



July 15, 2025

United Bancorp of Princeton, Inc. Shareholders

RE: 2nd Quarter 2025 Distributions and Financial Update

Dear Shareholders:

I am pleased to share our 2nd Quarter 2025 results. Following a solid first quarter in which earnings were \$666,457, we improved that in the second quarter to \$862,769. At the bank level, that brings our earnings over the first half of the year to \$1,529,226, easily superior to the \$1,046,831 that was made during the first half of 2024. That also gives us a reasonable chance to exceed \$3 million in annual earnings for the first time in company history.

Our momentum with loan growth continued in the 2nd quarter, increasing another \$3.8 million to reach \$167.1 million, which compares quite favorably to the \$138.2 million in loan balances we had as of June 30, 2024. That has been the biggest factor in our net interest margin increasing from 3.12% to 3.51% over the last 12 months, with the yield on our earning assets increasing from 5.09% to 5.52% while our cost of interest-bearing liabilities declined from 2.57% to 2.56% over those same 12 months. In dollar terms, our net interest income for the first six months of 2025 increased \$692,115 as compared to the first six months of 2024.

Tangible equity at the bank level only increased a modest \$155,146 to \$14.9 million as overall interest rates moved mostly higher during the quarter. Regardless, that increase did enhance our tangible book value per share from \$172.72 to \$174.37 and correspondingly increased the 1.2x multiple from \$207 to \$209.

You will also be pleased to know that our Board of Directors again approved quarterly distributions equal to \$3.33 per share, payable to all shareholders of record as of June 30, 2025. This matches our trend over the last several years. This distribution will be posted to your accounts on or around the date of this letter.

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