



CAMELS CONSULTING GROUP LLC
"Increasing Shareholder Value"

CAMELS FINANCIAL OPTICS REPORT

COMPANY OVERVIEW

Union Financial Corporation/Union Bank

Company Description: Union Financial Corporation ("UFC") ("the Company") is a Michigan financial institution headquartered in Grand Rapids, Michigan. The Company incorporated in 1988 and is a registered bank holding company under the Bank Holding Company Act of 1956, as amended. The Company is the parent bank holding company for its wholly owned subsidiary, Union Bank ("the Bank"), which was formed in 1934.

Message from the President: Your Board of Directors reports that our bank remains well-capitalized, as noted with both our Tier 1 and our Risk-Based Capital ratios. This positions us with the ability to address the significant challenges that all financial institutions are facing in this complicated economic environment. Re-pricing of the loan portfolio, a result of interest rate increases by the Federal Reserve, has required continuous attention by management. The Bank's liquidity position remains strong ensuring the ability to meet loan demands generating forward earnings and ability to navigate deposit fluctuations.

The continued focus of management for the remainder of 2023 and into 2024 will be on maintaining strategic initiatives in key areas of loan growth and re-pricing, liquidity, and managing both asset and deposit movements. Key to our continued earnings is driven by net interest margin (NIM) an important component ensuring effective balance sheet management between deposits and loans. (See Key Highlights and Performance Ratios back page)

Shareholder Return: The fair market value of our stock, as of 3Q 2023 is \$9.15 per share (FMV), unchanged from YE 2022. Shareholders return for 2023 was 1.31% when including dividends. YTD 2023 shareholders have received total cash dividends of approximately \$395,188/\$0.12 per share. UFC's key performance indicators have our Bank moving in the right direction with Return on Equity and Assets of 4.04% and 0.47%, respectively.

Investor Information: The Company is privately held and does not actively trade on any electronic exchange. The Company's common stock is traded through the Bank's internal trading desk and is the Company's transfer agent. Individuals seeking to purchase shares are directed to contact Investor Relations.



Union Financial Corporation

Headquarters

670 Cascade W. Parkway SE
Grand Rapids, Michigan 49546

Investor Relations Contact

Courtney Collison/President-CEO
Investor Relations
(616) 374-3278
ccollison@ubmich.com

September 30, 2023

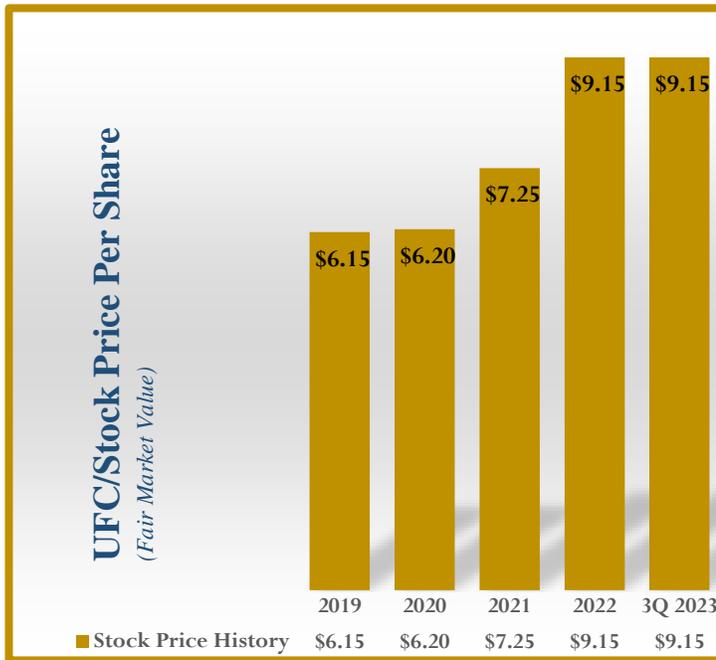
Stock Price (FMV)	\$9.15
Shareholder Return (FMV/YTD)	1.31%
Book Value Per Share (Based on Tier 1 Capital)	\$5.39
YE 2022 Stock Price	\$9.15
Income Per Share (YTD 2023)	\$0.22
Shares Outstanding	3,293,231
Board of Director Ownership	4.5%

Financial Data (000)

Assets	\$332,598
Deposits	\$284,204
Equity	\$17,746
Loans	\$235,138
Net Income (YTD 2023)	\$719

Key Highlights (UB)

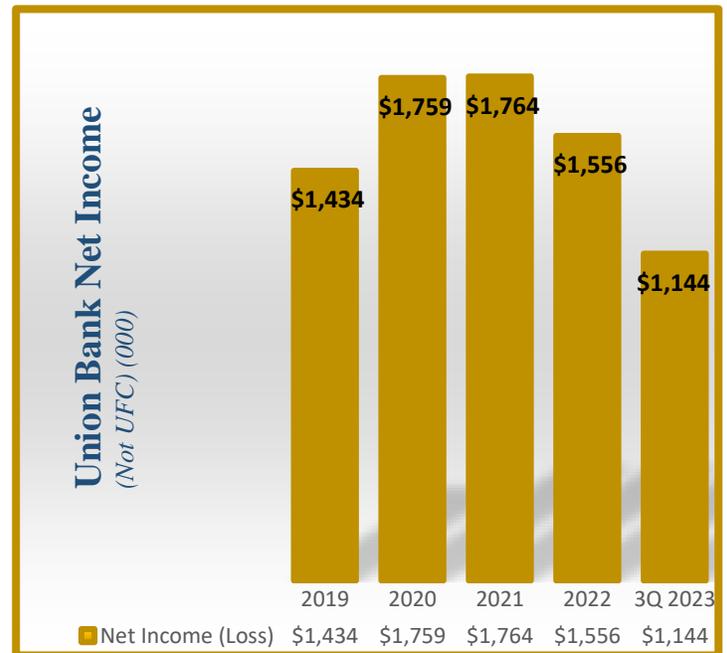
- **Assets:** Bank assets of \$333,888,000, as of 3Q 2023 compared to \$332,353,000 for the same period 2022.
- **Deposit:** Bank deposits of \$292,324,000, as of 3Q 2023 compared to \$305,032,000 for the same period 2022.
- **Loans:** Bank loans of \$235,138,000, as of 3Q 2023 compared to \$207,463,000 for the same period 2022.
- **Earnings:** Bank earned \$1,144,000, as of 3Q 2023 compared to \$911,000 for the same period 2022.
- **Net Interest Margin:** Bank earned 4.00%, as of 3Q 2023 compared to 3.32% for the same period 2022.
- **Efficiency Ratio:** 84.03%, as of 3Q 2023 compared to 86.28% for the same period 2022.



Performance Ratios (UB)

Return on Average Assets	0.47%
Return on Average Common Equity	4.04%
Yield on Loans	5.51%
Total Loans to Deposits	80.44%
Demand Deposits to Total Deposits	28.09%
Tier I Common Capital/Risk Weighted Assets	10.74%
Non-Performing Loans to Total Loans	1.00%
Allowance for Loan Losses to Total Loans	1.70%
Cost of Funds	0.87%

See Stock Chart: UFC noted strong stock liquidity in 3Q 2023 with approximately 4,500 shares traded driving FMV and continued investor interest.



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CAMELS Consulting Group offers a comprehensive suite of proprietary products and services exclusively designed to increase the shareholder value of community banks. Backed by more than three decades of experience in stock and bank valuation analysis, CAMELS Financial Optics Report provides the investment community with an objective overview of financial institutions.

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