

Press Release

FOR IMMEDIATE RELEASE

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Union Bank (formerly known as the little bank)

DATE: July 25, 2017

Union Bank Releases Second Quarter Earnings

Greenville, NC – (Business Wire) – July 25, 2017 - Union Bank (OTCQX: UBNC) reports earnings results for the quarter and six months ended June 30, 2017.

Union Bank (the "Company"), formerly known as the little bank prior to its recent acquisition, is pleased to report earnings results for the quarter ended June 30, 2017. Unaudited net income for the three months ended June 30, 2017 was \$846,000, or \$.25 per basic share, compared to \$793,000 or \$.23 per basic share for the quarter ended June 30, 2016. Core earnings, which exclude merger expenses, were approximately \$896,000 for the three months ended June 30, 2017, compared to \$793,000 for the quarter ended June 30, 2016. This represents a 13.0% increase in core earnings. The little bank's planned acquisition of Oxford, NC based Union Banc Corp. was completed on July 7, 2017. Under the terms of the merger agreement, the little bank agreed to change its name to Union Bank and establish its headquarters in Greenville, NC effective with the merger.

Unaudited net income for the first six months of 2017 was \$1,520,000, or \$.45 per basic share, compared to \$1,556,000, or \$.46 per basic share for the first six months of 2016. Core earnings, which exclude merger expenses, were approximately \$1,678,000 for the six month period ended June 30, 2017, compared to \$1,556,000 for the same six month period in 2016. This represents a 7.8% increase in core earnings.

Total assets as of June 30, 2017 were \$381.3 million, compared to total assets of \$361.9 million as of June 30, 2016, representing an increase of 5.4%. Total loans, net of reserves, were \$259.1 million and deposits were \$313.9 million, representing an increase of 4.5% in loan balances and an increase of 6.9% in deposit balances, over the same period in the prior year. As of June 30, 2017, 3,373,974 shares of common stock were issued and outstanding.

Vincent R. Jones, President and Chief Executive Officer stated, "We are pleased to present a very positive earnings report for the second quarter and first six months of 2017." Jones added, "We continue to be excited about the acquisition of Union Banc Corp. and the anticipated results of this strategic combination."

As previously reported in a press release dated July 7, 2017, the little bank completed its acquisition of Union Bank and Trust on July 7th. The "new" Union Bank is headquartered in Greenville, North Carolina and operates 15 branches located in 11 counties throughout Eastern and Central North Carolina. Union Bank stock is traded on the OTCQX trading under the symbol UBNC. Upon completion of the merger Union Bank is approximately \$700 million in assets.

This press release includes certain forward-looking statements in reliance on the "safe-harbor" provisions of The Private Securities Litigation Reform Act of 1995. Any such forward-looking statements are subject to a number of risks and uncertainties. Actual results may differ materially from those anticipated in any such forward-looking statements. The Company undertakes no obligation to update or revise any such forward-looking statements. This press release contains financial information determined by methods other than in accordance with GAAP. The Company's management uses these non-GAAP financial measures in their analysis of the Company's performance. These measures typically adjust GAAP performance measures to exclude the effects of transactions that are infrequent in nature. Management believes presentations of these non-GAAP financial measures provide useful supplemental information that is essential to a proper understanding of the operating results of the Company's core businesses.

Union Bank
Summary of Operations (un-audited)
(000's omitted except per share data)

	Three Months Ended June 30, 2017	Three Months Ended June 30, 2016	Six Months Ended June 30, 2017	Six Months Ended June 30, 2016
Interest Income	\$ 3,481	\$ 3,301	\$ 6,758	\$ 6,537
Interest Expense	<u>355</u>	<u>316</u>	<u>667</u>	<u>625</u>
Net interest income	3,126	2,985	6,091	5,912
Provision for loan losses	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net interest income after Provision for losses	<u>3,126</u>	<u>2,985</u>	<u>6,091</u>	<u>5,912</u>
Non-interest income	553	441	987	849
Non-interest expense	<u>2,371</u>	<u>2,253</u>	<u>4,794</u>	<u>4,461</u>
Income before taxes	1,308	1,173	2,284	2,300
Income taxes	<u>462</u>	<u>380</u>	<u>764</u>	<u>744</u>
Net Income	<u>\$ 846</u>	<u>\$ 793</u>	<u>\$ 1,520</u>	<u>\$ 1,556</u>
Net Income available per basic common share	<u>\$ 0.25</u>	<u>\$ 0.23</u>	<u>\$ 0.45</u>	<u>\$ 0.46</u>

Union Bank
Balance Sheets
(000's omitted except per share data)

	June 30, 2017 (un-audited)	December 31, 2016 * (un-audited)	June 30, 2016 (un-audited)
Assets			
Cash and due from banks	\$ 9,128	\$ 9,085	\$ 6,668
Overnight investments	10,356	6,070	5,345
Investment securities AFS	84,347	85,744	84,681
Loans	262,201	246,522	251,440
Less Allowance for loan losses	<u>(3,058)</u>	<u>(3,444)</u>	<u>(3,496)</u>
Net Loans	259,143	243,078	247,944

Other Real Estate Owned	0	50	45
Other Assets	<u>18,295</u>	<u>17,982</u>	<u>17,238</u>
Total Assets	<u>\$ 381,269</u>	<u>\$ 362,009</u>	<u>\$ 361,921</u>

Liabilities & Stockholders' Equity

Liabilities

Deposits	\$ 313,899	\$ 300,574	\$ 293,674
FHLB Advances	28,000	24,000	31,000
Other liabilities	<u>992</u>	<u>837</u>	<u>770</u>
Total liabilities	342,891	325,411	325,444

Stockholders' Equity

Common stock, no par value	31,578	31,507	29,416
Retained earnings	6,782	5,544	6,354
Accumulated other comprehensive income (loss)	<u>18</u>	<u>(453)</u>	<u>707</u>
Total stockholders' equity	<u>\$ 38,378</u>	<u>\$ 36,598</u>	<u>\$ 36,477</u>

Total liabilities and stockholders' equity	<u>\$ 381,269</u>	<u>\$ 362,009</u>	<u>\$ 361,921</u>
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* Derived from audited financial statements