

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): November 1, 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
(I.R.S. Employer
Identification No.)

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 7.01 Regulation FD Disclosure.

The attached handout contains information that the members of Union Bankshares Corporation (the “Company”) management will use during visits with investors, analysts, and other interested parties to assist their understanding of the Company from time to time throughout the fourth quarter of 2017. Other presentations and related materials will be made available as they are presented during the year. This handout is also available under the Presentations link in the Investor Relations section of the Company’s website at <http://investors.bankatunion.com>.

The handout is attached as Exhibit 99.1 to this report and is being furnished, not filed, under Item 7.01 of this Form 8-K.

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 thereunto duly authorized.

UNION BANKSHARES CORPORATION

Date: November 1, 2017

By: /s/ Robert M. Gorman

Robert M. Gorman
Executive Vice President and
Chief Financial Officer



Exhibit 99.1

Investor Presentation

November/December 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 its 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 Union 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 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 Bankshares, Inc. 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 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 with the Securities and Exchange Commission (the “SEC”). Forward-looking statements speak only as of the date they are made and Union undertakes 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
- 111 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 9/30/2017

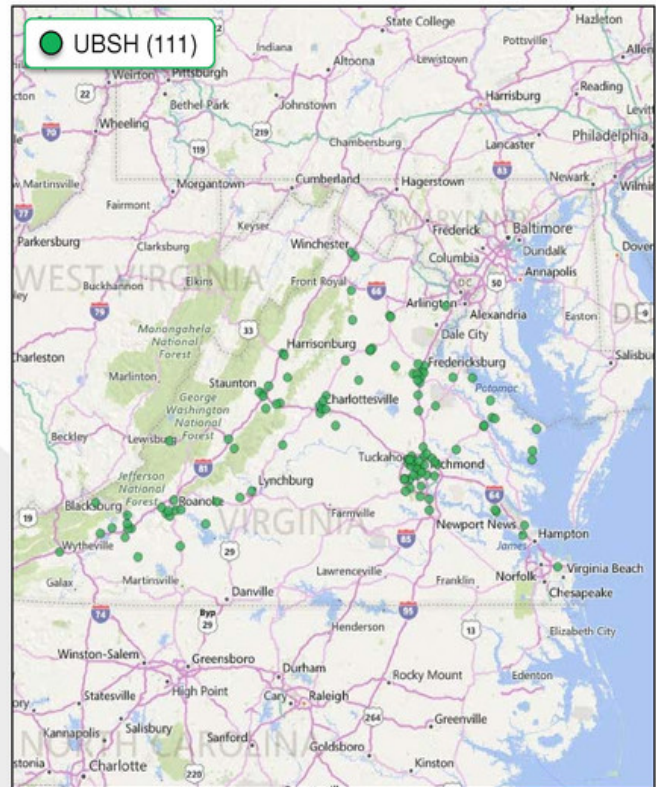
(\$ Millions)

Total Assets	\$9,029.4
Total Loans Held For Investment	6,898.7
Total Deposits	6,881.8
Shareholders' Equity	1,041.4
Market Capitalization	1,543.6

Capital Ratios

Tier 1 Common Capital (CET1)	9.40%
Tier 1 Leverage	9.52%
Tier 1 Capital	10.56%
Total Capital	12.94%
Tangible Common Equity / Tangible Assets	8.34%

Branch Map



Market data as of September 30, 2017
Source: SNL Financial

Diversity Supports Growth in Virginia

Richmond

- State Capital, Fortune 500 headquarters (6), VCU & VCU Medical Center

Fredericksburg

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

Charlottesville

- University of Virginia & Medical College, High-tech, Real Estate development

Northern Virginia

- Nation's Capital, High-Tech Defense/Military, Associations

Virginia Beach - Norfolk

- Military, Shipbuilding, Fortune 500 headquarters (3)

Roanoke - Blacksburg

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

Union Bank & Trust Key Statistics

Branches

• 111 (-10 in 2016; -3 YTD 2017)

Full Time Equivalent

• 1,322

Commercial Bankers

• 57

Loans

• \$6.90 billion

Deposits

• \$6.88 billion

Consumer Households

• 180+ thousand

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



Largest Community Bank Headquartered in Virginia

Deposit Market Share – Virginia

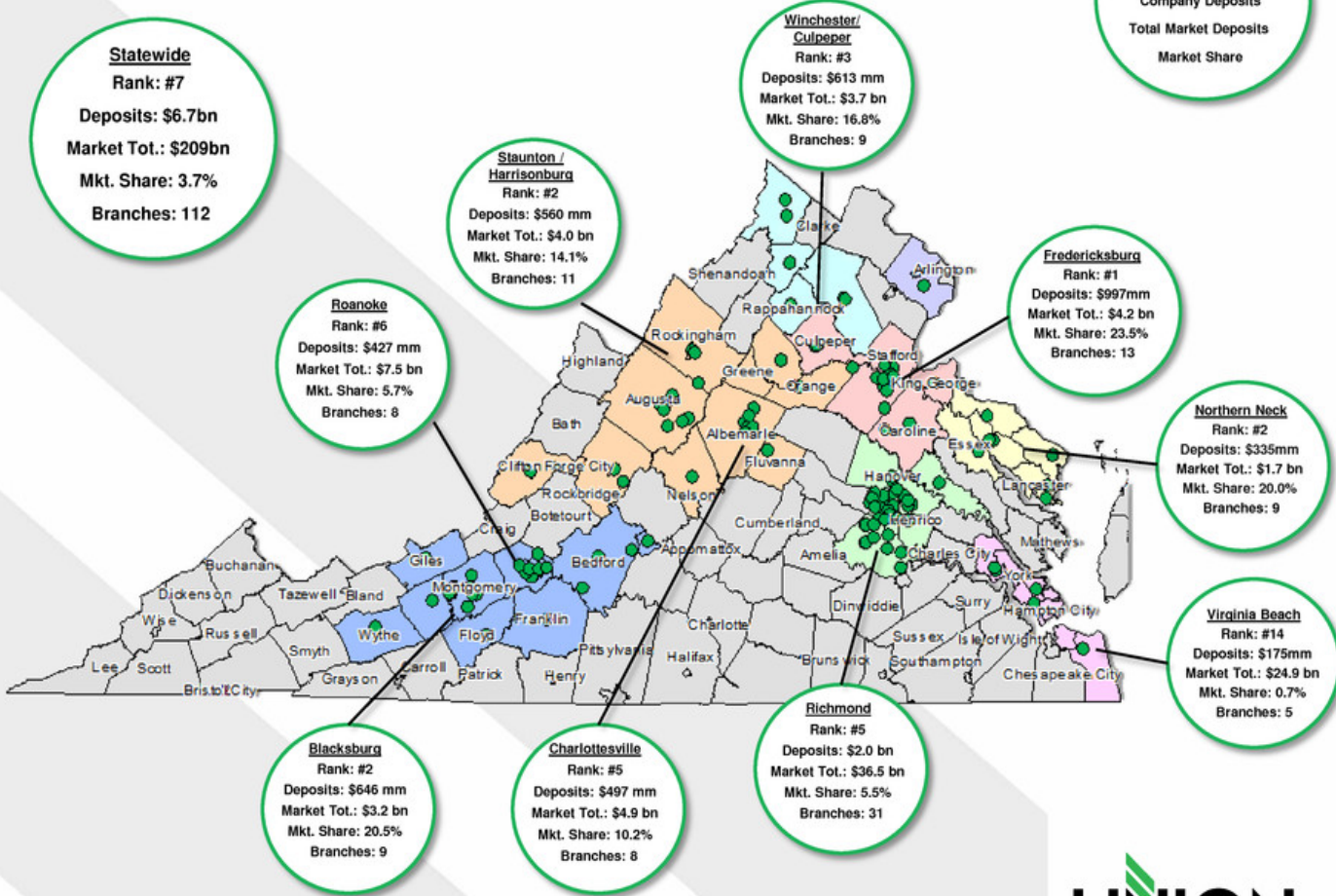
Rank	Company	Parent City, State	Total Active Branches	Total Deposits 2017 (\$000)	Total Deposit Market Share 2017 (%)	YoY Deposit Growth 2017 (%)
1	Wells Fargo & Co.	San Francisco, CA	283	38,959,059	19.56	1.67
2	Bank of America Corp.	Charlotte, NC	132	28,545,160	14.33	11.55
3	BB&T Corp.	Winston-Salem, NC	344	23,236,086	11.67	4.04
4	SunTrust Banks Inc.	Atlanta, GA	193	19,526,606	9.81	5.25
5	Capital One Financial Corp.	McLean, VA	57	16,732,557	8.40	22.83
**	Union Bankshares Corp.	Richmond, VA	143	8,901,714	4.47	
6	United Bankshares Inc.	Charleston, WV	74	7,062,429	3.55	10.15
7	Union Bankshares Corp.	Richmond, VA	112	6,770,565	3.40	14.67
8	TowneBank	Portsmouth, VA	32	6,092,824	3.06	9.02
9	PNC Financial Services Group Inc.	Pittsburgh, PA	96	3,833,114	1.92	14.10
10	Carter Bank & Trust	Martinsville, VA	88	3,431,839	1.72	(13.07)
11	Burke & Herbert Bank & Trust Co.	Alexandria, VA	25	2,342,964	1.18	3.58
12	Access National Corp.	Reston, VA	18	2,201,088	1.11	6.61
13	Xenith Bankshares Inc.	Richmond, VA	31	2,131,149	1.07	8.46
14	First Citizens BancShares Inc.	Raleigh, NC	46	1,770,065	0.89	5.80
15	Southern National Bancorp of Virginia Inc.	McLean, VA	41	1,720,703	0.86	12.21
16	Toronto-Dominion Bank	Toronto	22	1,624,479	0.82	13.71
17	Citigroup Inc.	New York, NY	6	1,440,000	0.72	(15.39)
18	First Bancorp Inc.	Lebanon, VA	20	1,242,759	0.62	6.79
19	WashingtonFirst Bankshares Inc.	Reston, VA	12	1,193,126	0.60	13.26
20	C&F Financial Corp.	Toano, VA	25	1,128,799	0.57	4.66
	Other Market Participants (98)		722	28,152,470	14.14	9.98
	Market Total		2,379	199,137,841	100.00	7.56

** pro forma for Xenith Acquisition

Source: SNL Financial; Deposit data as of 6/30/2017



Strong Presence Across All Major Virginia Markets



Source: SNL Financial; Branch and Deposit data as of 6/30/2017; Fredericksburg market defined as Caroline, Fredericksburg City, King George, Spotsylvania, & Stafford counties; all other markets per MSA definitions in SNL Financial

Third Quarter Financial Highlights

Net Operating Income

- \$21.3 million, or \$0.49 per share
- +\$1.0 million, or \$0.03 per share from Q2

Loan Growth

- +127.2 million or 7.5% (annualized) from Q2

Deposit Growth

- \$117.4 million, or 6.9% (annualized) from Q2

Operating ROA

- 0.94%; +1 bps from Q2

Operating ROTCE

- 11.70%; +22 bps from Q2

Operating Efficiency Ratio (FTE)

- 62.12%; 163 bps lower than Q2

Year-to-Date Financial Highlights

Net Operating Income

- \$60.8 million, or \$1.39 per share
- +\$4.1 million, or \$0.10 per share from 2016

Loan Growth

- +749.8 million or 12% from 2016

Deposit Growth

- \$623.3 million, or 10% from 2016

Operating ROA

- 0.93%; -2 bps from 2016

Operating ROTCE

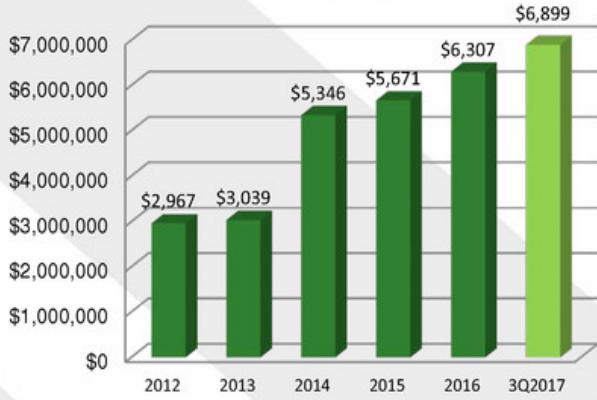
- 11.47%; +22 bps from 2016

Operating Efficiency Ratio (FTE)

- 63.69%; 113 bps lower than 2016

Balance Sheet Trends

Loans (\$M)



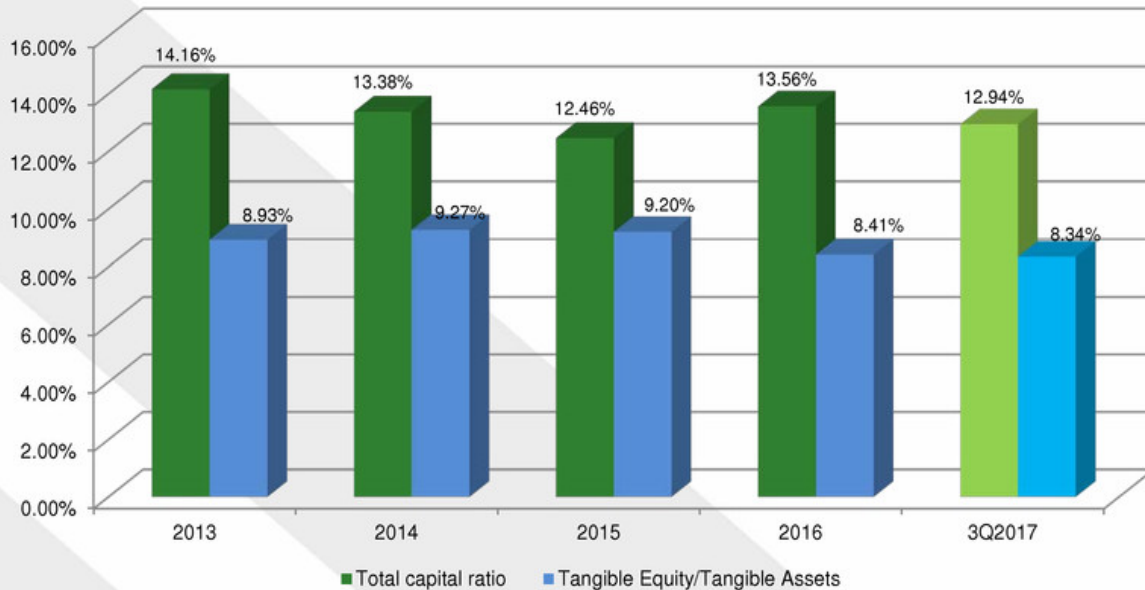
Deposits (\$M)



Assets (\$M)



Capital Management



Dividend Increases

- Quarterly Dividend of \$0.21/share; 2.4% dividend yield*; 35-45% Dividend Payout Target; raised \$0.01 in Q4 2017

Share Repurchases

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

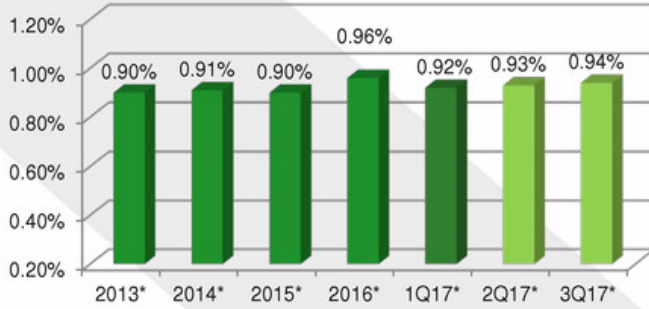
Subordinated Debt Issue

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

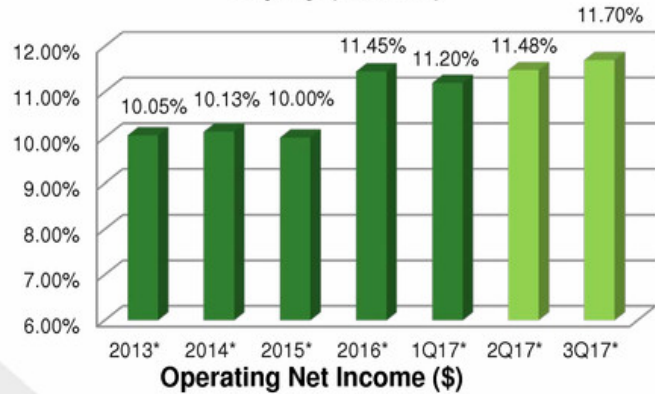
*October 26 2017 closing price of \$34.95

Profitability Ratios and Income Trends

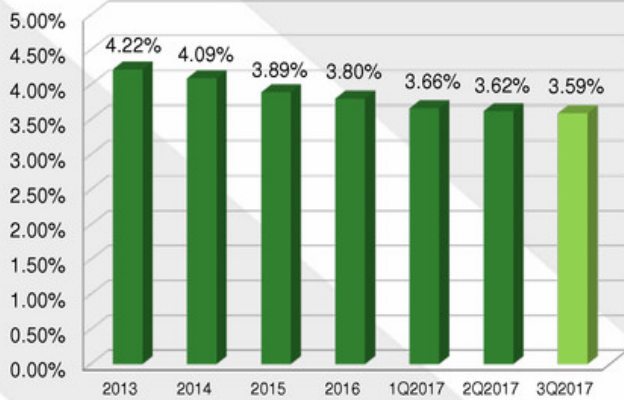
Operating Return on Average Assets (ROA)



Operating Return on Tangible Common Equity (ROTCE)



Net Interest Margin



Operating Net Income (\$)



* 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%

2017 Outlook

Economy

- Expect stable economy in Virginia footprint

Loan Growth

- Low double digit

Net Interest Margin

- Flattish with downward bias of 1 to 2 bps assuming current flat rate curve environment persists

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

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

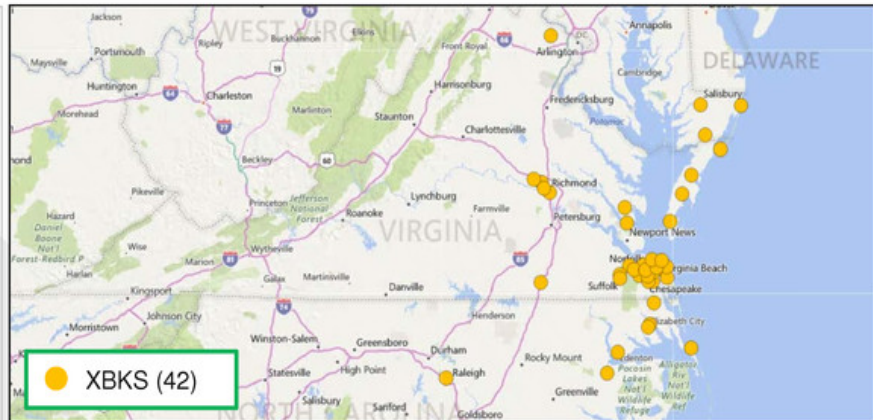
Low Risk

- ✓ 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

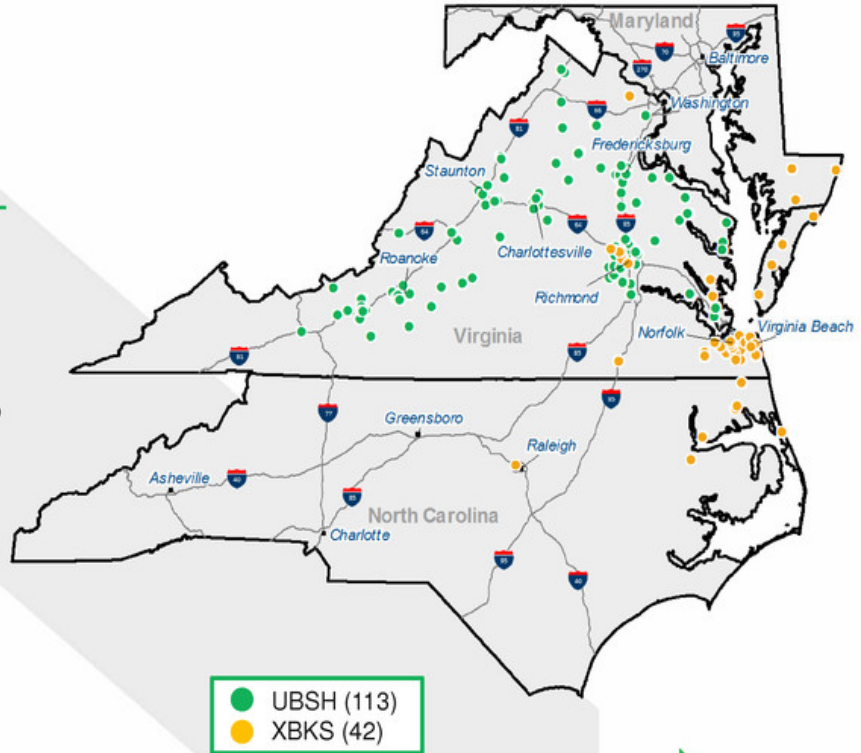
Our Combined Company

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 as of 5/22/17

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

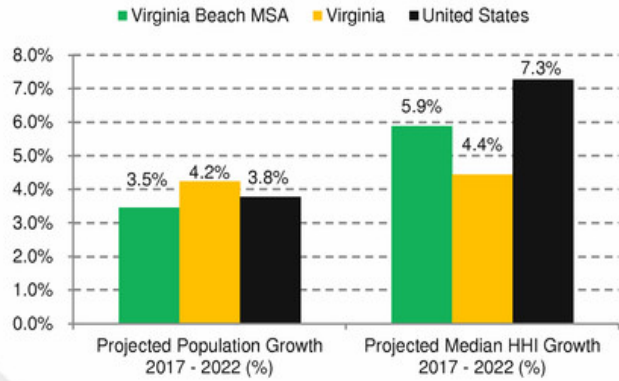
Source: SNL Financial; Bureau of Economic Analysis
 (1) Deposits and deposit market share data is as of 6/30/2016
 (2) GDP is for the year ended 12/31/2015

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⁾

- \$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

- 67% UBSH / 33% XBKS

Executive Management

- 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

- Two Xenith representatives to join the combined company board of directors

Anticipated Close

- 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%

pro forma for announced transactions as of 5/22/17

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

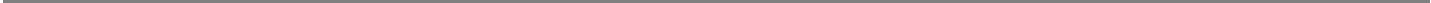
Crossing \$10 Billion

- 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

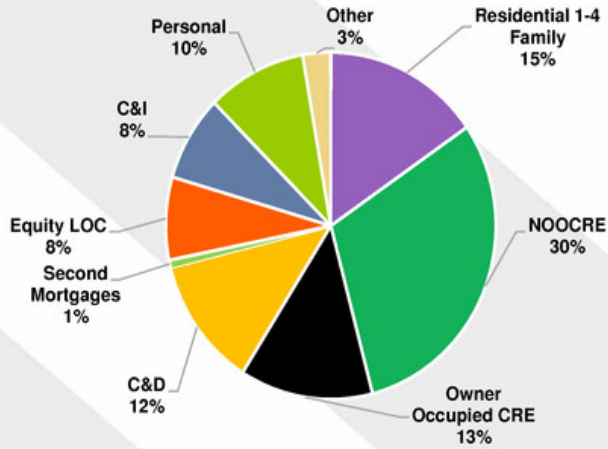
APPENDIX



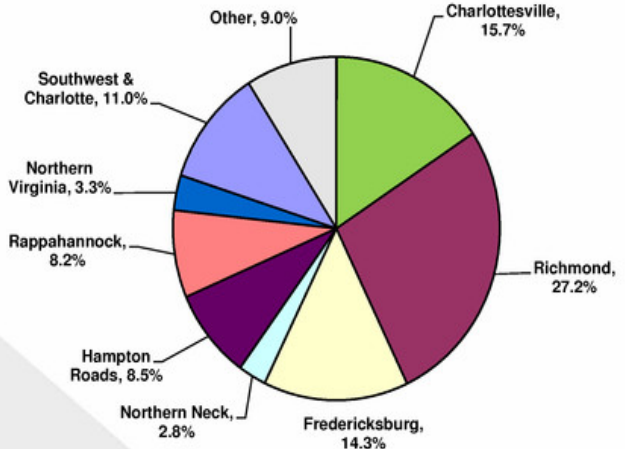
Diversified Loan Portfolio (Union)

Loan Composition at September 30, 2017 – \$6.899 Billion

Composition By Type



Composition By Region



NOO CRE/Total Capital Ratio: 312%

Portfolio Characteristics	
Average loan size	\$148,082
Weighted average maturity	82 months
Yield YTD (Tax Equivalent)	4.41%

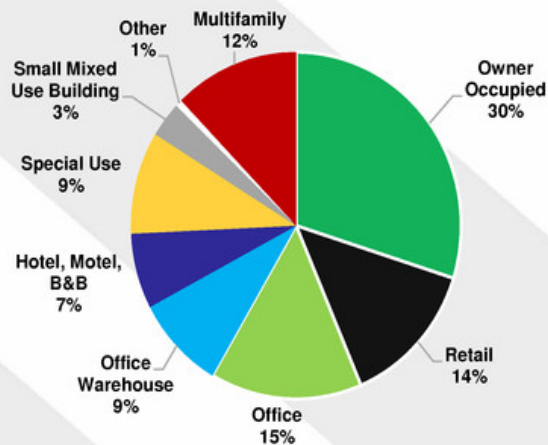
ADC/Total Capital: 86%

Source: SNL Financial, Company documents, (1) Other by region includes Indirect Auto, Third Party Consumer Loans and General Ledger adjustments.

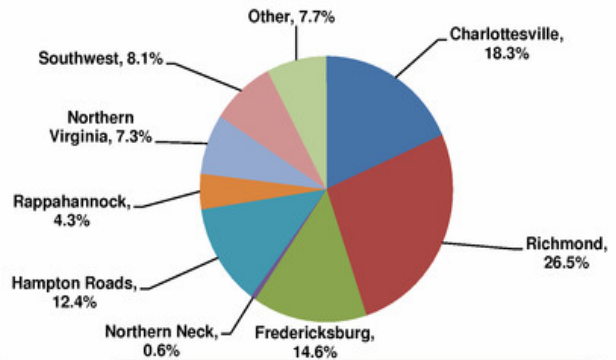
Commercial Real Estate Portfolio (Union)

CRE Composition at September 30, 2017 - \$3.020 Billion

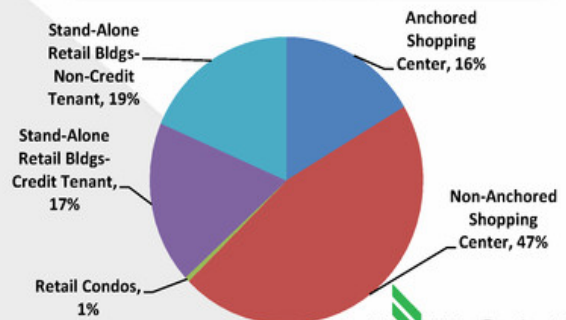
Composition By Type



Composition By Region



Retail by Type



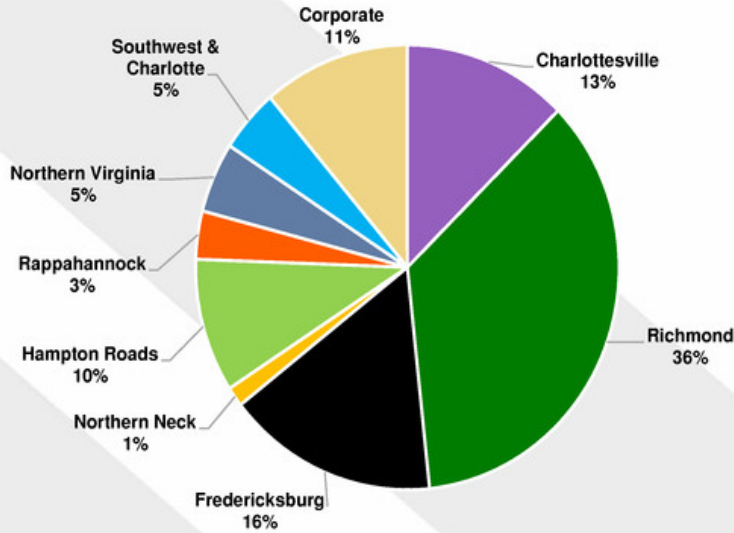
Portfolio Characteristics

10 largest loans	6.6% of CRE portfolio
10 largest loans	2.4% of total loan portfolio
Weighted average maturity	60 months
Weighted average coupon	4.04%

Source: SNL Financial, Company documents

Construction and Development Loans (Union)

C&D Composition at September 30, 2017 - \$841 million



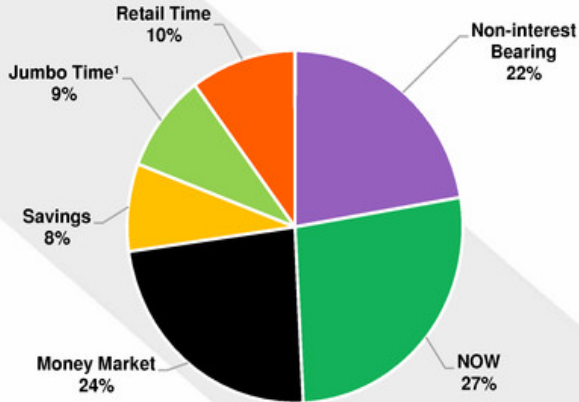
Portfolio Characteristics	
10 largest loans	16.6% of C&D portfolio
10 largest loans	2.7% of total loan portfolio
Weighted average maturity	22 months
Weighted average coupon	4.30%
C&D Loans/Total Capital Ratio	86.0%

- 39.5% commercial construction, 23.1% 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 September 30, 2017 - \$6.882 Billion



49% in transactional accounts

Consumer Noninterest Checking	23%
Commercial Noninterest Checking	77%
Total Noninterest Checking	100%

Consumer Interest Checking	55%
Commercial Interest Checking	42%
Institutional Interest Checking	3%
Total Interest Checking	100%

Consumer Money Market	71%
Commercial Money Market	24%
Public Funds Money Market	5%
Total Money Market	100%

Consumer and IRA CDs	81%
Commercial CDs	16%
Institutional / Public Funds CDs	3%
Total CDs	100%

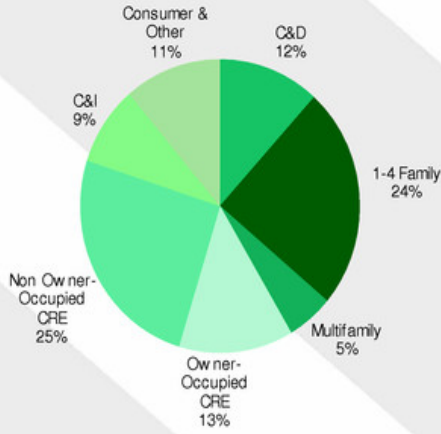
Deposit Base Characteristics

Average cost of interest bearing deposits	48 basis points
Average total cost of deposits	37 basis points
60% Consumer and 40% Commercial	
#1 deposit market share for Virginia-headquartered banks in Richmond MSA	

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

Pro Forma Loan Portfolio

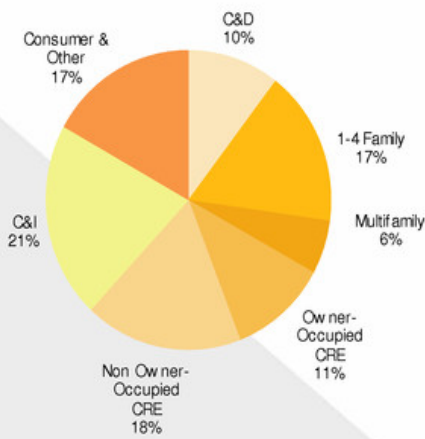
UBSH



Total Loans: \$6,574

Yield on Total Loans: 4.29%

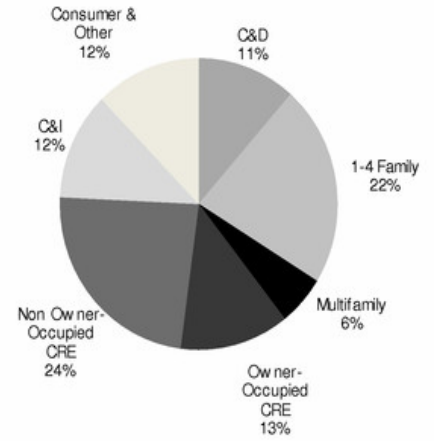
XBKS



Total Loans: \$2,357

Yield on Total Loans: 4.59%

Pro Forma (1)

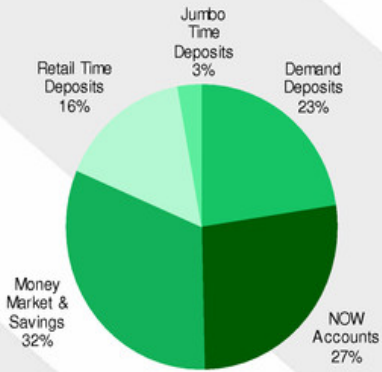


Total Loans: \$8,931

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

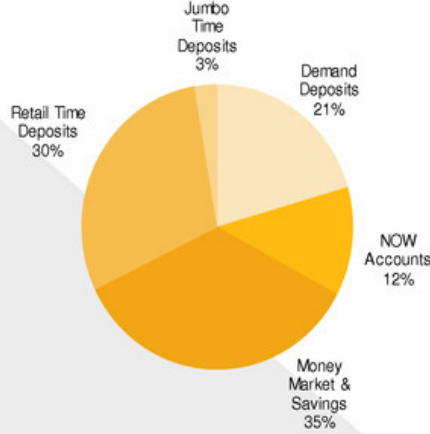
UBSH



Total Deposits: \$6,617

Cost of Total Deposits: 0.32%

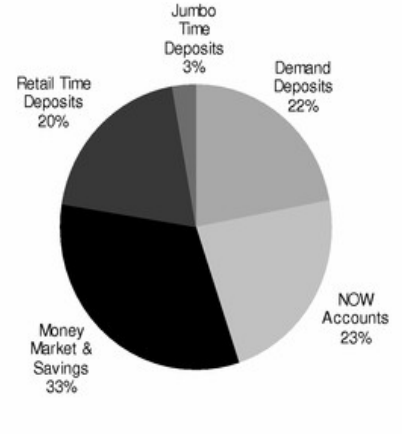
XBKS



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

Non-GAAP Measures

In reporting the results of the quarter ended September 30, 2017, and in prior periods, the Company has provided supplemental performance measures on a tax-equivalent, tangible, or operating basis. These measures are a supplement to GAAP used to prepare the Company's financial statements and should not be considered in isolation or as a substitute for comparable measures calculated in accordance with GAAP. In addition, the Company's non-GAAP measures may not be comparable to non-GAAP measures of other companies.

Net interest income (FTE), which is used in computing net interest margin (FTE), provides valuable additional insight into the net interest margin by adjusting for differences in tax treatment of interest income sources.

The Company believes tangible common equity is an important indication of its ability to grow organically and through business combinations as well as its ability to pay dividends and to engage in various capital management strategies. Tangible common equity is used in the calculation of certain profitability, capital, and per share ratios. These ratios are meaningful measures of capital adequacy because they provide a meaningful base for period-to-period and company-to-company comparisons, which the Company believes will assist investors in assessing the capital of the Company and its ability to absorb potential losses.

Reconciliation to GAAP

Net interest income (FTE), which is used in computing net interest margin (FTE), provides valuable additional insight into the net interest margin by adjusting for differences in tax treatment of interest income sources.

	Nine Months Ended		Three Months Ended			Year Ended December 31,			
	September 30, 2017	September 30, 2017	June 30, 2017	March 31, 2017	2016	2015	2014	2013	
<i>(Dollars in thousands)</i>									
Net Interest Income & Core Net Interest Income (FTE)									
Net interest income (GAAP)	\$ 206,765	\$ 71,198	\$ 68,999	\$ 66,567	\$ 265,150	\$ 251,834	\$ 255,018	\$ 151,626	
FTE adjustment	7,836	2,648	2,648	2,540	10,244	9,079	8,127	5,256	
Net Interest Income FTE (non-GAAP)	214,601	73,846	71,647	69,107	275,394	260,913	263,145	156,882	
Average earning assets	\$7,922,944	\$8,167,919	\$7,934,405	\$7,660,937	\$7,249,090	\$6,713,239	\$6,437,681	\$3,716,849	
Net interest margin (GAAP)	3.49%	3.46%	3.49%	3.52%	3.66%	3.75%	3.96%	4.08%	
Net interest margin (FTE) (non-GAAP)	3.62%	3.59%	3.62%	3.66%	3.80%	3.89%	4.09%	4.22%	

Reconciliation to GAAP

The Company believes tangible common equity is an important indication of its ability to grow organically and through business combinations as well as its ability to pay dividends and to engage in various capital management strategies. Tangible common equity is used in the calculation of certain profitability, capital, and per share ratios. These ratios are meaningful measures of capital adequacy because they provide a meaningful base for period-to-period and company-to-company comparisons, which the Company believes will assist investors in assessing the capital of the Company and its ability to absorb potential losses.

	Nine Months Ended		Three Months Ended		Year Ended December 31,			
	September 30, 2017	September 30, 2017	June 30, 2017	March 31, 2017	2016	2015	2014	2013
<i>(Dollars in thousands)</i>								
Tangible Assets								
Ending assets (GAAP)	\$ 9,029,436	\$ 9,029,436	\$ 8,915,187	\$ 8,669,920	\$ 8,426,793	\$ 7,693,291	\$ 7,358,643	\$ 4,176,353
Less: Ending intangible assets	314,208	314,208	315,613	317,156	318,793	316,832	325,277	71,380
Ending tangible assets (non-GAAP)	\$ 8,715,228	\$ 8,715,228	\$ 8,599,574	\$ 8,352,764	\$ 8,108,000	\$ 7,376,459	\$ 7,033,366	\$ 4,104,973
Tangible Common Equity								
Ending common stockholders' equity (GAAP)	\$ 1,041,371	\$ 1,041,371	\$ 1,030,869	\$ 1,015,631	\$ 1,001,032	\$ 995,367	\$ 977,169	\$ 437,810
Less: Ending intangible assets	314,208	314,208	315,613	317,156	318,793	316,832	325,277	71,380
Ending tangible common stockholders' equity (non-GAAP)	\$ 727,163	\$ 727,163	\$ 715,256	\$ 698,475	\$ 682,239	\$ 678,535	\$ 651,892	\$ 366,430
Average common stockholders' equity (GAAP)	\$ 1,024,853	\$ 1,037,792	\$ 1,026,148	\$ 1,010,318	\$ 994,785	\$ 991,977	\$ 983,727	\$ 435,635
Less: Average intangible assets	316,375	314,872	316,355	317,934	318,131	320,906	333,495	73,205
Average tangible common stockholders' equity (non-GAAP)	\$ 708,478	\$ 722,920	\$ 709,793	\$ 692,384	\$ 676,654	\$ 671,071	\$ 650,232	\$ 362,430
ROE (GAAP)	7.53%	7.90%	7.02%	7.68%	7.79%	6.76%	5.30%	7.89%
ROTCE (non-GAAP)	10.90%	11.34%	10.15%	11.20%	11.45%	10.00%	8.02%	9.48%
Common equity to total assets (GAAP)	11.53%	11.53%	11.56%	11.71%	11.88%	12.94%	13.28%	10.48%
Tangible common equity / tangible assets (non-GAAP)	8.34%	8.34%	8.32%	8.36%	8.41%	9.20%	9.27%	8.93%

Reconciliation to GAAP

Operating measures exclude acquisition and conversion costs unrelated to the Company's normal operations. The Company believes these measures are useful to investors as they exclude certain costs resulting from acquisition activity and allow investors to more clearly see the combined economic results of the organization's operations.

	Nine Months Ended		Three Months Ended		Year Ended December 31,			
	September 30, 2017	September 30, 2017	June 30, 2017	March 31, 2017	2016	2015	2014	2013
<i>(Dollars in thousands, except per share amounts)</i>								
Operating Measures								
Net income (GAAP)	\$ 57,737	\$ 20,658	\$ 17,956	\$ 19,124	\$ 77,476	\$ 67,079	\$ 52,164	\$ 34,366
Acquisition and conversion costs, net of tax	3,020	661	2,358	-	-	-	13,724	2,042
Net operating earnings (non-GAAP)	\$ 60,757	\$ 21,319	\$ 20,314	\$ 19,124	\$ 77,476	\$ 67,079	\$ 65,888	\$ 36,408
Weighted average common shares outstanding, diluted	43,767,502	43,792,058	43,783,952	43,725,923	43,890,271	45,138,891	46,130,895	25,030,711
Earnings per common share, diluted (GAAP)	\$ 1.32	\$ 0.47	\$ 0.41	\$ 0.44	\$ 1.77	\$ 1.49	\$ 1.13	\$ 1.37
Operating earnings per common share, diluted (non-GAAP)	\$ 1.39	\$ 0.49	\$ 0.46	\$ 0.44	\$ 1.77	\$ 1.49	\$ 1.43	\$ 1.45
Average assets (GAAP)	\$ 8,730,815	\$ 8,973,964	\$ 8,747,377	\$ 8,465,517	\$ 8,046,305	\$ 7,492,895	\$ 7,250,494	\$ 4,051,850
ROA (GAAP)	0.88%	0.91%	0.82%	0.92%	0.96%	0.90%	0.72%	0.85%
Operating ROA (non-GAAP)	0.93%	0.94%	0.93%	0.92%	0.96%	0.90%	0.91%	0.90%
Average common equity (GAAP)	\$ 1,024,853	\$ 1,037,792	\$ 1,026,148	\$ 1,010,318	\$ 994,785	\$ 991,977	\$ 983,727	\$ 435,635
ROE (GAAP)	7.53%	7.90%	7.02%	7.68%	7.79%	6.76%	5.30%	7.89%
Operating ROE (non-GAAP)	7.93%	8.15%	7.94%	7.68%	7.79%	6.76%	6.70%	8.36%
Average tangible common equity (non-GAAP)	\$ 708,478	\$ 722,920	\$ 709,793	\$ 692,384	\$ 676,654	\$ 671,071	\$ 650,232	\$ 362,430
ROTCE (non-GAAP)	10.90%	11.34%	10.15%	11.20%	11.45%	10.00%	8.02%	9.48%
Operating ROTCE (non-GAAP)	11.47%	11.70%	11.48%	11.20%	11.45%	10.00%	10.13%	10.05%
Noninterest expense (GAAP)	\$ 174,821	\$ 57,496	\$ 59,930	\$ 57,395	\$ 222,703	\$ 216,882	\$ 238,216	\$ 137,047
Less: Acquisition and conversion costs	3,476	732	2,744	-	-	-	20,345	2,132
Operating noninterest expense (non-GAAP)	\$ 171,345	\$ 56,764	\$ 57,186	\$ 57,395	\$ 222,703	\$ 216,882	\$ 217,871	\$ 134,915
Net interest income (GAAP)	\$ 206,765	\$ 71,198	\$ 68,999	\$ 66,567	\$ 265,150	\$ 251,834	\$ 255,018	\$ 151,626
Net interest income (FTE) (non-GAAP)	214,601	73,846	71,647	69,107	275,394	260,913	263,145	156,882
Noninterest income (GAAP)	54,430	17,536	18,056	18,839	70,907	65,007	61,287	38,728
Efficiency ratio (GAAP)	66.93%	64.80%	68.84%	67.20%	66.27%	68.45%	75.31%	72.00%
Efficiency ratio (FTE) (non-GAAP)	64.98%	62.92%	66.81%	65.26%	64.31%	66.54%	73.43%	70.06%
Operating efficiency ratio (FTE) (non-GAAP)	63.69%	62.12%	63.75%	65.26%	64.31%	66.54%	67.15%	68.97%

