

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): February 6, 2018

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 first quarter of 2018. 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 hereunto duly authorized.

UNION BANKSHARES CORPORATION

Date: February 6, 2018

By: /s/ Robert M. Gorman

Robert M. Gorman
Executive Vice President and
Chief Financial Officer

Investor Presentation

Nasdaq: UBSH

February/March 2018



Certain statements in this presentation which are not statements of historical fact constitute forward-looking statements within the meaning of, and subject to the protections of, Section 27A of the Securities Act of 1933, as amended, or the "Securities Act," and Section 21E of the Exchange Act. Forward-looking statements include statements with respect to our beliefs, plans, objectives, goals, targets, expectations, anticipations, assumptions, estimates, intentions and future performance and involve known and unknown risks, many of which are beyond our control and which may cause our actual results, performance or achievements or the commercial banking industry or economy generally, to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements.

All statements other than statements of historical fact are forward-looking statements. You can identify these forward-looking statements through our use of words such as "believes," "anticipates," "expects," "may," "will," "assumes," "should," "predicts," "could," "would," "intends," "targets," "estimates," "projects," "plans," "potential" and other similar words and expressions of the future or otherwise regarding the outlook for our future business and financial performance and/or the performance of the commercial banking industry and economy in general. Forward-looking statements may include, without limitation:

- projections of revenues, expenses, income, income per share, net interest margins, asset growth, loan production, asset quality, deposit growth and other performance measures;
- statements regarding the anticipated benefits from or other effects of the merger between Union and Xenith;
- statements regarding expansion of operations, including branch openings, entrance into new markets, development of products and services, and execution of strategic initiatives; and
- discussions of the future state of the economy, competition, regulation, taxation, our business strategies, subsidiaries, investment risk and policies.

Forward-looking statements are subject to various risks and uncertainties, which change over time, are based on management's expectations and assumptions at the time the statements are made and are not guarantees of future results. Actual future performance, outcomes and results may differ materially from those expressed in or contemplated by these forward-looking statements due to certain risks, uncertainties and assumptions, many of which are beyond our ability to control or predict. Certain factors that may affect our future results include, but are not limited to:

- the possibility that any of the anticipated benefits of the merger of Xenith with and into the Company, with the Company surviving, will not be realized or will not be realized within the expected time period, the businesses of the Company and Xenith may not be integrated successfully or such integration may be more difficult, time-consuming or costly than expected, the expected revenue synergies and cost savings from the merger may not be fully realized or realized within the expected time frame, revenues following the merger may be lower than expected, or customer and employee relationships and business operations may be disrupted by the merger;
- future adjustments to the preliminary unaudited financial information for the three- and twelve-month periods ended December 31, 2017 or the pro forma financial information included in this presentation;
- changes in interest rates;
- general economic and financial market conditions;
- the Company's ability to manage its growth or implement its growth strategy;
- the incremental cost and/or decreased revenues associated with exceeding \$10 billion in assets;
- levels of unemployment in the Bank's lending area;
- real estate values in the Bank's lending area;
- an insufficient allowance for loan losses;

- the quality or composition of the Company's loan or investment portfolios;
- concentrations of loans secured by real estate, particularly commercial real estate;
- the effectiveness of the Company's credit processes and management of the Company's credit risk;
- demand for loan products and financial services in the Company's market area;
- the Company's ability to compete in the market for financial services;
- technological risks and developments, and cyber attacks or events;
- performance by the Company's counterparties or vendors;
- deposit flows;
- the availability of financing and the terms thereof;
- the level of prepayments on loans and mortgage-backed securities;
- legislative or regulatory changes and requirements;
- the impact of the federal Tax Cuts and Jobs Act (the "Tax Act") signed into law on December 22, 2017, including, but not limited to, the effect of the lower federal corporate income tax rate, including on the valuation of our tax assets and liabilities;
- any future refinements to our preliminary analysis of the impact of the Tax Act on us;
- changes in the effect of the Tax Act due to issuance of interpretive regulatory guidance or enactment of corrective or supplemental legislation;
- monetary and fiscal policies of the U.S. government including policies of the U.S. Department of the Treasury and the Federal Reserve;
- accounting principles and guidelines; and
- the risks outlined in "Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2016, in our Quarterly Reports on Form 10-Q for the quarters ended March 31, 2017, June 30, 2017 and September 30, 2017 and in other annual, quarterly and current reports that we may file with the Securities and Exchange Commission.

Should one or more of the foregoing risks materialize, or should underlying assumptions prove incorrect, actual results or outcomes may vary materially from those described in the forward-looking statements. Forward-looking statements included herein should not be relied upon as representing our expectations or beliefs as of any date subsequent to the date of this presentation. Except as required by law, we undertake no obligation to update or revise any forward-looking statements contained in this presentation, whether as a result of new information, future events or otherwise. The factors discussed herein are not intended to be a complete summary of all risks and uncertainties that may affect our businesses. Though we strive to monitor and mitigate risk, we cannot anticipate all potential economic, operational and financial developments that may adversely impact our operations and our financial results. Forward-looking statements should not be viewed as predictions and should not be the primary basis upon which investors evaluate an investment in our securities.

Unaudited Pro Forma Financial Information

The unaudited pro forma financial information included herein is presented for informational purposes only and does not necessarily reflect the financial results of the combined company had the companies actually been combined during periods presented. The adjustments included in this unaudited pro forma financial information are preliminary and may be significantly revised and may not agree to actual amounts finally recorded by Union. This financial information does not reflect the benefits of the merger's expected cost savings and expense efficiencies, opportunities to earn additional revenue, potential impacts of current market conditions on revenues or asset dispositions, among other factors, and includes various preliminary estimates and may not necessarily be indicative of the financial position or results of operations that would have occurred if the merger had been completed on the date or at the beginning of the period indicated or which may be attained in the future.

Non-GAAP Financial Measures

Union reports its results in accordance with United States generally accepted accounting principles ("GAAP"). However, management believes that certain non-GAAP performance measures used in managing the business may provide meaningful information about underlying trends in its business. Non-GAAP financial measures should be viewed in addition to, and not as an alternative for, Union's reported results prepared in accordance with GAAP. Please see "Reconciliation of Non-GAAP Disclosures" at the end of

this presentation for a reconciliation to the nearest GAAP financial measure.

No Offer or Solicitation

This presentation does not constitute an offer to sell or a solicitation of an offer to buy any securities. This presentation has been prepared primarily for security analysts and investors to serve as a convenient and useful reference document. Any offers to sell, solicitations of offers to buy or sales of securities, if any, will be made in accordance with the requirements of the Securities Act of 1933, as amended.

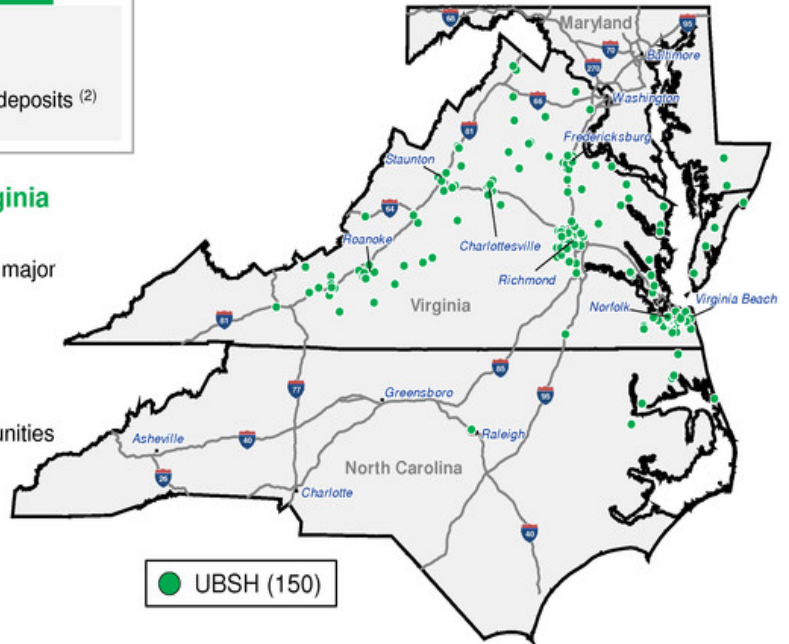
About Union Bankshares Corporation

Headquartered in Richmond, Virginia, Union Bankshares Corporation (Nasdaq: UBSH) is the holding company for Union Bank & Trust. Union Bank & Trust has 150 banking offices, 39 of which are operated as Xenith Bank, a division of Union Bank & Trust of Richmond, Virginia, and approximately 220 ATMs located throughout Virginia, and in portions of Maryland and North Carolina. Union Bank & Trust also operates Shore Premier Finance, a specialty marine lender. Non-bank affiliates of the holding company include: Union Mortgage Group, Inc., which provides a full line of mortgage products, Old Dominion Capital Management, Inc., which provides investment advisory services, and Union Insurance Group, LLC, which offers various lines of insurance products.

Highlights (pro forma 12/31/17)⁽¹⁾

\$13.0 billion in assets **\$9.6 billion** in loans
\$2.5 billion market capitalization **\$9.4 billion** in customer deposits ⁽²⁾

- Largest regional banking company headquartered in **Virginia**
- **Statewide Virginia footprint** of 141 branches in all major markets
- **#1** regional bank deposit market share in Virginia
- Positioned for growth with organic and acquisition opportunities throughout the region
- **Strong balance sheet** and capital levels
- Committed to **top-tier financial performance**
- New and highly experienced management team



Pricing data as of 1/22/18

(1) Unaudited balance sheet figures as of 12/31/17 shown on a pro forma basis, inclusive of preliminary estimated purchase accounting adjustments, as if the merger with Xenith Bankshares, Inc. had occurred on 12/31/17

(2) Excludes brokered deposits

The Right Scale

- Largest Virginia headquartered regional banking company (\$13 billion in assets)
- #1 deposit market share ranking in Virginia among Virginia-based banks ⁽¹⁾
- Operating with a statewide Virginia footprint of 141 branches in all major markets with 9 additional branches in North Carolina and Maryland
- Diversified business model

The Right Markets

- Uniquely positioned in one of the most attractive markets in the U.S.
- Xenith acquisition accelerated growth in the attractive Hampton Roads market
- C&I platform primed for growth, with an opportunity to leverage platform and commercial deposit gathering expertise across our footprint

The Right Team

- New management team led by John Asbury (25+ years of banking experience)
- Experienced executives with a proven track record from larger institutions and experience in M&A integration
- Union is an attractive destination for top tier talent, leading to successful recruiting efforts and an improved competitive position

The Right Targets

- Focus on top tier performance metrics and profitability to drive upside
 - Committed to realizing cost savings and achieving business synergy opportunities
 - Operating Targets ⁽²⁾: ROA: 1.3% - 1.5% / ROTCE: 15% - 17% / Efficiency Ratio: < 55%

Source: SNL Financial and FDIC deposit data

(1) Excludes branches with deposits greater than \$1.0 billion

(2) Under federal corporate tax rate of 21.0%



Virginia's Bank

Virginia: All Banks

Rank	Institution	Deposits (\$mm)	Market Share	Branches
1	Wells Fargo & Co.	\$27,452	16.8 %	275
2	BB&T Corp.	23,236	14.2	327
3	Bank of America Corp.	18,010	11.0	131
4	SunTrust Banks Inc.	16,551	10.1	190
5	Union Bankshares Corp.	8,902	5.4	141
6	United Bankshares Inc.	7,062	4.3	70
7	TowneBank	6,093	3.7	32
8	Capital One Financial Corp.	6,017	3.7	55
9	PNC Financial Services Group Inc.	3,833	2.3	96
10	Carter Bank & Trust	3,428	2.1	87
Top 10 Banks		\$120,584	73.7 %	1,404
All Institutions in Market		\$163,549	100.0 %	2,349

Virginia: Banks Headquartered in VA

Rank	Institution	Deposits (\$mm)	Market Share	Branches
1	Union Bankshares Corp.	\$8,902	16.2 %	141
2	TowneBank	6,093	11.1	32
3	Capital One Financial Corp.	6,017	10.9	55
4	Carter Bank & Trust	3,428	6.2	87
5	Burke & Herbert Bank & Trust Co.	2,343	4.3	25
6	Access National Corp.	2,201	4.0	15
7	Southern National Bancorp of Virginia Inc.	1,721	3.1	41
8	First Bancorp Inc.	1,243	2.3	20
9	C&F Financial Corp.	1,129	2.0	26
10	National Bankshares Inc.	1,062	1.9	25
Top 10 Virginia Banks		\$34,138	62.0 %	467
All Virginia Institutions in Market		\$55,104	100.0 %	949

Statewide branch footprint brings unique franchise value

Source: SNL Financial and FDIC deposit data
 Deposit data as of 6/30/17; pro forma for announced transactions
 Note: Excludes branches with deposits greater than \$1.0 billion

Richmond	<ul style="list-style-type: none"> • State Capital, Fortune 500 headquarters (6), VCU & VCU Medical Center • <i>\$2.6 billion in-market deposits and total deposit market share of 11.4%</i>
Fredericksburg	<ul style="list-style-type: none"> • Defense and security contractors, Healthcare, Retail, Real Estate development • <i>\$997 million in-market deposits and total deposit market share of 23.5%</i>
Charlottesville	<ul style="list-style-type: none"> • University of Virginia, High-tech and professional businesses, Real Estate development • <i>\$497 million in-market deposits and total deposit market share of 10.2%</i>
Virginia Beach - Norfolk	<ul style="list-style-type: none"> • Military, Shipbuilding, Fortune 500 headquarters (3), Tourism • <i>\$1.2 billion in-market deposits and total deposit market share of 4.9%</i>
Roanoke - Blacksburg	<ul style="list-style-type: none"> • Virginia Tech, Healthcare, Fortune 500 headquarters (1), Retail • <i>\$1.1 billion in-market deposits and total deposit market share of 10.3%</i>
Northern Virginia	<ul style="list-style-type: none"> • Nation's capital, Defense and security contracts, Associations (lobbyists), High-Tech • <i>Only two branches in Virginia's largest market</i>

Among The Most Attractive Markets in USA

2018 Median HHI (\$)		2018 Population (mm)			
#	State	HHI (\$)	State	Population (mm)	
1	District of Columbia	\$82,192	1	California	39.7
2	Maryland	81,294	2	Texas	28.5
3	Hawaii	80,637	3	Florida	21.1
4	Alaska	79,735	4	New York	19.8
5	New Jersey	78,317	5	Pennsylvania	12.8
6	Massachusetts	77,248	6	Illinois	12.8
7	Connecticut	76,633	7	Ohio	11.6
8	New Hampshire	75,742	8	Georgia	10.5
9	Virginia	71,167	9	North Carolina	10.3
10	California	71,061	10	Michigan	9.9
11	Washington	69,697	11	New Jersey	9.0
12	Utah	69,694	12	Virginia	8.5
13	Colorado	69,546	13	Washington	7.4
14	Minnesota	68,744	14	Arizona	7.1
15	New York	66,418	15	Massachusetts	6.9

GDP (\$bn)		Fortune 500 Companies			
#	State	GDP (\$bn)	#	State	# of Companies
1	California	\$2,717	1	New York	54
2	Texas	1,678	2	California	53
3	New York	1,539	3	Texas	50
4	Florida	965	4	Illinois	36
5	Illinois	812	5	Ohio	25
6	Pennsylvania	742	6	Virginia	23
7	Ohio	647	7	New Jersey	21
8	New Jersey	586	8	Pennsylvania	21
9	Georgia	551	9	Connecticut	18
10	North Carolina	539	10	Minnesota	18
11	Massachusetts	523	11	Michigan	17
12	Michigan	511	12	Florida	17
13	Virginia	508	13	Georgia	17
14	Washington	500	14	Massachusetts	13
15	Maryland	393	15	North Carolina	12

Forbes ranked Virginia the **5th Best State for Business**

- 3rd in Labor Supply
- 2nd in Regulatory Environment
- 14th in Growth Prospects

✓ Virginia has the **20th lowest Unemployment Rate** of any state

U.S. News ranked Virginia **#11 for Economic Opportunity**

- **11th lowest Poverty Rate**
- Virginia is home to **706,626** Small Businesses

USA TODAY ranked Virginia 10th of *America's Best States to Live In*

✓ **8th most educated state** in America and home to more than **10 elite colleges and universities**



	<u>GAAP</u>	<u>Operating</u> ⁽¹⁾	<u>GAAP</u>	<u>Operating</u> ⁽¹⁾
Net Income (Loss) & EPS	<ul style="list-style-type: none"> • \$15.2 million • \$0.35 	<ul style="list-style-type: none"> • \$22.8 million • \$0.52 	<ul style="list-style-type: none"> • (\$55.8) million 	<ul style="list-style-type: none"> • \$6.9 million
Net Interest Margin (GAAP / FTE)	<ul style="list-style-type: none"> • 3.51% 	<ul style="list-style-type: none"> • 3.64% 	<ul style="list-style-type: none"> • 3.51% 	<ul style="list-style-type: none"> • 3.53%
ROA & ROE / ROTCE	<ul style="list-style-type: none"> • ROA: 0.66% • ROE: 5.75% 	<ul style="list-style-type: none"> • ROA: 1.00% • ROTCE: 12.32% 	<ul style="list-style-type: none"> • ROA: (6.87%) • ROE: (45.36%) 	<ul style="list-style-type: none"> • ROA: 0.85% • ROTCE: 5.97%
Efficiency Ratio (GAAP / FTE)	<ul style="list-style-type: none"> • 66.1% 	<ul style="list-style-type: none"> • 62.1% 	<ul style="list-style-type: none"> • 87.7% 	<ul style="list-style-type: none"> • 59.2%
Loan Growth ⁽²⁾	<ul style="list-style-type: none"> • 14.1% 		<ul style="list-style-type: none"> • 13.5% 	
Deferred Tax Asset Writedown ⁽³⁾	<ul style="list-style-type: none"> • \$6.3 million 		<ul style="list-style-type: none"> • \$57.2 million 	

Data as of or for the three months ended 12/31/17

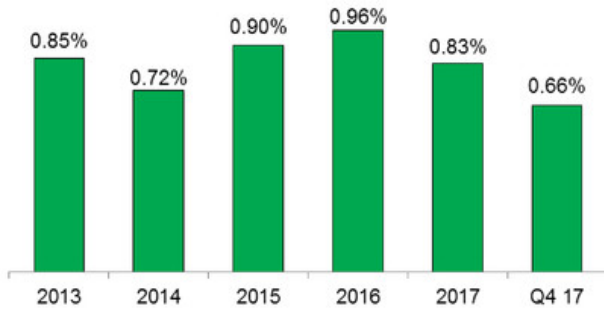
(1) Excludes merger-related costs and nonrecurring tax expenses unrelated to normal operations; non-GAAP financial measure; see reconciliation to most directly comparable GAAP measure in "Appendix – Reconciliation of Non-GAAP Disclosures"

(2) Growth rates calculated as annualized Q4 results

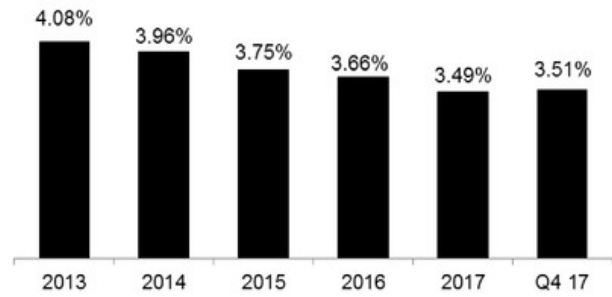
(3) Writedown related to the Tax Cuts and Jobs Act, which was enacted December 22, 2017, and among other things, permanently lowers the federal corporate income tax rate from 35% to 21%

Strong Track Record of Performance (GAAP)

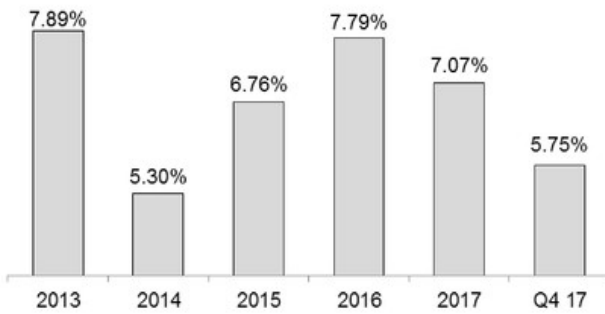
ROA (%)



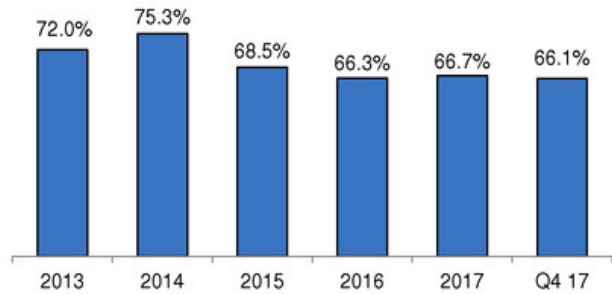
NIM (%)



ROE (%)



Efficiency Ratio (%)

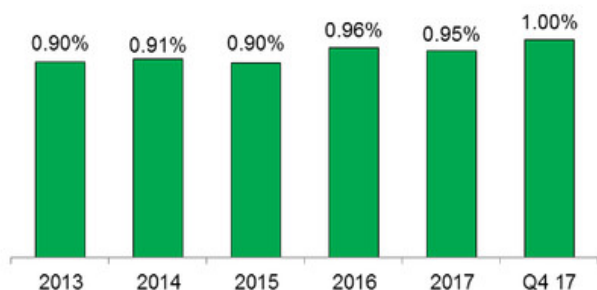


Data as of or for the twelve months ended each respective year, except for Q417 data which is as of or for the three months ended December 31, 2017.

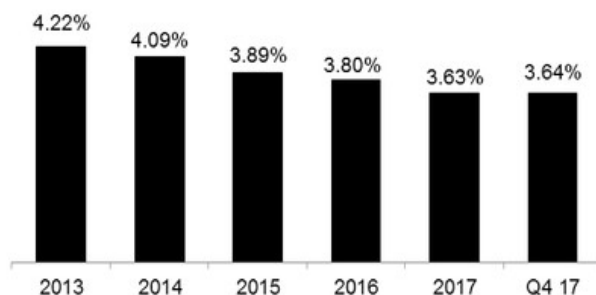


Strong Track Record of Performance (Non-GAAP)

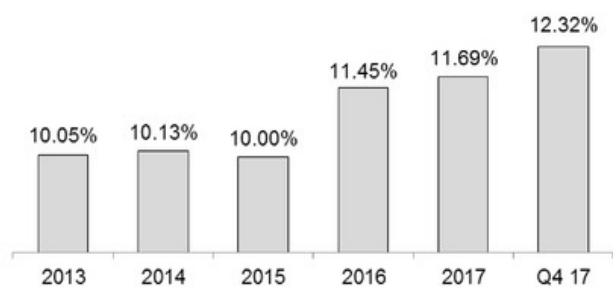
Operating ROA ⁽¹⁾ ⁽²⁾ (%)



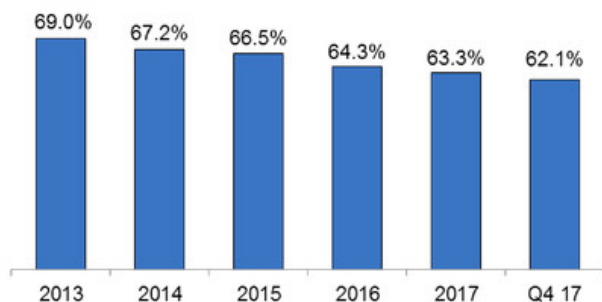
NIM (FTE) ⁽²⁾ (%)



Operating ROTCE ⁽¹⁾ ⁽²⁾ (%)



Operating Efficiency Ratio (FTE) ⁽¹⁾ ⁽²⁾



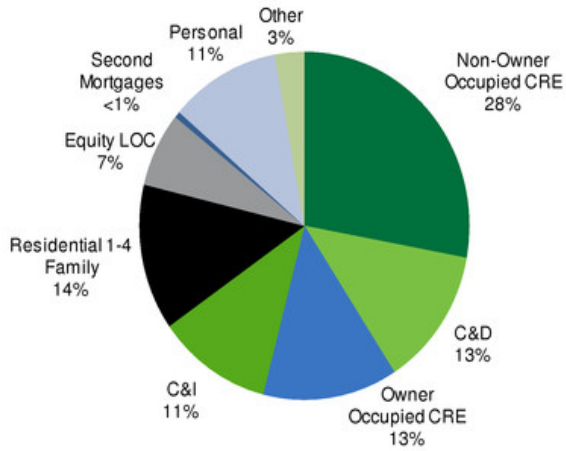
Data as of or for the twelve months ended each respective year, except for Q417 data which is as of or for the three months ended December 31, 2017.

(1) Excludes merger-related costs and nonrecurring tax expenses unrelated to normal operations

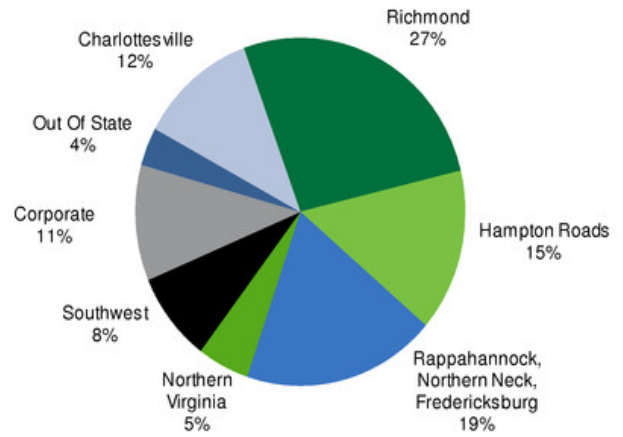
(2) Non-GAAP financial measure; See reconciliation to most directly comparable GAAP measure in "Appendix -- Reconciliation of Non-GAAP Disclosures"

Pro Forma Loan Composition at December 31, 2017 - \$9.6 Billion

Composition by Type



Composition by Region



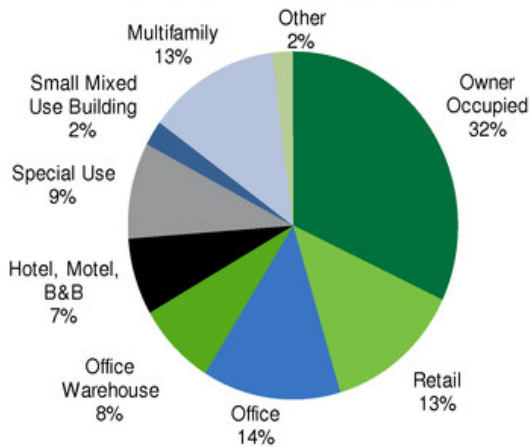
Portfolio Characteristics

Duration	1.6 Years
Weighted Average Coupon (Tax Equivalent)	4.35%

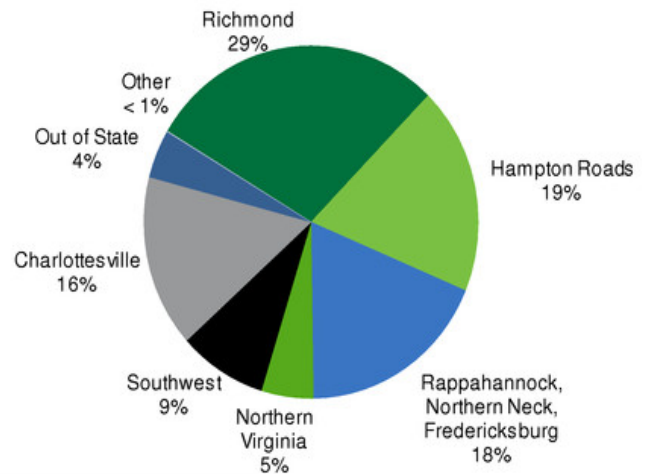
Note: Figures may not total to 100% due to rounding
 Unaudited balance sheet figures as of 12/31/17 shown on a pro forma basis, excluding purchase accounting adjustments, as if the merger with Xenith Bankshares, Inc. had occurred on 12/31/17

Pro Forma CRE Composition at December 31, 2017 - \$4.0 Billion

Composition by Type



Composition by Region



Portfolio Characteristics

10 largest loans	5.8% of CRE portfolio
10 largest loans	2.4% of total loans
Duration	1.7 Years
Weighted Average Coupon (Tax Equivalent)	4.21%

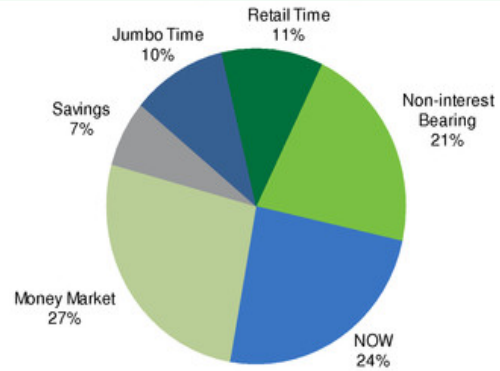
Attractive Core Deposit Base

Pro Forma Customer Deposit Composition at December 31, 2017 - \$9.4 Billion

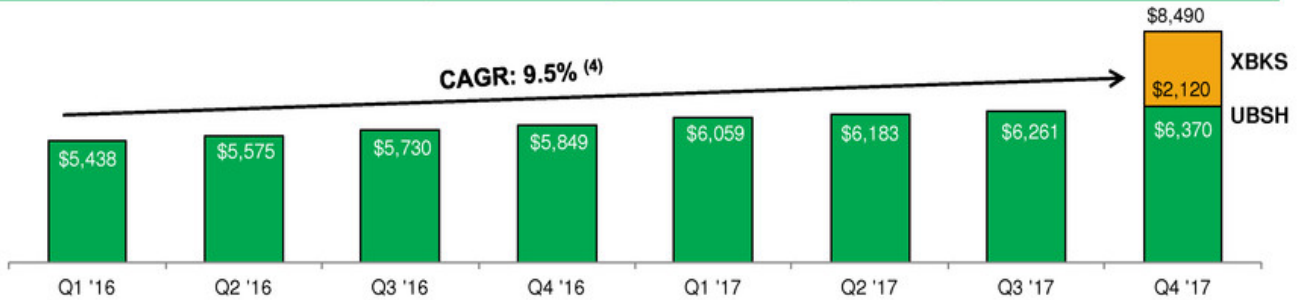
Deposit Base Characteristics ⁽¹⁾

- ✓ Cost of deposits - 49 bps
- ✓ 90% core deposits ⁽²⁾
- ✓ 45% transactional accounts
- ✓ #1 in deposit market share for community banks in Richmond and Charlottesville MSAs and Fredericksburg
- ✓ #2 in deposit market share for community banks in Blacksburg-Christiansburg-Radford MSA

Pro Forma Deposit Composition ⁽¹⁾



History of Core Deposit Growth ⁽³⁾ (\$mm)



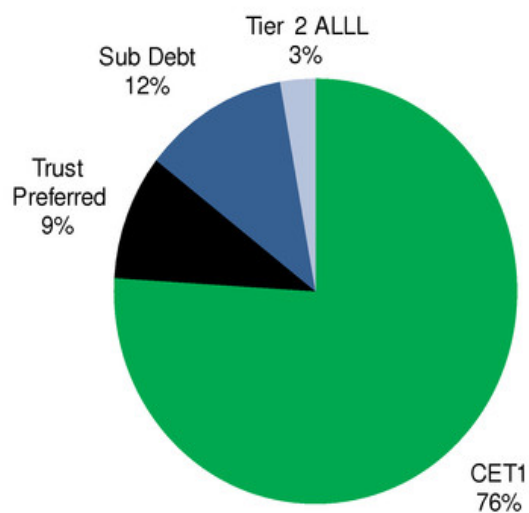
(1) Unaudited balance sheet figures as of 12/31/17 shown on a pro forma basis, excluding brokered deposits and purchase accounting adjustments, as if the merger with Xenith Bankshares, Inc. had occurred on 12/31/17 (2) Core deposits defined as total deposits less jumbo time deposits (3) Compound annual growth rate for UBSH standalone core deposits

Solid Capital Position

Pro Forma Capital Position

TCE / TA ^{(1) (3)}	8.9%
CET1 Ratio ⁽²⁾	9.6%
Tier 1 Capital Ratio ⁽²⁾	10.7%
Total Capital Ratio ⁽²⁾	12.5%
Leverage Ratio ⁽²⁾	9.4%
CRE / Total Risk-Based Capital ⁽²⁾	313%

Regulatory Capital Composition ⁽²⁾



Total Risk Based Capital: \$1,332 mm

- (1) Unaudited balance sheet figures as of 12/31/17 shown on a pro forma basis, inclusive of preliminary estimated purchase accounting adjustments, as if the merger with Xenith Bankshares, Inc. had occurred on 12/31/17, inclusive of DTA writedown
- (2) Unaudited balance sheet figures as of 9/30/17 shown on a pro forma basis, inclusive of preliminary estimated purchase accounting adjustments, as if the merger with Xenith Bankshares, Inc. had occurred on 9/30/17, inclusive of DTA writedown
- (3) Non-GAAP financial measure; See reconciliation to most directly comparable GAAP measure in "Appendix -- Reconciliation of Non-GAAP Disclosures"

Diversify Loan Portfolio and Revenue Streams

- Increase Commercial lending growth (Commercial & Industrial + Owner Occupied Real Estate) in order to better balance the total loan portfolio over time
- Grow fee-based products and services

Grow Core Funding

- Fund loan growth with deposit growth; attain a 95% loan to deposit ratio over time
- Grow core deposits with particular focus on increasing commercial and small business operating accounts

Improve Efficiency

- Leverage technology to lower cost, improve quality and support growth
- Build scalable, replicable processes

Manage to Higher Levels of Performance

- Achieve and sustain top tier financial performance
- Invest in talent, develop a culture of coaching and development, and align total rewards with corporate goals and objectives

Create a More Enduring and Distinctive Brand

- Create differentiated client experiences that make banking easier
- Continue to build our brand in existing and new geographies

Integrate Xenith

- Leverage commercial expertise and new market opportunities
- Achieve cost saves and successful conversion

Financial Targets ⁽¹⁾

Committed to top-tier financial performance

ROA 1.3% - 1.5%

ROTCE 15% - 17%

Efficiency Ratio < 55%

Valuation Upside

Attractive trading multiples & dividend yield

Price / 2019E Consensus EPS 13.3x

Price / Pro Forma TBVPS ^{(2) (3)} 235%

Dividend Yield ⁽⁴⁾ 2.2%

Pricing data as of 1/22/18

- (1) Under federal corporate income tax rate of 21.0%
- (2) Unaudited balance sheet figures as of 12/31/17 shown on a pro forma basis, inclusive of preliminary estimated purchase accounting adjustments, as if the merger with Xenith Bankshares, Inc. had occurred on 12/31/17; share count excludes unvested restricted stock awards
- (3) Non-GAAP financial measure; See reconciliation to most directly comparable GAAP measure in "Appendix -- Reconciliation of Non-GAAP Disclosures"
- (4) Calculated as UBSH's most recent quarterly dividend per share of \$0.21 annualized divided by UBSH per share stock price of \$38.80 as of 1/22/18, expressed as a percentage

The Right Scale

- \$13 billion in assets
- Strong market share
- Extensive product mix, enhanced C&I focus

The Right Markets

- Growing, economically diversified
- Presence across state
- Scale in the sizable Richmond and Hampton Roads markets

The Right Team

- Deep team with broad experience
- Experience in M&A integration
- Attractive destination for top tier talent

The Right Targets

- Targeting top tier performance
- ROA: 1.3% - 1.5%
- ROTCE: 15% - 17%

Appendix





John C. Asbury
President & CEO

- 1 year at Union
- 25+ years of experience in the banking industry, primarily at Bank of America and Regions Bank
- Former President and CEO of First National Bank of Santa Fe



Robert M. Gorman
Executive Vice President & CFO

- 5 years at Union
- 25+ years of experience in the banking industry
- Former Senior Vice President at SunTrust Banks, Inc.



John G. Stallings
President, Union Bank & Trust

- Recently hired by Union
- 25+ years of experience in the banking industry
- Former CEO – Virginia Division at SunTrust Banks, Inc.



David V. Ring
*Executive Vice President,
Commercial Banking Executive*

- Recently hired by Union
- 25+ years of experience in the banking industry
- Former Head of Commercial Banking – Atlantic Region at Wells Fargo



David G. Bilko
*Executive Vice President,
Chief Risk Officer*

- 4 years at Union
- 25+ years of experience in the banking industry
- Former Chief Audit Executive at SunTrust Banks, Inc.



M. Dean Brown
*Executive Vice President,
Chief Information Officer*

- 3 years at Union
- 25+ years of experience in the banking industry
- Former Chief Information Officer for Capital One Health Care Finance



Loreen A. LaGatta
*Executive Vice President,
Chief Human Resource Officer*

- 6 years at Union
- 20+ years of experience in the banking industry
- Human Resources at Citigroup and Capital One

		Target	Results
Diversification	✓	<ul style="list-style-type: none"> • Loan portfolio • Revenue streams 	<ul style="list-style-type: none"> • <u>Lowered CRE concentration</u> and increased C&I portfolio • <u>Added dedicated C&I team</u> in Northern Virginia and Richmond with opportunity in Hampton Roads, Raleigh and Baltimore
Core Funding	✓	<ul style="list-style-type: none"> • Pace loans with deposits • Target 95% L/D ratio 	<ul style="list-style-type: none"> • Lowered loan / deposit ratio • <u>Expanded commercial deposit opportunity</u> • Significantly bolstered retail presence in Hampton Roads
Efficiency Ratio	✓	<ul style="list-style-type: none"> • Drive Efficiency Ratio to < 60% • More revenue + lower cost structure 	<ul style="list-style-type: none"> • Expected efficiency ratio <u>below 60%</u> after cost savings are realized
Crossing \$10 Billion in Assets	✓	<ul style="list-style-type: none"> • Finalize preparations 	<ul style="list-style-type: none"> • <u>Efficiently crossed</u> from a financial perspective • Infrastructure build completed creating opportunities for operating leverage

Post Announcement

- ✓ Announced May 22, 2017
- ✓ Nearly all commercial bankers met in 6 hours post announcement
- ✓ Multiple town hall meetings
- ✓ Employee retention targets currently met

2018 Focus on Successful Integration

- ✓ Closed January 1, 2018
- ✓ Focus on seamless transition with systems conversion targeted for May 2018
- ✓ Leveraging experience of successful conversions and integrations at both companies
- ✓ Continued focus on customer experience, retention and growth

40% Cost Savings + Revenue Initiatives Ramping

- ✓ Savings target of 40% of the Xenith expense base, or approximately \$28 million, expected to be fully realized in 2019
- ✓ Intense focus on expanding C&I platform across Virginia, which has included several key new hires
- ✓ More intentional focus on gathering commercial deposits, with banker incentives aligned accordingly

Key Xenith Acquisition Impacts to UBSH ⁽¹⁾

<i>Federal Corporate Tax Rate:</i>	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

<i>Federal Corporate Tax Rate:</i>	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

Summary Asset Quality Information

	UBSH	XBKS
<u>Asset Quality Summary</u>		
Nonaccrual Loans	\$21,743	\$19,637
Other Real Estate	6,636	4,214
Renegotiated Loans	17,402	20,501
90+ Days Delinquent	3,532	--
Total Nonperforming Assets & 90+PD	\$49,313	\$44,352
<i>NPLs / Loans</i>	<i>0.30%</i>	<i>0.79%</i>
<i>NPAs + 90PD / Assets</i>	<i>0.53%</i>	<i>1.36%</i>
<i>ALLL / Total Loans</i>	<i>0.54%</i>	<i>0.67%</i>

Tangible Common Equity

(Dollars in thousands)	Union (As Reported)	Xenith (As Reported)	Merger Pro Forma Adjustments	Pro Forma Combined
Actual shareholders' equity (GAAP)	\$1,046,329	\$429,741	\$356,970	\$1,833,040
Intangibles	313,331	30,192	407,822	751,345
Actual tangible shareholders' equity (non-GAAP)	\$732,998	\$399,549		\$1,081,695
Actual total assets (GAAP)	\$9,315,179	\$3,270,726	\$382,031	\$12,967,936
Intangibles	313,331	30,192	407,822	751,345
Actual tangible assets (non-GAAP)	\$9,001,848	\$3,240,534		\$12,216,591
Tangible Common Equity Ratio				
Shareholders' equity to (actual) assets (GAAP)	11.23 %	13.14 %		14.14 %
Effect of adjustment for intangible assets	3.09	0.81		5.29
Tangible common equity ratio (non-GAAP)	8.14	12.33		8.85

Tangible Book Value Per Share

(Dollars in thousands)	Union (As Reported)	Union (Pro Forma)
Actual shareholders' equity (GAAP)	\$1,046,329	\$1,833,040
Intangibles	313,331	751,345
Actual tangible shareholders' equity (non-GAAP)	\$732,998	\$1,081,695
Common Shares ⁽¹⁾	43,416,541	65,418,045
Book Value Per Share	\$24.10	\$28.02
Tangible Book Value Per Share	\$16.88	\$16.54

Data as of 12/31/17 (1) Excludes unvested restricted stock awards



Reconciliation of Non-GAAP Disclosures

Net Operating Income

(Dollars in thousands)	Union Standalone					Xenith	Union
	For the Twelve Months Ended 12/31						
	2013	2014	2015	2016	2017		
Net income (loss) (GAAP)	\$34,366	\$52,164	\$67,079	\$77,476	\$72,923	(\$55,822)	\$15,185
Plus: Merger-related costs, net of tax	2,042	13,724	-	-	4,405	5,511	1,386
Plus: Nonrecurring tax expenses	-	-	-	-	\$6,250	\$57,200	\$6,250
Net operating earnings (non-GAAP)	\$36,408	\$65,888	\$67,079	\$77,476	\$83,578	\$6,889	\$22,821
Weighted avg. common shares out., diluted							43,816,018
EPS (GAAP)							\$0.35
Operating EPS (non-GAAP)							\$0.52

Return on Assets (ROA)

(Dollars in thousands)	Union Standalone					Xenith	Union
	For the Twelve Months Ended 12/31						
	2013	2014	2015	2016	2017		
Average assets (GAAP)	\$4,051,850	\$7,250,494	\$7,492,895	\$8,046,305	\$8,820,142	\$3,223,346	\$9,085,211
Net income (loss) (GAAP)	\$34,366	\$52,164	\$67,079	\$77,476	\$72,923	(\$55,822)	\$15,185
Net operating earnings (non-GAAP)	\$36,408	\$65,888	\$67,079	\$77,476	\$83,578	\$6,889	\$22,821
ROA (GAAP)	0.85%	0.72%	0.90%	0.96%	0.83%	(6.87%)	0.66%
Operating ROA (non-GAAP)	0.90%	0.91%	0.90%	0.96%	0.95%	0.85%	1.00%

Net Interest Margin

(Dollars in thousands)	Union Standalone					Xenith	Union
	For the Twelve Months Ended 12/31					Three Months Ended 12/31/17	
	2013	2014	2015	2016	2017		
Net interest income (GAAP)	\$151,626	\$255,018	\$251,834	\$265,150	\$280,157	\$25,588	\$73,392
FTE adjustment	5,256	8,127	9,079	10,244	10,617	166	2,781
Net interest income (FTE) (non-GAAP)	\$156,882	\$263,145	\$260,913	\$275,394	\$290,774	\$25,754	\$76,173
Average earning assets	\$3,716,849	\$6,437,681	\$6,713,239	\$7,249,090	\$8,016,311	\$2,891,879	\$8,293,366
Net interest margin (GAAP)	4.08%	3.96%	3.75%	3.66%	3.49%	3.51%	3.51%
Net interest margin (FTE) (non-GAAP)	4.22%	4.09%	3.89%	3.80%	3.63%	3.53%	3.64%

Return on Tangible Common Equity (ROTCE)

(Dollars in thousands)	Union Standalone					Xenith	Union
	For the Twelve Months Ended 12/31					Three Months Ended 12/31/17	
	2013	2014	2015	2016	2017		
Average equity (GAAP)	\$435,635	\$983,727	\$991,977	\$994,785	\$1,030,847	\$488,269	\$1,048,632
Less: Average intangibles	73,205	333,495	320,906	318,131	315,722	30,267	313,785
Average tangible common equity (non-GAAP)	\$362,430	\$650,232	\$671,071	\$676,654	\$715,125	\$458,002	\$734,847
Net income (loss) (GAAP)	\$34,366	\$52,164	\$67,079	\$77,476	\$72,923	(\$55,822)	\$15,185
Net operating earnings (non-GAAP)	\$36,408	\$65,888	\$67,079	\$77,476	\$83,578	\$6,889	\$22,821
ROE (GAAP)	7.89%	5.30%	6.76%	7.79%	7.07%	(45.36%)	5.75%
ROTCE (non-GAAP)	9.48%	8.02%	10.00%	11.45%	10.20%	(48.36%)	8.20%
Operating FROTCE (non-GAAP)	10.05%	10.13%	10.00%	11.45%	11.69%	5.97%	12.32%

Efficiency Ratio

(Dollars in thousands)	Union Standalone					Xenith	Union
	For the Twelve Months Ended 12/31					Three Months Ended 12/31/17	
	2013	2014	2015	2016	2017		
Noninterest expense (GAAP)	\$137,047	\$238,216	\$216,882	\$222,703	\$234,765	\$25,557	\$59,944
Less: Merger-related costs	2,132	20,345	-	-	5,393	8,214	1,917
Operating noninterest expense (non-GAAP)	\$134,915	\$217,871	\$216,882	\$222,703	\$229,372	\$17,343	\$58,027
Noninterest income (GAAP)	\$38,728	\$61,287	\$65,007	\$70,907	\$71,674	\$3,563	\$17,243
Net interest income (FTE) (non-GAAP)	\$156,882	\$263,145	\$260,913	\$275,394	\$290,774	\$25,754	\$76,173
Efficiency ratio (GAAP)	72.0%	75.3%	68.5%	66.3%	66.7%	87.7%	66.1%
Efficiency ratio (FTE) (non-GAAP)	70.1%	73.4%	66.5%	64.3%	64.8%	87.2%	64.2%
Operating efficiency ratio (FTE) (non-GAAP)	69.0%	67.2%	66.5%	64.3%	63.3%	59.2%	62.1%

