, again all by proxy. Of these, 48,261 shares voted in support of the amendment and 2,024 shares voted against. As a result, the recommended amendment was approved and will become a permanent part of our Articles of Corporation.

I will also note that we received 4 additional proxies in the days following our Annual Shareholders Meeting. Those proxies represented an additional 294 shares, all voting in support of the election of the recommended directors; and 250 in support of the recommended amendment, with 44 shares abstaining.

I want to again thank you for your support of Farmers Bank and Trust Company. I also invite you to consider our company for any financial services you might need, which would benefit you both as a customer and as an investor.

Best wishes!!!

Jeff R. McDaniels
President