

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): May 4, 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 second 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	<a href="#">Union Bankshares Corporation investor presentation</a>

**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: May 4, 2018

By: /s/ Robert M. Gorman

Robert M. Gorman  
Executive Vice President and  
Chief Financial Officer

# Investor Presentation

Nasdaq: UBSH

May/June 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;
- 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, 2017, in our Quarterly Reports on Form 10-Q for the quarters ended March 31, 2018, 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.

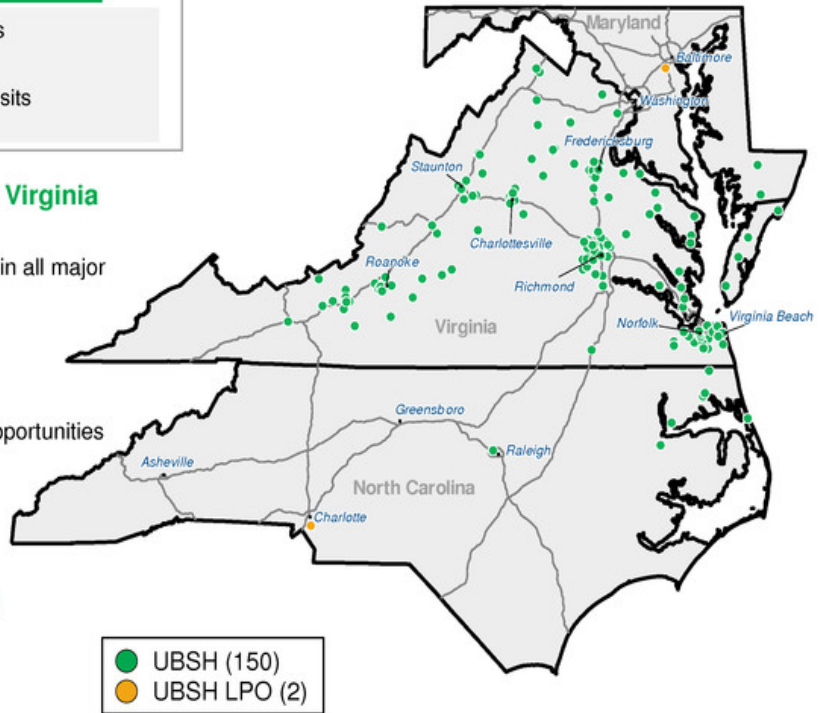
### About Union Bankshares Corporation

Headquartered in Richmond, Virginia, Union Bankshares Corporation (Nasdaq: UBSH) is the holding company for Union Bank & Trust. Union Bank & Trust has 150 branches, 39 of which are operated as Xenith Bank, a division of Union Bank & Trust of Richmond, Virginia, and approximately 216 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. and Dixon, Hubard, Feinour, & Brown, Inc., which both provide investment advisory services, and Union Insurance Group, LLC, which offers various lines of insurance products.

## Highlights (3/31/18)

**\$13.1 billion** in assets      **\$9.8 billion** in loans  
**\$2.5 billion** market capitalization      **\$9.7 billion** in deposits

- 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



## The Right Scale

- Largest Virginia headquartered regional banking company (\$13.1 billion in assets)
- #1 deposit market share ranking in Virginia among Virginia-based banks <sup>(1)</sup>
- 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: 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





## 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
<b>5</b>	<b>Union Bankshares Corp.</b>	<b>8,902</b>	<b>5.4</b>	<b>141</b>
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
<b>Top 10 Banks</b>		<b>\$120,584</b>	<b>73.7 %</b>	<b>1,404</b>
<b>All Institutions in Market</b>		<b>\$163,549</b>	<b>100.0 %</b>	<b>2,349</b>

### Virginia: Banks Headquartered in VA

Rank	Institution	Deposits (\$mm)	Market Share	Branches
<b>1</b>	<b>Union Bankshares Corp.</b>	<b>\$8,902</b>	<b>16.2 %</b>	<b>141</b>
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
<b>Top 10 Virginia Banks</b>		<b>\$34,138</b>	<b>62.0 %</b>	<b>467</b>
<b>All Virginia Institutions in Market</b>		<b>\$55,104</b>	<b>100.0 %</b>	<b>949</b>

*Statewide branch footprint brings unique franchise value*



VIRGINIA'S BEST BANK

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

- State Capital, Fortune 500 headquarters (6), VCU & VCU Medical Center
- *\$2.6 billion in-market deposits and total deposit market share of 11.4%*

## Fredericksburg

- Defense and security contractors, Healthcare, Retail, Real Estate development
- *\$997 million in-market deposits and total deposit market share of 23.5%*

## Charlottesville

- University of Virginia, High-tech and professional businesses, Real Estate development
- *\$497 million in-market deposits and total deposit market share of 10.2%*

## Virginia Beach - Norfolk

- Military, Shipbuilding, Fortune 500 headquarters (3), Tourism
- *\$1.2 billion in-market deposits and total deposit market share of 4.9%*

## Roanoke - Blacksburg

- Virginia Tech, Healthcare, Fortune 500 headquarters (1), Retail
- *\$1.1 billion in-market deposits and total deposit market share of 10.3%*

## Northern Virginia

- Nation's capital, Defense and security contracts, Associations (lobbyists), High-Tech
- *Only two branches in Virginia's largest market*

## Among The Most Attractive Markets in USA

2018 Median HHI (\$)		2018 Population (mm)		
#	State	HHI (\$)	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	<b>Virginia</b>	<b>71,167</b>	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 <b>Virginia</b>	<b>8.5</b>
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)	# 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 <b>Virginia</b>	<b>23</b>
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	<b>Virginia</b>	<b>508</b>	13 Georgia	17
14	Washington	500	14 Massachusetts	13
15	Maryland	393	15 North Carolina	12

**Forbes** ranked Virginia the **5<sup>th</sup> Best State for Business**

- 3<sup>rd</sup> in Labor Supply
- 2<sup>nd</sup> in Regulatory Environment
- 14<sup>th</sup> in Growth Prospects

✓ Virginia has the **20<sup>th</sup> lowest Unemployment Rate** of any state

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

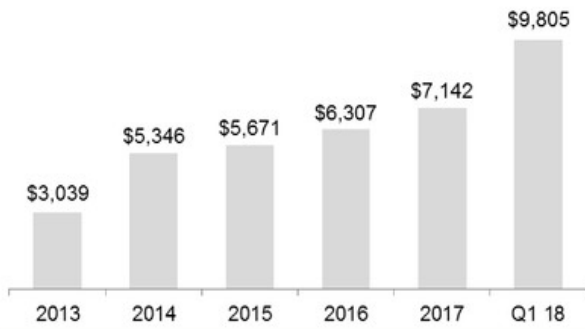
- **11<sup>th</sup> lowest Poverty Rate**
- Virginia is home to **706,626** Small Businesses

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

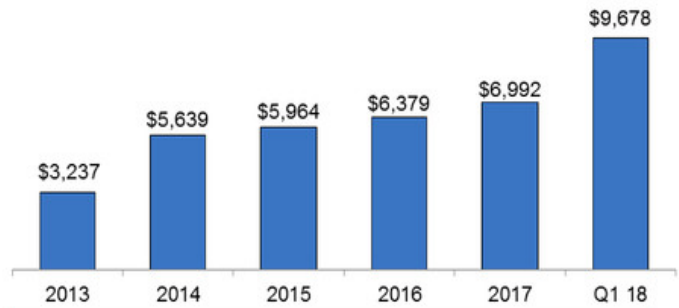
✓ **8<sup>th</sup> most educated state** in America and home to more than **10 elite colleges and universities**

## Balance Sheet and Net Income Trends (GAAP)

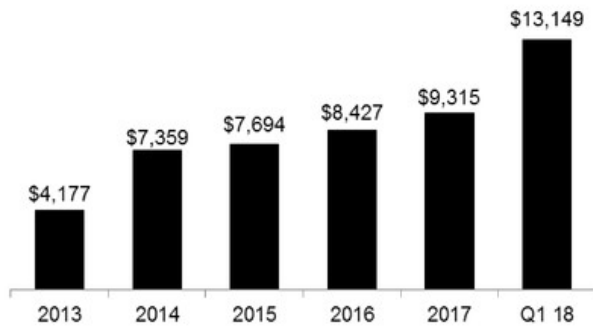
### Loans (\$M)



### Deposits (\$M)



### Assets (\$M)

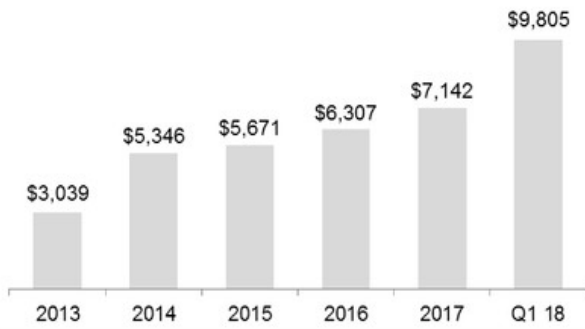


### Net Income (\$)

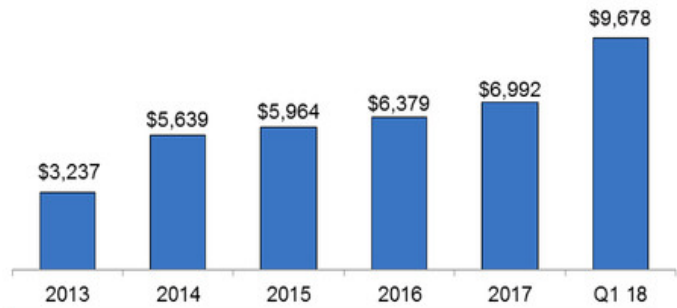


## Balance Sheet and Operating Net Income Trends

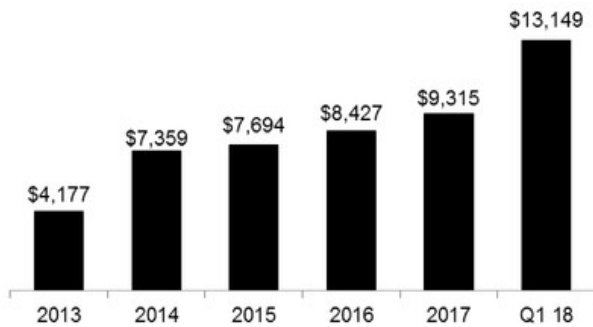
### Loans (\$M)



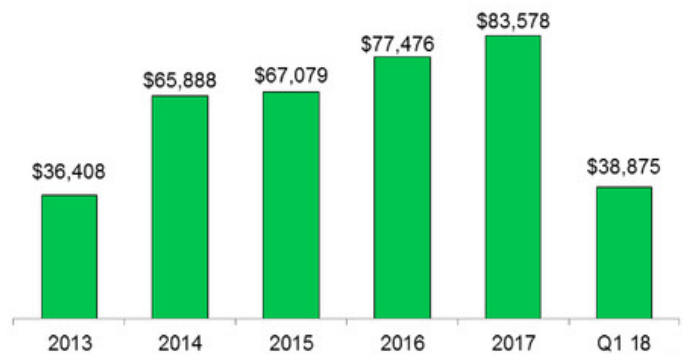
### Deposits (\$M)



### Assets (\$M)



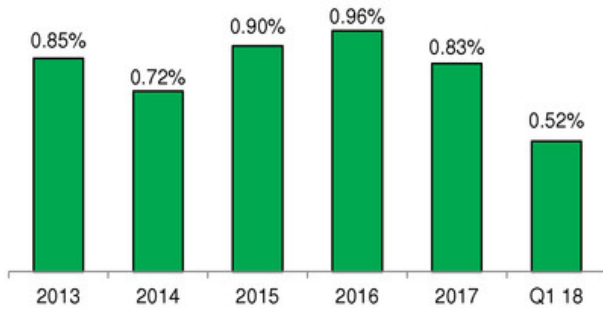
### Operating Net Income<sup>1</sup> (\$)



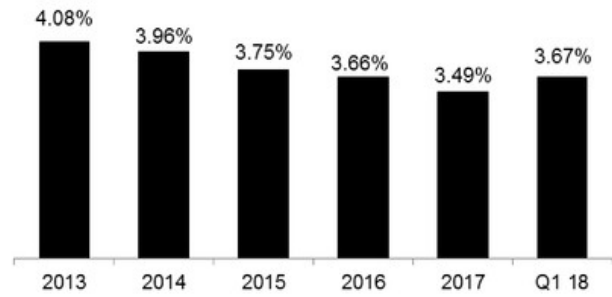
(1) Excludes merger-related costs and nonrecurring tax expenses unrelated to normal operations

## Strong Track Record of Performance (GAAP)

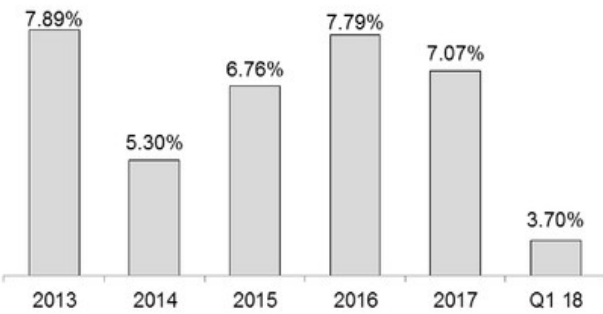
### ROA (%)



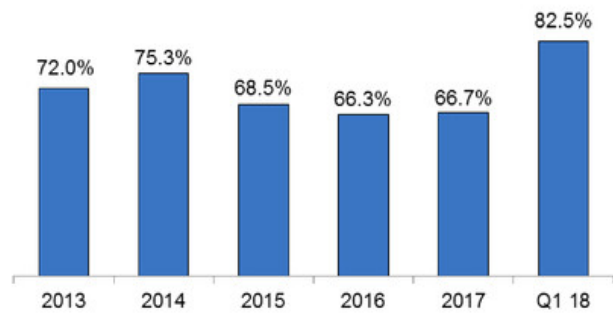
### NIM (%)



### ROE (%)



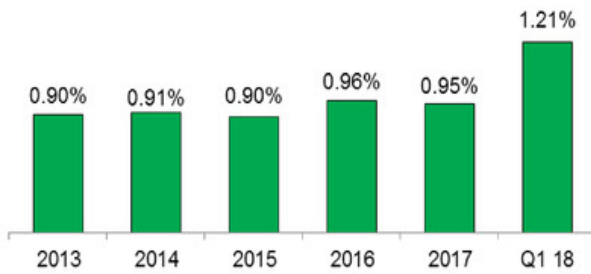
### Efficiency Ratio (%)



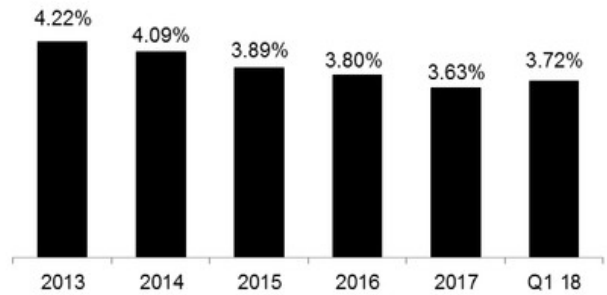
Data as of or for the twelve months ended each respective year, except for Q118 data which is as of or for the three months ended March 31, 2018

## Strong Track Record of Performance (Non-GAAP)

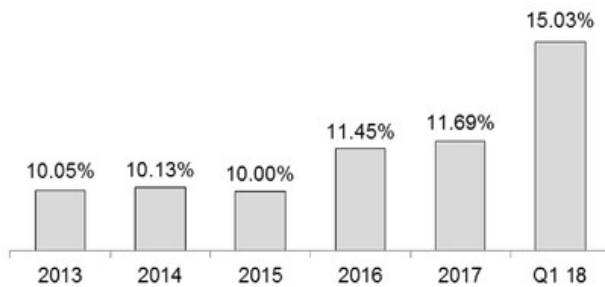
### Operating ROA <sup>(1) (2)</sup> (%)



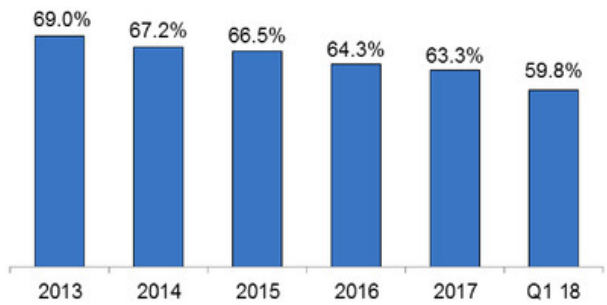
### NIM (FTE) <sup>(2)</sup> (%)



### Operating ROTCE <sup>(1) (2)</sup> (%)



### Operating Efficiency Ratio (FTE) <sup>(1) (2)</sup>



Data as of or for the twelve months ended each respective year, except for Q118 data which is as of or for the three months ended March 31, 2018

(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"

Financial Targets	
<b>Committed to top-tier financial performance</b>	
ROA	1.3% - 1.5%
ROTCE	15% - 17%
Efficiency Ratio	< 55%

- 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
- Adjusted for 21% federal corporate tax rate

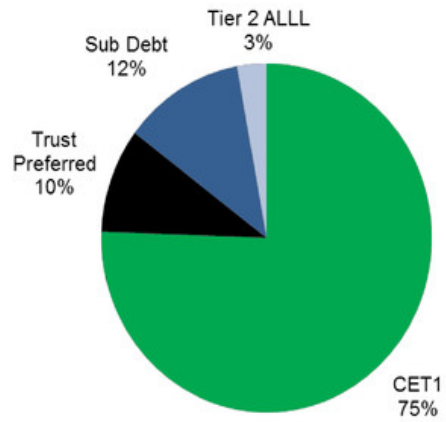


## Solid Capital Position

### Capital Position

TCE / TA <sup>(1)</sup>	8.5%
CET1 Ratio	9.0%
Tier 1 Capital Ratio	10.2%
Total Capital Ratio	12.0%
Leverage Ratio	9.3%
CRE / Total Risk-Based Capital	318%
Dividend Yield <sup>(2)</sup>	2.2%

### Regulatory Capital Composition



**Total Risk Based Capital: \$1,336 mm**

Capital information presented herein is based on estimates and subject to change pending the Company's filing of its FR Y-9C

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

2) Calculated as UBSH's most recent quarterly dividend per share of \$0.21 annualized divided by UBSH per share stock price of \$37.69 as of 4/24/18, expressed as a percentage

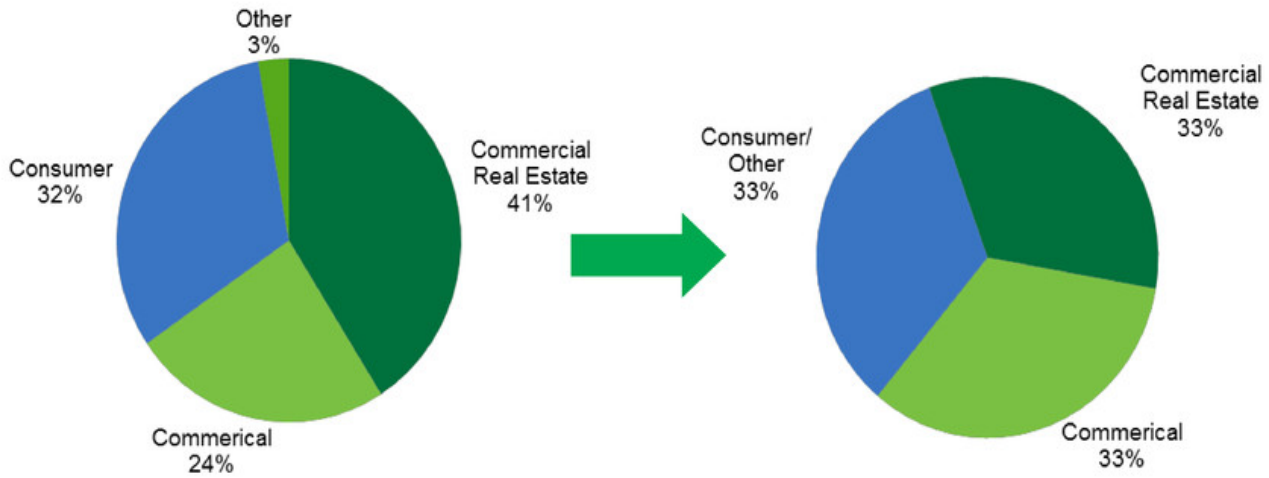
**Loan Composition at March 31, 2018 - \$9.8 Billion**

**Total Loan Portfolio at March 31, 2018**

**Target Composition**

**Composition by Type**

**Target Composition by Type**

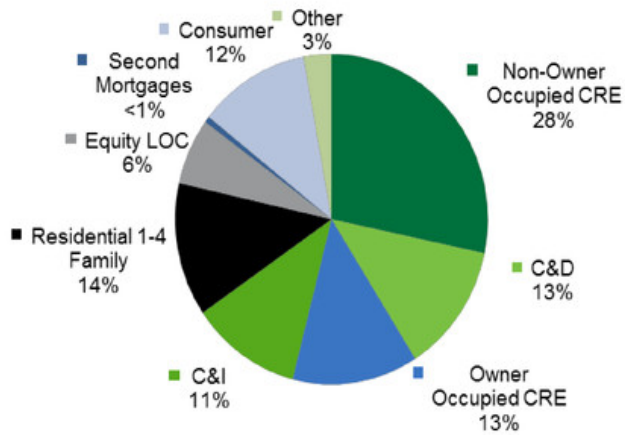


Note: Figures may not total to 100% due to rounding. (1) Other includes loans to non-profits (not secured by real estate), Obligations of States and Political Subdivisions, farm land and all other loans.

## Loan Composition at March 31, 2018 - \$9.8 Billion

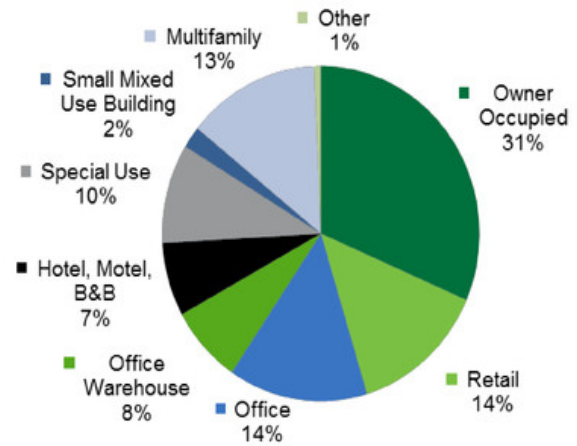
### Total Loan Portfolio

#### Composition by Type



### CRE Composition - \$4.1 Billion

#### CRE Composition by Type



#### Total Portfolio Characteristics

Duration	1.6 years
Weighted Average Coupon (Tax Equivalent)	4.74%

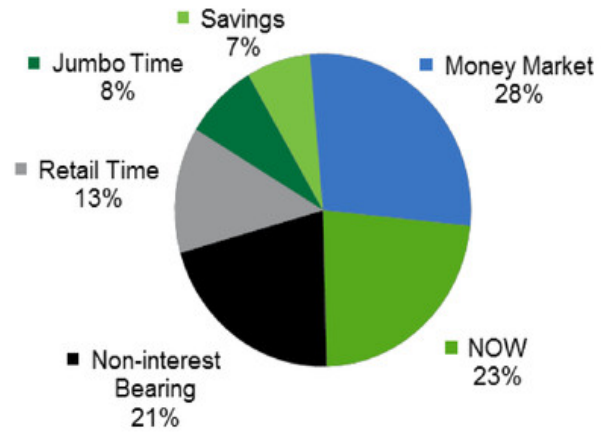
Note: Figures may not total to 100% due to rounding

## Deposit Composition at March 31, 2018 - \$9.7 Billion

### Deposit Base Characteristics

- ✓ Cost of deposits - 48 bps
- ✓ 92% core deposits <sup>(1)</sup>
- ✓ 44% transactional accounts
- ✓ #1 in deposit market share for regional/community banks in Richmond and Charlottesville MSAs and Fredericksburg
- ✓ #2 in deposit market share for regional/community banks in Blacksburg-Christiansburg-Radford MSA

### Deposit Composition



(1) Core deposits defined as total deposits less jumbo time deposits

### 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

**The Right Scale**

- \$13.1 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**  
*Senior Executive Vice President*

- Focused on business development and talent acquisition
- 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



Post Announcement	2018 Focus on Successful Integration	40% Cost Savings + Revenue Initiatives Ramping
<ul style="list-style-type: none"> <li>✓ Announced May 22, 2017</li> <li>✓ Nearly all commercial bankers met by Union management in 6 hours post announcement</li> <li>✓ Multiple town hall meetings</li> <li>✓ Employee retention targets currently met</li> </ul>	<ul style="list-style-type: none"> <li>✓ Closed January 1, 2018</li> <li>✓ Focus on seamless transition with systems conversion targeted for May 2018</li> <li>✓ Leveraging experience of successful conversions and integrations at both companies</li> <li>✓ Continued focus on customer experience, retention and growth</li> </ul>	<ul style="list-style-type: none"> <li>✓ Savings target of 40% of the Xenith expense base, or approximately \$28 million, expected to be fully realized in 2019</li> <li>✓ Intense focus on expanding C&amp;I platform across Virginia, which has included several key new hires</li> <li>✓ More intentional focus on gathering commercial deposits, with banker incentives aligned accordingly</li> </ul>

**Tangible Common Equity**

	<u>As of March 31, 2018</u>
<b><u>Tangible Common Equity</u></b>	
Shareholders' equity (GAAP)	\$ 1,831,077
Less: Intangibles	774,198
Tangible Shareholders' equity (non-GAAP)	\$ 1,056,879
Assets (GAAP)	\$ 13,149,292
Intangibles	774,198
Tangible assets (non-GAAP)	\$ 12,375,094
<b><u>Tangible Common Equity Ratio</u></b>	
Shareholders' equity to assets (GAAP)	13.93%
Tangible common equity ratio (non-GAP)	8.54%

## Net Operating Income

(Dollars in thousands)	Union Standalone					Union
	For the Twelve Months Ended 12/31					Three Months Ended 3/31/18
	2013	2014	2015	2016	2017	
Net income (GAAP)	\$34,366	\$52,164	\$67,079	\$77,476	\$72,923	\$16,639
Plus: Merger-related costs, net of tax	2,042	13,724	-	-	4,405	\$22,236
Plus: Nonrecurring tax expenses	-	-	-	-	\$6,250	-
Net operating earnings (non-GAAP)	\$36,408	\$65,888	\$67,079	\$77,476	\$83,578	\$38,875
Weighted avg. common shares out., diluted						65,636,262
EPS (GAAP)						\$0.25
Operating EPS (non-GAAP)						\$0.59

## Return on Assets (ROA)

(Dollars in thousands)	Union Standalone					Union
	For the Twelve Months Ended 12/31					Three Months Ended 3/31/18
	2013	2014	2015	2016	2017	
Average assets (GAAP)	\$4,051,850	\$7,250,494	\$7,492,895	\$8,046,305	\$8,820,142	\$13,019,572
Net income (loss) (GAAP)	\$34,366	\$52,164	\$67,079	\$77,476	\$72,923	\$16,639
Net operating earnings (non-GAAP)	\$36,408	\$65,888	\$67,079	\$77,476	\$83,578	\$38,875
ROA (GAAP)	0.85%	0.72%	0.90%	0.96%	0.83%	0.52%
Operating ROA (non-GAAP)	0.90%	0.91%	0.90%	0.96%	0.95%	1.21%

### Return on Tangible Common Equity (ROTCE)

(Dollars in thousands)	Union Standalone For the Twelve Months Ended 12/31					Union
	2013	2014	2015	2016	2017	Three Months Ended 3/31/18
Average equity (GAAP)	\$435,635	\$983,727	\$991,977	\$994,785	\$1,030,847	\$1,824,588
Less: Average intangibles	<u>73,205</u>	<u>333,495</u>	<u>320,906</u>	<u>318,131</u>	<u>315,722</u>	<u>775,764</u>
Average tangible common equity (non-GAAP)	\$362,430	\$650,232	\$671,071	\$676,654	\$715,125	\$1,048,824
Net income (GAAP)	\$34,366	\$52,164	\$67,079	\$77,476	\$72,923	\$16,639
Net operating earnings (non-GAAP)	\$36,408	\$65,888	\$67,079	\$77,476	\$83,578	\$38,875
ROE (GAAP)	7.89%	5.30%	6.76%	7.79%	7.07%	3.70%
ROTCE (non-GAAP)	9.48%	8.02%	10.00%	11.45%	10.20%	6.43%
Operating ROTCE (non-GAAP)	10.05%	10.13%	10.00%	11.45%	11.69%	15.03%

### Efficiency Ratio

(Dollars in thousands)	Union Standalone For the Twelve Months Ended 12/31					Union
	2013	2014	2015	2016	2017	Three Months Ended 3/31/18
Noninterest expense (GAAP)	\$137,047	\$238,216	\$216,882	\$222,703	\$234,765	\$104,008
Less: Merger-related costs	2,132	20,345	-	-	5,393	27,712
Operating noninterest expense (non-GAAP)	\$134,915	\$217,871	\$216,882	\$222,703	\$229,372	\$76,296
Noninterest income (GAAP)	\$38,728	\$61,287	\$65,007	\$70,907	\$71,674	\$22,309
Net interest income (FTE) (non-GAAP)	\$156,882	\$263,145	\$260,913	\$275,394	\$290,773	\$105,310
Efficiency ratio (GAAP)	72.0%	75.3%	68.5%	66.3%	66.7%	82.5%
Efficiency ratio (FTE) (non-GAAP)	70.1%	73.4%	66.5%	64.3%	64.8%	81.5%
Operating efficiency ratio (FTE) (non-GAAP)	69.0%	67.2%	66.5%	64.3%	63.3%	59.8%

