For Immediate Release
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Union Bankshares Announces Second Quarter Ended June 30, 2011 Earnings and Quarterly Dividend Payment

Morrisville, VT July 20, 2011 – Union Bankshares, Inc. (NASDAQ – UNB) today announced Net Income for the second quarter 2011 of $1.0 million, or $0.23 per share, compared to $1.5 million, or $0.34 per share, for 2010. Results for the second quarter of 2011 reflect a $0.05 decrease in earnings per share due to direct expenses incurred during the quarter related to the May 27, 2011 purchase of branches in Grafton, Littleton and North Woodstock, New Hampshire. There was also an increase in the loan loss provision of $60 thousand due mainly to the growth and composition of the loan portfolio. Non-acquisition operating expenses also increased between years as the Company grew, outsourced and enhanced marketing efforts, and incurred increased OREO costs.

Year to date earnings for 2011 were $2.1 million, or $0.46 per share, compared to $2.7 million, or $0.62 per share, for 2010. Year to date direct costs associated with the acquisition of three New Hampshire branches were $358,000; there was a $120,000 increase in the loan loss provision due mainly to the growth and composition of the loan portfolio; the Loan Center was operating throughout 2011 and became profitable in May of 2011; communication lines, equipment and the internal data backup center were upgraded; marketing efforts were outsourced and enhanced; and the operating costs of OREO and Bank properties were higher due to the long winter and wet spring.

Balance Sheet accounts increased substantially as the acquisition of the three New Hampshire branches added $67 million to deposits, $33 million to loans and another $5 million to various other asset categories. Total loans grew to $401 million, or 15.1%, as of June 30, 2011 from $349 million as of June 30, 2010 due to the acquisition and in spite of the Company selling $31 million of residential mortgage loans to the secondary market during the first half of 2011 to manage long term interest rate risk. Total deposits reached $433 million compared to the prior year of $354 million. The Company had total capital of $42 million with a book value per share of $9.39 as of June 30, 2011.

A quarterly cash dividend of $.25 per share was declared on July 20, 2011 to shareholders of record July 30, 2011, payable August 11, 2011.

Union Bankshares, Inc., with headquarters in Morrisville, Vermont is the bank holding company parent of Union Bank, which offers deposit, loan, trust and commercial banking services throughout northern Vermont and northwestern New Hampshire. As of June 30, 2011, the Company had approximately $514 million in consolidated assets compared to $428 million at June 30, 2010. The Company operates 13 banking offices, a loan center and 29 ATM facilities in Vermont; 4 branches and ATM facilities in New Hampshire.

Union Bank has been helping people buy homes and local businesses create jobs in area communities since 1891. Union Bank has earned an outstanding reputation for residential lending programs, is an SBA Preferred lender and has an outstanding Community Reinvestment Act rating. Union is proud to be one of the few community banks serving Vermont and New Hampshire and maintains a strong commitment to traditional values. Union is dedicated to providing genuine customer service and community support, donating tens of thousands of dollars to local nonprofits annually. 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 commercial. Member FDIC. Equal Housing Lender.

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.