

A CLOSER LOOK



UJB AT A GLANCE

As of May 15, 1989

Price	\$23 ³ / ₈
P/E ratio	8.8
Yield	4.5%
Price range (12 months)	\$19 ¹ / ₄ -\$24
Annual dividend rate	\$1.06

At March 31, 1989

Total assets	\$11,064,374,000
Total deposits	\$8,909,225,000
Total loans	\$7,522,534,000
Shareholders' equity	\$821,428,000
Book value	\$17.47
Common shares outstanding	43,588,594

Consolidated Ratios at March 31, 1989

Return on average assets	1.20%
Return on average common equity	16.58
Average total equity to average total assets	7.51
Primary capital	8.36

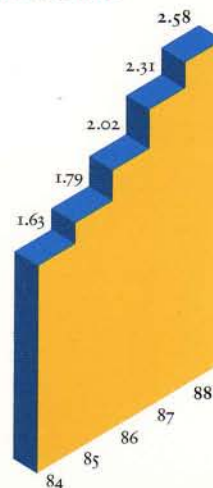
THE COMPANY

UJB is a regional bank holding company headquartered in Princeton, NJ, providing a wide range of financial services to individuals, businesses, not-for-profit organizations, government entities, and other financial institutions. Among its special attributes are:

- A reputation as one of the nation's best managed regional banks.
- An uninterrupted dividend record since the company's formation.
- Over \$11 billion in assets and more than 250 offices in 22 counties in New Jersey and eastern Pennsylvania with more branch openings planned over the next three years.
- A diversified commercial loan portfolio emphasizing middle market companies in New Jersey and Pennsylvania.
- Branches located in prime areas and an excellent ATM network that gives UJB customers access to their funds virtually anywhere in the U.S. and Canada any time of the day or night.

UJB remains a powerful regional banking force that is well positioned in both the short and long-term future of banking. A team approach to management keeps the company competitive, innovative and successful.

Earnings Per Common Share In dollars

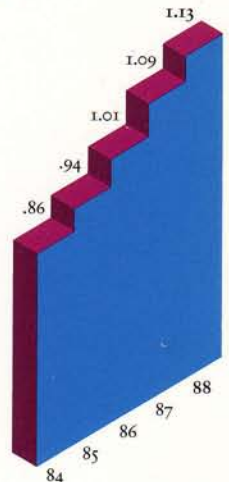


THE MARKET

The UJB marketplace represents one of the strongest areas in the country for growth in both commercial and consumer banking.

- New Jersey is the 9th largest banking market in the nation, and more than 50% of the nation's Fortune 500 companies have headquarters or operations in the state.
- Pennsylvania is the 5th largest banking market in the U.S., and eastern Pennsylvania is a prime banking center with half of the state's population and deposits.
- New Jersey has the 2nd highest per capita personal income of all states, and retail sales continue to outperform the national average.
- The Lehigh Valley, where UJB's Pennsylvania subsidiary is centered, displays strong growth trends, with significant gains in population and employment.
- New Jersey's unemployment rate continues to be well below the national average. The 1980s have generated a net gain of 588,000 jobs with an employment increase that exceeds the nation's rate by 2%.

Return on Average Total Assets Percent



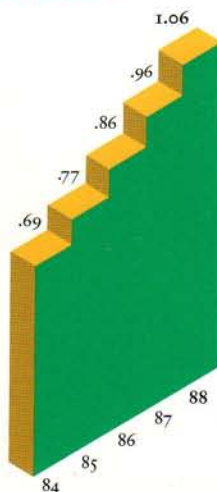
STRATEGY

UJB's successful strategy combines conservative fiscal management with a fast-moving sales orientation. A leader in innovative retail products, UJB continues to expand its market presence in key business areas of the region. Going forward, an increased focus on deposit generation will keep funds available for continued growth in commercial and consumer loans.

In recent years, UJB has achieved a high level of success in the commercial banking business by serving the local markets that we know well. UJB emphasizes middle market lending, concentrating on companies up to \$150 million in sales while focusing on a diverse group of smaller loans. More than 85% of the company's commercial loans outstanding are for less than \$15 million, and no single borrower even approaches UJB's legal lending limit.

Quality continues to be the guiding principle in customer service, the loan portfolio and the products that are offered to the marketplace. Corporate strategy for growth into the 1990s is to continue to focus on shareholder return by striving to maintain upward trends in earnings per share, commercial loans and retail deposits.

Annual Dividend at Year End
In dollars



PERFORMANCE HIGHLIGHTS

UJB's trends remain excellent, with earnings per share for 1988 up 11.7% and net income up 13.0% over the prior year. The five-year compound growth rate in earnings per share reached 12.4% through year-end 1988. Other highlights are:

- A combination of internal growth and well-planned acquisitions allowed UJB to more than double its assets from \$4.4 billion at year-end 1985 to almost \$11 billion at December 31, 1988.
- The five-year compound growth rate in commercial loans is impressive at 21.8%.
- Overall loan quality is excellent in a diversified portfolio with no industry concentrations. UJB has one of the smallest foreign loan exposures among the major regional banks and minimal LBO activity as well.
- At March 31, 1989, UJB's commercial loans totalled \$4.2 billion, up 15.3% from the same date the previous year.

- Among commercial banks in New Jersey, UJB has the largest deposit share of high income retail markets such as Bergen County (28%) and Princeton (46%).
- The annual dividend rate was increased 10.4% in 1988, and has increased more than 10% in each of the last seven years.
- The ratio of average equity to assets reached 7.51% as of March 31, 1989, exceeding the average among regional banks of similar size, and the primary capital ratio was a strong 8.36% at March 31, 1989.

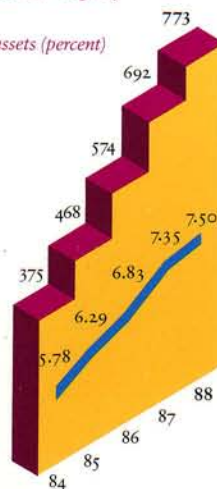
PEER GROUP ANALYSIS

UJB has consistently outperformed its peer group averages in each of the last five years in return on assets, primary capital, efficiency ratio and net charge offs to average loans. These results reflect UJB's commitment to long-term profitability and underscore the company's dedication to being the most profitable financial institution in the region.

Average Shareholders' Equity

In millions of dollars

■ Average equity to assets (percent)



Average Commercial Loans

In millions of dollars

