



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 are pleased to report that our Bank continued to record continued growth in important performance areas of the Bank, as of YE 2025. The Bank's Loan portfolio grew to \$305,963,000 by YE 2025 up from \$279,534,000 YE 2024 and the net interest margin (NIM) grew to 3.98%. Net income was the beneficiary of increased loan production and NIM. The Bank's Net Income exceeded 2025 projections recording \$2,384,00, as compared to 1,321,000, at year-end 2024. *(Refer to back page/Key Performance Highlights)*

Key Insights of Performance: Union Bank generated growth across all major metrics. Net income showed the strongest growth rate in 2025. Improved profitability and efficiency were achieved with both net interest margin (NIM) and efficiency ratio driving increased net income for YE 2025. NIM moved from 3.56% to 3.98% in 2025. Net Interest Margin (see Key Highlights) of Union Bank indicates more efficient earnings from loan portfolio production, an operating focus of management.

Shareholder Return: The fair market value of the Company, as of YE 2025 is \$9.00 per share common (FMV), with UFC reporting a decrease in known shares available for sale. Price to Book Value calculated at 126%. Book Value per share increased to \$7.12, as of YE 2025. YE 2025 shareholders have received total cash dividends of approximately \$461,052/\$0.14 per share. UFC dividend is scheduled annually. UFC traded approximately 23,000 shares in 4Q 2025. Market capitalization (FMV) of UFC, as of YE 2025 is \$29,639,079. Your Board is appreciative of investor confidence in UFC. *(See Performance Chart)*

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. UFC common shares are valued quarterly through an independent third-party firm. Interested investors should contact Investor Relations.



Headquarters

670 Cascade W. Parkway SE
 Grand Rapids, Michigan 49546

Investor Relations Contact

Cortney Collison/President-CEO
 Investor Relations
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December 31, 2025

Stock Price (FMV)	\$9.00
P/BV (FMV/YTD)	126%
Book Value Per Share	\$7.12
YE 2024 Stock Price	\$9.25
Income Per Share (YTD 2025)	\$0.54
Shares Outstanding	3,293,231
Board of Director Ownership	5.4%

Financial Data (000)

Assets	\$388,504
Deposits	\$314,625
Equity	\$23,435
Loans	\$305,963

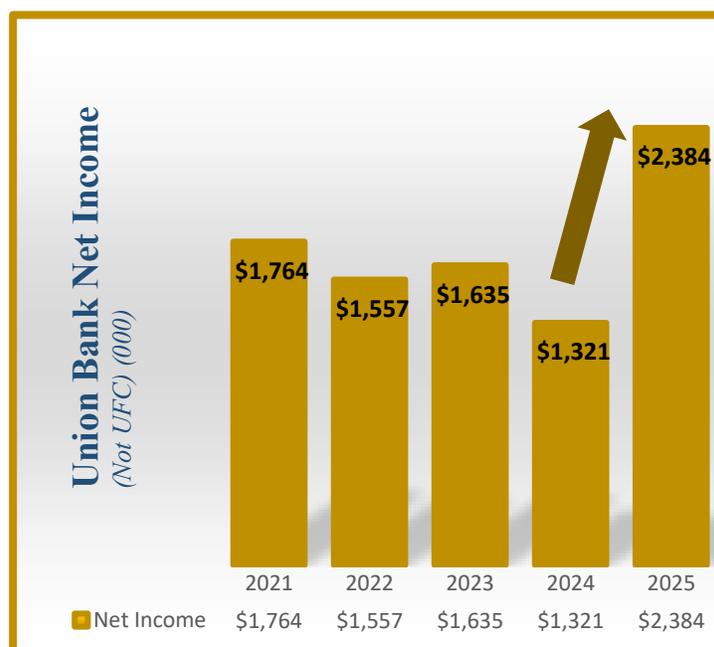
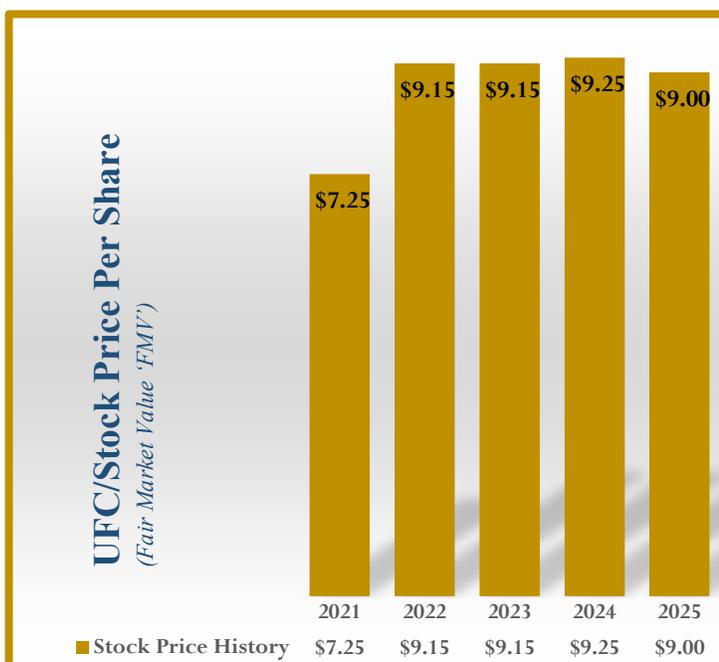
Key Highlights (UB)

- **Assets:** Bank assets of \$390,571,000, as of YE 2025 compared to \$378,516,000 for the same period 2024.
- **Deposit:** Bank deposits of \$319,217,000, as of YE 2025 compared to \$309,824,000 for the same period 2024.
- **Loans:** Bank loans of \$305,963,000, as of YE 2025 compared to \$279,534,000 for the same period 2024.
- **Earnings:** Bank earned \$2,384,000, as of YE 2025 compared to \$1,321,000 for the same period 2024.
- **Net Interest Margin:** Bank earned 3.98 as of YE 2025 compared to 3.56% for the same period 2024.
- **Efficiency Ratio:** 82.85%, as of YE 2025 compared to 87.71% for the same period 2024.

Performance Ratios (UB)

Return on Average Assets	0.63%
Return on Average Common Equity	7.96%
Yield on Loans	6.47%
Total Loans to Deposits	95.85%
Demand Deposits to Total Deposits	29.76%
Tier I Common Capital/Risk Weighted Assets	9.56%
Non-Performing Loans to Total Loans	1.13%
Allowance for Loan Losses to Total Loans	1.16%
Cost of Funds	2.52%

Stock Chart: UFC noted active trading reported in 4Q 2025. UFC FMV Price to Book Value/126% based on a book value of \$7.12 per share and stock price of \$9.00.



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"Increasing Shareholder Value"

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