

## Section 1: 8-K (BODY OF FORM 8-K)

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

**FORM 8-K**

**CURRENT REPORT**

**Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported): October 21, 2020

(Exact name of registrant as specified in its charter)

UNION BANKSHARES, INC.

(State or other jurisdiction  
of incorporation)

VT

(Commission  
File Number)

001-15985

(IRS Employer  
Identification Number)

03-0283552

(Address of principal executive offices)

20 Lower Main St., P.O. Box 667

Morrisville, VT

(Zip Code)

05661-0667

Registrant's telephone number, including area code: (802) 888-6600

(Former name or former address, if changed since last report)

Not applicable

Check the appropriate box below if the Form 8-K is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting materials pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§ 230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§ 240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

## Item 2.02. Results of Operations and Financial Condition

As provided in General Instruction B.2 to Form 8-K, the information furnished in this Item 2.02 and in Exhibit 99.1 hereto shall not be deemed filed for purposes of Section 18 of the Securities and Exchange Act of 1934, as amended, nor shall it be deemed incorporated by reference in any filing with the Securities and Exchange Commission, except as shall be expressly provided by specific reference in such filing.

On October 21, 2020, Union Bankshares, Inc. issued a press release, a copy of which is furnished with this Form 8-K as Exhibit 99.1, announcing net income and net income per share for the third quarter and nine months ended September 30, 2020, as well as the declaration of a regular quarterly cash dividend.

## Item 8.01. Other Events

### a) Declaration of Regular Quarterly Cash Dividend

On October 21, 2020 the Board of Directors of Union Bankshares, Inc. declared a quarterly cash dividend of \$0.32 per share. The dividend is payable on November 6, 2020 to shareholders of record as of October 31, 2020.

## Item 9.01. Financial Statements and Exhibits

### (d) Exhibits

The following Exhibit, referred to in Item 2.02 of the Report is furnished, not filed; herewith:

Exhibit 99.1 Union Bankshares, Inc. Press Release dated October 21, 2020, announcing a regular quarterly dividend and third quarter and nine months ended September 30, 2020 net income and net income per share.

## SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Union Bankshares, Inc.

October 21, 2020

/s/ David S. Silverman

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David S. Silverman  
Chief Executive Officer

October 21, 2020

/s/ Karyn J. Hale

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Karyn J. Hale  
Chief Financial Officer

## EXHIBIT INDEX

- 99.1 Union Bankshares, Inc. Press Release dated October 21, 2020, announcing a regular quarterly dividend and third quarter and nine months ended September 30, 2020 net income and net income per share.
- 104 Cover Page Interactive Data File (embedded within the Inline XBRL document)

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## Section 2: EX-99.1 (EXHIBIT 99.1)



**For Immediate Release**  
**Contact:** David S. Silverman  
 (802) 888-6600

## **Union Bankshares Announces Earnings for the three and nine months ended September 30, 2020 and Declares Quarterly Dividend**

*Morrisville, VT October 21, 2020* - Union Bankshares, Inc. (NASDAQ - UNB) today announced results for the three and nine months ended September 30, 2020 and declared a regular quarterly cash dividend. Consolidated net income for the three months ended September 30, 2020 was \$4.1 million, or \$0.92 per share, compared to \$2.7 million, or \$0.62 per share, for the same period in 2019 and \$9.0 million, or \$2.01 per share, for the nine months ended September 30, 2020, compared to \$7.9 million, or \$1.77 per share, for the same period in 2019.

President and CEO David Silverman commented on the third quarter results, "Over the past weeks and months we have had to adapt to new ways of operating and serving our customers and communities due to the pandemic. Our operations have run smoothly and we have served our customers and communities admirably. We are pleased with our financial performance thus far in 2020 and I could not be more proud of the way our teammates have stepped up and handled their respective tasks with grace."

### **Third Quarter Highlights**

Consolidated net income increased \$1.4 million, or 51.5%, to \$4.1 million for the third quarter of 2020 compared to the third quarter of 2019 due to increases in net interest income of \$538 thousand and noninterest income of \$2.8 million, partially offset by increases in the provision for loan losses of \$650 thousand and noninterest expenses of \$990 thousand.

The provision for loan losses has been increased substantially compared to prior years as management continues to evaluate and plan for the impact of the economic disruptions caused by COVID-19 on its customers.

Sales of qualifying residential loans to the secondary market for the third quarter of 2020 were \$89.8 million resulting in gain on sales of \$3.3 million, compared to sales of \$44.7 million and gain on sales of \$824 thousand for the third quarter of 2019.

### **Year-to-Date Highlights**

Consolidated net income was \$9.0 million, or \$2.01 per share, compared to \$7.9 million, or \$1.77 per share, for the nine months ended September 30, 2020 and 2019, respectively. The increase in earnings from the 2019 comparison period was due to increases of \$950 thousand in net interest income, \$3.6 million in noninterest income partially offset by increases of \$1.3 million in the provision for loan losses, \$1.9 million in noninterest expenses, and \$220 thousand in income tax expense.

As discussed above, the provision for loan losses has increased significantly for the nine months ended September 30, 2020 compared to the same period in 2019. A provision of \$1.6 million has been recorded for the nine months ended September 30, 2020. The increase in the provision is supported by management's assessment of the economic qualitative factors utilized to estimate the allowance for loan losses due to the economic disruption currently impacting our borrowers.

Total noninterest income amounted to \$11.0 million for the nine months ended September 30, 2020 compared to \$7.4 million for the nine months ended September 30, 2019, an increase of \$3.6 million, or 48.3%. The increase is primarily due to an increase in the gain on sale of residential loans. Sales of qualifying residential loans amounted to \$187.5 million for the nine months ended September 30, 2020 compared to \$101.3 million for the same period in 2019.

Total noninterest expenses were \$22.3 million for the nine months ended September 30, 2020 compared to \$20.3 million for the same period in 2019. Increases of \$895 thousand in salaries and wages, \$309 thousand in employee benefits, \$124 thousand in occupancy expenses, \$502 thousand in equipment expenses, and \$116 thousand in other expenses occurred during the comparison periods due to planned technology infrastructure spending, discretionary hiring of high value staff to allow continued growth in the franchise, and continued development of newer branch locations.

Total assets increased to \$1.009 billion as of September 30, 2020 from \$872.9 million as of December 31, 2019. Loan growth continues to drive asset growth with total loans of \$798.3 million as of September 30, 2020 compared to \$678.7 million as of December 31, 2019. The increase in loans is due to origination of Paycheck Protection Program loans, and increased volumes of residential loans and municipal loans. Total deposits increased to \$910.1 million due to proceeds of PPP loans deposited into Union Bank accounts, receipt of stimulus money, and continued lack of spending by Union's customers.

The Company had total equity capital of \$78.4 million with a book value per share of \$17.52 as of September 30, 2020 compared to \$71.8 million and \$16.06 per share as of December 31, 2019.

The Board of Directors declared a cash dividend of \$0.32 per share for the quarter payable November 6, 2020 to shareholders of record as of October 31, 2020.

The Board of Directors, along with management, continue to monitor and assess the extent to which the COVID-19 pandemic impacts our business, operations, and financial results that will depend on numerous factors that we may not be able to accurately predict.

#### **About Union Bankshares, Inc.**

Union Bankshares, Inc., headquartered in Morrisville, Vermont, is the bank holding company parent of Union Bank, which provides commercial, retail, and municipal banking services, as well as, asset management services throughout northern Vermont and New Hampshire. Union Bank operates 20 banking offices, two loan centers, and multiple ATMs throughout its geographical footprint.

Since 1891, Union Bank has helped people achieve their dreams of owning a home, saving for retirement, starting or expanding a business and assisting municipalities to improve their communities. Union Bank has earned an exceptional reputation for residential lending programs and has been recognized by the US Department of Agriculture, Rural Development for the positive impact made in lives of low to moderate home buyers. Union Bank is consistently one of the top Vermont Housing Finance Agency mortgage originators and has also been designated as an SBA Preferred lender for its participation in small business lending. Union Bank's employees contribute to the communities where they work and reside, serving on non-profit boards, raising funds for worthwhile causes, and giving countless hours in serving our fellow residents. All of these efforts have resulted in Union receiving and "Outstanding" rating for its compliance with the Community Reinvestment Act ("CRA") in its most recent examination. Union Bank is proud to be one of the few independent community banks serving Vermont and New Hampshire and we maintain a strong commitment to our core traditional values of keeping deposits safe, giving customers convenient financial choices and making loans to help people in our local communities buy homes, grow businesses, and create jobs. These values--combined with financial expertise, quality products and the latest technology--make Union Bank the premier choice for your banking services, both personal and business. Member FDIC. Equal Housing Lender.

#### **Forward-Looking Statements**

*Statements made in this press release that are not historical facts are forward-looking statements. Investors are cautioned that all forward-looking statements necessarily involve risks and uncertainties, and many factors could cause actual results and events to differ materially from those contemplated in the forward-looking statements. When we use any of the words "believes," "expects," "anticipates" or similar expressions, we are making forward-looking statements. The following factors, among others, could cause actual results and events to differ from those contemplated in the forward-looking statements: uncertainties associated with general economic conditions; changes in the interest rate environment; inflation; political, legislative or regulatory developments; acts of war or terrorism; the markets' acceptance of and demand for the Company's products and services; technological changes, including the impact of the internet on the Company's business and on the financial services market place generally; the impact of competitive products and pricing; and dependence on third party suppliers. For further information, please refer to the Company's reports filed with the Securities and Exchange Commission at [www.sec.gov](http://www.sec.gov) or on our investor page at [www.ublocal.com](http://www.ublocal.com).*

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