

UNION BANK

News

UNDERSTANDING YOUR NEEDS SINCE 1934



FROM THE PRESIDENT

As we have discussed for the last several quarters, the Michigan economy continues to struggle. Now with national economic conditions deteriorating as well, we are being bombarded with negative media stories predicting financial hardship. The recent difficulties faced by large investment banks have also prompted a few radical commentators to issue warnings about impending failures at financial institutions.

I find this kind of reporting very irresponsible and want to address any concerns you may have about community banks. Let's start with the banking industry in general. Some large investment banks have experienced liquidity problems and these have been well-publicized. These institutions are massive entities that were heavily active in bundling, selling and buying investment vehicles based on mortgages, many of them subprime. The value of these vehicles has been called into question by the declining housing market and rise in mortgage foreclosures. These investment banks are not insured by the Federal Deposit Insurance Corporation (FDIC).

The vast majority of banks, however, has not been involved in these markets and has not been impacted. Sheila Blair, Chairman of the FDIC, reported recently that more than 99% of all banks remain well capitalized. She further stated that there were 76 banks in the country on the troubled-bank list, which represented \$22 billion in assets out of \$13 trillion overall. To put things in perspective, they were 1,500 banks on the list in 1990. If any of these troubled banks were in serious jeopardy, they would probably be acquired or merged with a stronger institution before it were allowed to fail.

If the unlikely happened and a bank did fail, depositors at insured institutions are covered by FDIC Insurance. Union Bank is an insured institution. This coverage goes up to \$100,000 per depositor, per insured bank. In joint accounts owned by two or more people, each person's share of all joint accounts at the same insured bank is insured up to \$100,000. Certain retirement accounts, such as IRAs, are insured up to \$250,000. For more information, please ask any of our customer service representatives or visit the FDIC website at www.fdic.gov.

Union Bank has experienced some loan losses as a few of our commercial customers have struggled in this economic environment. However, the majority of our customers are current on their loans and we remain very well-capitalized and profitable. We are also unique in that we are one of the largest agricultural lending banks in the state. The local ag industry is doing quite well as ethanol production has increased demand for our customers' crops and thus raised grain prices. This provides a particularly strong base for us.

The banking industry, then, remains strong and Union Bank particularly so.

Sincerely,

Cortney Collison
President

Loan & Operations Center

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24 Hour

Express Banking

In Lake Odessa: 374-3595
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- * Special U Bee Kids Club days with balloons and drawing for prizes.
- * Eligible members must "bee" 0 to 12 years of age.

Stop into any branch to open your U Bee Kids Club account today!

CLASS ACT

April – May – June 2008 Class Act News

OMG (*Oh my Gosh!*) Easter has hopped right past us this year, coming so early in March! I hope your Easter Bonnet was a warm stylish one with fur and ear muffs. As I am writing this it is 25 degrees Fahrenheit.

Are you up for a fantasy? The Movie Day would be the event to go to if you are. Movie Day started off this year with great movie in February, The Bucket List. It was a good LOL (laugh out loud) movie for everyone. Hope to see you at the next one, always the last Wednesday of the month at 9:30 am at the Ionia Theater.

<s>, it will increase ur face vaLU! (*Smile, it will increase your face value!*)

Speaking of Value.....

Fall into Tuscany this September and enjoy a relaxing 6 night stay in Tuscany including Rome coming and going. This 10 day trip with 13 meals, Winery Tour, Tuscan Feast and the wine will be ready to harvest, all that guarantees a great time. Stop by your local branch for a brochure and sign up by July 13th to get away from all the election news this fall. This trip is priced at double \$3,149.00 per person, now that's a value!

Reading this you have probably wondered if my typing skills have gone to the dogs!??? If you have not figured it out, this is text messaging, the new way of talking for the young ones.

Enjoy the spring weather, get out and try new things to stretch your minds and horizons a little, you will enjoy the adventure.

Stay Classy,
Robin Michalski

NEW!! COIN COUNTER

Lake Odessa Branch now has a COIN COUNTER for your convenience. This service is free to customers. You will be surprised at how fast all that change can add up or how much time it can save to have us count it for you. *Please stop in and try it out.*

IDENTITY THEFT PROTECTION

Now you are covered, at no cost to you! Union Bank cares about your family's financial health. Recognizing that Identity Theft has rapidly become one of the greatest threats to your finances, we now offer free identity theft protection to all of our customers.

We've partnered with the Michigan Association of Bankers and one of the top identity theft protection agencies in the country, National ID Recovery, LLC, to provide restoration services to all UB account holders, free of charge.

What coverage does this provide?

- **FREE** ID Restoration in as little as 14 days if you ever become a victim of identity theft
- **FREE** Credit Monitor Assist
- **FREE** lost wallet or purse replacement
- **FREE** Online Education and Services
- **FREE** Crisis Preparation Kit

We also offer opportunities to upgrade for additional services, including ID theft insurance, at very low rates.

Visit www.nationalidrecovery.com/cba for more information.

HASTINGS NEW CONSTRUCTION PROGRESS

The building project of our new Hastings office is moving along quickly. Most of the exterior is completed and now we're working on the interior. The building should be finished by Memorial Day. We hope to be in by the middle of June. *Take a drive by 529 W State St and check it out.*



DATES TO REMEMBER:

Sunday 05/11/2008 Mother's Day • Monday 05/26/2008 Memorial Day – Closed

Sunday 06/15/2008 Father's Day • Friday 07/04/2008 Fourth of July – Closed



**NEW
NAME**

We are excited to announce a new name and logo for our offices as of May 1, 2008. Our name will be changed to Union Investment Solutions. We will still have PrimeVest Financial Services as our broker/dealer but have created a new logo specific to our offices!

Union Investment Solutions



Lydia Endsley
PrimeVest Investment Assistant

The same great service and products will be available with the team of David F. White – Investment Executive and Lydia L. Endsley – Licensed Assistant. We are here to assist with any questions you may have about investments and life insurance. We look forward to working with you and are available at 800-974-3273 ext 318 or stop by any branch to make an appointment.

David White
PrimeVest Investment Representative

PRIMEVEST is an independent registered broker/dealer * Member SIPC * Products available through PRIMEVEST are not FDIC insured * May Lose Value * Not financial institution guaranteed * Not insured by any federal government agency. Consult your tax advisor for information concerning your particular tax circumstance. Neither PRIMEVEST nor any of its representatives may give tax advice.