

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

FORM 8-K

**CURRENT REPORT
Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934**

Date of Report (date of earliest event reported): **June 9, 2017**

Union Bankshares Corporation
(Exact name of registrant as specified in its charter)

Virginia
(State or Other Jurisdiction of
Incorporation)

0-20293
(Commission File Number)

54-1598552
(IRS Employer Identification
Number)

**1051 East Cary Street
Suite 1200
Richmond, Virginia 23219**
(Address of principal executive offices, including Zip Code)

Registrant's telephone number, including area code: (804) 633-5031

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 8.01 Other Events.

Union Bankshares Corporation (the “Company” or “UBSH”) has updated its presentation materials that the Company’s management will use during visits with investors, analysts and other interested parties from time to time throughout the second quarter of 2017 to assist their understanding of the Company, including with respect to the pending merger (the “Merger”) of Xenith Bankshares, Inc. (“XBKS”) with and into the Company. This handout is attached hereto as Exhibit 99.1 and incorporated herein by reference.

This handout is also available under the Presentations link in the Investor Relations section of the Company’s website at <http://investors.bankatunion.com>.

Forward-Looking Statements

Certain statements in this Form 8-K may constitute “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements are statements that include projections, predictions, expectations, or beliefs about future events or results or otherwise are not statements of historical fact, are based on certain assumptions as of the time they are made, and are inherently subject to risks and uncertainties, some of which cannot be predicted or quantified. Such statements are often characterized by the use of qualified words (and their derivatives) such as “expect,” “believe,” “estimate,” “plan,” “project,” “anticipate,” “intend,” “will,” “may,” “view,” “opportunity,” “potential,” or words of similar meaning or other statements concerning opinions or judgment of UBSH or XBKS or their management about future events. Such statements include statements as to the anticipated effective time of the Merger. Although each of UBSH and XBKS believes that its expectations with respect to forward-looking statements are based upon reasonable assumptions within the bounds of its existing knowledge of its business and operations, there can be no assurance that actual results, performance, or achievements of UBSH or XBKS will not differ materially from any projected future results, performance, or achievements expressed or implied by such forward-looking statements. Actual future results and trends may differ materially from historical results or those anticipated depending on a variety of factors, including but not limited to: (1) the businesses of UBSH and XBKS may not be integrated successfully or such integration may be more difficult, time-consuming or costly than expected; (2) expected revenue synergies and cost savings from the Merger may not be fully realized or realized within the expected time frame; (3) revenues following the Merger may be lower than expected; (4) customer and employee relationships and business operations may be disrupted by the Merger; (5) the ability to obtain required regulatory and shareholder approvals, and the ability to complete the Merger on the expected timeframe may be more difficult, time-consuming or costly than expected; (6) changes in interest rates, general economic conditions, tax rates, legislative/regulatory changes, monetary and fiscal policies of the U.S. government, including policies of the U.S. Treasury and the Board of Governors of the Federal Reserve System; the quality and composition of the loan and securities portfolios; demand for loan products; deposit flows; competition; demand for financial services in the companies’ respective market areas; their implementation of new technologies; their ability to develop and maintain secure and reliable electronic systems; and accounting principles, policies, and guidelines, and (7) other risk factors detailed from time to time in filings made by UBSH or XBKS with the Securities and Exchange Commission (the “SEC”). Forward-looking statements speak only as of the date they are made and UBSH and XBKS undertake no obligation to update or clarify these forward-looking statements, whether as a result of new information, future events or otherwise.

Additional Information about the Proposed Transaction and Where to Find It

In connection with the proposed Merger, UBSH will file with the SEC a registration statement on Form S-4 to register the shares of UBSH common stock to be issued to the shareholders of XBKS. The registration statement will include a joint proxy statement of UBSH and XBKS and a prospectus of UBSH. A definitive joint proxy statement/prospectus will be sent to the shareholders of UBSH and XBKS seeking their approval of the proposed Merger and related matters. This Form 8-K does not constitute an offer to sell or the solicitation of an offer to buy any securities or a solicitation of any vote or approval. Before making any voting or investment decision, investors and shareholders of UBSH and XBKS are urged to read carefully the entire registration statement and joint proxy statement/prospectus when they become available, including any amendments thereto, because they will contain important information about the proposed transaction. Free copies of these documents may be obtained as described below.

Investors and shareholders of both companies are urged to read the registration statement on Form S-4 and the joint proxy statement/prospectus included within the registration statement and any other relevant documents to be filed with the SEC in connection with the proposed Merger because they will contain important information about UBSH, XBKS and the proposed Merger. Investors and shareholders of both companies are urged to review carefully and consider all public filings by UBSH and XBKS with the SEC, including but not limited to their Annual Reports on Form 10-K, their proxy statements, their Quarterly Reports on Form 10-Q, and their Current Reports on Form 8-K. Investors and shareholders may obtain free copies of these documents through the website maintained by the SEC at www.sec.gov. Free copies of the joint proxy statement/

prospectus and other documents filed with the SEC also may be obtained by directing a request by telephone or mail to Union Bankshares Corporation, 1051 East Cary Street, Suite 1200, Richmond, Virginia 23219, Attention: Investor Relations (telephone: (804) 633-5031), or Xenith Bankshares, Inc., 901 E. Cary Street Richmond, Virginia, 23219, Attention: Thomas W. Osgood (telephone: (804) 433-2200), or by accessing UBSH's website at www.bankatunion.com under "Investor Relations" or XBKS's website at www.xenithbank.com under "Investor Relations" under "About Us." The information on UBSH's and XBKS's websites is not, and shall not be deemed to be, a part of this release or incorporated into other filings either company makes with the SEC.

UBSH and XBKS and their respective directors and executive officers may be deemed to be participants in the solicitation of proxies from the shareholders of UBSH and/or XBKS in connection with the proposed Merger. Information about the directors and executive officers of UBSH is set forth in the proxy statement for UBSH's 2017 annual meeting of shareholders filed with the SEC on March 21, 2017. Information about the directors and executive officers of XBKS is set forth in XBKS's Annual Report on Form 10-K, as amended, filed with the SEC on May 1, 2017. Additional information regarding the interests of these participants and other persons who may be deemed participants in the proposed Merger may be obtained by reading the joint proxy statement/prospectus regarding the proposed Merger when it becomes available. Free copies of these documents may be obtained as described above.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

<u>Exhibit No.</u>	<u>Description</u>
99.1	Union Bankshares Corporation investor presentation

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

UNION BANKSHARES CORPORATION

Date: June 9, 2017

By: /s/ Robert M. Gorman

Robert M. Gorman
Executive Vice President and
Chief Financial Officer



Exhibit 99.1

Investor Presentation

6th Annual KBW US Regional Leaders Bank Conference in London

June 12, 2017

Forward Looking Statements

Certain statements in this presentation may constitute "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements are statements that include projections, predictions, expectations, or beliefs about future events or results or otherwise are not statements of historical fact, are based on certain assumptions as of the time they are made, and are inherently subject to risks and uncertainties, some of which cannot be predicted or quantified. Such statements are often characterized by the use of qualified words (and their derivatives) such as "expect," "believe," "estimate," "plan," "project," "anticipate," "intend," "will," "may," "view," "opportunity," "potential," or words of similar meaning or other statements concerning opinions or judgment of Union Bankshares Corporation ("Union" or "UBSH") or Xenith Bankshares, Inc. ("Xenith" or "XBKS") or their management about future events. Such statements include statements as to the anticipated benefits of the merger, including future financial and operating results, cost savings and enhanced revenues as well as other statements regarding the merger. Although each of Union and Xenith believes that its expectations with respect to forward-looking statements are based upon reasonable assumptions within the bounds of its existing knowledge of its business and operations, there can be no assurance that actual results, performance, or achievements of Union or Xenith will not differ materially from any projected future results, performance, or achievements expressed or implied by such forward-looking statements. Actual future results and trends may differ materially from historical results or those anticipated depending on a variety of factors, including but not limited to: (1) the businesses of Union and Xenith may not be integrated successfully or such integration may be more difficult, time-consuming or costly than expected; (2) expected revenue synergies and cost savings from the merger may not be fully realized or realized within the expected time frame; (3) revenues following the merger may be lower than expected; (4) customer and employee relationships and business operations may be disrupted by the merger; (5) the ability to obtain required regulatory and shareholder approvals, and the ability to complete the merger on the expected timeframe may be more difficult, time-consuming or costly than expected; (6) changes in interest rates, general economic conditions, tax rates, legislative/regulatory changes, monetary and fiscal policies of the U.S. government, including policies of the U.S. Treasury and the Board of Governors of the Federal Reserve System; the quality and composition of the loan and securities portfolios; demand for loan products; deposit flows; competition; demand for financial services in the companies' respective market areas; their implementation of new technologies; their ability to develop and maintain secure and reliable electronic systems; and accounting principles, policies, and guidelines, and (7) other risk factors detailed from time to time in filings made by Union or Xenith with the Securities and Exchange Commission (the "SEC"). Forward-looking statements speak only as of the date they are made and Union and Xenith undertake no obligation to update or clarify these forward-looking statements, whether as a result of new information, future events or otherwise.

Company Snapshot

Overview

- Shares listed under “UBSH” on NASDAQ
- Headquartered in Richmond, VA
- 100+ years of banking history
- 113 branches across more than 50 counties and 10 MSAs throughout Virginia
 - Only Virginia-based bank with a statewide footprint
 - Largest community banking organization headquartered in Virginia

Financial Highlights as of 3/31/2017

(\$ Millions)

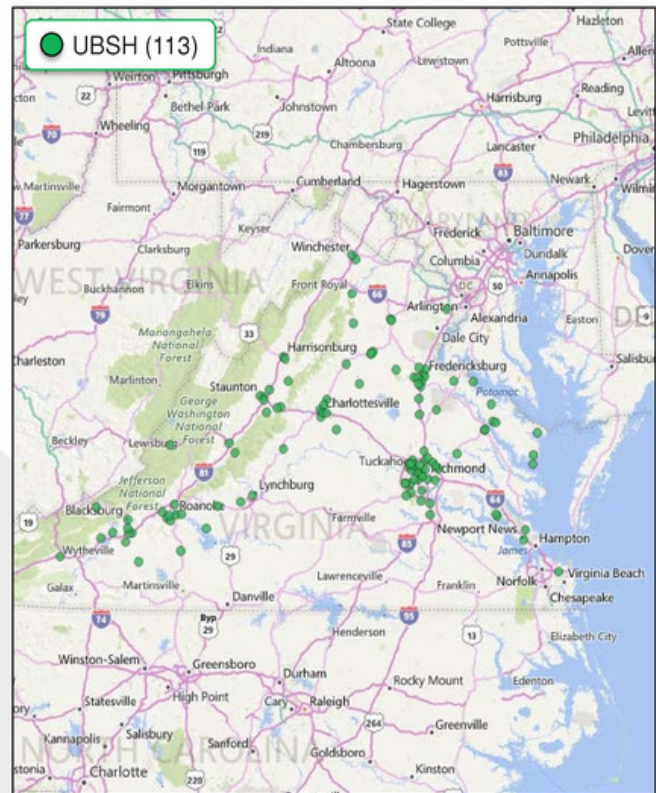
Total Assets	\$8,669.9
Total Loans Held For Investment	6,554.1
Total Deposits	6,614.2
Shareholders' Equity	1,015.6
Market Capitalization	1,536.7

Capital Ratios

Tier 1 Common Capital (CET1)	9.55%
Tier 1 Leverage	9.79%
Tier 1 Capital	10.77%
Total Capital	13.29%
Tangible Common Equity / Tangible Assets	8.36%

Market data as of March 31, 2017
Source: SNL Financial

Branch Map



Diversity Supports Growth in Virginia

Richmond

- State Capital
- Fortune 500 headquarters (6)
- Finance and insurance
- VCU & VCU Medical Center

Fredericksburg

- Defense and security contractors
- Health care
- Retail
- Real Estate development

Charlottesville

- University of Virginia & Medical College
- High-tech and professional businesses
- Real Estate development

Northern Virginia

- Nation's Capital
- Defense and security contractors
- Associations (lobbyists)
- High tech

Virginia Beach - Norfolk

- Military
- Shipbuilding
- Fortune 500 headquarters (3)
- Tourism

Roanoke - Blacksburg

- Virginia Tech
- Health care
- Retail
- Fortune 500 headquarters (1)

Union Bank & Trust Key Statistics

Branches

• 113 (-10 in 2016; -1 YTD 2017)

Full Time Equivalent

• 1,309

Commercial Bankers

• 58

Loans

• \$6.55 billion

Deposits

• \$6.61 billion

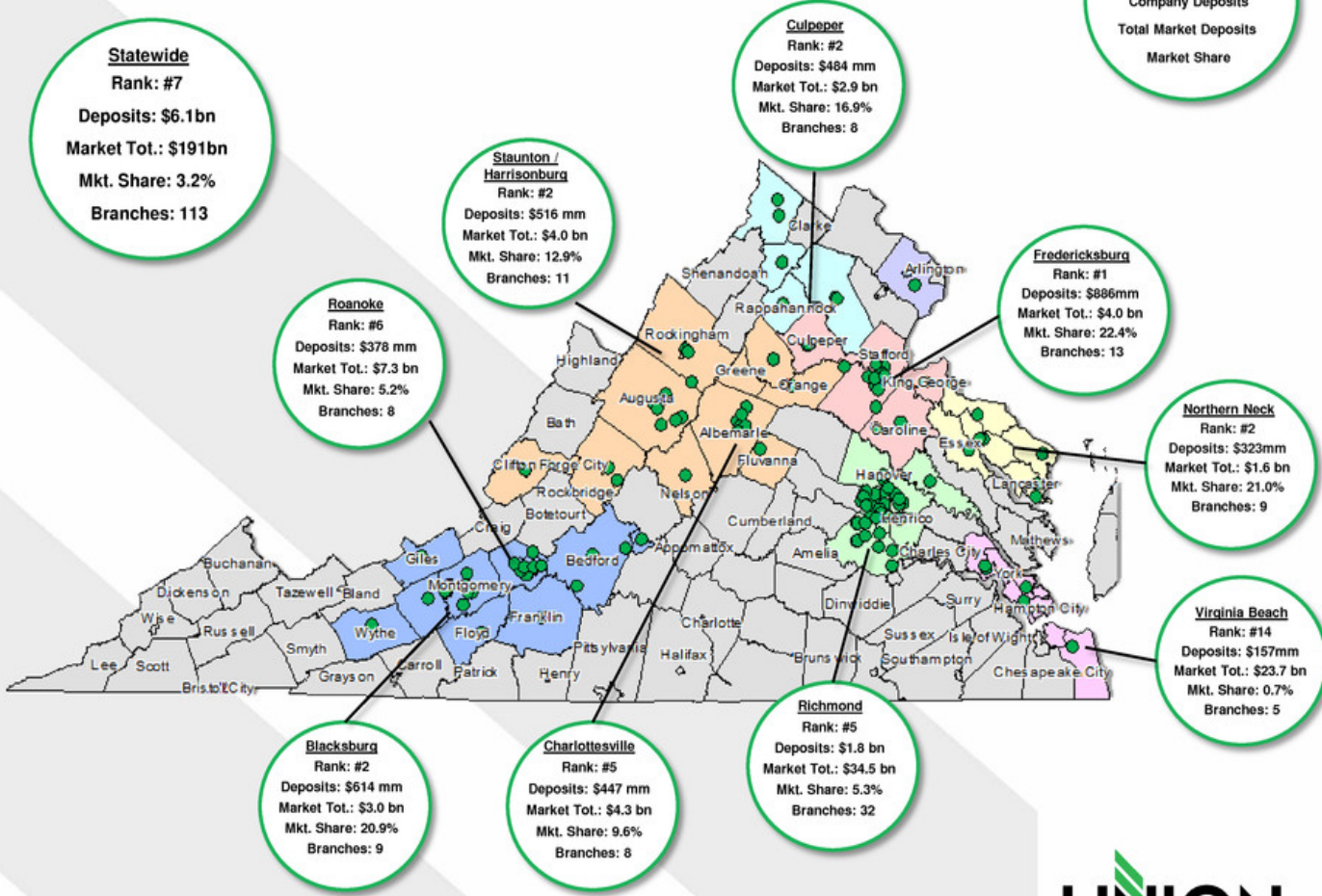
Consumer Households

• 178+ thousand

Union is the only Virginia-based bank with a statewide footprint

 **UNION** ⁵

Strong Presence Across All Major Virginia Markets



Source: SNL Financial; Deposit data as of 6/30/2016; Branch count as of 1/31/17 Fredericksburg market defined as Caroline, Fredericksburg City, King George, Spotsylvania, & Stafford counties; Culpeper market defined as Culpeper, Madison, Orange & Rappahannock; all other markets per MSA definitions in SNL Financial

Financial Highlights

First Quarter 2017

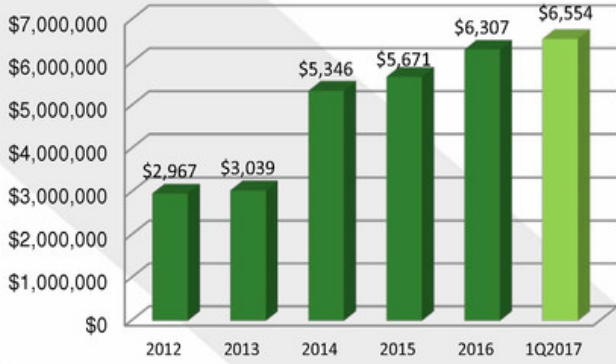
- Net Income was \$19.1 million; earnings per share of \$0.44 – up ~\$2.2 million, 12.8%, and up 6 cents, or 15.8%, from 1Q 2016
- ROA was 92 basis points, up from 88 bps in 1Q16
- ROTCE was 11.20%, up from 10.13% in 1Q16
- Efficiency ratio (FTE) was 65.3%, down from 66.08% in 1Q16
- Loan growth was 3.9% from prior quarter, annualized to 15.7%
- Deposit balances grew 3.7% from prior quarter, annualized to 14.7%
- Asset Quality remained strong as past dues and net charge-offs declined from prior quarter and prior year

Full Year 2016

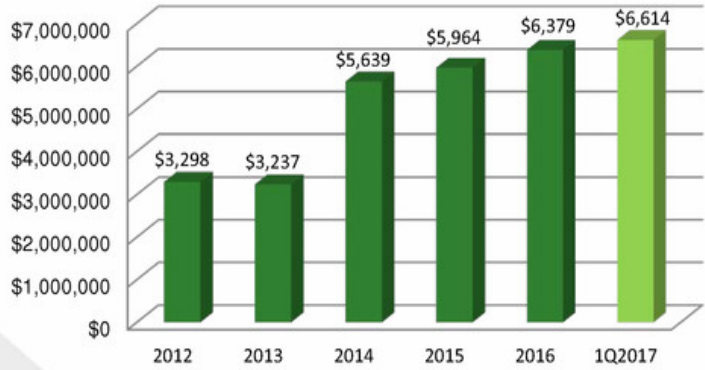
- Net Income was \$77.5 million; earnings per share of \$1.77 – up ~\$10.4 million, 15.5%, or 28 cents, 18.8%, from FY 2015
- ROA of 96 basis points was up 6 basis points from the prior year
- ROTCE of 11.5% was up 145 basis points over 2015 levels
- The efficiency ratio of 64.3% was down 223 basis points from 2015
- Loan growth was \$636 million or 11.2%
- Deposit balances grew \$416 million or 7%
- Raised \$150 million subordinated debt at the holding company at favorable terms

Balance Sheet Trends

Loans (\$M)



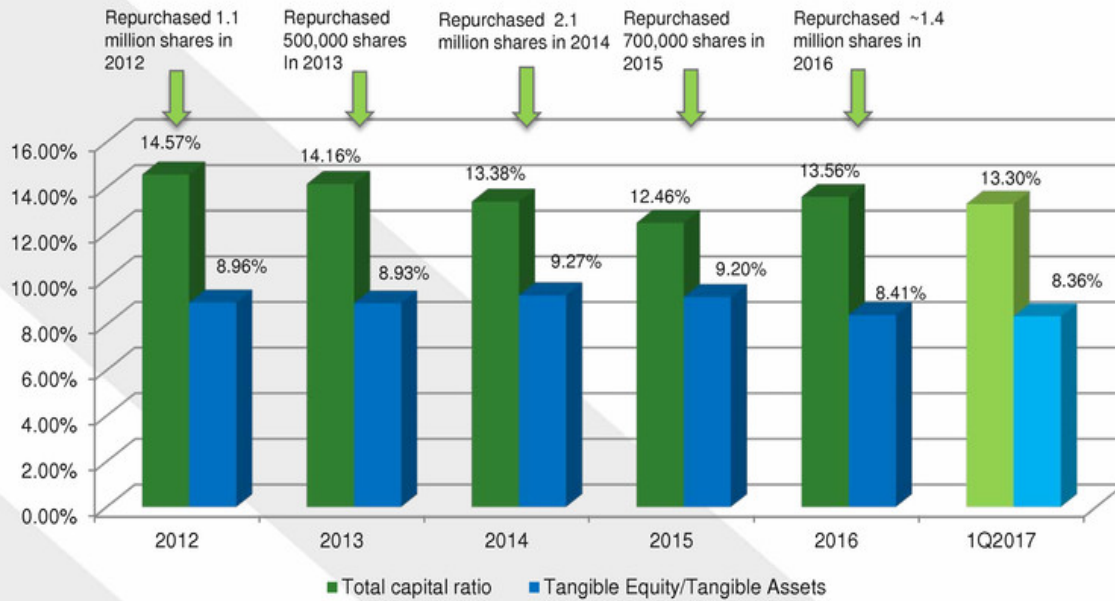
Deposits (\$M)



Assets (\$M)



Capital Management



Dividend Increases

- Quarterly Dividend increased from \$0.07/share in 2011 to currently \$0.20/share

Share Repurchases

- Repurchased 5.8 million shares since 2012, including ~1.4 million in 2016

Subordinated Debt Issue

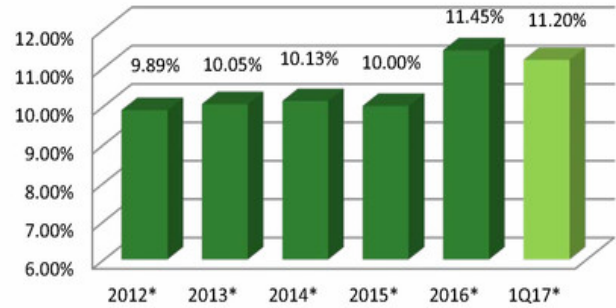
- In 2016, issued \$150 million Fixed to Floating subordinated notes due in 2026

Profitability Ratios and Income Trends

Return on Average Assets (ROA)



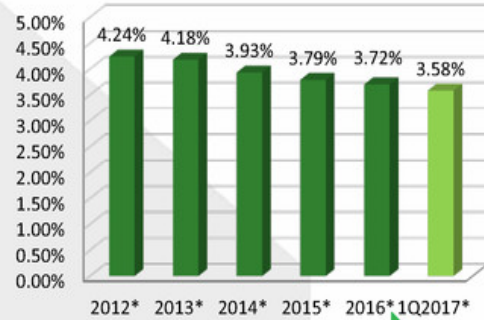
Return on Tangible Common Equity (ROTCE)



Net Income (\$)



Net Interest Margin



* excludes after-tax acquisition expenses and acquisition accounting impact

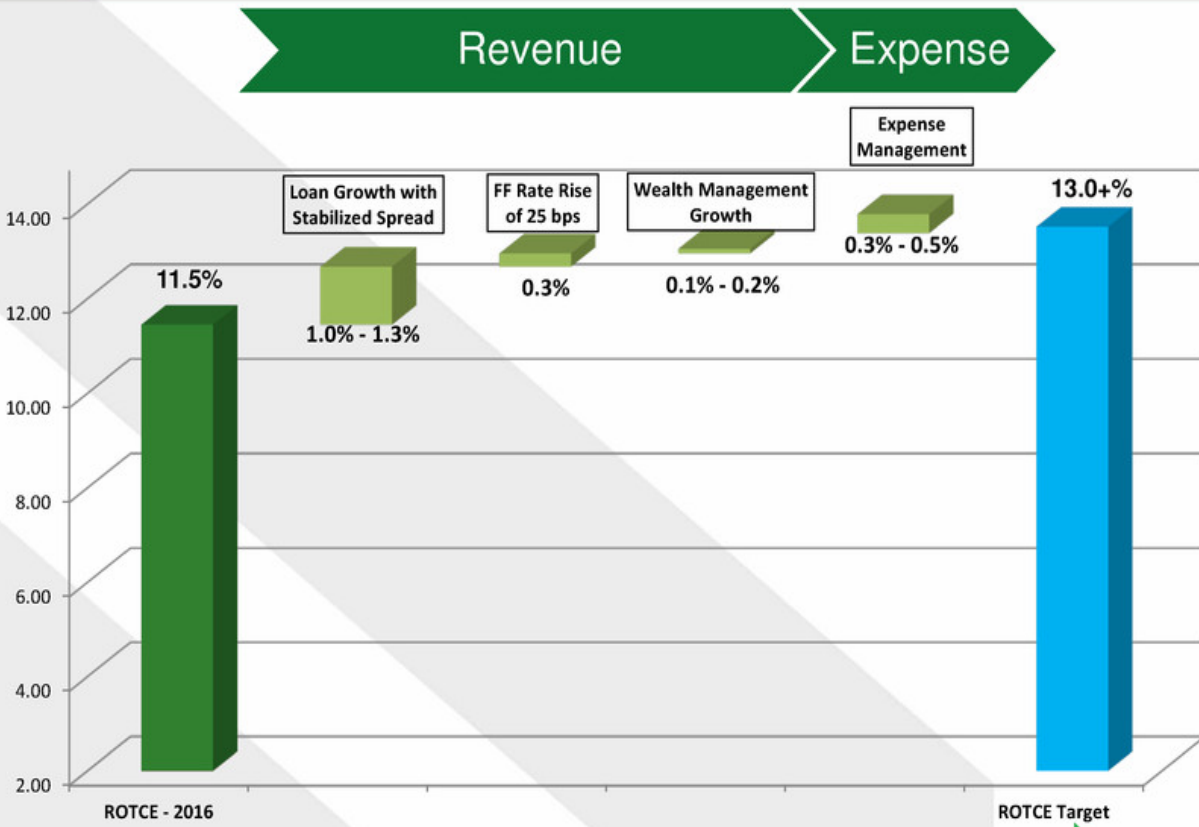
Top-Tier Financial Performance Focus

- Union is committed to achieving top tier financial performance and providing our shareholders with above average returns on their investment
- Key financial performance metrics benchmarked against top quartile peers
- Top Tier Financial Performance targets:

Financial Performance Metric	Union Targets
Return on Assets	1.1% - 1.3%
Return on Tangible Common Equity	13% - 15%
Efficiency Ratio	< 60%



Path to Top Tier Return on Tangible Common Equity



This path also delivers Return on Assets of above 1.1%

2017 Outlook

Economy

- Expect stable economy in Virginia footprint

Loan Growth

- Low double digit

Net Interest Margin

- Stabilizing in 2Q
- Modest expansion in second half of 2017

Key Financial Metrics

- Expect improvement in return on assets, return on tangible common equity and efficiency ratio vs. 2016

2017 Priorities

Diversification

- Loan portfolio
- Revenue streams

Core Funding

- Pace loan growth with deposit growth
- Target 95% loan to deposit ratio over time

Efficiency

- Drive efficiency ratio <60%
- More revenue + lower cost structure

\$10 billion asset crossing

- Finalize preparations in 2017

"We would love to continue to increase density in Virginia, particularly in some of the larger markets where we have a presence, but are not as dense as we would like to be. A good example would be the Greater Hampton Roads, second most populous area of Virginia."

- John C. Asbury, President & CEO, Q4 '16 Earnings Call

Value Proposition

Scale

- Statewide branch footprint is a competitive advantage and brings a unique franchise value

Strength

- Balance sheet and Capital levels

Growth

- Organic and acquisition opportunities

Opportunity

- Committed to top-tier financial performance

Shareholder

- Solid dividend yield and payout ratio with earnings upside


UNION

+


XENITH
BANKSHARES

Merger Details

Additional Merger Information

Additional Information and Where to Find It

In connection with the proposed merger, Union will file with the SEC a registration statement on Form S-4 to register the shares of Union common stock to be issued to the shareholders of Xenith. The registration statement will include a joint proxy statement of Union and Xenith and a prospectus of Union. A definitive joint proxy statement/prospectus will be sent to the shareholders of Union and Xenith seeking their approval of the merger and related matters. This release does not constitute an offer to sell or the solicitation of an offer to buy any securities or a solicitation of any vote or approval. **Before making any voting or investment decision, investors and shareholders of Union and Xenith are urged to read carefully the entire registration statement and joint proxy statement/prospectus when they become available, including any amendments thereto, because they will contain important information about the proposed transaction.** Free copies of these documents may be obtained as described below.

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Union and Xenith and their respective directors and executive officers may be deemed to be participants in the solicitation of proxies from the shareholders of Union and/or Xenith in connection with the merger. Information about the directors and executive officers of Union is set forth in the proxy statement for Union's 2017 annual meeting of shareholders filed with the SEC on March 21, 2017. Information about the directors and executive officers of Xenith is set forth in Xenith's Annual Report on Form 10-K, as amended, filed with the SEC on May 1, 2017. Additional information regarding the interests of these participants and other persons who may be deemed participants in the merger may be obtained by reading the joint proxy statement/prospectus regarding the merger when it becomes available. Free copies of these documents may be obtained as described above.

Transaction Highlights

Strategically Compelling

- ✓ Solidifies position as Virginia's preeminent community bank with ~\$12 billion in pro forma assets
- ✓ Provides breadth and depth across Virginia, including significant expansion in the attractive Hampton Roads market
- ✓ Leverages Xenith's C&I expertise throughout the combined footprint

Builds Upon Strengths

- ✓ Attractive commercial lending expertise
- ✓ Strong core deposit base
- ✓ Compatible cultures with similar strategies and community focus

Financially Attractive

- ✓ Efficiently crosses \$10 billion in assets with positive operating leverage
- ✓ Immediately accretive to EPS in 2018
- ✓ Immediately accretive to tangible book value with no earnback period
- ✓ Transaction metrics remain attractive under a lower federal corporate tax rate

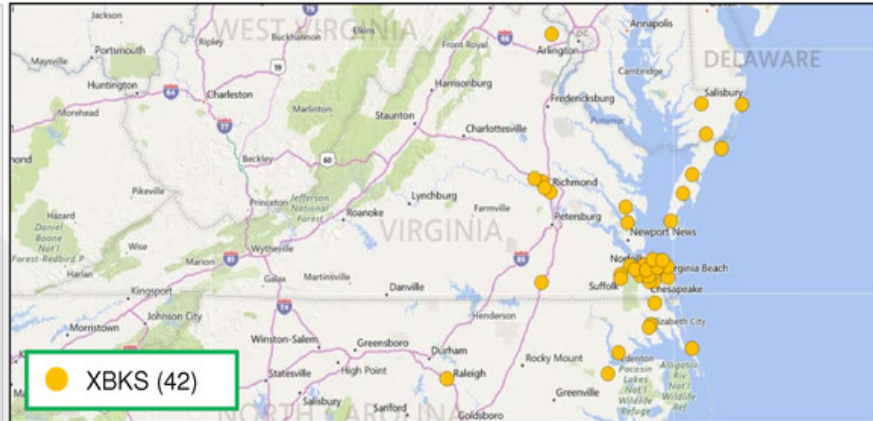
Low Risk

- ✓ Comprehensive due diligence and integration planning process
- ✓ Strong understanding of markets and credit culture
- ✓ Readiness to cross \$10 billion in assets

Overview of Xenith Bankshares, Inc.

FINANCIAL HIGHLIGHTS

Headquarters	Richmond, VA
Year Established	1987
Branches	42
CEO (Age)	T. Gaylon Layfield III (65)
Total Assets	\$3,199
Total Loans	2,357
Deposits	2,620
Loans / Deposits	90.0 %
ROAA	0.70 %
Net Interest Margin	3.45
Efficiency Ratio	67.8
NPAs / Assets	1.82 %
Reserves / NPLs	34.4
Reserves / Loans	0.78
Tang. Com. Equity / Tang. Assets	13.89 %
Leverage Ratio	11.17
CET1 Ratio	12.76
Tier 1 Capital Ratio	12.86
Total Capital Ratio	13.85
C&D / Total Bank Capital	77 %
CRE / Total Bank Capital	250



Key Franchise Facts

- Headquartered in Richmond, Virginia with 42 branches across Virginia, Maryland, North Carolina and the greater Washington, D.C. area
- 5th largest bank by assets headquartered in Virginia
- In July 2016 legacy Hampton Roads Bankshares closed the acquisition of \$1.1 billion legacy Xenith Bankshares. The combined entity assumed the Xenith name with many legacy Xenith executive management maintaining their leadership roles

Dollars in millions Source: SNL Financial
Data as of or for the three months ended 3/31/17

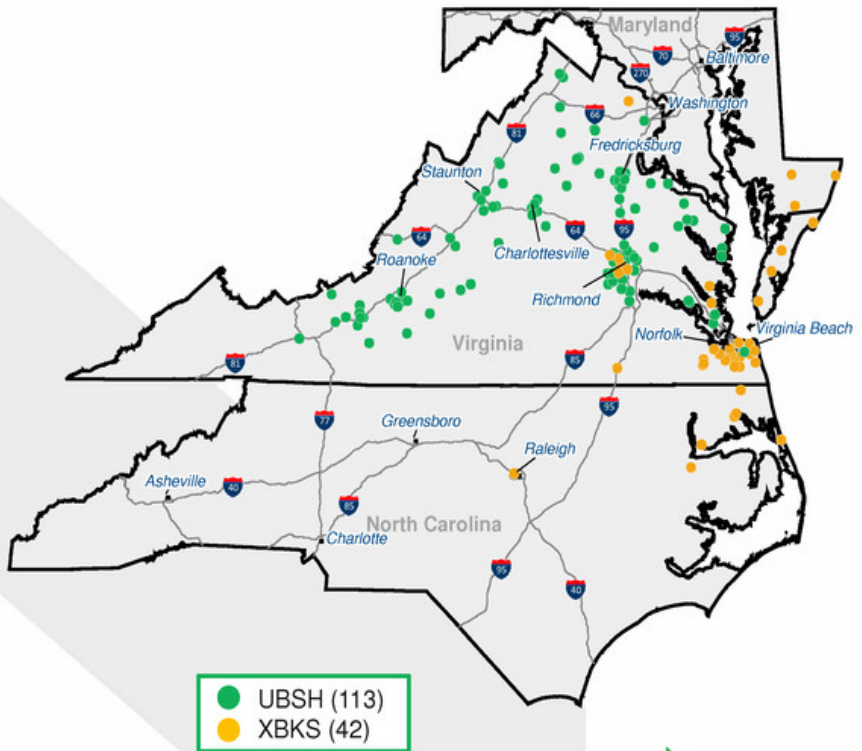
Our Combined Company

Pro Forma Highlights⁽¹⁾

Assets	\$11.9B
Loans	\$8.9B
Deposits	\$9.2B
Branches	155

- ✓ #1 pro forma Regional Bank deposit market share ranking in Virginia ⁽²⁾
- ✓ Accelerates growth in attractive Hampton Roads market
- ✓ Expands Union's retail footprint into North Carolina and Maryland
- ✓ Leverages Xenith's C&I expertise throughout Union's markets
- ✓ Increased scale – serving a larger, diversified client base
- ✓ Added convenience and wider product and service offerings for customers

Pro Forma Branch Footprint



Note: Financial data as of 3/31/2017

Dollars in billions

(1) Excludes purchase accounting adjustments

(2) Regional bank defined as having less than \$50 billion in assets

Enhanced Presence in Key Markets

Virginia

Rank	Institution	Deposits (\$mm)	Market Share	Branches
1	Wells Fargo & Co.	\$38,613	20.32 %	284
2	Bank of America Corp.	26,154	13.76	130
3	BB&T Corp.	22,631	11.91	344
4	SunTrust Banks Inc.	19,015	10.01	193
5	Capital One Financial Corp.	14,812	7.79	59
	Pro Forma	8,105	4.26	143
6	United Bankshares Inc.	7,090	3.73	73
7	Union Bankshares Corp.	6,102	3.21	113
8	TowneBank	5,704	3.00	32
9	Carter Bank & Trust	3,948	2.08	88
10	PNC Financial Services Group Inc.	3,479	1.83	96
13	Xenith Bankshares Inc.	2,003	1.05	30

Virginia Beach-Norfolk-Newport News, VA-NC MSA

Rank	Institution	Deposits (\$mm)	Market Share	Branches
1	TowneBank	\$5,133	21.51 %	26
2	Wells Fargo & Co.	4,713	19.75	52
3	SunTrust Banks Inc.	3,887	16.29	36
4	BB&T Corp.	3,120	13.07	47
5	Bank of America Corp.	2,855	11.96	32
	Pro Forma	1,080	4.52	26
6	Xenith Bankshares Inc.	922	3.86	21
7	Old Point Financial Corp.	729	3.06	20
8	Southern BancShares (N.C.) Inc.	459	1.92	11
9	PNC Financial Services Group Inc.	389	1.63	11
10	Chesapeake Financial Shares Inc.	331	1.39	8
14	Union Bankshares Corp.	157	0.66	5

Richmond, VA MSA

Rank	Institution	Deposits (\$mm)	Market Share	Branches
1	Bank of America Corp.	\$12,320	35.60 %	23
2	Wells Fargo & Co.	6,754	19.52	62
3	SunTrust Banks Inc.	4,434	12.81	39
4	BB&T Corp.	3,200	9.25	40
	Pro Forma	2,502	7.23	36
5	Union Bankshares Corp.	1,827	5.28	32
6	C&F Financial Corp.	776	2.24	17
7	TowneBank	735	2.12	9
8	Xenith Bankshares Inc.	675	1.95	4
9	South State Corp.	542	1.57	8
10	Community Bankers Trust Corp.	519	1.50	10

Source: SNL Financial
Deposit data as of 6/30/16; pro forma for announced transactions

Builds Presence in Key Markets

	Market		Demographics					Deposits ⁽¹⁾			Market Share (%)	
	Market	UBSH	XBKS	2017 Population	'17-'22 Population Growth (%)	2022 Proj. Household Income (\$)	Gross Domestic Product ⁽²⁾ (\$bn)	Number of Businesses	UBSH	XBKS		Pro Forma
									Deposits (\$mm)	Deposits (\$mm)		Deposits (\$mm)
Shared	Washington, D.C.	✓	✓	6,203,724	5.5%	\$95,629	\$491.0	219,675	\$1,166.5	\$174.8	\$1,341.3	0.7%
	Virginia Beach, VA	✓	✓	1,743,468	3.5	63,930	95.7	58,790	157.4	922.2	1,079.6	4.5
	Richmond, VA	✓	✓	1,285,883	4.6	67,686	74.1	46,613	1,827.3	674.5	2,501.8	7.2
XBKS	Raleigh, NC		✓	1,305,052	8.2%	\$70,453	\$75.8	45,485	--	\$67.9	\$67.9	0.3%
	Salisbury, MD		✓	402,439	5.2	63,679	16.1	17,569	--	127.1	127.1	1.8
	Elizabeth City, NC		✓	63,536	1.3	51,437	NA	2,523	--	248.3	248.3	30.6
	Kill Devil Hills, NC		✓	40,288	4.4	61,158	NA	3,648	--	54.1	54.1	4.8
UBSH	Roanoke, VA	✓		316,013	2.7%	\$55,867	\$14.5	13,288	\$378.4	--	\$378.4	5.2%
	Lynchburg, VA	✓		262,137	3.4	53,020	9.3	9,151	180.3	--	180.3	3.8
	Charlottesville, VA	✓		233,423	4.7	67,126	12.2	10,643	446.7	--	446.7	9.9
	Blacksburg, VA	✓		183,199	2.9	48,740	6.7	6,059	614.5	--	614.5	20.6
	Winchester, VA	✓		135,021	3.8	58,405	5.9	5,416	91.8	--	91.8	3.7
	Harrisonburg, VA	✓		133,374	4.6	54,686	7.4	4,615	128.2	--	128.2	6.0
	Staunton, VA	✓		121,226	2.7	54,245	5.0	4,417	368.4	--	368.4	25.1

Source: SNL Financial; Bureau of Economic Analysis

(1) Deposits and deposit market share data is as of 6/30/2016

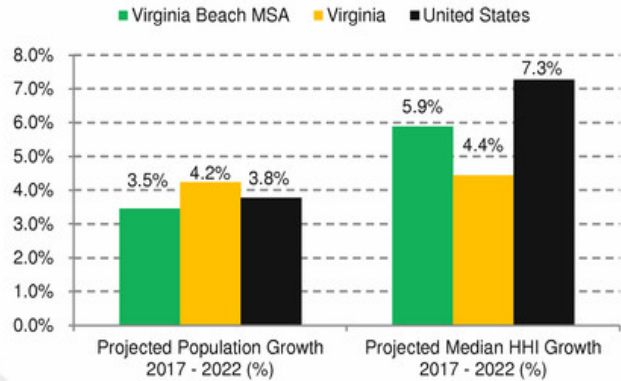
(2) GDP is for the year ended 12/31/2015

Hampton Roads Market Highlights

Hampton Roads Market Overview

- The Hampton Roads market is roughly defined as the Virginia Beach Metropolitan Statistical Area (MSA)
- It is recognized as the 33rd largest MSA in the United States, eighth largest metro area in the Southeast United States and the second largest between Atlanta and Washington, DC
- It is the second largest in Virginia, with a total population of 1.7 million people
- It is a vibrant, Mid-Atlantic region with a skilled workforce, world-class port facilities and a diverse economy
- The region boasts presence of 155+ international companies, a 50 foot shipping channel and 128 million consumers within one day's drive
- 120,000 active duty, reserve and civilian military / defense personnel and 838,400 person civilian labor force, 91% with a high school diploma or higher
- Home to three Fortune 500 Corporations
- Hampton Roads is the mid-Atlantic leader in U.S. waterborne foreign commerce and is ranked second nationally behind the Port of South Louisiana based on export tonnage
- Total C&I businesses ⁽¹⁾: 9,126

Demographics



Companies Headquartered in the Area



Source: SNL Financial; Hampton Roads Chamber of Commerce; Hampton Roads Economic Development Alliance

(1) Includes companies in the Virginia Beach MSA with NAICs as Healthcare and Social Assistance, Wholesale Trade, Manufacturing or Transportation and Warehousing.



Achieves 2017 Priorities for Union



Transaction Structure and Key Terms

	UNION	XENITH BANKSHARES	Combined ⁽¹⁾
Total assets	\$8,670	\$3,199	\$11,869
Loans held for investment	6,554	2,357	8,911
Total deposits	6,617	2,620	9,237
Market capitalization ⁽²⁾	1,378	621	1,999
Branches	113	42	155

Consideration⁽²⁾	<ul style="list-style-type: none"> • \$701 million in diluted transaction value • Fixed exchange ratio of 0.9354x of a share of UBSH for each share of XBKS common stock • 100% stock • Outstanding in-the-money options and U.S. Treasury warrants to be cashed out at closing • Remaining in-the-money warrants to be converted into UBSH warrants at closing
Pro Forma Ownership	<ul style="list-style-type: none"> • 67% UBSH / 33% XBKS
Executive Management	<ul style="list-style-type: none"> • John C. Asbury – President & Chief Executive Officer • T. Gaylon Layfield – Executive Vice Chairman (for a transitional period) • Robert M. Gorman – Executive Vice President and Chief Financial Officer
Board of Directors	<ul style="list-style-type: none"> • Two Xenith representatives to join the combined company board of directors
Anticipated Close	<ul style="list-style-type: none"> • First quarter of 2018, subject to customary regulatory and shareholder approvals

Note: Financial data as of 3/31/2017, unless otherwise noted
Dollars in millions

(1) Combined represents the sum of UBSH and XBKS data and excludes any purchase accounting marks or merger adjustments

(2) Based upon closing prices as of 5/19/2017

Key Assumptions

Credit Mark	<ul style="list-style-type: none"> Gross loan credit mark of approximately 1.5%, or \$37 million
Deferred Tax Asset	<ul style="list-style-type: none"> No write-down of deferred tax asset required under current federal corporate tax rate of 35% Under a 25% federal corporate tax rate the deferred tax asset would be written down by ~\$42 million
Revenue Enhancements	<ul style="list-style-type: none"> Identified revenue opportunities, but none assumed in financial model
Cost Savings	<ul style="list-style-type: none"> Expected to be approximately \$28 million pre-tax (fully phased-in) <ul style="list-style-type: none"> ~40% of XBKS' 2018 estimated noninterest expense 80% realized in 2018, 100% annually thereafter
\$10 Billion Crossing Impact	<ul style="list-style-type: none"> Pre-tax impact ~\$11 million annualized, beginning third quarter 2019
Merger & Integration Costs	<ul style="list-style-type: none"> Expected to be approximately \$33 million after-tax
Other Adjustments	<ul style="list-style-type: none"> Core deposit intangible of 1.50% (\$26 million) assumed on non-time deposits, amortized sum-of-years'-digits over 10 years Borrowings write-up of \$9 million
Federal Corporate Tax Rate	<ul style="list-style-type: none"> 35%

Estimated Pro Forma Financial Metrics

Key Transaction Impacts to UBSH ⁽¹⁾			
Federal Corporate Tax Rate:	35%	25%	15%
2018E & 2019E EPS Accretion	Accretive	Mid single-digit	Mid single-digit
IRR	> 20%	> 20%	> 20%
Initial Tangible Book Value Impact	Accretive	Minimal Dilution	Mid single-digit Dilution
Tangible Book Value Earnback Period	None	2.00 years	3.75 years

Pro Forma at Close			
Federal Corporate Tax Rate:	35%	25%	15%
Capital Ratios			
TCE/ TA	9.2%	8.9%	8.5%
Leverage Ratio	9.6%	9.5%	9.4%
Common Equity Tier 1 Ratio	9.7%	9.5%	9.3%
Tier 1 Ratio	10.8%	10.7%	10.5%
Total Risk-Based Ratio	12.6%	12.5%	12.3%
Loan Concentration Ratios ⁽²⁾			
C&D / Total Capital	83%	84%	85%
CRE / Total Capital	296%	300%	303%

(1) Estimated financial impact is presented solely for illustrative purposes using mean analyst estimates. Includes purchase accounting marks and deal related expenses
 (2) Projected bank level total capital

Comprehensive Due Diligence and Preparation

Thorough Due Diligence Process

- Engaged third party resources for Credit, Tax and Legal diligence
- Credit diligence
 - Reviewed 50% of all outstanding commercial loan balances
 - Reviewed 74% of all commercial loans risk-graded special mention or worse
 - Reviewed 78% of all commercial classified loan balances
- Additional diligence in areas of
 - Retail / marketing strategy
 - Commercial segment
 - Marine finance
 - Finance / accounting
 - Risk management
 - IT / bank operations
 - Human resources

Deferred Tax Asset

- Tax advisors completed thorough analysis on Xenith's \$154.9 million deferred tax asset
 - Expect no impairment of Xenith's deferred tax asset due to Section 382
 - Anticipate up to \$42 million write-off under an assumed federal tax rate of 25%

Crossing \$10 Billion

- Union has been preparing to cross \$10 billion in assets since 2014
- Merger will help defray the incremental regulatory expenses over a larger earnings and asset base
- Expect Durbin impact on interchange fees starting July 1, 2019
- Expect first DFAST submission by July 31, 2019

Capital Plan

- Pro forma company to remain "well capitalized"
- C&D and CRE loan concentration ratios anticipated to remain in-line with current ratios

Crossing \$10 Billion

- Union has been preparing to grow through \$10 billion in assets since 2014
 - Union has invested approximately \$5 million pre-tax annual run rate in people, systems and infrastructure in IT, Enterprise Risk and DFAST (Dodd Frank Stress Test)
 - Accelerates Union's growth over \$10 billion in assets by one year
 - Organic growth: Mid 2019
 - With this transaction closing: Q1 2018
 - Based on a Q1 2018 closing of the transaction, Union expects its reporting timeline to be as follows:

▪ "As-of" date for first stress test	December 31, 2018
▪ First stress test reporting date	July 31, 2019
▪ First public disclosure	October 15-31, 2019

- Durbin amendment
 - The Durbin amendment will limit the combined company's fees charged to retailers for debit card processing
 - The limit will go into effect on July 1st following the year in which the combined company reports \$10 billion in assets as of December 31st
 - Based on a Q1 2018 closing of the merger, the combined company expects the impact to begin on July 1, 2019, which is one year earlier than previously expected on a standalone basis

Deal Summary

- ✓ **Creates Virginia's preeminent community bank with more than \$12 billion in pro forma assets at closing**
- ✓ **Enhances presence in key markets and provides a platform for future growth**
- ✓ **Financially attractive transaction for all shareholders with conservative assumptions**
- ✓ **Proven track record of successful conversions and integrations at both companies**

Value Proposition

Scale

- Statewide branch footprint is a competitive advantage and brings a unique franchise value

Strength

- Balance sheet and Capital levels

Growth

- Organic and acquisition opportunities

Opportunity

- Committed to top-tier financial performance

Shareholder

- Solid dividend yield and payout ratio with earnings upside



APPENDIX

UNION

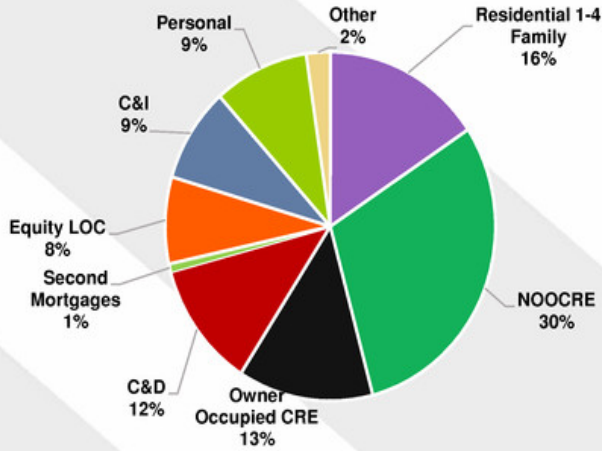
CEO Succession Plan

- John Asbury became President & CEO of Union Bank & Trust and President of Union Bankshares Corporation on October 1; CEO of Holding company on January 2, 2017 – succeeding Billy Beale.
 - Asbury was most recently President and CEO of First National Bank of Santa Fe, a multi-state bank located in the Southwest
 - Prior to that, he was Senior Executive Vice President at Regions responsible for all lines serving business and commercial customers and managed a \$50 billion book of business
 - Senior Vice President at Bank of America – served in a variety of roles last position responsible for all Pacific Northwest Region business banking
- Asbury joined the board on October 1
- Billy was Executive Vice Chairman through March 31 and was re-elected to board in May 2017 and will serve as an advisor to the CEO and Board

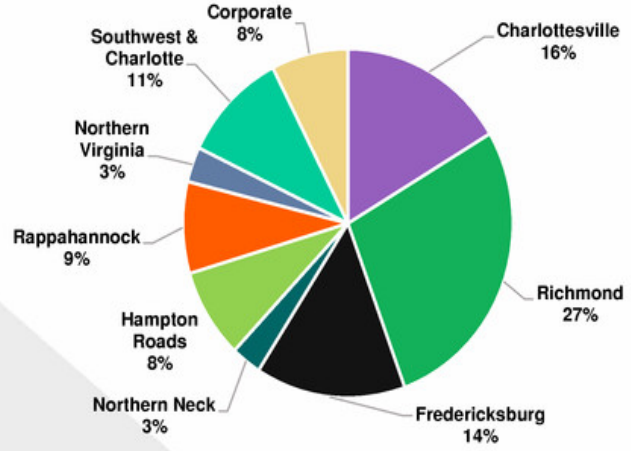
Diversified Loan Portfolio (Union)

Loan Composition at March 31, 2017 – \$6.554 Billion

Composition By Type



Composition By Region



NOO CRE/Total Capital Ratio: 300%

Portfolio Characteristics	
Average loan size	\$143,000
Weighted average maturity	83 months
Yield YTD (Tax Equivalent)	4.35%

ADC/Total Capital: 81%

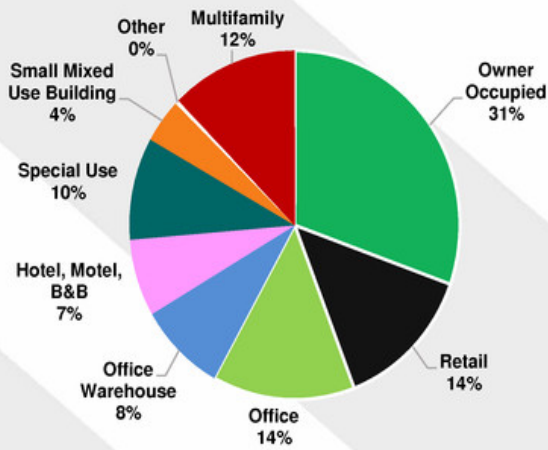


Source: SNL Financial, Company documents

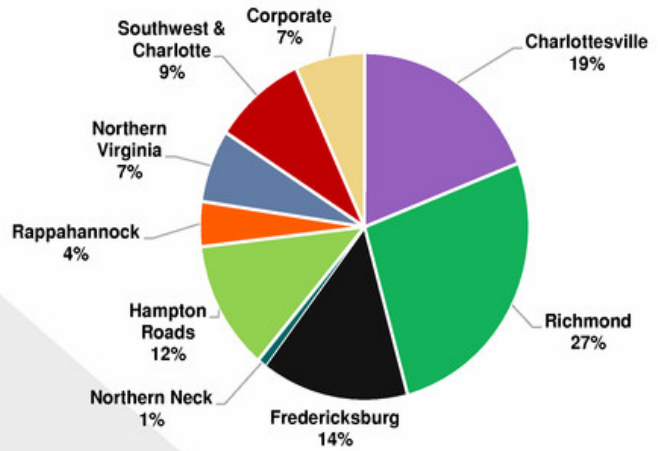
Commercial Real Estate Portfolio (Union)

CRE Composition at March 31, 2017 - \$2.856 Billion

Composition By Type



Composition By Region

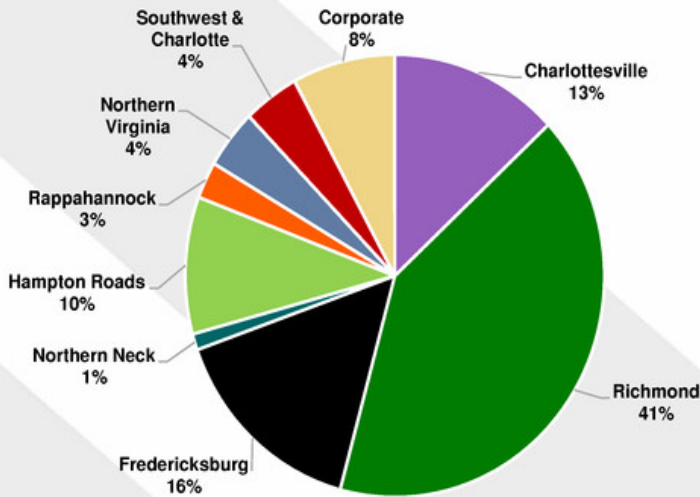


Portfolio Characteristics	
10 largest loans	7.0% of CRE portfolio
10 largest loans	2.6% of total loan portfolio
Weighted average maturity	61 months
Weighted average coupon	3.99%

Source: SNL Financial, Company documents

Construction and Development Loans (Union)

C&D Composition at March 31, 2017 - \$770 million



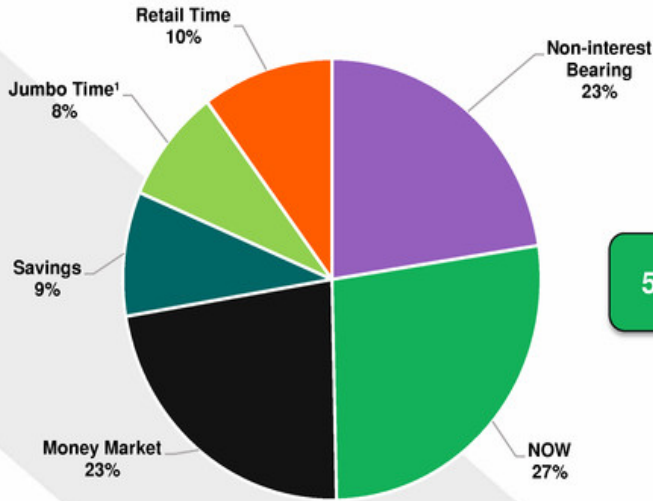
Portfolio Characteristics	
10 largest loans	17.0% of C&D portfolio
10 largest loans	2.6% of total loan portfolio
Weighted average maturity	20 months
Weighted average coupon	4.21%
C&D Loans/Total Capital Ratio	81.0%

- 36.0% commercial construction, 23.2% residential construction and remainder of portfolio divided between raw land, land development and lots
- Most C&D loans have interest reserves
- Residential A&D loans must have 50% or more of the lots under contract to close
- CRE construction loans must be approved with a UB&T-provided mini-perm

Source: Company documents

Core Deposit Base (Union)

Deposit Composition at March 31, 2017 - \$6.614 Billion



50% in transactional accounts

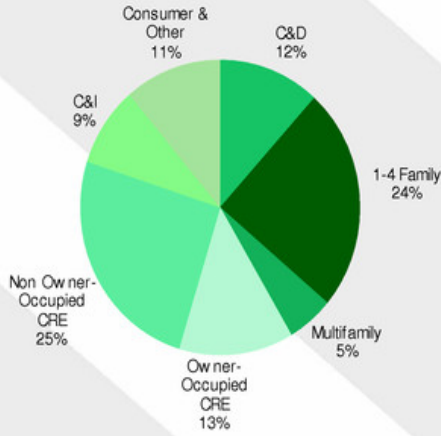
Deposit Base Characteristics	
Average cost of interest bearing deposits	41 basis points
Average total cost of deposits	32 basis points
Ranked 1 st in deposit market share for community banks in Richmond MSA	
Ranked 1 st in deposit market share for community banks in Charlottesville MSA	
Ranked 2 nd in deposit market share in Blacksburg-Christiansburg-Radford MSA	

(1) Time deposits greater than \$100,000
 Note: Minimal exposure to CDARS/ICS deposits
 Source: SNL Financial, Company documents



Pro Forma Loan Portfolio

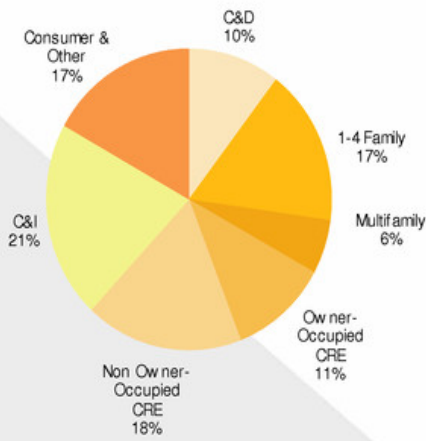
UBSH



Total Loans: \$6,574

Yield on Total Loans: 4.29%

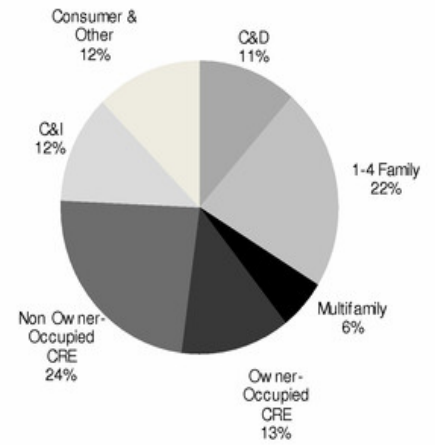
XBKS



Total Loans: \$2,357

Yield on Total Loans: 4.59%

Pro Forma (1)

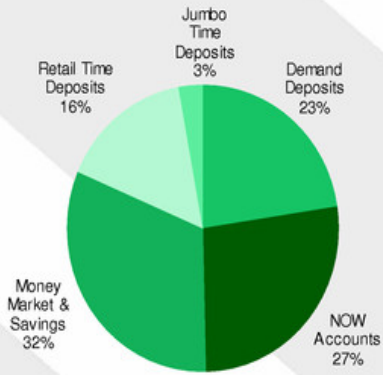


Total Loans: \$8,931

Source: SNL Financial
Dollars in millions
Data as of or for the three months ended 3/31/2017
(1) Excludes purchase accounting adjustments

Pro Forma Deposit Composition

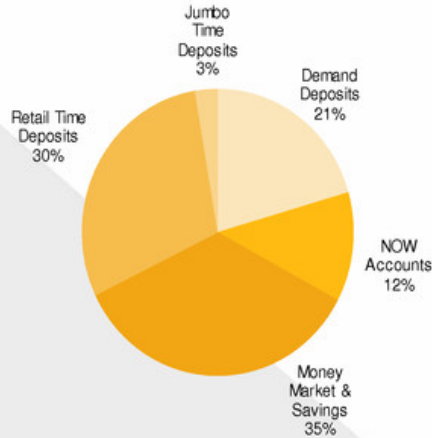
UBSH



Total Deposits: \$6,617

Cost of Total Deposits: 0.32%

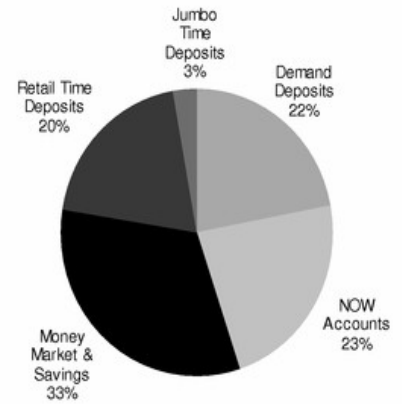
XBKS



Total Deposits: \$2,620

Cost of Total Deposits: 0.61%

Pro Forma (1)



Total Deposits: \$9,237

Pro Forma
Loans / Deposits: 97%

Source: SNL Financial
 Dollars in millions
 Data as of or for the three months ended 3/31/2017
 Note: Jumbo time deposits defined as time deposits greater than \$250,000
 (1) Excludes purchase accounting adjustments

