

2019 ANNUAL REPORT



Equipping those who make, build and grow since 1934





# Invested in You: The Makers, the Builders and the Growers.

Union Bank has been proud to call itself a truly local and proudly independent bank since we opened in 1934. With roots deep in West and Central Michigan's soil for nearly a century, we've worked alongside other truly local and proudly independent Michigan businesses, the people who own them and the people who work at them. In addition, we've stayed loyal to you—the makers, builders and growers in our community—even with the evolving landscape of banking, continually equipping you with the tools necessary to succeed.

**Forever grounded in our loyalty.**



*Co-Dee Stamping | Hastings, MI*



Real people who solve real problems, listen with local knowledge and consult with common sense.

*Peppino's Sports Grille & Pizzeria | Grand Rapids, MI*



# Financial Highlights

## Union Financial Corporation

	12/31/19	12/31/18	12/31/17
TOTAL ASSETS	\$206,415,082	\$186,800,105	\$177,400,420
TOTAL GROSS LOANS	155,610,966	144,887,231	127,830,437
TOTAL DEPOSITS	180,770,423	161,589,146	156,637,232
TOTAL SHAREHOLDERS' EQUITY	14,874,156	13,742,781	13,547,703
ALLOWANCE FOR LOAN LOSSES	1,688,701	1,306,356	1,241,402
ALLOWANCE FOR LOAN LOSSES AS A % OF GROSS LOANS	1.09%	0.90%	0.97%
COMMON SHARES OUTSTANDING	2,353,761	2,353,761	2,353,761
EQUITY AS A % OF ASSETS	7.21%	7.36%	7.64%

	2019	2018	2017
NET INCOME	\$1,151,678	\$587,392	\$16,402
CASH DIVIDENDS DECLARED	282,451	282,451	258,913

### PER SHARE DATA

Basic Earnings	\$0.49	\$0.25	\$0.01
Diluted Earnings	\$0.49	\$0.25	\$0.01
Cash Dividends Declared	\$0.12	\$0.12	\$0.11
Dividend Yield	2.40%	2.40%	2.59%
Market Value	\$5.00	\$5.00	\$4.25
Price to Earnings Ratio	10.20	20.00	425.00
Book Value	\$6.32	\$5.84	\$5.76

### PROFITABILITY

Return on Average Assets	0.60%	0.33%	0.01%
Return on Average Equity	8.07%	4.37%	0.12%

# Celebrating a Record-Growth Year

Every year, I am absolutely impressed by how well our team comes together to equip our people for success—and by all the incredible feats our hard-working customers have accomplished in their businesses and personal lives. 2019 was no different. In fact, it surpassed all expectations.

## UNION BANK HAD A RECORD-BREAKING YEAR

Over the past year, our team had aggressive goals to meet—and I'm proud to say that they significantly surpassed many of them. These accomplishments are not only beneficial to Union Bank, Union Financial Corporation and our shareholders, but especially for our stakeholders and the makers, builders and growers we have serviced for nearly a century.

It is because of the dedication of our staff that we were able to accomplish the following:

- **Earn a record income:** We ended the year with record income since pre-2008, with the help of revenue from continued loan growth, from Union Investment Solutions and UB Consulting, LLC, as well as from a new business venture, CRB (cannabis-related banking).
- **Increase net interest income:** Net interest income, our primary source of revenue, was \$7.5 million at the end of 2019, as compared to approximately \$6.7 million in 2018.
- **Increase asset size and interest-earning assets:** We significantly increased both total assets and interest-earning assets. In 2019, total assets increased by \$19.6 million, \$206.4 million as of December 31, 2019 compared to \$186.8 million from 2018.
- **Increase in Core Deposits:** The bank's core deposits showed a year-over-year increase of 11.9%, ending 2019 at \$180,770,423. The majority of this increase was seen in the noninterest-bearing category.
- **Launch our Virtual Branch:** We restructured in 2019 to add a new Virtual Branch for our customers, offering the convenience to complete many of their banking needs from the comfort of their home, office or farm. Learn more about our Virtual Branch on page 16.

## SHAREHOLDER RELATIONS

In addition to our committed staff and loyal customers, our stakeholders play a major role in our success—which is why Union Bank management continues to focus on enhancing the return to shareholders. The corporation's book value per share continued to show improvements, ending 2019 at \$6.32, an 8% increase over the prior year. The corporation continued with paying a dividend based on 2019 year-end financials of \$0.12 per share. Read on to learn more about all that we, and most importantly, our customers, accomplished in 2019.



*Cortney H. Collison*  
Cortney H. Collison  
PRESIDENT & CEO

## **NEARLY DOUBLING YEAR-END NET INCOME**

In 2019, our year-end net income nearly doubled compared to 2018. This continued success can be attributed to many different objectives that our hard-working team accomplished throughout the year. As our outreach for new and enhanced financial partnerships continued to grow, so did our lending and deposit relationships. In 2019, the bank experienced a healthy increase in interest earned from loans as well as deposit account service charges—both areas contributing to enhanced income.

## **NONINTEREST EXPENSES STAYED BELOW BUDGET**

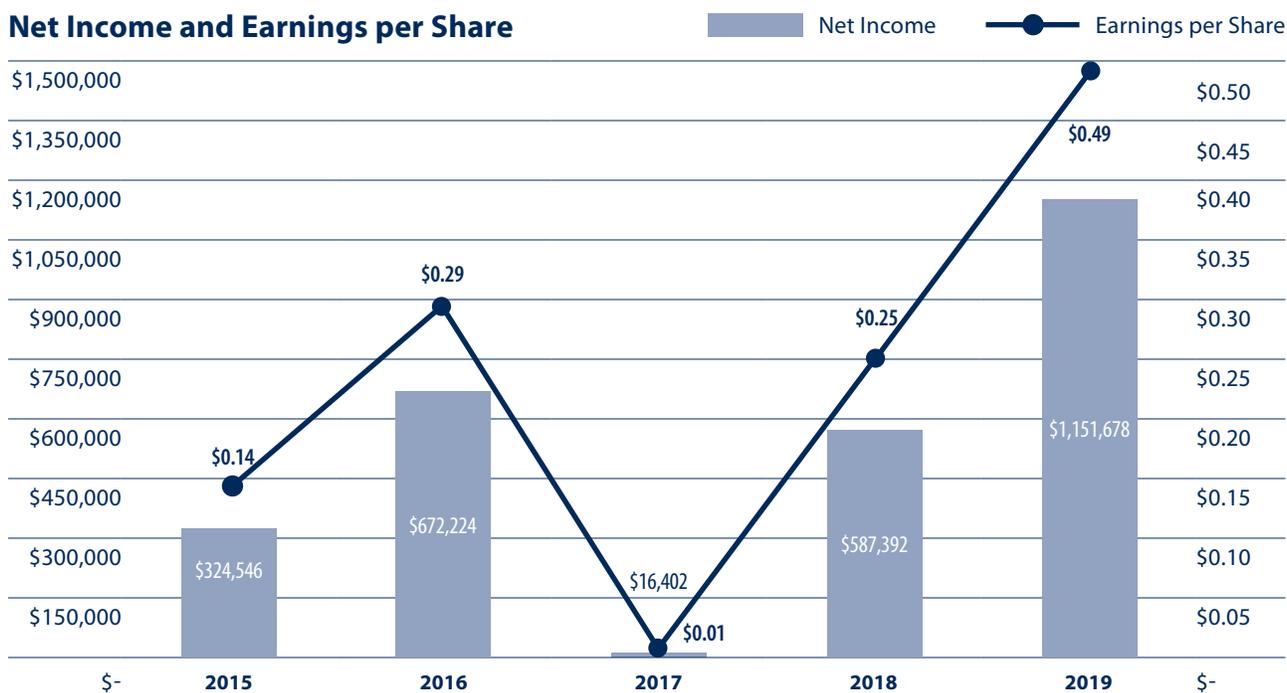
Growth spikes, like what we experienced in 2019, typically correlate with an increase in expense, as well. With the rising rate environment, the bank did show a large increase in deposit interest expense due to the competitive deposit market. Our total noninterest expense for 2019 was \$7.7 million compared to approximately \$7.3 million for 2018. The majority of this increase is attributed to the salary and benefits of our dedicated staff, the implementation of a bank-wide incentive plan based on employee and bank performance and enhancing technology for staff and customers. Overall, even with these increases, the bank was able to keep noninterest expenses below budget, attributing to the overall increase in net income.

## **CONTINUED EXPANSION INTO THE WEST MICHIGAN MARKET**

In 2019 the bank continued to further expand into the West Michigan market, as well as different business segments, to best serve our community of makers, builders and growers. The West Michigan market experienced the largest growth in loans in 2019, showing a 51% increase. The bank also continued to focus on growing deposit relationships in the municipal sector as well as the cannabis market.

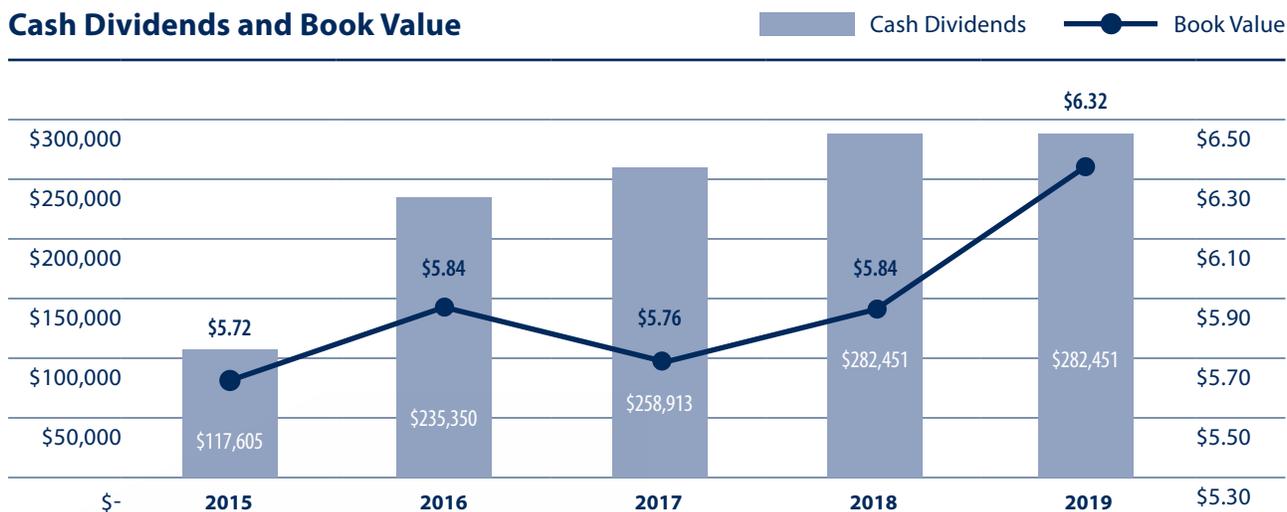


## Net Income and Earnings per Share



\*2017 net income results were affected by a \$590,292 adjustment to the corporation's deferred tax asset that became necessary due to the Tax Reform signed by the President in December 2017.

## Cash Dividends and Book Value



# Financials

## Union Financial Corporation | CONSOLIDATED BALANCE SHEETS - December 31, 2019 and 2018

	2019	2018
<b>ASSETS</b>		
Cash and cash equivalents .....	\$ 23,226,753	\$ 13,447,880
Securities available for sale .....	14,586,427	15,394,559
Federal Home Loan Bank stock .....	426,200	426,200
Loans held for sale .....	--	130,000
Loans, net .....	153,922,265	143,450,875
Premises and equipment, net .....	4,988,854	5,036,962
Other real estate .....	151,658	--
Goodwill .....	980,947	980,947
Bank-owned life insurance .....	4,695,203	4,577,030
Accrued interest receivable and other assets .....	<u>3,436,775</u>	<u>3,355,652</u>
 Total assets .....	 <u>\$ 206,415,082</u>	 <u>\$ 186,800,105</u>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
Liabilities		
Deposits		
Noninterest-bearing demand .....	\$ 49,623,531	\$ 34,678,790
Interest-bearing demand .....	71,072,324	69,140,234
Savings .....	36,144,750	34,318,944
Time .....	<u>23,929,818</u>	<u>23,451,178</u>
Total deposits .....	180,770,423	161,589,146
 Federal Home Loan Bank borrowings .....	 2,500,000	 2,500,000
Subordinated debentures .....	5,522,000	5,522,000
Accrued interest payable and other liabilities .....	<u>2,748,503</u>	<u>3,446,178</u>
Total liabilities .....	191,540,926	173,057,324
Shareholders' equity		
Preferred stock: 200,000 shares authorized and no shares outstanding at December 31, 2019 and 2018 .....	--	--
Common stock: \$1 par value, 10,000,000 shares authorized, 2,353,761 shares issued and outstanding at both December 31, 2019 and 2018 .....	2,353,761	2,353,761
Surplus .....	15,408,022	15,408,022
Accumulated deficit .....	(2,928,254)	(3,797,481)
Accumulated other comprehensive income (loss) .....	<u>40,627</u>	<u>(221,521)</u>
Total shareholders' equity .....	<u>14,874,156</u>	<u>13,742,781</u>
 Total liabilities and shareholders' equity .....	 <u>\$ 206,415,082</u>	 <u>\$ 186,800,105</u>

**Union Financial Corporation** | CONSOLIDATED STATEMENTS OF INCOME - Years ended December 31, 2019 and 2018

	<b>2019</b>	<b>2018</b>
Interest and dividend income		
Loans, net .....	\$ 8,189,718	\$ 6,913,638
Securities available for sale		
Taxable .....	246,950	294,688
Nontaxable .....	136,206	132,787
Other .....	<u>150,592</u>	<u>83,866</u>
Total interest and dividend income .....	8,723,466	7,424,979
Interest expense		
Deposits .....	833,112	436,293
Federal Home Loan Bank borrowings .....	84,153	35,840
Other borrowings .....	<u>319,888</u>	<u>294,620</u>
Total interest expense .....	<u>1,237,153</u>	<u>766,753</u>
<b>Net interest income</b> .....	7,486,313	6,658,226
Provision for loan losses .....	<u>100,000</u>	<u>--</u>
<b>Net interest income after provision for loan losses</b> .....	7,386,313	6,658,226
Noninterest income		
Service charges on deposit accounts .....	337,070	230,540
Net investment advisory fee income .....	265,056	158,362
Net gain on sales of loans held for sale .....	147,446	148,841
Net gain on sales of securities available for sale .....	--	1,197
Income from U.B. Consulting LLC .....	262,930	239,978
Other .....	<u>716,602</u>	<u>551,685</u>
Total noninterest income .....	1,729,104	1,330,603
Noninterest expense		
Salaries and employee benefits .....	4,540,609	4,220,846
Other real estate, net .....	20,831	4,354
Occupancy .....	569,429	562,510
Furniture and equipment .....	517,526	493,810
Professional services .....	735,466	733,468
Director compensation .....	137,982	145,646
FDIC insurance .....	45,477	53,749
Other .....	<u>1,147,959</u>	<u>1,091,225</u>
Total noninterest expense .....	7,715,279	7,305,608
<b>Income before income tax expense</b> .....	1,400,138	683,221
Income tax expense .....	<u>248,460</u>	<u>95,829</u>
<b>Net income</b> .....	<u>\$ 1,151,678</u>	<u>\$ 587,392</u>
Basic income per weighted average share of common stock .....	<u>\$ 0.49</u>	<u>\$ 0.25</u>

# Financials (continued)

## Union Financial Corporation | CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME - Years ended December 31, 2019 and 2018

	2019	2018
Net income .....	\$ 1,151,678	\$ 587,392
Other comprehensive income (loss):		
Unrealized holding gains (losses) on securities available for sale .....	331,833	(137,869)
Reclassification adjustment for gains included in net income (presented in net gain on sales of securities available for sale) .....	--	(1,197)
Net unrealized gains (losses) .....	331,833	(139,066)
Income tax (expense) benefit (income tax expense includes \$0 and \$251 related to reclassification adjustments) .....	(69,685)	29,203
Total other comprehensive income (loss) .....	262,148	(109,863)
Comprehensive income .....	<u>\$ 1,413,826</u>	<u>\$ 477,529</u>

## Union Financial Corporation | CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY - Years ended December 31, 2019 and 2018

	Common Stock	Surplus	Accumulated Deficit	Accumulated Other Comprehensive Income (Loss)	Total Shareholders' Equity
<b>Balance: January 1, 2018</b>	\$2,353,761	\$15,408,022	\$(4,102,422)	\$(111,658)	\$13,547,703
Net income	--	--	587,392	--	587,392
Other comprehensive loss	--	--	--	(109,863)	(109,863)
Cash dividend (\$0.12 per share)	--	--	(282,451)	--	(282,451)
<b>Balance: December 31, 2018</b>	\$2,353,761	\$15,408,022	\$(3,797,481)	\$(221,521)	\$13,742,781
Net income	--	--	1,151,678	--	1,151,678
Other comprehensive income	--	--	--	262,148	262,148
Cash dividend (\$0.12 per share)	--	--	(282,451)	--	(282,451)
<b>Balance: December 31, 2019</b>	\$2,353,761	\$15,408,022	\$(2,928,254)	\$40,627	\$14,874,156

	<b>2019</b>	<b>2018</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income .....	\$ 1,151,678	\$ 587,392
Adjustments to reconcile net income to net cash from operating activities:		
Provision for loan losses .....	100,000	--
Depreciation and amortization.....	477,578	461,756
Net loss on sales of other real estate .....	18,025	952
Net gain on sales of loans held for sale .....	(147,446)	(148,841)
Net gain on sales of securities available for sale.....	--	(1,197)
Proceeds from sales of loans held for sale .....	5,925,073	4,517,721
Loans originated for sale.....	(5,647,627)	(4,433,880)
Earnings on bank-owned life insurance .....	(118,173)	(116,791)
Net change in:		
Accrued interest receivable and other assets .....	(81,123)	(70,996)
Accrued interest payable and other liabilities.....	(767,360)	1,781,896
Net cash from operating activities.....	<u>910,625</u>	<u>2,578,012</u>
<b>CASH FLOWS FOR INVESTING ACTIVITIES</b>		
Securities available for sale:		
Purchases .....	(4,914,962)	(1,701,182)
Proceeds from sales, calls, principal paydowns and maturities.....	5,982,510	6,075,939
Proceeds from maturities of interest-bearing deposits in other financial institutions .....	--	925,000
Net change in loans.....	(10,775,708)	(16,926,840)
Net premises and equipment expenditures.....	(357,053)	(491,001)
Proceeds from sales of other real estate.....	<u>34,635</u>	<u>86,229</u>
Net cash for investing activities .....	<u>(10,030,578)</u>	<u>(12,031,855)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Net change in deposits .....	19,181,277	4,951,914
Proceeds from Federal Home Loan Bank borrowings .....	--	2,500,000
Dividends paid .....	<u>(282,451)</u>	<u>(282,451)</u>
Net cash from financing activities .....	<u>18,898,826</u>	<u>7,169,463</u>
Net change in cash and cash equivalents.....	9,778,873	(2,284,380)
Cash and cash equivalents at beginning of year.....	<u>13,447,880</u>	<u>15,732,260</u>
<b>Cash and cash equivalents at end of year.....</b>	<b><u>\$ 23,226,753</u></b>	<b><u>\$ 13,447,880</u></b>
Supplemental disclosures of cash flow information		
Cash paid during the year for:		
Interest expense.....	\$ 1,204,282	\$ 722,662
Income tax expense .....	--	--
Supplemental noncash disclosures		
Transfers from loans to other real estate .....	\$ 204,318	\$ --

# Measurable Lending Growth

Union Bank's commercial loan balances experienced measurable growth during 2019. As of December 31, 2019, loan balances had increased 7.4% year-over-year to \$155.6 million. The bank's current loan portfolio mix is approximately 89.0% commercial loans, 7.0% real estate loans and 4.0% consumer loans (including home equity). In December 2019, the bank added a new Loan Operations Manager to assist in supporting the anticipated growth of the overall lending area and to optimize processes, procedures and software systems.

## DEDICATED TO OUR MAKERS, BUILDERS AND GROWERS

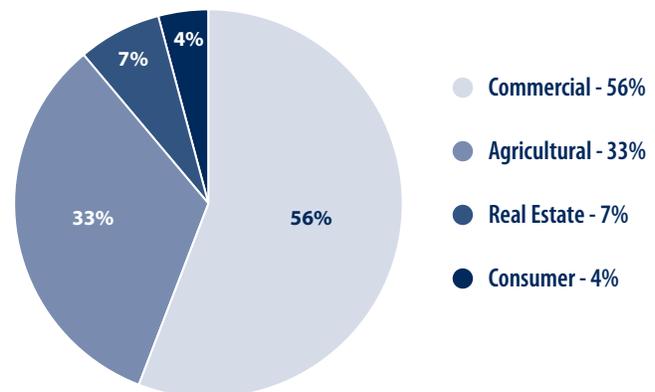
The bank's loan portfolio will continue to consist primarily of commercial and agricultural loans, as these areas have traditionally been a profitable market for the bank and serve our hard-working business owners. The West Michigan market will continue to be a large focus for the bank as this market offers much opportunity for growth and diversification of the bank's portfolio. As we continue to grow and expand, our commercial lenders within all our markets will remain focused on serving both the small commercial businesses and the agriculture sector, just as we've done for nearly a century. And our team will remain loyal to working with Central and West Michiganders who make, build and grow for a living.

Over the next year, the bank intends to focus on increasing its loan portfolio and improving credit quality. We expect to accomplish further growth through retention and expansion of current customers, increased efforts in sales, continued effective marketing programs and continued emphasis on referrals.

## AGRICULTURAL LOAN RISK MITIGATION

As of December 31, 2019, agricultural loans represented 33.4% of Union Bank's total loan portfolio. While the bank's agricultural loan portfolio has had nominal charge-offs in the last five years in the crop sector portfolio, the bank continues to monitor this portfolio carefully given the inherent risks of agricultural lending such as weather and tariffs. To manage these risks, the bank has continued to focus its analysis of repayment ability as the primary driver of underwriting and has increased the use of stress testing in analyzing credits. Special care is taken to secure all available collateral, including farmland, and oftentimes federally guaranteed loan programs are utilized to further reduce risk for the bank.

### Loan Mix



## CONSUMER LOANS

The bank offers a competitive array of mortgage products including adjustable rate mortgages and a construction-to-permanent loan type that contributed to growth of the in-house mortgage portfolio in 2018. Although growth in our in-house mortgage loans slowed in 2019, the number of real estate mortgage loans sold on the secondary market in 2019 was 38% higher than the prior year. In addition to its in-house real estate mortgage portfolio, the bank services \$47.1 million worth of loans sold on the secondary market.

The bank currently has modest mortgage volume, but it is focused on future growth by continuing to market new mortgage products introduced in 2018, as well as USDA, VA and FHA mortgages. In addition, the bank is currently seeking to expand its team of mortgage lenders to specifically increase sales to Freddie Mac and the Federal Home Loan Bank of Indianapolis (FHLBI), as well as to generate sustained mortgage growth throughout 2020 and beyond.

## LOAN QUALITY/NON-PERFORMING ASSETS

Due to the loan growth in early 2019 and the forecasted growth for the year, the bank felt it was prudent to begin putting some additional dollars in the loan loss reserve. In 2019 the bank contributed a total of \$100,000 to the loan loss reserve, compared to 2018 which did not call for any contributions. The bank experienced a small increase in problem credits for the year and continues to work through these as they arise. During 2019, the bank showed a nice recovery to the loan loss reserve from a long-time credit that our team has been continuously working through. Net recoveries for the year-ended December 31, 2019 were \$0.3 million compared to \$0.1 million for 2018.



# Expanding Our Deposit Mix

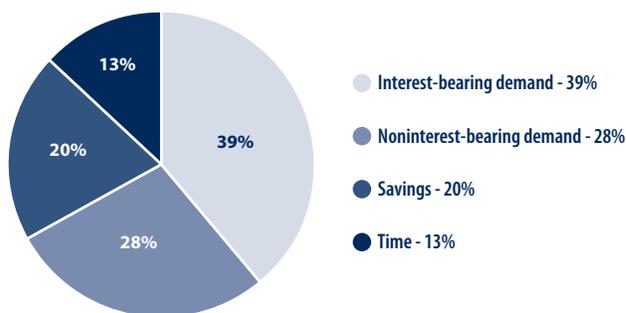
Non-interest-bearing deposits currently comprise 27.5% of the total deposit mix. This is a substantial increase over prior years and is primarily due to the addition of cannabis industry customers. The bank continues to focus on increasing non-interest and lower-cost deposit accounts in order to fund loan growth. As of December 31, 2019, overall deposits increased by 11.9% over the level at December 31, 2018.

## CRB AS A NEW CUSTOMER SEGMENT

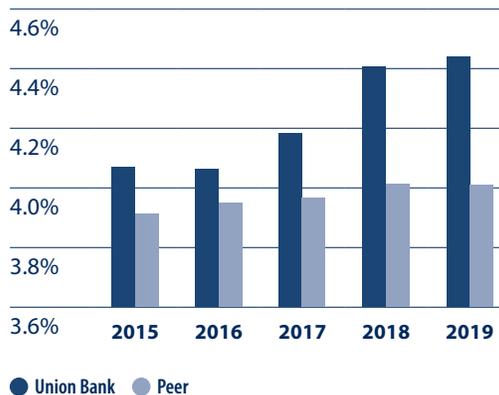
In 2018, our management and Board of Directors recognized the significant opportunities for financial institutions open to providing deposit services for the emerging cannabis industry in Michigan and began investigating the possibility of servicing the growing number of CRBs (Cannabis Related Banking) in the state. Throughout 2018, considerable resources were dedicated to due-diligence meetings and education to determine the resources required to effectively provide services to the cannabis industry while adhering to the federal and state regulations and regulatory guidance. By the end of 2018, management presented an initial policy, risk assessment and project plan to the Board of Directors, which voted to proceed with providing deposit services to state-licensed cannabis establishments.

Recognizing CRB as another sector of growers in our community, we began offering deposit products to this segment in early 2019. Although medical and adult-use cannabis is legal in Michigan, cannabis is still a Schedule I drug under the CSA and is therefore illegal at the federal level. As a result, the benefits of expansion into this new market do not come without regulatory, reputational and operational risk. To help manage this risk, we have established a thorough CRB policy statement.

### Deposit Mix



### Net Interest Margin



## EFFECTIVE COMPLIANCE OF CRB

Effective compliance oversight of our cannabis accounts is of the highest priority. Edith Farrell, Vice President of Bank Secrecy and Risk, has been leading this business segment since entering the market. Farrell has been employed with the bank for over 31 years, has extensive knowledge in Bank Secrecy and has spent much time researching the cannabis industry. She has developed a well-known reputation not only in the cannabis banking industry, but is also seen as a leader in the financial industry for her knowledge and expertise.

Another key employee that assists with oversight in this area is the bank's Vice President of Compliance, John Mull. Mull has been with the bank for over 8 years, with a total banking career of 39 years, 29 of which have been dedicated to compliance. The combination of our internal team, software and third-party consultants has provided us with the necessary tools to develop a strong program for servicing the cannabis industry.

Since onboarding our first medical provisioning center customer in January 2019, deliberately slow but steady growth has enabled us to build out and test our programs while learning the nuances of the industry. Upon regulatory changes in the Michigan cannabis market that took effect in July, the growth of cannabis deposits has accelerated, and we have begun to develop a professional reputation within the market.

In 2020, we plan to continue to grow our cannabis portfolio with close attention to total deposits and the effects on key bank ratios such as Tier 1 Capital. We anticipate a major portion of our growth to come as a result of referrals from existing customers and ancillary service providers. We will service a majority of these customers directly without the use of a third-party vendor, enabling us to build an independent relationship with our customers and to provide more competitive pricing, both of which will be very important as we expect to see more financial institutions entering the cannabis industry market.



# Evolving with Technology

We recognize that to stay competitive in today's financial services market, and to best serve our hard-working makers, builders and growers, banks must be willing to make significant technological investments. Customers are demanding faster payment processing, mobile wallets, digital lending, connectivity with financial management apps and other features—all without sacrificing data privacy and security. Union Bank is continually working to advance its technological capabilities. Some of our current offerings include remote deposit capture, person-to-person payments, mobile banking, Bill Pay with Amazon Alexa, smart pay express and more.

## INTRODUCTION OF OUR VIRTUAL BRANCH

In 2019, we introduced video banking through our new Virtual Branch, which enables customers to:

- Conduct video chats with designated agents
- Open a new deposit account
- Sign and authorize stop payments and wire transfers
- Request and approve account changes
- Conduct many more banking transactions through their mobile devices

We have future plans to add even more services to the virtual banking center as well as access through in-branch kiosks and the internet in early 2020. Additional plans for technological product development in 2020 include the evaluation of Apple Pay, Google Pay and Samsung Pay as additional payment channels for customers.

In 2020, the Refining Our Products for Effective Service (ROPES) Committee also anticipates reviewing deposit product structure and pricing to identify growth opportunities. With the implementation of new software, the bank will be exploring the establishment of rewards programs for deposit-related products, continued improvements to our product line and the corresponding potential for increased service-fee income.



### VIRTUAL BRANCH CURRENT FUNCTIONS:

- Open a new account
- Order a new debit card or checks
- Account servicing

### VIRTUAL BRANCH FUTURE FUNCTIONS:

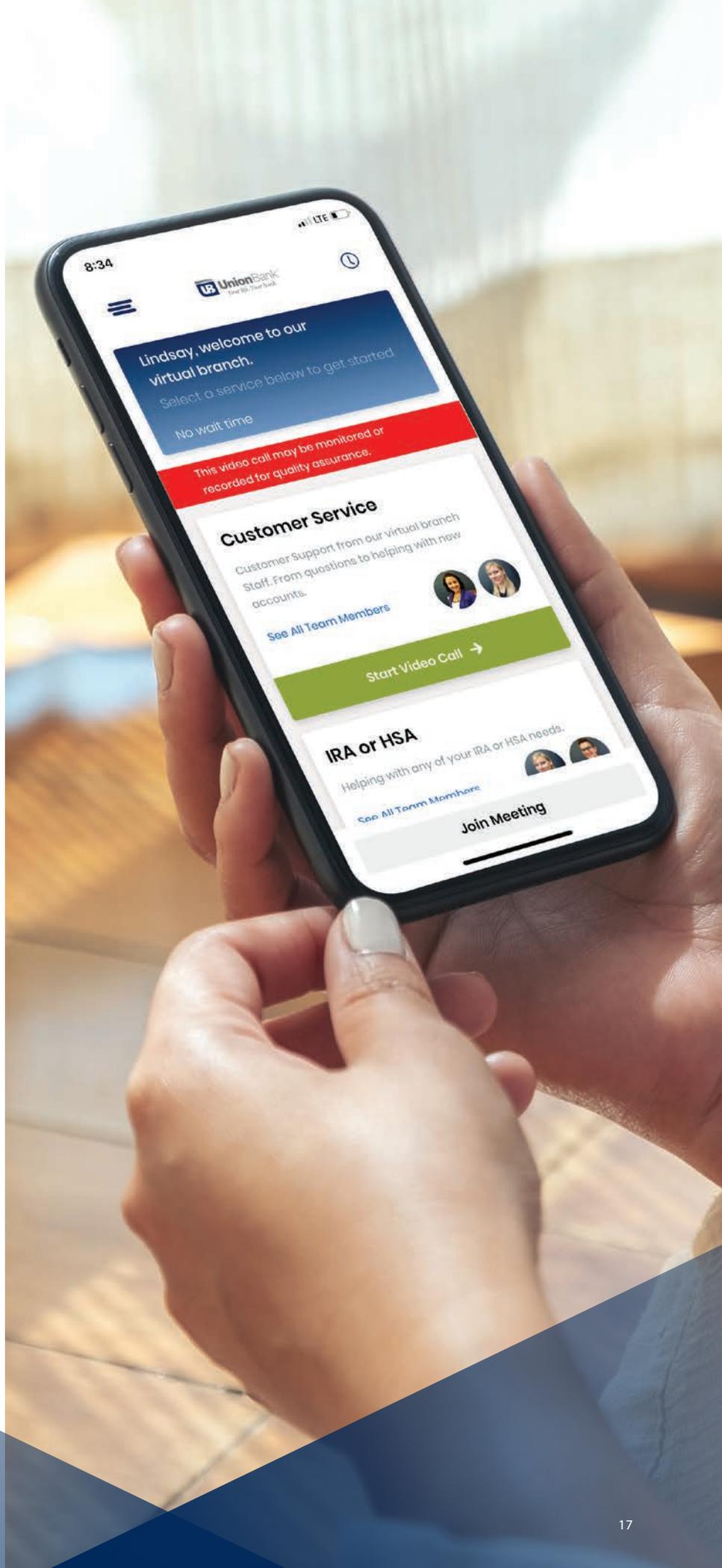
- Check depositing
- In-branch kiosks
- Consumer lending services



CHECK OUT UNION BANK'S  
VIRTUAL BRANCH ON YOUR  
MOBILE DEVICE



^ Scan the appropriate QR  
code for your mobile device to  
download the app.

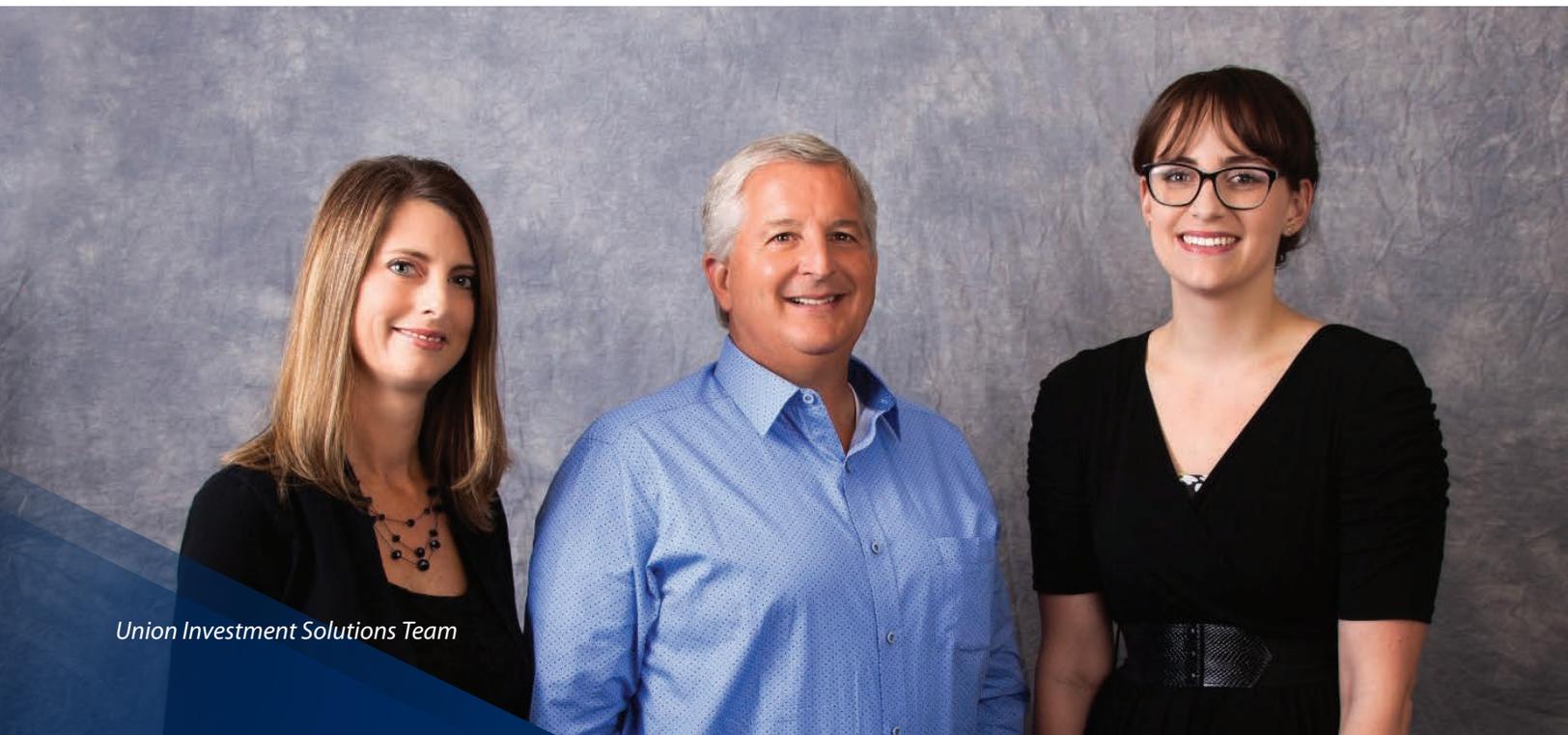


# UB Consulting, LLC

UB Consulting, LLC was formed in 2013 to provide regulatory compliance consulting services to unaffiliated third-party community banks throughout Michigan. These services are provided by the bank's Compliance Officer and Senior Compliance Consultant, John Mull, with the intent to utilize his excess capacity with the bank to generate service income through consulting agreements. In 2018, UB Consulting, LLC contracted with Damian Walters, a Certified Information Systems Auditor, to add IT auditing and consulting services to its capabilities. With ever-changing IT threats, it is important that businesses keep their systems up-to-date and secure. Walters works with companies in various industries, not just financial institutions, to continually help equip them for success.

# Union Investment Solutions

The products offered through Union Investment Solutions include mutual funds, life insurance, annuities, long-term care insurance and money market accounts, as well as financial planning services for individuals and our customers who make, build and grow for a living. In May 2008, the bank entered into a Private Labeling Agreement with Cetera that allows the bank to market Cetera services through Union Investment Solutions (UIS). This was implemented to differentiate the bank's program from the Cetera programs of other banks in the area. The current UIS team consists of two representatives and one office manager. The bank projects continued strong growth by UIS in 2020, whose team will continue to focus on 401K acquisition strategies as well as increase its presence in the Ada, Cascade and Greater Grand Rapids markets.



*Union Investment Solutions Team*

# Our Leadership

## BOARD OF DIRECTORS

### **Lloyd Cunningham, Chariman**

ELECTED 1996

*Co-Owner, Specialty Industries  
and Owner of Cunningham Farms*

### **Timothy Brodbeck**

ELECTED 2013

*Owner Brodbeck Farms*

### **Cortney Collison**

ELECTED 2007

*President & Chief Executive Officer, Union Bank*

### **Suzanne Dahms**

ELECTED 1999

*Executive Vice President &  
Chief Operations Officer, Union Bank*

### **Christopher Fluke , CPA**

ELECTED 2007

*Retired from Walker, Fluke & Sheldon, PLC*

### **Steve Millman**

ELECTED 2018

*President and Owner, NorthStar Commercial*

### **Paul Trierweiler**

ELECTED 2006

*Co-Owner Trierweiler Dairy Farm*

## DIRECTORS EMERITI

William Bulling

Jerry Collison

La Von Deatsman

Lynn Fetterman

Marvin Head

Dean Hyde

## SENIOR MANAGEMENT

### **Cortney Collison**

PRESIDENT

*Chief Executive Officer*

### **Suzanne Dahms**

EXECUTIVE VICE PRESIDENT

*Chief Operations Officer*

### **Christine Fortier**

SENIOR VICE PRESIDENT

*Chief Financial Officer*

## BANK OFFICERS

Kimberly Cox

Zachary Dennis

Derek Dickinson

Edith Farrell

Lindsay Farrell

Doug Flessner

Matthew Kind

John Mull

Stacey Nurenberg

Bret Simonton

Kevan Van Fleet

Damian Walters

Melody Warzecha

## UNION INVESTMENT SOLUTIONS

David White

Meg Wheeler

# Community

Union Bank remained committed to the local communities we serve through both financial support and an outlay of time and talents. Union Bank employees were extremely active and volunteered with many community organizations, for numerous events and in various leadership roles.



## TACKLING HUNGER

Union Bank employees show their support for the Tackling Hunger fundraiser, which provides food for families and children at risk of hunger in our community.



## 4-H

Union Bank has supported the youth 4-H animal sales for many years. 2019 was no different.

# Employee Anniversaries

In 2019 we had the honor of recognizing nine of our team members for their years of service and dedication to our organization and communities that we serve.



*(Listed from left to right)*

## **TERESA HADDIX**

*Universal Banker, 3 years of service*

## **LINDSAY FARRELL**

*HR and Marketing Officer, 5 years of service*

## **MINDY WEBER**

*Head Teller, 10 years of service*

## **JEFF CHMIELEWSKI**

*Loan Operations Specialist, 25 years of service*

## **LAURINDA HARDEN**

*Automated Services Specialist, 5 years of service*

## **KAREN WENTINK**

*Deposit Operations Specialist, 20 years of service*

## **EDITH FARRELL**

*VP, Risk Officer, 30 years of service*

## **CORTNEY H. COLLISON**

*President & CEO*

*Not Pictured*

## **JENNIFER BOWERS**

*Officer Manger UIS, 5 years of service*

## **DOUG FLESSNER**

*VP, Commercial Loan Officer, 30 years of service*

# Our Mission

To extend our nearly century-long service to West and Central Michiganders with roots that started in the agricultural industry into the 21st century as a local, independent bank serving small businesses, especially those who make and grow and build for a living. Specifically:

1. **Remain independent and local, while extending operations into strategically-targeted West Michigan locations.**
2. **Focus on small business owners, especially those in manufacturing, agriculture and skilled trades.**
3. **Provide a high level of personal service and consultation.**
4. **Develop infrastructure, internal operations and a diversified product and service mix that will increase profitability and shareholder value.**



# Our History

Union Bank is a truly local, right-sized and proudly independent bank with roots deep in West and Central Michigan's soil—more specifically, we equip business owners who make, build and grow for success. The bank is state-chartered and overseen by a Board of Directors that are fully committed to remaining independent and real: real people who solve real problems, who listen with local knowledge and who consult with common sense.

## **FOUNDED AS A UNION OF TWO BANKS**

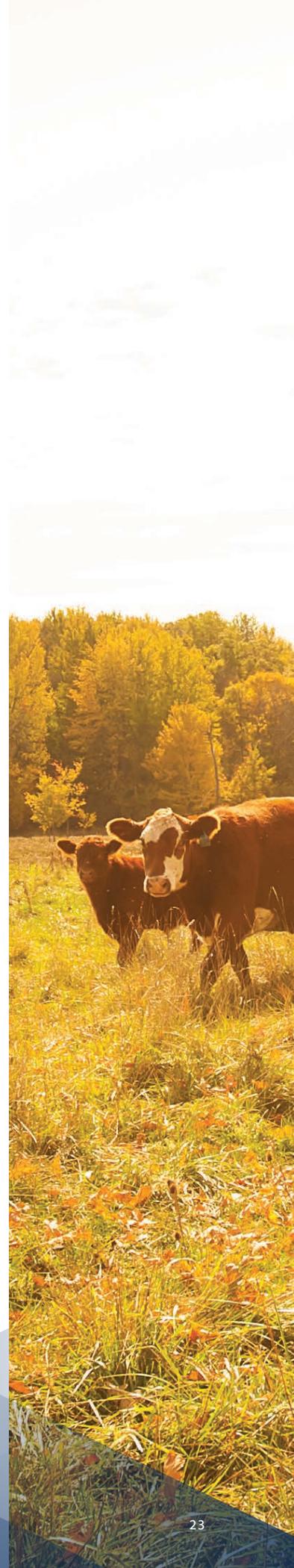
Union Bank was founded in 1934 as the result of a “union” of two Lake Odessa banks. Since then, we have served the Lake Odessa community and slowly expanded into other neighboring communities; most recently into West Michigan in 2017 with the addition of a full-service branch in Ada. Union Bank now proudly serves the folks of Lake Odessa, Mulliken, Dimondale, Westphalia, Pewamo, Hastings and Ada/Cascade.

## **OUR ROOTS AND LOYALTY RUN DEEP**

Since our inception, Union Bank has been a loyal partner to local farmers and to this day, approximately 40% of our commercial loan portfolio consists of agricultural loans. Along with our local farmers, Union Bank is also proud to support our customers' commercial, mortgage and consumer financial needs by offering industry-competitive products and exceptional customer service.

## **YOUR LIFE. YOUR BANK.**

Our top priority has always been the Union Bank family. While we continue to enhance our products and services to provide our customers with the best that the financial industry has to offer, our dedication to shaping those services to fit individual lifestyles, and meet the needs of our communities, hasn't changed. When we say “Your life. Your bank.” we back it up with hard work and personal service. Our commitment to celebrating the owners and operators who make, build and grow for a living is and will always be at the core of what we do—we are people who work hard for hard-working people.



# Our Locations



Your life. Your bank. Grounded in loyalty to the makers,  
builders and growers in West and Central Michigan.