

UNION BANKSHARES INC

Form DEFA14A

April 09, 2018

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 9, 2018

AT OR FOR THE YEARS  
ENDED DECEMBER 31

		2017	2016	2015	2014	
		(Dollars in thousands, except per share data)				
Balance Sheet Data						
<p>We are pleased to invite you to our 127th Annual meeting to be held at 116 Vermont Route 15 West, Morrisville Vermont in the Charlmont Restaurant meeting room on May 16, 2018 at 3:00pm. We hope you will join us for the meeting as well as a reception immediately following. We always enjoy visiting with our long time shareholders as well as meeting newer ones. 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 2017. 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. Highlights of the year ended December 31, 2017 compared to year ended December 31, 2016 include:</p> <ul style="list-style-type: none"> <li>• Net income before taxes increased \$943 thousand, or 8.5%, to \$12.1 million.</li> <li>• Net interest income increased \$2.0 million, or 8.0% to \$26.8 million.</li> </ul>	<ul style="list-style-type: none"> <li>• Net loan charge-offs were \$39 thousand for the year ended December 31, 2017.</li> <li>• Nonperforming loans were 0.28% of total loans.</li> </ul> <p>Overall, the directors and management are pleased with our 2017 financial performance. We hope our shareholders are as well. We are working on several projects in 2018 that are intended to help your company continue to grow in a profitable manner, and to enhance our customer's experience accessing our services. An exciting example of this is our transition to a new digital and mobile banking platform. On March 13, 2018 we converted from our existing digital/mobile product to a new platform with many more features and functions, as well as better ease of use. As with any major conversion, there has been a significant amount of work on planning and preparing for this conversion. Our staff have been at it for over six months and have done a terrific job getting us to this point. Hopefully by the time you read this the conversion will be completed and most of the kinks worked out of the</p>	Total assets	\$745,831	\$691,381	\$628,879	\$624,063
	Investment securities	66,439	66,555	59,327	52,964	
	Loans and loans held for sale	594,562	541,093	506,141	490,721	
	Allowance for loan losses	(5,408)	(5,247)	(5,201)	(4,694)	
	Deposits	647,574	597,660	560,408	552,064	
	Borrowed funds	31,581	31,595	9,564	15,118	
	Stockholders' equity <sup>1</sup>	58,661	56,279	53,568	51,434	
	Income Statement Data					
	Total interest and dividend income	\$29,017	\$26,836	\$25,144	\$24,852	
	Total interest expense	(2,255)	(2,061)	(2,025)	(2,155)	
Net interest and dividend income	26,762	24,775	23,119	22,697		
Provision for loan losses	(200)	(150)	(550)	(345)		
Noninterest income	9,395	10,140	9,792	8,909		
Noninterest expenses	(23,905)	(23,656)	(21,820)	(20,794)		
Income before provision for income taxes	12,052	11,109	10,541	10,467		
Provision for income taxes	(3,603)	(2,598)	(2,663)	(2,773)		
Net income	\$8,449	\$8,511	\$7,878	\$7,694		

new product.

• Net income for 2017 was \$8.4 million, or \$1.89 per share, compared to Net Income for 2016 of \$8.5 million, or \$1.91 per share, a slight decrease. This slight decrease in net income was caused by an increase in Federal Income Taxes caused by the Tax Cuts and Jobs Act being signed into law on December 22, 2017.

• Return on average common equity of 14.53% and return on average assets of 1.21%.

• Book value per common share increased 4.4% to \$13.17 as of December 31, 2017.

• Total shareholders' equity increased 4.5% to \$58.8 million compared to December 31, 2016.

• Total Loans increased \$53.6 million, or 9.9% to \$595.4 million.

• Total Deposits increased \$49.9 million, or 8.4% to \$647.6 million.

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. Second, you have the option of setting up a direct deposit of your dividend, avoiding having to wait for a check to arrive in the mail. Please contact Kristy Adams Alfieri at 802.888.0982 or [kadamsalfieri@unionbankvt.com](mailto:kadamsalfieri@unionbankvt.com) if you would like additional information regarding these services.

Per Common Share Data					
Net income <sup>2</sup>	\$1.89	\$1.91	\$1.77	\$1.73	
Cash dividends paid	1.16	1.11	1.08	1.04	
Book value <sup>1</sup>	13.14	12.61	12.02	11.54	
Weighted average number of shares outstanding	4,462,192	4,459,001	4,458,037	4,458,393	
Number of shares outstanding	4,465,576	4,462,135	4,457,177	4,458,430	

<sup>1</sup>Stockholders' equity includes unrealized gains or losses, net of applicable income taxes, on investment securities classified as "available-for-sale" and includes the unfunded liability for pension benefits, net of taxes for the defined benefit pension plan.

<sup>2</sup>Computed using the weighted average number of shares outstanding for the period.

Kenneth D. Gibbons  
Chairman

David S. Silverman  
President & CEO

Market for Union Bankshares Common Stock

On March 12, 2018, there were 4,465,647 shares of common stock outstanding held by 527 stockholders of record. The number of stockholders does not reflect the number of beneficial owners, including persons or entities who may hold the stock in nominee or “street name.” Union Bankshares’ common

stock is listed on the NASDAQ Global Market trading under the symbol UNB. For shareholder assistance please contact Kristy Adams Alfieri at 802.888.0982 or our Transfer Agent, Broadridge Corporate Issuer Solutions, Inc., at 866.321.8022.

Stock Performance Graph

The following graph illustrates the annual percentage change in the cumulative total shareholder return of the Company’s common stock for the period of December 31, 2012 through December 31, 2017. For purposes of comparison, the graph illustrates comparable shareholder returns of

the SNL Bank \$500M-\$1B Index and the NASDAQ Composite Index. The graph assumes a \$100 investment on December 31, 2012 in each case and measures the amount by which the market value, assuming reinvestment of dividends, has changed during the five year period ended December 31, 2017.

UNION BANKSHARES COMMON STOCK

2017			2016		
HIGH	LOW	DIVIDENDS	HIGH	LOW	DIVIDENDS
First Quarter					
\$45.55	\$40.25	\$0.29	\$29.10	\$27.06	\$0.27
Second Quarter					
\$48.70	\$39.75	\$0.29	\$37.18	\$28.26	\$0.28
Third Quarter					

TOTAL RETURN PERFORMANCE

\$49.95	\$41.00	\$0.29	\$36.92	\$33.69	\$0.28
Fourth Quarter			Fourth Quarter		
\$55.00	\$45.70	\$0.29	\$48.80	\$32.75	\$0.28

2017 Year In Review 3 4 2017 Year In Review

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New Digital Banking Service liquidity, we look forward to continuing to meet the needs of our customers and communities that we serve. Recently, Union Bank launched an exciting new online and mobile banking service to offer customers increased security, an enhanced interface and functionality. In addition to traditional features such as viewing balances, transferring funds and depositing checks, customers can now:

- Pay others using our new Person-to-Person payments.
- Move money to or from accounts at other banks.
- Aggregate accounts to

**DIRECTORS**

Kenneth D. Gibbons - Chairman  
 Neil J. Van Dyke - Vice Chairman  
 Steven J. Bourgeois  
 Dawn D. Bugbee  
 John M. Goodrich  
 Timothy W. Sargent  
 David S. Silverman  
 John H. Steel  
 Schuyler W. Sweet

**OFFICERS**

Kenneth D. Gibbons - Chairman  
 David S. Silverman - President & CEO  
 Karyn J. Hale - Chief Financial Officer  
 John H. Steel - Secretary  
 Kristy Adams Alfieri - Assistant Secretary  
 Jeffrey G. Coslett - Vice President

**OFFICERS**

Kristy Adams Alfieri - Administrative Officer  
 Diana M. Ashley - Assistant Vice President  
 Danika E. Barry - Credit Administrative Officer  
 Stacey M. Belanger - Asset Management Officer  
 Rhonda L. Bennett - Vice President  
 Karen L. Blanchard Smith - Assistant Vice President  
 Sherrie A. Bull - Vice President  
 Karen R. Carlson - Vice President  
 Stacey L.B. Chase - Vice President  
 Barbara J. Churchill - Assistant Vice President  
 Everett C. Comstock - Collections Officer  
 Jeffrey G. Coslett - Senior Vice President  
 Michael C. Curtis - Vice President  
 Jennifer M. Degree - Assistant Vice President  
 Ronald C. Dion - Vice President  
 Jessica M. Eastman - Vice President  
 Lisa R. Geraghty - Vice President  
 Charles W. Goldstein - Assistant Vice President  
 Don D. Goodhue - Vice President  
 Jonathan J. Gould - Senior Vice President  
 Melissa A. Greene - Vice President  
 Paul E. Grogan - Facilities Officer  
 Karyn J. Hale - Senior Vice President & CFO  
 Randy L. Hannett - Information Technology Officer

view The positive  
balances and impact that  
transactions Union Bank  
for accounts has made in  
held at other the lives of  
financial first time  
institutions home buyers  
(e.g. credit has been  
cards, loans, regularly  
deposits and recognized by  
investments),the US

Department of

- Use our newAgriculture,  
Personal Rural  
Financial Development  
Management(RD). In  
tools. addition,

Union Bank is

- Move, consistently  
group and one of the top  
name Vermont  
accounts in Housing  
ways that Finance  
make sense Agency  
to them. (VHFA)

mortgage

- Access a originators.  
full suite of  
bill pay  
options. Deposit

Accounts

- Communicate  
with us via  
secure  
messages,  
which  
conveniently  
auto-fill key  
account or  
transaction  
information.

- Benefit  
from new  
advanced  
security  
features.

Commercial and Union Bank  
offers a range  
of deposit  
options to

**DIRECTORS**

Kenneth D. Gibbons - Chairman  
Neil J. Van Dyke - Vice Chairman

Steven J. Bourgeois  
Dawn D. Bugbee  
John M. Goodrich  
Nancy C. Putnam

Robert D. Hofmann - Senior Vice President  
Patricia N. Hogan - Senior Vice President  
Lura L. Jacques - Vice President  
Lynne P. Jewett - Vice President  
Therese H. Johansson - Vice President

Stephen H. Kendall - Senior Vice President  
Susan F. Lassiter - Vice President  
Edward L. Levite - Senior Loan Originator  
Carrie R. Locklin - Vice President



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Municipal Services	serve a wide variety of customers. In collaboration with other banks, we enable businesses, municipalities, non-profits and individuals to conveniently access multi-million-dollar FDIC insurance coverage for CDs, money market, and demand sweep accounts. Our school-based Save for Success Program helps student depositors develop sound financial habits at a young age. For those clients in the markets that we serve. This Team focuses on building long-term customer relationships to include deposits, loans, cash management and a variety of other services. Commercial and	Timothy W. Sargent David S. Silverman John H. Steel Schuyler W. Sweet  REGIONAL ADVISORY BOARD MEMBERS Michael R. Barrett - St. Johnsbury Joel S. Bourassa - Northern New Hampshire Steven J. Bourgeois - St. Albans Stanley T. Fillion - Northern New Hampshire Rosemary H. Gingue - St. Johnsbury John M. Goodrich - St. Johnsbury Richard L. Isabelle - St. Johnsbury Christopher M. Knapp - Northern New Hampshire Coleen K. Kohaut - St. Albans	John L. Malm - Vice President  Debra J. Marcoux - Loan Servicing Officer Robyn A. Masi - Vice President Jessica L. Miller - Assistant Vice President Melynda J. Miller - Assistant Vice President Shane D. Mispel - Assistant Vice President Samantha A. Norrie - Assistant Vice President Tina L. Norton - Assistant Vice President Lisa M. Patch - Commercial Loan Administrative Officer Chandra L. Pollard - Mortgage Loan Officer  Bradley S. Prior - Assistant Vice President  Craig S. Provost - Vice President Mira M. Rainville- Mortgage Underwriting Officer Timothy M. Ross - Vice President  Christine A. Sheley - Regional Vice President David S. Silverman - President & CEO
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Municipal community  
Team lending  
continues to activities. In  
help drive 2017, our  
the Bank's deposits grew  
financial by  
results. With approximately  
good asset \$49.9 Million  
quality, and or 8.4%, in  
strong part due to our  
capital and success  
attracting,  
expanding and  
retaining  
municipal  
banking  
relationships.  
For more  
information,  
please contact  
our Customer  
Care Team at  
1.800.753.4343.

Justin P. Lavelly - St. Johnsbury  
Daniel J. Luneau - St. Albans  
Mary K. Parent - St. Johnsbury  
Samuel H. Ruggiano - St. Albans  
David S. Silverman - All  
Schuyler W. Sweet - Northern New  
Hampshire

Abbie L. Small - Assistant Vice President  
Judy R. Smith - Vice President  
Carol V. Stone - Assistant Vice President  
Curtis C. Swan - Vice President  
Carrie W. Tallman - Assistant Vice President  
Linda M. Watson - Retail Credit  
Administrative Officer  
Melyssa S. Whitcomb - Vice President  
Suzanne M. Whitney - Marketing Officer

2017 Year In Review 5 62017 Year In Review

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VERMONT

Barre	Loan Center	
	14 North Main Street	802.476.0062
Danville	421 Route 2 East	802.684.2211
Fairfax	9 Ramsey Road	802.849.2600
Hardwick	103 VT Route 15 West	802.472.8100
Jeffersonville	5062 VT Route15	802.644.6600
Johnson	198 Lower Main Street	802.635.6600
Lyndonville	183 Depot Street	802.626.3100
Newport	Loan Center	
	325 East Main Street	802.334.0750
Morrisville	20 Lower Main Street	802.888.6600
	65 Northgate Plaza	802.888.6860
St. Albans	15 Mapleville Depot	802.524.9000
St. Johnsbury	364 Railroad Street	802.748.3131
	325 Portland Street	802.748.3121
S. Burlington	Loan Center	
	30 Kimball Avenue	802.865.1000
Stowe	47 Park Street	802.253.6600

NEW HAMPSHIRE

Groveton	3 State Street	603.636.1611
Lincoln	135 Main Street	603.745.4000
Littleton	263 Dells Road	603.444.7136
	76 Main Street	603.444.5321
N. Woodstock	155 Main Street	603.745.2488

UBLOCAL.com  
1.800.753.4343 (toll free)