

UNION BANKSHARES INC

Form DEFA14A

April 10, 2017

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of the Securities

Exchange Act of 1934 (Amendment No.)

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Pursuant to Section 240.14a-12

Union Bankshares, Inc.

(Name of Registrant as Specified in Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

No fee required.

Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

1) Title of each class of securities to which transaction applies:

2) Aggregate number of securities to which transaction applies:

3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

4) Proposed maximum aggregate value of transaction:

5) Total fee paid:

Fee paid previously with preliminary materials.

Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

1) Amount Previously Paid:

2) Form, Schedule or Registration Statement No.:

3) Filing Party:

4) Date Filed:

APRIL 10, 2017

AT OR FOR THE YEARS
ENDED DECEMBER 31

		2016	2015	2014	2013
	Balance Sheet Data		(Dollars in thousands, except per share data)		
We are pleased to invite you to our 126th Annual meeting to be held at 116 Vermont Route 15 West, Morrisville Vermont in the Charlmont Restaurant meeting room on May 17, 2017 at 3:00pm. We hope you will join us for the meeting as well as a reception immediately following. We always enjoy meeting with our long time shareholders as well as meeting newer ones.	throughout 2017. Hopefully “The Fed” is acting timely to prevent high inflation without damping an economy still in recovery mode. Our balance sheet position is “asset sensitive” meaning it is structured to do	\$691,381	\$628,879	\$624,063	\$585,443
	Total assets	66,555	59,327	52,964	45,492
	Investment securities				
Included with this “year in review” are the Proxy for the annual meeting as well as our Annual Report on Form 10-K for the year ended 2016. The Proxy and 10-K provide detailed financial information about your Company. For those so inclined we direct your attention to the Management’s Discussion and Analysis of Financial Condition and Results of Operations section of the 10-K. Though pretty dense, this section really outlines our financial story and provides context to the absolute numbers we present.	are well in a rising rate environment. Although, much is being said about rolling back regulations on financial firms, we do not hold much hope that this will materially decrease the cost of compliance for your Company. Despite this, we view compliance with regulations as a core competency and will respond to regulatory changes as efficiently as possible.				
For those who may not dig deeply into our 10-K, allow us to provide a summary of our 2016 financial results:					
<ul style="list-style-type: none"> • Net income for 2016 was \$8.5 million, or \$1.91 per share, an 8% improvement over 2015. • Net interest income increased \$1.7 million, or 7.2% to \$24.8 million. • Return on average common equity of 15.25%. • Return on average assets of 1.30%. • Book value per common share increased 4.9% to \$12.61 as of 	<ul style="list-style-type: none"> 2016 was the 125th anniversary of our founding. We held a community celebration at Oxbow Park in Morrisville on July 17th . We brought Rick and the 				

December 31, 2016.

- Total shareholders' equity increased 5.1% to \$56.3 million compared to December 31, 2015.
- The loan servicing portfolio increased \$29.6 million to \$452.0 million.
- Net loan charge-offs were \$104 thousand, or 0.02% of average loans, for the year ended December 31, 2016.
- Nonperforming loans were 0.81% of total loans.

Overall, the directors and management are pleased with our 2016 financial performance. Our challenge is to continue these positive trends over the next year.

It appears that the Federal Reserve is committed to finally tightening monetary policy and has increased the Federal Funds rate in December and March, with more increases to come

Ramblers to the park with their brand of Western Swing, as well as excellent rock band The Eames Brothers to entertain the crowd. Local vendors provided food and refreshments, face painting, balloon art and all sorts of games for entertaining young and old. We had a great turnout from employee volunteers and community members. All told, it was a fitting way to celebrate our founding.

We would like to remind you of two shareholder services you may want to take advantage of. The first is our Dividend Reinvestment Program. With this program you may elect to have some or all of your dividends reinvested to buy additional shares of Union Bankshares, Inc. You may also elect to buy additional shares through this program, avoiding brokerage fees. Also, you have the option of setting up

Loans and loans held for sale	541,093	506,141	490,721	464,953
Allowance for loan losses	(5,247)	(5,201)	(4,694)	(4,647)
Deposits	597,660	560,408	552,064	518,354
Borrowed funds	31,595	9,564	15,118	13,216
Stockholders' equity ¹	56,279	53,568	51,434	49,820
Income Statement Data				
Total interest and dividend income	\$26,836	\$25,144	\$24,852	\$24,481
Total interest expense	(2,061)	(2,025)	(2,155)	(2,459)
Net interest and dividend income	24,775	23,119	22,697	22,022
	(150)	(550)	(345)	(305)

<p>a direct deposit of your dividend, avoiding having to wait for a check to arrive in the mail. Please contact Kristy Adam-Alfieri at 802-888-0982 or KAdamsAlfieri@unionbank.com if you would like additional information regarding these services, including a prospectus describing our Dividend Reinvestment Program.</p>	<p>Provision for loan losses Noninterest income Noninterest expenses Income before provision for income taxes Net income</p> <p>Per Common Share Data Net income² Cash dividends paid Book value¹</p>	<p>10,140</p> <p>(24,221)</p> <p>10,544</p> <p>(2,033)</p> <p>\$8,511</p> <p>\$1.91</p> <p>1.11</p> <p>12.61</p>	<p>9,792</p> <p>(22,304)</p> <p>10,057</p> <p>(2,179)</p> <p>\$7,878</p> <p>\$1.77</p> <p>1.08</p> <p>12.02</p>	<p>8,909</p> <p>(21,594)</p> <p>9,667</p> <p>(1,973)</p> <p>\$7,694</p> <p>\$1.73</p> <p>1.04</p> <p>11.54</p>	<p>8,509</p> <p>(21,229)</p> <p>8,997</p> <p>(1,862)</p> <p>\$7,135</p> <p>\$1.60</p> <p>1.01</p>
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