



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 are pleased to report that our Bank continued to record continued growth in important performance areas of the Bank, as of 3Q 2025. The Bank recorded increases in assets, deposits and loans over the same period in 2024. The Bank's Loan portfolio grew to \$300,085,403 million by 3Q 2025 up from \$279,534,051 million YE 2024 and the net interest margin grew to 3.88% *(Please refer to back page/Key Bank Highlights)*

Perspectives on Banking Industry: Special note to shareholders from Board and management: On the national front, your Board and management are pleased with recent remarks of Treasury Secretary Scott Bessent on lowering the community bank leverage ratio and other regulatory steps to avoid duplicative examinations by different regulators. The latter being a significant cost to community bank operations. Bessent further commented that other recommendations to drive community bank growth and assist in innovation are under review. *(Reported by ABA Banking Journal/October 9, 2025)*

Shareholder Return: The fair market value of the Company, as of 3Q 2025 is \$8.60 per share (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 \$6.81, as of 3Q 2025. 3Q 2025 shareholders have received total cash dividends of approximately \$461,052/\$0.14 per share. UFC traded approximately 3,300 shares in 3Q 2025. Market capitalization (FMV) of UFC, as of 3Q 2025 is \$28,321,786. Your Board is appreciative of investor confidence in UFC. *(See Performance Charts back page)*

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

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Grand Rapids, Michigan 49546

Investor Relations Contact

Cortney Collison/President-CEO

Investor Relations

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September 30, 2025

Stock Price (FMV)	\$8.60
P/BV (FMV/YTD)	126%
Book Value Per Share	\$6.81
YE 2024 Stock Price	\$9.25
Income Per Share (YTD 2025)	\$0.30
Shares Outstanding	3,293,231
Board of Director Ownership	5.4%

Financial Data (000)

Assets	\$377,934
Deposits	\$301,432
Equity	\$22,432
Loans	\$300,085
Net Income (YTD 2025)	\$990

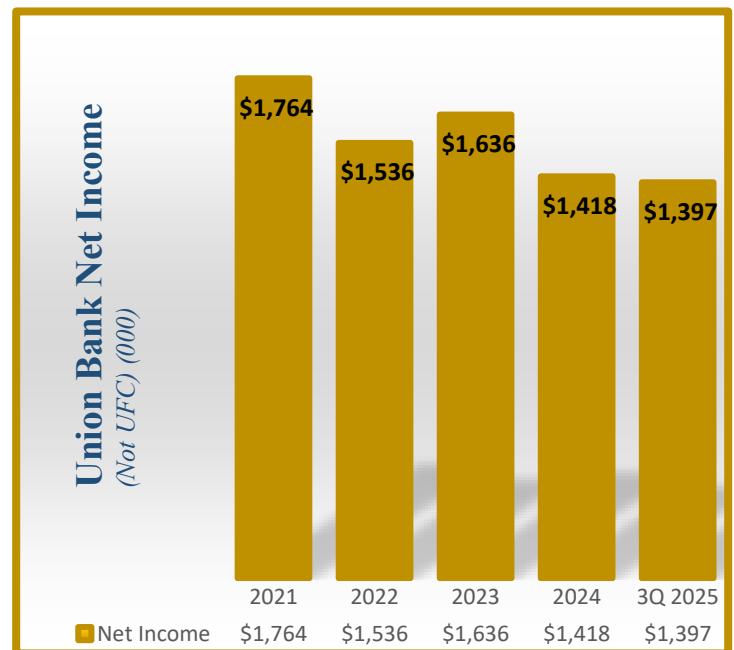
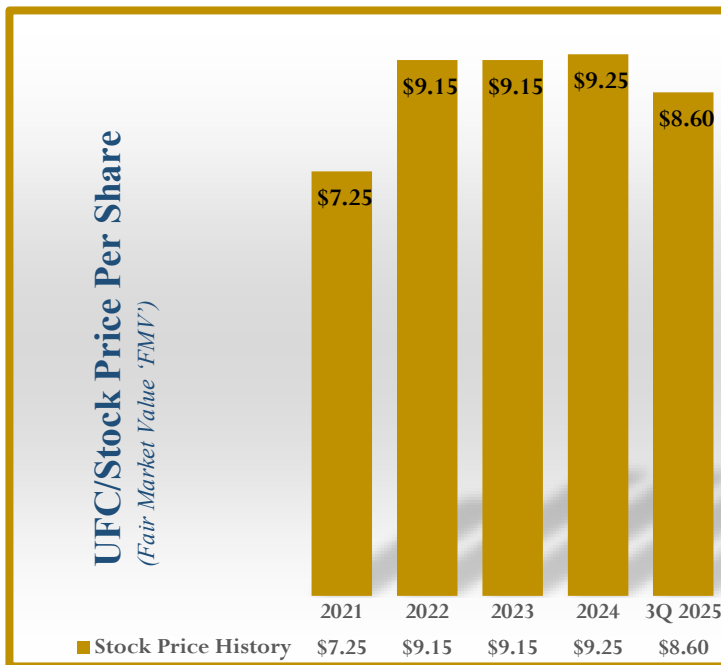
Key Highlights (UB)

- **Assets:** Bank assets of \$380,029,000, as of 3Q 2025 compared to \$363,935,000 for the same period 2024.
- **Deposit:** Bank deposits of \$306,292,000, as of 3Q 2025 compared to \$297,206,000 for the same period 2024.
- **Loans:** Bank loans of \$300,085,000, as of 3Q 2025 compared to \$277,565,000 for the same period 2024.
- **Earnings:** Bank earned \$1,397,000, as of 3Q 2025 compared to \$993,000 for the same period 2024.
- **Net Interest Margin:** Bank earned 3.88%, as of 3Q 2025 compared to 3.63% for the same period 2024.
- **Efficiency Ratio:** 83.58%, as of 3Q 2025 compared to 88.26% for the same period 2024.

Performance Ratios (UB)

Return on Average Assets	0.50%
Return on Average Common Equity	6.34%
Yield on Loans	6.44%
Total Loans to Deposits	96.90%
Demand Deposits to Total Deposits	26.36%
Tier I Common Capital/Risk Weighted Assets	9.51%
Non-Performing Loans to Total Loans	1.54%
Allowance for Loan Losses to Total Loans	1.10%
Cost of Funds	2.50%

Stock Chart: UFC noted active trading reported in 3Q 2025. UFC FMV Price to Book Value/126% based on a book value of \$6.81 per share and stock price of \$8.60.



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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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