



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 strong growth in important performance areas of the Bank, as of 1Q 2025. The Bank recorded increases in both assets, deposits, and loans over the same period in 2024. The Bank's Loan portfolio grew to \$285.1 million by 1Q 2025 up from \$260.3 million and the net interest margin grew to 3.86% (*Please refer to back page/Key Bank Highlights*)

**Economy:** We have seen actions being taken in Washington, DC focusing on repositioning the way government tackles the issues of inflation, interest rates, trade, and taxation impacting individual and small businesses within our community and of course nationally. Key to continued success of UFC is based in part on the Federal Reserve specific to interest rate movement. While analysts anticipate rate reduction, the outcome is closely tied to when/if changes would occur in 2025. We want shareholders to know, as we navigate through this current market, that our management team goal is to continue providing community banking services that build communities.

**Shareholder Return:** The fair market value of the Company, as of 1Q 2025 is \$9.25 per share (FMV), with UFC reporting a decrease in known shares available for sale. Price to Book Value calculated at 145%. Book Value per share increased to \$6.38, as of 1Q 2025. 1Q 2025 shareholders have received total cash dividends of approximately \$461,052/\$0.14 per share. Year to date return to shareholders when including dividends was 1.51%. Market capitalization (FMV) of UFC, as of 1Q 2025 is \$30,462,387. 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

670 Cascade W. Parkway SE  
Grand Rapids, Michigan 49546

#### Investor Relations Contact

Cortney Collison/President-CEO  
Investor Relations  
(616) 374-3278  
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**March 31, 2025**

Stock Price (FMV)	\$9.25
P/BV (FMV/YTD)	145%
Book Value Per Share	\$6.38
YE 2024 Stock Price	\$9.25
Income Per Share (YTD 2025)	\$0.07
Shares Outstanding	3,293,231
Board of Director Ownership	5.4%

#### Financial Data (000)

Assets	\$365,541
Deposits	\$291,863
Equity	\$21,014
Loans	\$285,108
Net Income (YTD 2025)	\$231

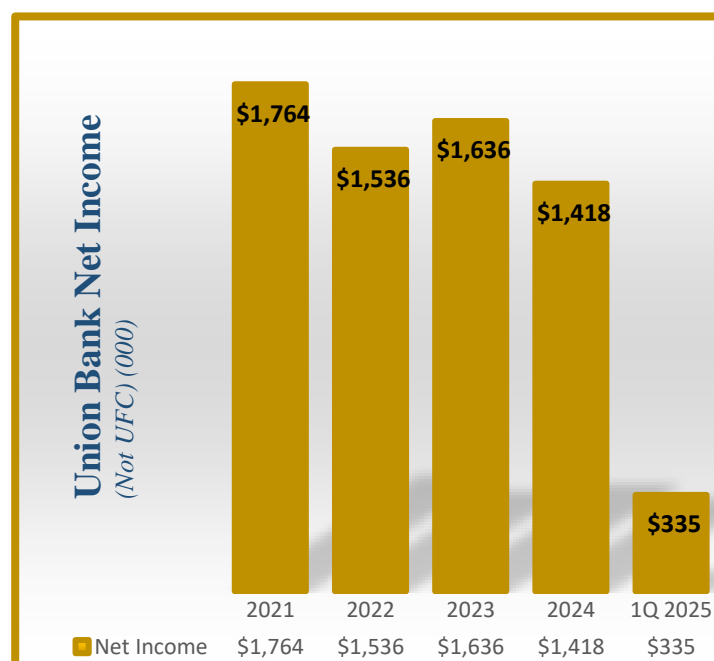
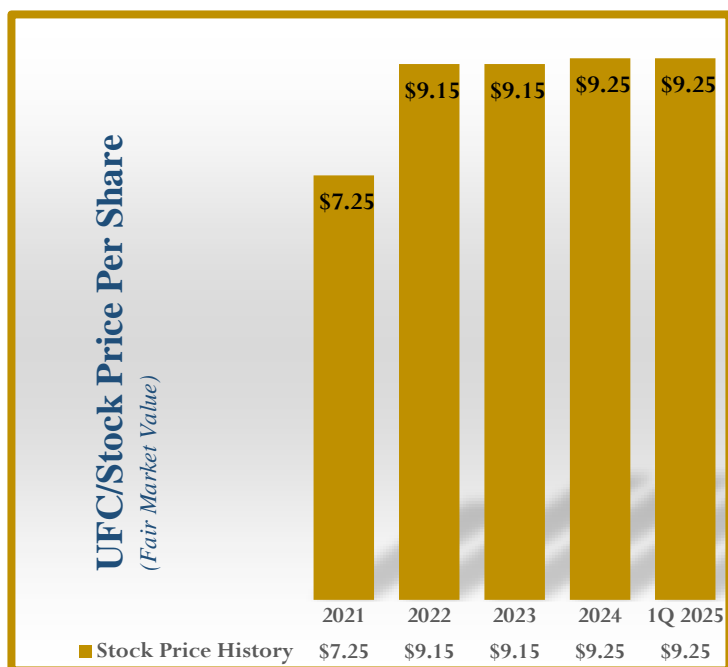
## Key Highlights (UB)

- **Assets:** Bank assets of \$366,753,000, as of 1Q 2025 compared to \$343,555,000 for the same period 2024.
- **Deposit:** Bank deposits of \$297,067,000, as of 1Q 2025 compared to \$285,154,000 for the same period 2024.
- **Loans:** Bank loans of \$285,107,000, as of 1Q 2025 compared to \$260,260,000 for the same period 2024.
- **Earnings:** Bank earned \$335,000, as of 1Q 2025 compared to \$392,000 for the same period 2024.
- **Net Interest Margin:** Bank earned 3.86%, as of 1Q 2025 compared to 3.81% for the same period 2024.
- **Efficiency Ratio:** 87.43%, as of 1Q 2025 compared to 90.53% for the same period 2024.

## Performance Ratios (UB)

Return on Average Assets	0.37%
Return on Average Common Equity	4.70%
Yield on Loans	6.31%
Total Loans to Deposits	95.97%
Demand Deposits to Total Deposits	27.56%
Tier I Common Capital/Risk Weighted Assets	9.69%
Non-Performing Loans to Total Loans	1.91%
Allowance for Loan Losses to Total Loans	1.32%
Cost of Funds	2.34%

**See Stock Chart:** UFC noted limited stock trades in 1Q 2025. 1Q 2025 noted a decrease in known shares available for sale (down 37,000) shares.



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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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