Press Release - For Immediate Release

July 29, 2019

Union Bank Releases Second Quarter Earnings Today

Greenville, NC – (Business Wire) – July 29, 2019 - Union Bank (OTCQX: UBNC) reports earnings results for the quarter and six months ended June 30, 2019.

Union Bank (the "Bank") is pleased to report earnings results for the quarter and six months ended June 30, 2019. Unaudited net income for the six months ended June 30, 2019 was $3,410,000 or $0.57 per basic common share, compared to $3,261,000, or $0.54 per basic common share for the same period in the prior year. This represents a 4.6% increase in earnings for the comparable six-month periods. Return on average assets and return on average equity was 0.90% and 8.55%, respectively, for the six months ended June 30, 2019. Return on average tangible common equity was 10.38% for the six months ended June 30, 2019.

Unaudited net income for the second quarter of 2019 was $1,771,000, or $0.30 per basic common share, compared to $1,760,000, or $0.29 per basic common share for the quarter ended June 30, 2018. Return on average assets and return on average equity was 0.92% and 8.72%, respectively, for the quarter. Return on average tangible common equity was 10.62% for the quarter ended June 30, 2019.

Total assets as of June 30, 2019 were $777.2 million, compared to total assets of $745.2 million as of December 31, 2018, and $716.7 million as of June 30, 2018. Total loans, net of reserves, were $531.7 million and deposits were $643.5 million, as of June 30, 2019 compared to net loan balances of $503.2 million and deposits of $599.7 million as of June 30, 2018, and net loan balances of $504.6 million and deposits of $627.2 million as of December 31, 2018. This represents annualized loan and deposit growth of 10.8% and 5.2%, respectively, for the six month period ended June 30, 2019. Asset quality remains excellent, as total non-performing assets were 0.09% of total assets as of June 30, 2019. Capital levels remain strong, total risk-based capital was 13.99%, common equity tier 1 to risk-weighted assets was 12.07%, and the Bank's tier 1 leverage ratio was 8.85% at quarter-end. As of June 30, 2019, shares of common stock issued an outstanding totaled 5,986,664.

Rob Jones, President and Chief Executive Officer stated, "We are pleased to report a record quarter of earnings as well as solid results for the first six months of 2019." Jones noted, "Earnings, adjusted for Day 2 acquisition accounting, increased approximately 13.4% for the six month period ended June 30th, compared to the same period last year." Jones continued, "Solid loan growth offset margin compression associated with increased interest expense and falling yields across the yield curve. We expect that the industry will continue to struggle with margin compression until interest rates return to a more traditional curve."

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 under the symbol UBNC.

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

Bank 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 Bank’s management uses these non-GAAP financial measures in their analysis of the Bank'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 Bank’s core businesses.

For More Information Contact:

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Union Bank

Statements of Operations

($000's omitted except per share data)

	For the Three Months Ended		For the Six Months Ended	
	June 30, 2019 (un-audited)	June 30, 2018 (un-audited)	June 30, 2019 (un-audited)	June 30, 2018 (un-audited)
Interest Income	$ 8,491	$ 7,785	$ 16,750	$ 15,141
Interest Expense	1,760	1,114	3,415	2,031
Net Interest Income	6,731	6,671	13,335	13,110
Provision for Loan Losses	260	305	472	530
Net Interest Income after Provision for Loan Losses	6,471	6,366	12,863	12,580
Noninterest Income	966	911	1,768	1,700
Noninterest Expense	5,221	5,042	10,368	10,146
Income Before Income Taxes	2,216	2,235	4,263	4,134
Income Taxes	445	475	853	873
Net Income	$ 1,771	$ 1,760	$ 3,410	$ 3,261
Net Income Available Per Basic Common Share	$ 0.30	$ 0.29	$ 0.57	$ 0.54

Union Bank
Balance Sheets
($000's omitted)

	As of the Period Ended		
	June 30, 2019	December 31, 2018	June 30, 2018
ASSETS	(un-audited)	*	(un-audited)
Cash and due from banks	$ 9,523	$ 9,355	$ 12,110
Interest-bearing deposits with banks	23,254	25,753	31,898
Investment securities available-for-sale	154,418	148,575	111,907
Loans - gross	540,823	513,675	513,901
Net fair value marks	(4,395)	(5,047)	(6,778)
Allowance for loan losses	(4,685)	(4,046)	(3,939)
Net Loans	531,743	504,582	503,184
Bank premises and equipment, net	19,254	16,793	17,145
Other real estate owned	108	327	478
Goodwill	12,897	12,897	13,466
Core deposit intangible	1,577	1,951	2,364
Bank-owned life insurance	16,670	16,450	16,224
Other assets	7,712	8,503	7,942
Total Assets	$ 777,156	$ 745,186	$ 716,718
LIABILITIES AND STOCKHOLDERS' EQUITY			
Liabilities			
Deposits	$ 643,527	$ 627,171	$ 599,658
Advances from the Federal Home Loan Bank	40,000	32,000	35,000
Subordinated debentures	6,000	6,000	6,000
Accrued expenses and other liabilities	4,539	1,821	1,632
Total Liabilities	694,066	666,992	642,290
Stockholders' Equity			
Common stock, no par value	71,291	71,879	69,142
Retained earnings	10,461	7,629	7,506
Accumulated other comprehensive income / (loss)	1,338	(1,314)	(2,220)
Total Stockholders' Equity	83,090	78,194	74,428
Total Liabilities and Stockholders' Equity	$ 777,156	$ 745,186	$ 716,718

* Derived from audited financial statements