



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 Company at the close of 1Q 2024 recorded continued performance in key areas of loan growth and liquidity. Earnings for 1Q 2024 showed improvement over that of the same in 2023. Total loans to deposits increased to 90.09% for 1Q 2024 from 76.57% at the same period in 2023. This represented an increase of \$41,469,000 in loans year-over-year. NIM decreased slightly to 3.84% 1Q 2024 from 3.98% at YE 2023 due to higher cost of funds. Non-performing Loans to Total Loans continued to decrease with 1Q 2024 at 0.09% compared to 0.34% at YE 2023. This level of performance has positively impacted Capital Formation increasing to 6.08% providing additional lending capacity for our Bank. (See Key Highlights and Performance Ratios back page)

Shareholder Return:

The fair market value of our stock, as of 1Q 2024 is \$9.15 per share (FMV), unchanged from YE 2023. Price to Book Value calculated at 155%. Shareholders return for 1Q 2024 was 1.31% when including dividends. YTD 1Q 2024 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 6.23% and 0.47%, respectively. Market capitalization of UFC, as of 1Q 2024 is \$30,133,064. Your Board is appreciative of the continued investor confidence in UFC.

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.



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

March 31, 2024

Stock Price (FMV)	\$9.15
Shareholder Return (FMV/YTD)	1.31%
Book Value Per Share (Based on Tier 1 Capital)	\$5.87
YE 2023 Stock Price	\$9.15
Income Per Share (YTD 2024)	\$0.08
Shares Outstanding	3,293,231
Board of Director Ownership	5.4%

Financial Data (000)

Assets	\$342,297
Deposits	\$273,869
Equity	\$19,319
Loans	\$260,260
Net Income (YTD 2024)	\$278

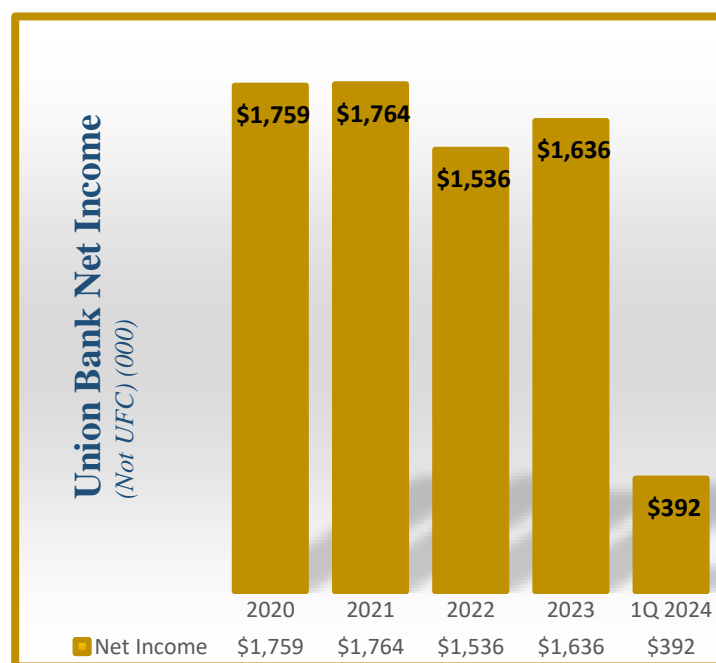
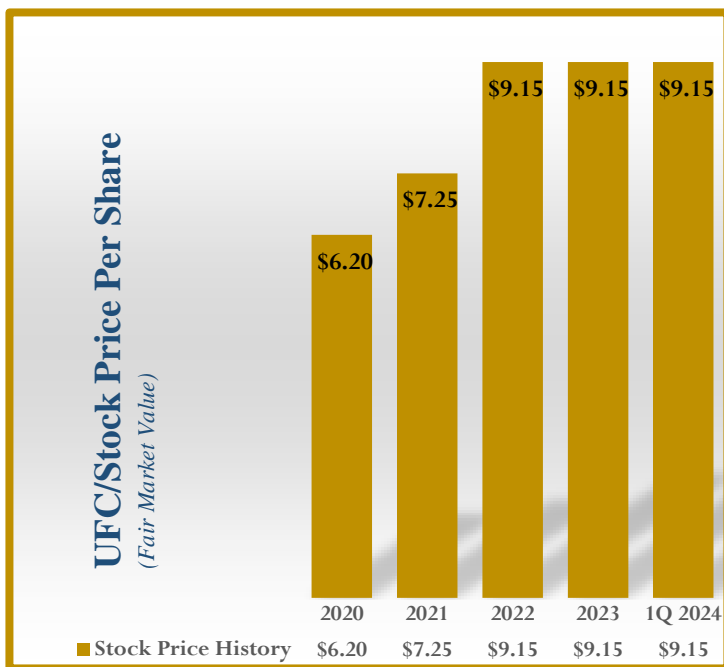
Key Highlights (UB)

- **Assets:** Bank assets of \$343,555,000, as of 1Q 2024 compared to \$318,400,000 for the same period 2023.
- **Deposit:** Bank deposits of \$285,154,000, as of 1Q 2024 compared to \$285,794,000 for the same period 2023.
- **Loans:** Bank loans of \$260,260,000, as of 1Q 2024 compared to \$218,831,000 for the same period 2023.
- **Earnings:** Bank earned \$392,000, as of 1Q 2024 compared to \$263,000 for the same period 2023.
- **Net Interest Margin:** Bank earned 3.84%, as of 1Q 2024 compared to 4.16% for the same period 2023.
- **Efficiency Ratio:** 90.53%, as of 1Q 2024 compared to 84.53% for the same period 2023.

Performance Ratios (UB)

Return on Average Assets	0.47%
Return on Average Common Equity	6.03%
Yield on Loans	6.23%
Total Loans to Deposits	90.09%
Demand Deposits to Total Deposits	27.26%
Tier I Common Capital/Risk Weighted Assets	10.11%
Non-Performing Loans to Total Loans	0.09%
Allowance for Loan Losses to Total Loans	1.30%
Cost of Funds	2.16%

See Stock Chart: UFC noted strong stock liquidity in 1Q 2024 with approximately 4,800 shares traded supporting FMV and continued investor interest.



CAMELS CONSULTING GROUP LLC
"Increasing Shareholder Value"

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.

CAMELS Financial Optics report is prepared by CAMELS Consulting Group, LLC. The information presented in report has been compiled from industry sources believed to be reliable but has not been verified. The report has been prepared as historic information only and is not intended to provide anyone investment advice. Investors are directed to confer with their investment advisor. CAMELS (camelsgroup.com) is not a licensed securities agent. CAMELS does have a business relationship with the company, however, does not hold a position in the stock of the company. Provided charts are a reflection of past performance and should not be considered a projection of future performance. Funds held in corporate stock are not insured by the FDIC or any other government agency. Investments involve varying degrees of risk, including loss of principal. This is neither an offer to sell nor a solicitation of an offer to buy any of these securities. The provided information is offered as historic performance only.