



# 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 YE 2024. The Bank recorded increases in both assets and loans over the same period in 2023. The Bank's Loan to Deposit ratio grew to 90.22% by YE 2024 up from 82.18% for the same period in 2023. Yield on loans grew to 6.20%, as of YE 2024 up from 5.60% in 2023. The Bank's total equity capital grew to \$28,028,000, as of YE 2024 from \$25,776,000 from YE 2023. NIM decreased slightly to 3.65%, as of YE 2024 from 3.98% at same period 2023 due to higher cost of funds. The S&P Small Cap Bank Index surged 23% in the second half of 2024, buoyed by optimism around net interest margins (NIM) increases in 2025 and a friendlier regulatory environment. Your management team remains focused on continued loan growth within our immediate markets. *(Please refer to back page/Key Bank Highlights)*

#### Shareholder Return:

The fair market value of the Company, as of YE 2024 is \$9.25 per share (FMV), with UFC reporting an active trading market. Price to Book Value calculated at 145%. Book Value per share increased to \$6.27 from YE 2023. Appraiser specifically noted active strong investor interest with over 7,000+ shares exchanged in 4Q 2024. YTD 2024 shareholders have received total cash dividends of approximately \$395,188/\$0.12 per share. Market capitalization (FMV) of UFC, as of YE 2024 is \$30,462,387. 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

Cortney Collison/President-CEO  
Investor Relations  
(616) 374-3278  
ccollison@ubmich.com

#### December 31, 2024

Stock Price (FMV)	\$9.25
P/BV (FMV/YTD)	145%
Book Value Per Share (Based on Tier 1 Capital)	\$6.27
YE 2023 Stock Price	\$9.15
Income Per Share (YTD 2024)	\$0.21
Shares Outstanding	3,293,231
Board of Director Ownership	5.4%

#### Financial Data (000)

Assets	\$377,315
Deposits	\$304,184
Equity	\$20,642
Loans	\$279,534
Net Income (YTD 2024)	\$696

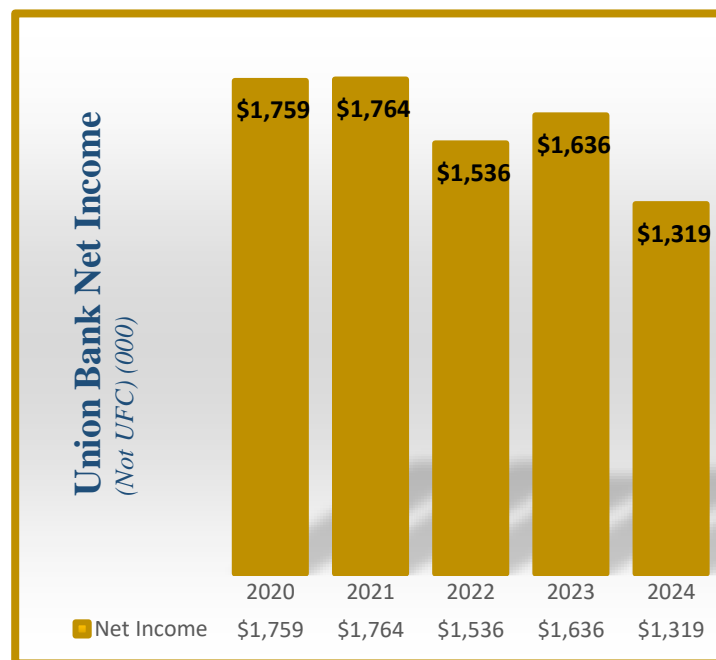
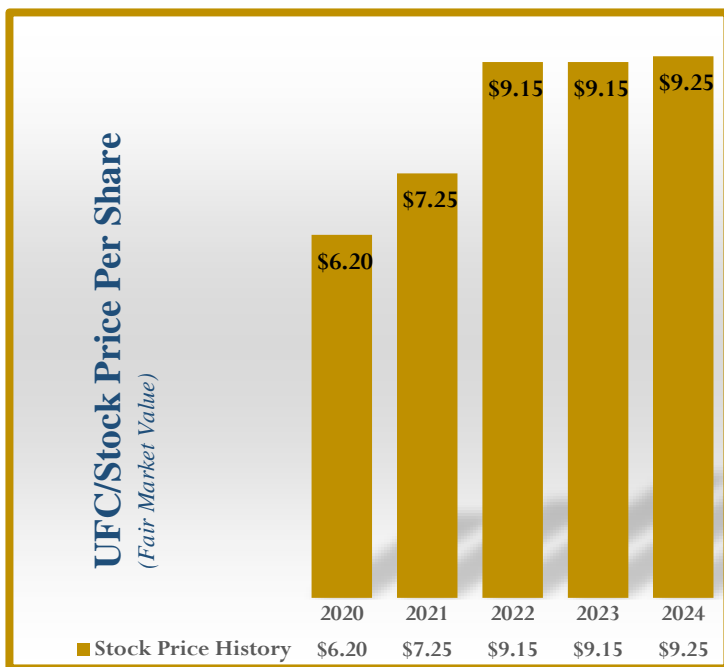
## Key Highlights (UB)

- **Assets:** Bank assets of \$378,517,000, as of YE 2024 compared to \$343,385,000 for the same period 2023.
- **Deposit:** Bank deposits of \$309,824,000, as of YE 2024 compared to \$299,317,000 for the same period 2023.
- **Loans:** Bank loans of \$279,534,000, as of YE 2024 compared to \$245,972,000 for the same period 2023.
- **Earnings:** Bank earned \$1,319,000, as of YE 2024 compared to \$1,636,000 for the same period 2023.
- **Net Interest Margin:** Bank earned 3.65%, as of YE 2024 compared to 3.98% for the same period 2023.
- **Efficiency Ratio:** 87.95%, as of YE 2024 compared to 86.21% for the same period 2023.

## Performance Ratios (UB)

Return on Average Assets	0.37%
Return on Average Common Equity	4.90%
Yield on Loans	6.20%
Total Loans to Deposits	90.22%
Demand Deposits to Total Deposits	33.96%
Tier I Common Capital/Risk Weighted Assets	9.55%
Non-Performing Loans to Total Loans	2.10%
Allowance for Loan Losses to Total Loans	1.32%
Cost of Funds	2.48%

**See Stock Chart:** UFC noted strong stock liquidity in 4Q 2024. 4Q 2024 noted approximately 7,000+ 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.*