

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 13, 2019

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.

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading symbol(s)	Name of each exchange on which registered
Common Stock, par value \$1.33 per share	UBSH	The NASDAQ Global Select Market

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 during the second quarter of 2019. 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>.

This information (including Exhibit 99.1) is furnished and shall not be deemed filed for purposes of Section 18 of the Securities Exchange Act of 1934.

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: May 13, 2019

By: /s/ Robert M. Gorman

Robert M. Gorman
Executive Vice President and
Chief Financial Officer

Investor Presentation

Nasdaq:

UBSH - current

AUB - starting May 20

May 2019


UNION

 **Atlantic
Union Bankshares**

¹ starting May 20, 2019

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 include, without limitation, projections, predictions, expectations or beliefs about future events or results that are not statements of historical fact. Such forward-looking statements are based on various assumptions as of the time they are made, and are inherently subject to known and unknown risks, uncertainties, and other factors that may cause actual results, performance or achievements to be materially different from those expressed or implied by such forward-looking statements. Forward-looking statements are often accompanied by words that convey projected future events or outcomes 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 the “Company”) and its management about future events.

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, or trends affecting, the Company will not differ materially from any projected future results, performance, or achievements or trends expressed or implied by such forward-looking statements. Actual future results, performance, achievements or trends may differ materially from historical results or those anticipated depending on a variety of factors, including, but not limited to:

- changes in interest rates;
- general economic and financial market conditions in the United States generally and particularly in the markets in which the Company operates and which its loans are concentrated, including the effects of declines in real estate values, an increase in unemployment levels and slowdowns in economic growth;
- the Company’s ability to manage its growth or implement its growth strategy;
- the possibility that any of the anticipated benefits of the acquisition of Access National Corporation (together with subsidiaries, “Access”) will not be realized or will not be realized within the expected time period, the expected revenue synergies and cost savings from the acquisition may not be fully realized or realized within the expected time frame, revenues following the acquisition may be lower than expected, or customer and employee relationships and business operations may be disrupted by the acquisition;
- the Company’s ability to recruit and retain key employees;
- the incremental cost and/or decreased revenues associated with exceeding \$10 billion in assets;
- real estate values in the Company’s lending area;
- an insufficient allowance for loan losses;
- the quality or composition of the 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 threats, 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 Tax Cuts and Jobs Act of 2017 (the “Tax Act”), including, but not limited to, the effect of the lower corporate tax rate, including on the valuation of the Company’s tax assets and liabilities;
- changes in the effect of the Tax Act due to issuance of interpretive regulatory guidance or enactment of corrective or supplement legislation;
- monetary and fiscal policies of the U.S. government including policies of the U.S. Department of the Treasury and the Board of Governors of the Federal Reserve System;
- changes to applicable accounting principles and guidelines; and
- other factors, many of which are beyond the control of the Company.

Please refer to the “Risk Factors” and “Management’s Discussion and Analysis of Financial Condition and Results of Operation” sections of the Company’s Annual Report on Form 10-K for the year ended December 31, 2018, comparable “Risk Factor” sections of the Company’s Quarterly Reports on Form 10-Q, and related disclosures in other filings, which have been filed with the Securities and Exchange Commission (the “SEC”), and are available on the SEC’s website at www.sec.gov. All of the forward-looking statements made in this presentation are expressly qualified by the cautionary statements contained or referred to herein. The actual results or developments anticipated may not be realized or, even if substantially realized, they may not have the expected consequences to or effects on the Company or its businesses or operations. You are cautioned not to rely too heavily on the forward-looking statements contained in this presentation. Forward-looking statements speak only as of the date they are made and the Company does not undertake any obligation to update, revise or clarify these forward-looking statements, whether as a result of new information, future events or otherwise.

Additional Information

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 Access 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

This presentation contains certain financial information determined by methods other than in accordance with generally accepted accounting principles in the United States ("GAAP"). These non-GAAP disclosures have limitations as an analytical tool and should not be considered in isolation or as a substitute for analysis of our results as reported under GAAP, nor are they necessarily comparable to non-GAAP performance measures that may be presented by other companies. The Company uses the non-GAAP financial measures discussed herein in its analysis of the Company's performance. The Company's management believes that these non-GAAP financial measures provide additional understanding of ongoing operations, enhance comparability of results of operations with prior periods and show the effects of significant gains and charges in the periods presented without the impact of items or

events that may obscure trends in the Company's underlying performance.

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. No offer of securities shall be made except by means of a prospectus meeting the requirements of the Securities Act of 1933, as amended, and no offer to sell or solicitation of an offer to buy shall be made in any jurisdiction in which such offer, solicitation or sale would be unlawful.

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 155 branches, 15 of which are operated as Access National Bank, a division of Union Bank & Trust of Richmond, Virginia, or Middleburg Bank, a division of Union Bank & Trust of Richmond, Virginia, and seven of which are operated as Xenith Bank, a division of Union Bank & Trust of Richmond, Virginia, and approximately 200 ATMs located throughout Virginia, and in portions of Maryland and North Carolina. Certain non-bank affiliates of the Company include: Old Dominion Capital Management, Inc., and its subsidiary Outfitter Advisors, Ltd., Dixon, Hubard, Feinour, & Brown, Inc., Capital Fiduciary Advisors, LLC, and Middleburg Investment Services, LLC, all of which provide investment advisory and/or brokerage services; Union Insurance Group, LLC, which offers various lines of insurance products; and Middleburg Trust Company, which provides trust services.

The “New Union” Story: FROM VIRGINIA COMMUNITY BANK TO VIRGINIA’S BANK



Virginia’s Bank

- Virginia’s first statewide, independent bank in 20 years
- The alternative to large competitors
- Organic growth model + effective consolidator



The Union “Moat”

- Franchise cannot be replicated
- “Crown jewel” deposit base - 44% transaction accounts
- Dense, compact and contiguous \$16B+ bank



Larger Bank Executive Leadership

- Knows the “seams” of the large institutions & how to compete against them
- Makes tough decisions – think differently, challenge, escape the past
- Accustomed to more complex environment than Union



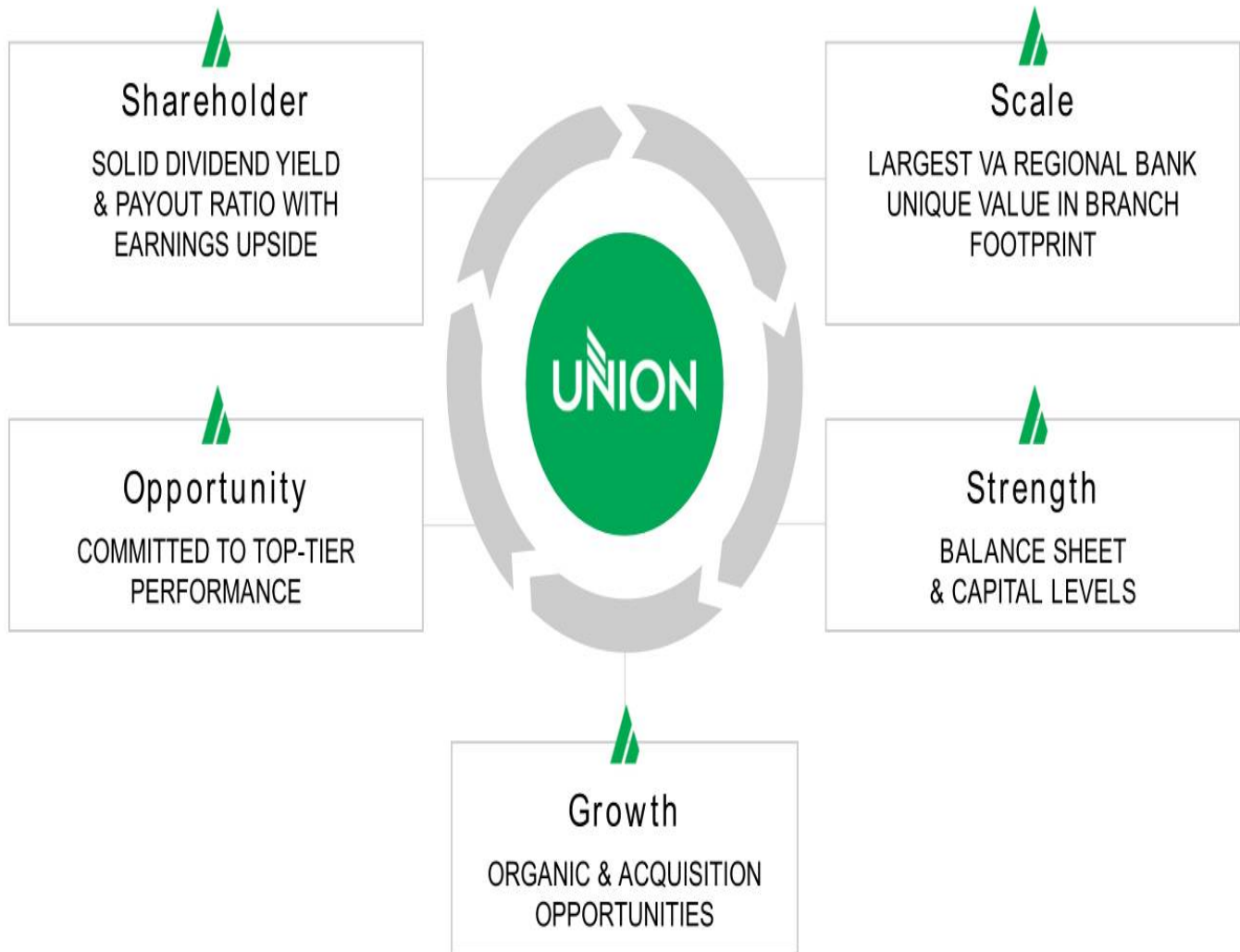
Talent Magnet

- Extensive hiring from larger institutions at all levels
- 25 C&I bankers in 2018, we know the people we hire and rarely use recruiters
- All market leaders and bankers hired from the markets they serve

“Soundness, profitability & growth
in that order of priority”

Underpinning for how we run our company

Our Value Proposition



Our Company

Highlights (\$bn)



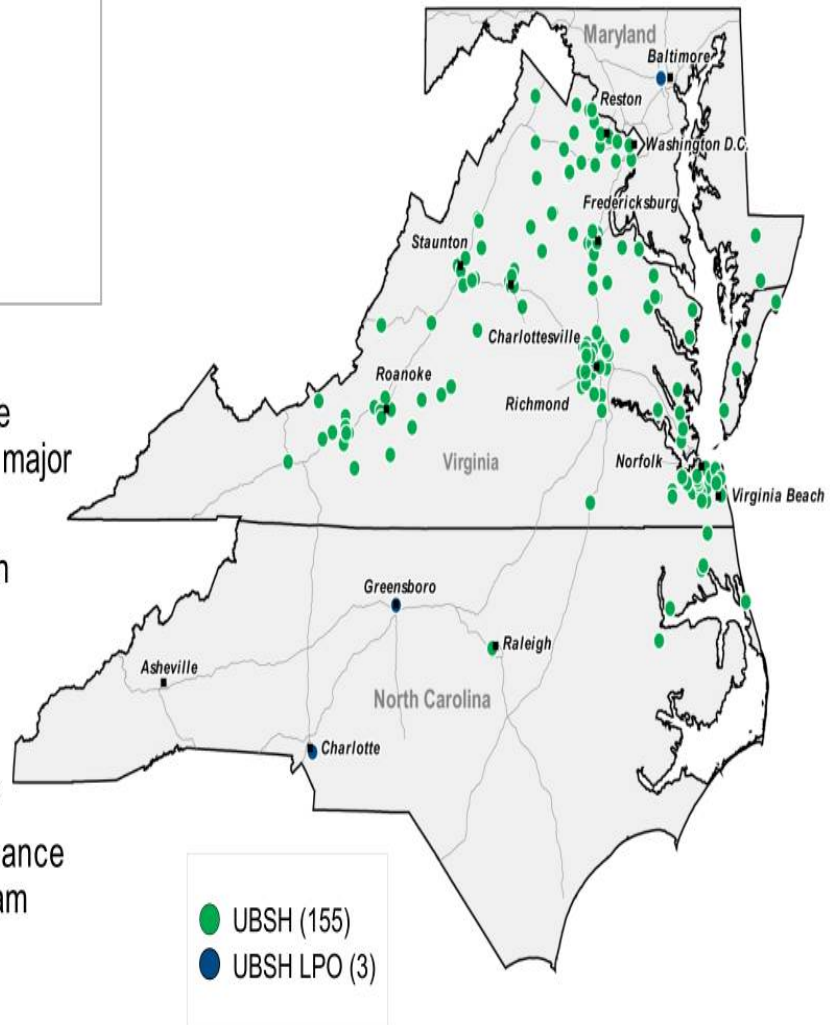
Assets \$16.9

Loans \$12.0

Deposits \$12.5

Market Capitalization \$3.0

Branch Footprint



- Largest regional banking company headquartered in Virginia with statewide Virginia footprint of 146 branches in all major markets
- #1 regional bank¹ deposit market share in Virginia
- Positioned for growth with organic and acquisition opportunities
- Strong balance sheet and capital levels
- Committed to top-tier financial performance with highly experienced management team with ability to execute change

Investment Highlights

The Right Scale



- Largest Virginia headquartered regional banking company (\$16.9 billion in assets)
- #1 deposit market share ranking in Virginia among Virginia-based banks⁽¹⁾
- Operating with a statewide Virginia footprint of 146 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.
- Access acquisition accelerates growth in the attractive Northern Virginia 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 (30+ 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 Access merger cost savings and achieving business synergy opportunities in 2019
- Operating Targets: ROA: 1.4% - 1.6% / ROTCE: 16% - 18% / Efficiency Ratio (FTE): ≤ 50%

Well positioned to take advantage of market disruption

Virginia's Bank

Virginia: All Banks

Rank	Institution	Deposits (\$mm)	Market Share	Branches
1	BB&T Corp	\$39,102	24.6	467
2	Wells Fargo & Co	24,074	15.1	256
3	Bank of America Corp.	17,676	11.1	124
4	Union Bankshares Corp	11,567	7.3	146
5	TowneBank	6,334	4.0	32
6	United Bankshares, Inc.	5,413	3.4	68
7	Capital One Financial Corp.	4,916	3.1	45
8	PNC Financial Services Group Inc.	3,984	2.5	95
9	Carter Bank & Trust	3,254	2.0	78
10	Burke & Herbert Bank & Trust Co.	2,330	1.5	25
Top 10 Banks		\$118,649	74.5	1,327
All Institutions in Market		\$159,297	100.00	2,245

Virginia: Banks Headquartered in VA

Rank	Institution	Deposits (\$mm)	Market Share	Branches
1	Union Bankshares Corp.	11,567	20.6	146
2	TowneBank	6,334	11.3	32
3	Capital One Financial Corp.	4,916	8.8	45
4	Carter Bank & Trust	3,254	5.8	78
5	Burke & Herbert Bank & Trust Co.	2,330	4.2	25
6	Southern National Bancorp of Virginia	1,736	3.1	42
7	American National Bankshares, Inc.	1,530	2.7	22
8	First Bancorp Inc.	1,318	2.4	19
9	C&F Financial Corp.	1,194	2.1	26
10	National Bankshares Inc.	1,069	1.9	25
Top 10 Banks		\$35,247	62.8	460
All Institutions in Market		\$56,092	100.00	922

Statewide branch footprint brings unique franchise value

Forbes2018

**BEST-IN-STATE
BANKS**

Powered by STATISTA



Source: SNL Financial and FDIC deposit data
 Deposit data as of 6/30/18; pro forma for announced transactions
 Note: Excludes branches with deposits greater than \$1.0 billion

Enhancing Our Presence in Key Markets

Virginia

Rank	Institution	Deposits (\$mm)	Market Share	Branches
1	BB&T Corp	\$39,102	24.6	467
2	Wells Fargo & Co	24,074	15.1	256
3	Bank of America Corp.	17,676	11.1	124
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5	TowneBank	6,334	4.0	32
6	United Bankshares Inc.	5,413	3.4	69
7	Capital One Financial Corp.	4,916	3.1	49
8	PNC Financial Services Group Inc.	3,984	2.5	94
9	Carter Bank & Trust	3,254	2.0	78
10	Burke & Herbert Bank & Trust Co.	2,330	1.5	25

Northern Virginia ⁽¹⁾

Rank	Institution	Deposits (\$mm)	Market Share	Branches
1	BB&T Corp.	\$15,771	23.08	142
2	Bank of America Corp.	10,383	15.20	56
3	Wells Fargo & Co.	10,094	14.77	78
4	Capital One Financial Corp.	5,856	8.57	45
5	United Bankshares Inc.	5,541	8.11	44
6	PNC Financial Services Group Inc.	2,973	4.35	70
7	Union Bankshares Corp.	2,819	4.13	18
8	Burke & Herbert Bank & Trust Co.	2,330	3.41	25
9	Toronto-Dominion Bank	1,739	2.55	24
10	Sandy Spring Bancorp Inc.	1,530	2.24	15

Washington-Arlington-Alexandria, DC-VA-MD-WV MSA

Rank	Institution	Deposits (\$mm)	Market Share	Branches
1	BB&T Corp.	27,246,209	18.8	305
2	Bank of America Corp.	23,640,135	16.3	147
3	Wells Fargo & Co.	16,230,844	11.2	154
4	Capital One Financial Corp.	15,531,299	10.7	109
5	PNC Financial Services Group Inc.	10,295,506	7.1	177
6	United Bankshares Inc.	6,771,366	4.7	64
7	Citigroup Inc.	5,853,000	4.0	30
8	Sandy Spring Bancorp Inc.	4,864,852	3.4	47
9	M&T Bank Corp.	4,362,246	3.0	74
10	Union Bankshares Corp.	4,026,289	2.8	34



Source: S&P Global Market Intelligence

Note: Deposit data excludes branches with deposits greater than \$1 billion

Deposit data as of 6/30/18; pro forma for announced transactions

(1) Includes the following counties: Alexandria (City), Arlington, Fairfax, Fairfax (City), Falls Church (City), Fauquier, Loudon, Manassas Park (City), Manassas (City) and Prince William

Our Acceleration Strategy

Establish Focus



- Set the vision
 - Recreate a Virginia regional bank
 - Take back what was lost
- Establish strategic priorities
- Align goals & compensation to priorities
- Make tough decisions
- Divest non-strategic businesses
 - Union Mortgage Group
 - Marine Finance
 - GreenSky

Design for Success



- Put the right team on the field
- Position as alternative to large banks
 - Compete on better customer experience, local decision making
 - Differentiate on responsiveness, flexibility, local market knowledge and presence
- Scalable model; new market replicable
- Build the C&I team and new Treasury Management platform
- Enhance technology and operational change management competency

Drive-to-Scale



- Press for advantage
- Efficiently crossed \$10B with Xenith acquisition (\$3.3B)
 - The only C&I bank in Richmond, had Northern Virginia C&I team
 - Significant Coastal Virginia retail banking
- Completed the jigsaw puzzle with acquisition of Access National Bank (\$2.9B)
 - The only C&I bank in Northern VA
 - Affluent retail banking and wealth management from Middleburg Bank division
- Acquired two Registered Investment Advisors

WE HAVE MOVED QUICKLY WHILE IMPROVING FINANCIAL PERFORMANCE TOWARD TOP-TIER TARGETS

WE HAVE PROVEN WE ARE WILLING AND ABLE TO MAKE CHANGE HAPPEN

Diversity Supports Growth In Virginia

Richmond



State Capital, Fortune 500 headquarters (7), 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, Fortune 500 headquarters (10) Defense and security contracts, Associations (lobbyists), High-Tech

- ~25% of franchise in fast growing, affluent market

Among The Most Attractive Markets in USA

Virginia

#	State	HHI (\$)
1	District of Columbia	\$82,192
2	Maryland	81,294
3	Hawaii	80,637
4	Alaska	79,735
5	New Jersey	78,317
6	Massachusetts	77,248
7	Connecticut	76,633
8	New Hampshire	75,742
9	Virginia	71,167
10	California	71,061
11	Washington	69,697
12	Utah	69,694
13	Colorado	69,546
14	Minnesota	68,744
15	New York	66,418

2018 Population (mm)

#	State	Pop. (mm)
1	California	39.7
2	Texas	28.5
3	Florida	21.1
4	New York	19.8
5	Pennsylvania	12.8
6	Illinois	12.8
7	Ohio	11.6
8	Georgia	10.5
9	North Carolina	10.3
10	Michigan	9.9
11	New Jersey	9.0
12	Virginia	8.5
13	Washington	7.4
14	Arizona	7.1
15	Massachusetts	6.9

GDP (\$bn)

#	State	GDP(\$bn)
1	California	\$2,802
2	Texas	1,747
3	New York	1,564
4	Florida	984
5	Illinois	836
6	Pennsylvania	768
7	Ohio	661
8	New Jersey	602
9	Georgia	564
10	North Carolina	547
11	Massachusetts	537
12	Virginia	518
13	Washington	517
14	Michigan	513
15	Maryland	401

Fortune 500 Companies

#	State	# Companies
1	New York	58
2	California	49
3	Texas	48
4	Illinois	37
5	Ohio	25
6	New Jersey	22
7	Virginia	21
8	Pennsylvania	20
9	Minnesota	19
10	Florida	18
11	Michigan	17
12	Georgia	17
13	Connecticut	16
14	Massachusetts	12
15	Tennessee	12



ranked Virginia the 4th Best State for Business



ranked Virginia the 4th Best State for Business

- 3rd in Labor Supply
- 1st in Regulatory Environment
- 16th in Growth Prospects

Virginia has the 6th Lowest Unemployment Rate of any state



ranked Virginia 13th for Economic Opportunity

- 11th lowest Poverty Rate
- Virginia is home to 723,962 Small Businesses – 99.5% of Virginia businesses



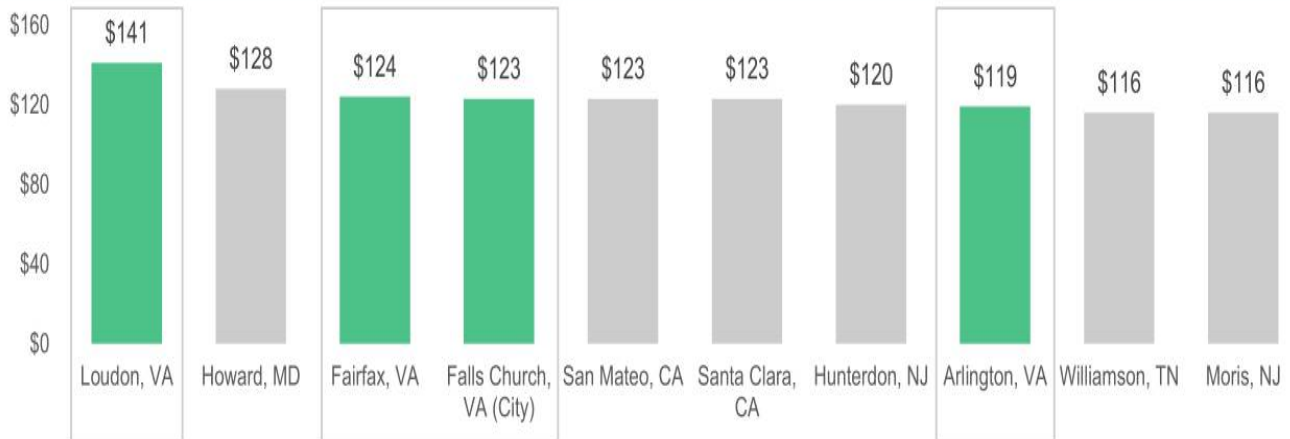
ranked Virginia 11th of *America's Best States to Live In*

7th most educated state in America and home to more than 10 elite colleges & universities

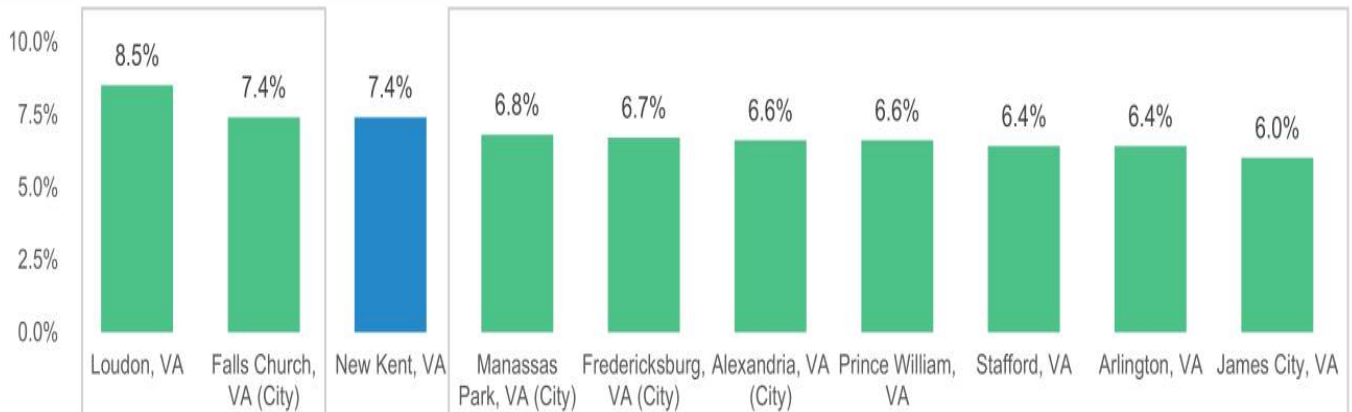
Northern Virginia Market Highlights

Opportunity in Fast-Growing, Affluent Markets

Top 10 Counties in the U.S. – Median HH Income (\$000s) ⁽¹⁾



Top 10 Counties in Virginia – Projected 5-Yr Pop. Growth



Union's 2019 Strategic Priorities

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

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

Strengthen Digital Capabilities



- ✦ Modernize customer experience with more digital capabilities
- ✦ Achieve digital parity with larger players especially in mass market/mass affluent
- ✦ Enhance features for wider usage and resolve top customer requests

Make Banking Easier



- ✦ Create compelling products and services
- ✦ Deliver hi-tech and hi-touch experiences
- ✦ Differentiated marketing highlighting our capabilities

Integrate Access



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

Brand Transition - A Unified Bank Brand Across All Markets

On May 20, we are rebranding Union Bank & Trust to Atlantic Union Bank to reduce brand complexity and ensure recognition and clarity in the marketplace.

Maintaining 'Union' in the new brand is key because it represents the unification of multiple banks that have come together over time to deliver better banking to our customers and has been a focal point for nearly 100 years.



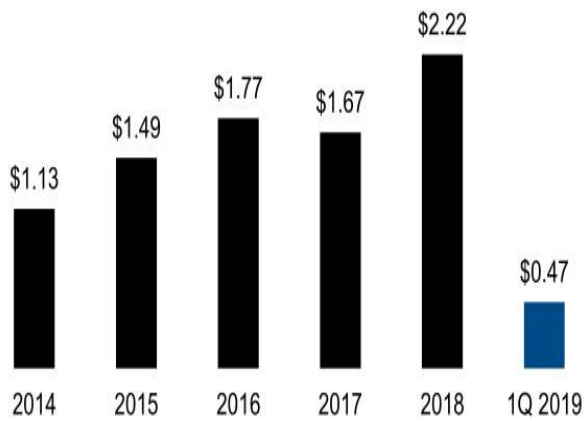
THE NEW NAME REFERENCES OUR GEOGRAPHIC EXPANSION THROUGHOUT THE MID-ATLANTIC REGION FROM MARYLAND TO NORTH CAROLINA.

Balance Sheet Trends (GAAP)

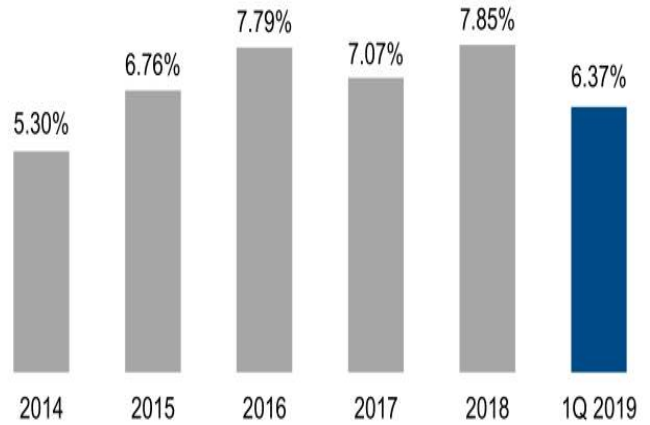


Strong Track Record of Performance (GAAP)

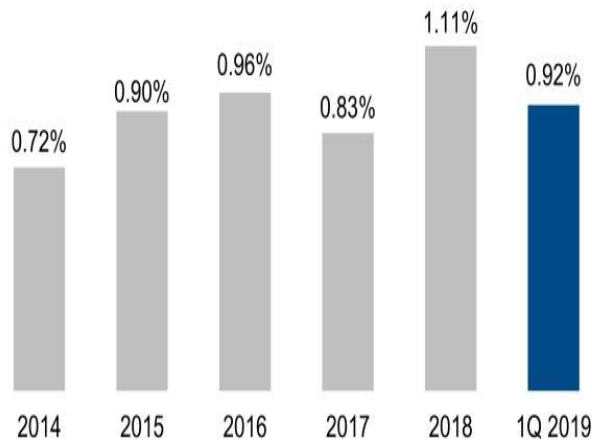
Earnings Per Share
(\$)



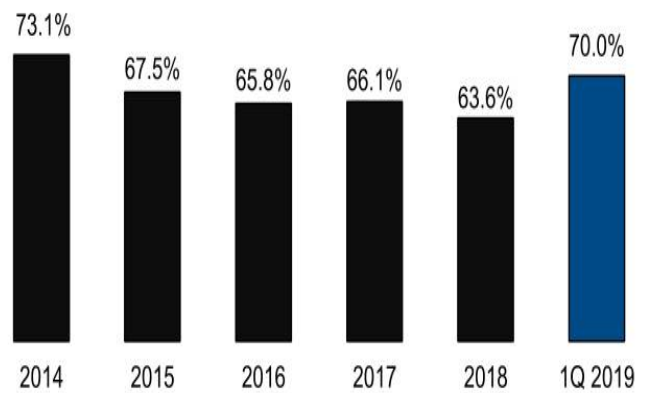
Return on Equity (ROE)
(%)



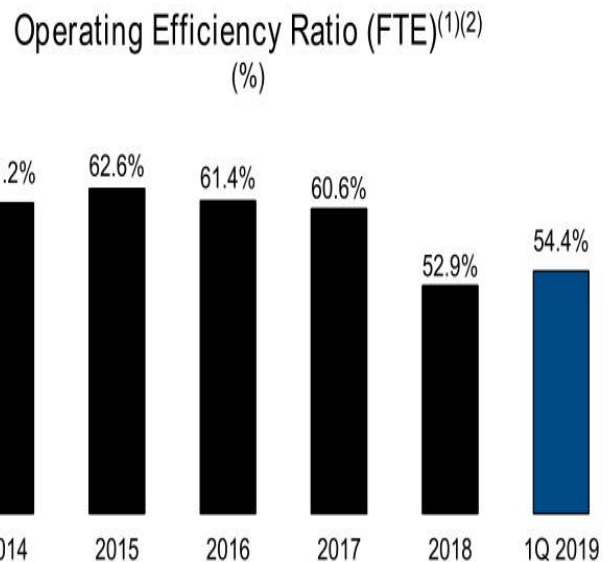
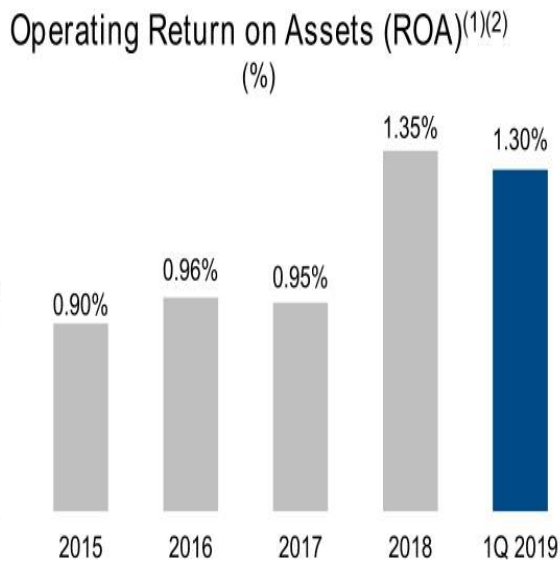
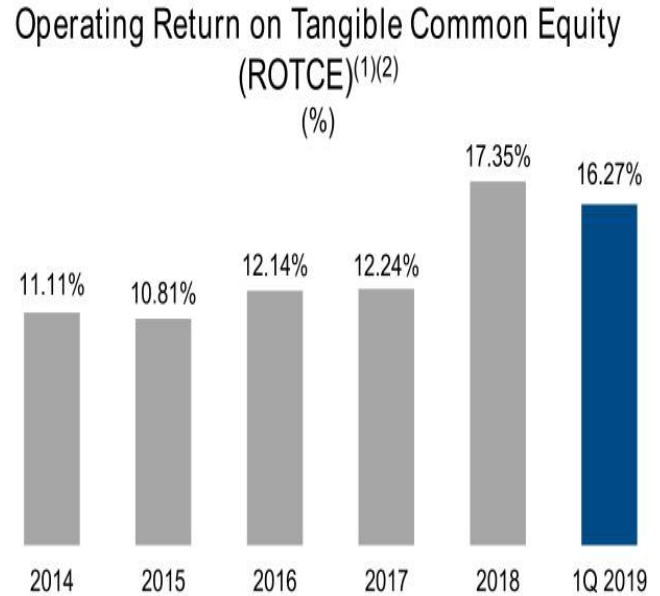
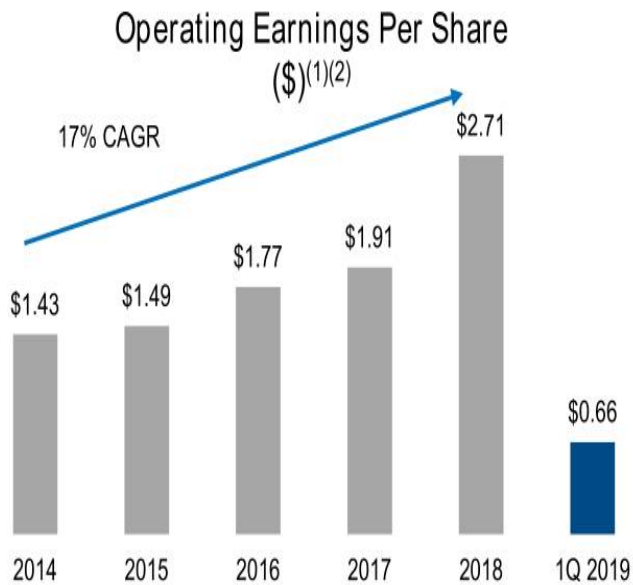
Return on Assets (ROA)
(%)



Efficiency Ratio
(%)



Strong Track Record of Performance (Non-GAAP)



Financial Targets

Committed to top-tier financial performance



ROA

1.4% - 1.6%

Union is committed to achieving top tier financial performance and providing our shareholders with above average returns on their investment

ROTCE

16% - 18%



Efficiency Ratio (FTE)

≤ 50%

Key financial performance operating metrics benchmarked against top quartile peers

Solid Capital Position

Union – Capital Position as of 3/31/19

TCE / TA ¹	9.1%
CET1 Ratio	10.3%
Tier 1 Capital Ratio	10.3%
Total Capital Ratio	12.7%
Leverage Ratio	9.5%
CRE / Total Risk-Based Capital (Bank)	296%

Capital Management

Capital Targets



- Union establishes capital targets based on the following objectives:
 - Maintain designation as a “well capitalized” institution under fully phased-in Basel III regulatory definitions
 - Ensure capital levels are commensurate with the company’s risk profile, capital stress test projections, and strategic plan objectives

Capital Management Priorities



1. Support Organic Growth
2. Dividend payout ratio targeted at 35-40%
3. Common Stock Repurchases
4. Merger & acquisition activity

Excess Capital

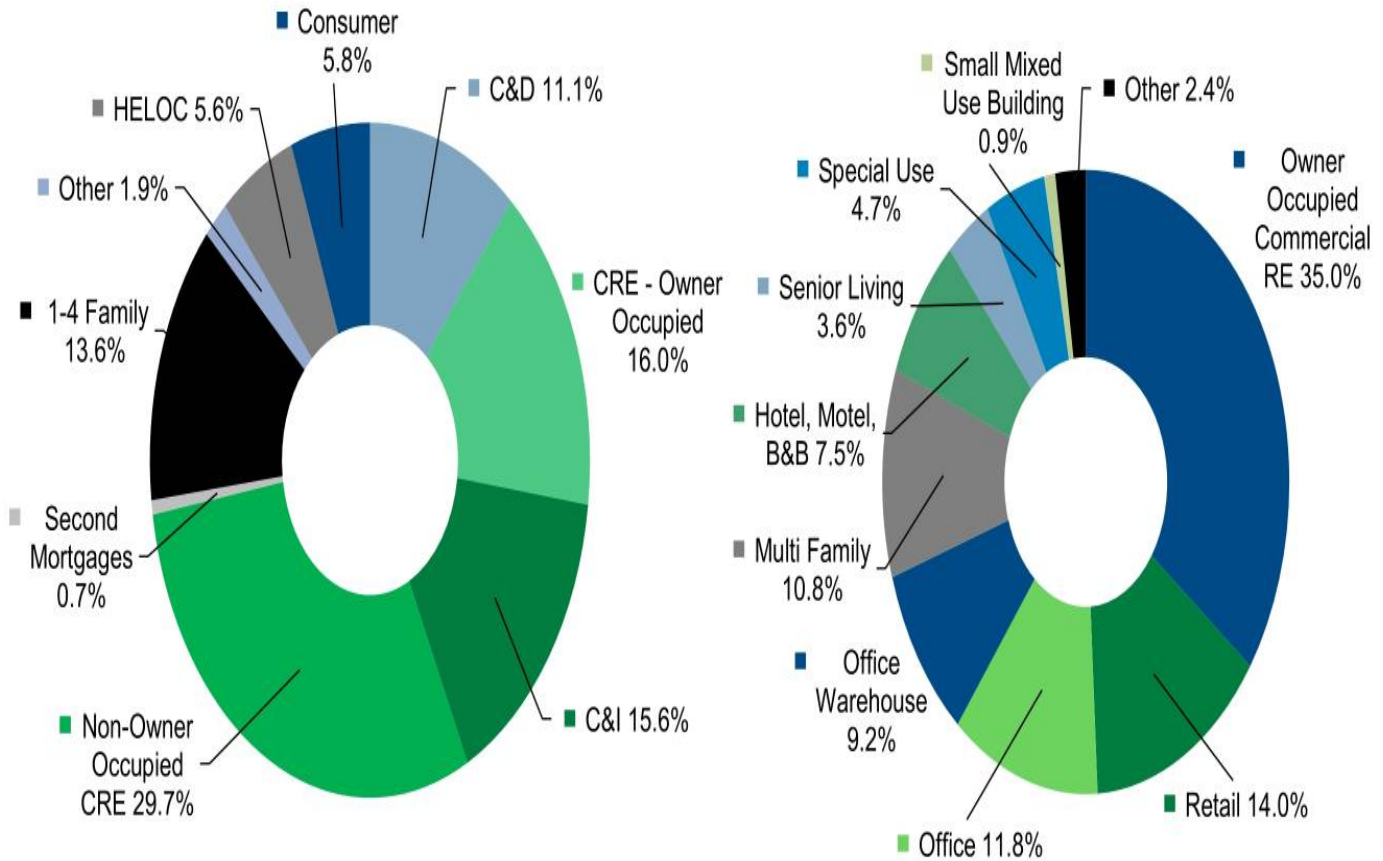


- Union’s Tangible Common Equity Ratio target is 8.5%
- TCE above 8.5% is considered excess capital assuming “well capitalized” regulatory capital ratios are maintained
- Excess capital can be deployed for share repurchases, higher shareholder dividends and/or acquisitions

Diversified and Granular Loan Portfolio

Total Loan Portfolio \$ 12.0 billion at March 31, 2019

CRE Composition - \$5.5 Billion



Total Portfolio Characteristics

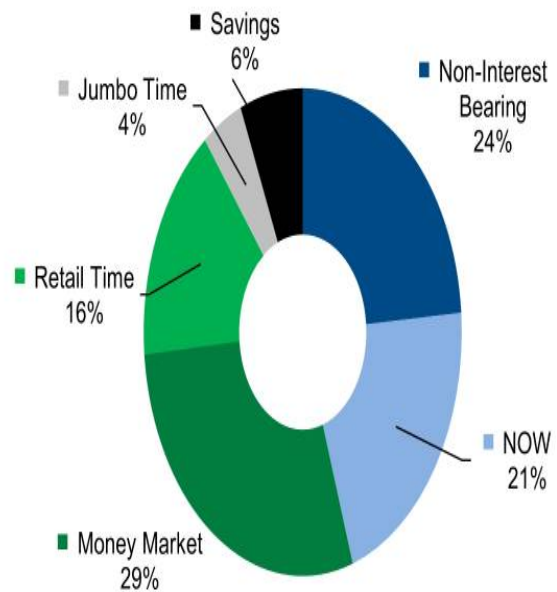
Duration	1.6 years
QTD Weighted Average Yield (Tax Equivalent)	5.27%

Attractive Core Deposit Base

Deposit Base Characteristics

Deposit Composition at March 31, 2019 - \$12.5 Billion

- ✓ QTD Cost of deposits – 86 bps
- ✓ 96% core deposits ⁽¹⁾
- ✓ 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



Investment Thesis

The Right Scale



- \$16.9 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 Northern Virginia, 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 operating performance
- ROA: 1.4% - 1.6%
- ROTCE: 16% - 18%
- Efficiency Ratio¹: $\leq 50\%$

Well positioned to take advantage of market disruption

Appendix



Executive Management Team



John Asbury
President & CEO

- 2+ years at Union
- 30+ 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



Maria Tedesco
President Union Bank & Trust

- Joined October 2018
- 30+ years of experience in the banking industry
- Former Chief Operating Officer for Retail at BMO Harris.



Robert Gorman
CFO

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



David Ring
Commercial Banking Group Executive

- 1+ years Union
- 30+ years of experience in the banking industry
- Former Head of Commercial Banking – Atlantic Region at Wells Fargo



Shawn O'Brien
Consumer Banking Group Executive

- Joined February 2019
- 20+ years of experience in the banking industry
- Former Executive Director, Consumer Segment Group and Business Planning – BBVA Compass



Robert Martin
President, Union Wealth Management

- 6 years at Union
- 25+ years of experience in banking, financial services and wealth management
- Former Sun Trust Private Wealth

Reconciliation of Non-GAAP Disclosures

Tangible Common Equity

As of March 31, 2019

Common equity (GAAP)	\$2,459,465
Less: Goodwill and Amortizable Intangibles	\$1,016,313
<hr/>	
Tangible Common equity (non-GAAP)	\$1,443,152
Assets (GAAP)	\$16,897,655
Less: Goodwill and Amortizable Intangibles	\$1,016,313
<hr/>	
Tangible assets (non-GAAP)	\$15,881,342
Tangible Common Equity Ratio	
Shareholders' equity to assets (GAAP)	14.56%
Tangible common equity ratio to tangible assets (non-GAAP)	9.09%

Reconciliation of Non-GAAP Disclosures

Operating Earnings Per Share

(\$ IN THOUSANDS)	For the 12 Months Ended					For the 3 Months Ended
	2014	2015	2016	2017	2018	3/31/2019
Net income (GAAP)	\$52,164	\$67,079	\$77,476	\$72,923	\$146,248	\$35,631
Plus: Merger-related costs, net of tax	\$13,724	-	-	4,405	32,065	\$14,566
Plus: Nonrecurring tax expenses	-	-	-	6,250	-	-
Net operating earnings (non-GAAP)	\$65,888	\$67,079	\$77,476	\$83,578	\$178,313	\$50,197
Weighted avg. common shares out., diluted	46,130,895	45,138,891	43,890,271	43,779,744	65,908,571	76,553,066
Earnings per share (GAAP)	\$1.13	\$1.49	\$1.77	\$1.67	\$2.22	\$0.47
Operating EPS (non-GAAP)	\$1.43	\$1.49	\$1.77	\$1.91	\$2.71	\$0.66

Reconciliation of Non-GAAP Disclosures

Return on Assets (ROA)

(\$ IN THOUSANDS)	For the 12 Months Ended					For the 3 Months Ended
	2014	2015	2016	2017	2018	3/31/2019
Average assets (GAAP)	\$7,250,494	\$7,492,895	\$8,046,305	\$8,820,142	\$13,181,609	\$15,699,743
Net income (loss) (GAAP)	\$52,164	\$67,079	\$77,476	\$72,923	\$146,248	\$35,631
Net operating earnings (non-GAAP)	\$65,888	\$67,079	\$77,476	\$83,578	\$178,313	\$50,197
ROA (GAAP)	0.72%	0.90%	0.96%	0.83%	1.11%	0.92%
Operating ROA (non-GAAP)	0.91%	0.90%	0.96%	0.95%	1.35%	1.30%

Reconciliation of Non-GAAP Disclosures

Return on Tangible Common Equity (ROTCE)

(\$ IN THOUSANDS)	For the 12 Months Ended					For the 3 Months Ended
	2014	2015	2016	2017	2018	3/31/2019
Average equity (GAAP)	\$983,727	\$991,977	\$994,785	\$1,030,847	\$1,863,216	\$2,268,395
Less: Avg Goodwill and Amortizable Intangibles	\$333,495	\$320,906	\$318,131	\$315,722	\$776,944	\$934,344
Avg tangible common equity (non-GAAP)	\$650,232	\$671,071	\$676,654	\$715,125	\$1,086,272	\$1,334,051
Net income (GAAP)	\$52,164	\$67,079	\$77,476	\$72,923	\$146,248	\$35,631
Plus: Amortization of intangibles, tax effected	\$6,367	\$5,489	\$4,687	\$3,957	\$10,143	\$3,332
Net operating earnings (non-GAAP)	\$58,531	\$72,568	\$82,163	\$76,880	\$156,391	\$38,963
Net operating earnings (non-GAAP)	\$65,888	\$67,079	\$77,476	\$83,578	\$178,313	\$50,197
Plus: Amortization of intangibles, tax effected	\$6,367	\$5,489	\$4,687	\$3,957	\$10,143	\$3,332
Net Income before amortization of intangibles (non-GAAP)	\$72,255	\$72,568	\$82,163	\$87,535	\$188,456	\$53,529
ROE (GAAP)	5.30%	6.76%	7.79%	7.07%	7.85%	6.37%
ROTCE (non-GAAP)	9.00%	10.81%	12.14%	10.75%	14.40%	11.84%
Operating ROTCE (non-GAAP)	11.11%	10.81%	12.14%	12.24%	17.35%	16.27%

Reconciliation of Non-GAAP Disclosures

Efficiency Ratio

(\$ IN THOUSANDS)

	For the 12 Months Ended					For the 3 Months Ended
	2014	2015	2016	2017	2018	3/31/2019

Noninterest expense (GAAP)	\$222,419	\$206,310	\$213,090	\$225,668	\$337,767	\$106,728
Less: Merger-related costs	\$20,345	-	-	\$5,393	\$39,728	\$18,122
Less: Amortization of intangible assets	\$9,795	\$8,445	\$7,210	\$6,088	\$12,893	\$4,218
Operating noninterest expense (non-GAAP)	\$192,279	\$197,865	\$205,880	\$214,187	\$285,200	\$84,388
Noninterest income (GAAP)	\$51,220	\$54,993	\$59,849	\$62,429	\$104,241	\$24,938
Net interest income (FTE) (non-GAAP)	\$263,145	\$260,913	\$275,394	\$290,774	\$434,884	\$130,295
Efficiency ratio (GAAP)	73.1%	67.5%	65.8%	66.1%	63.6%	70.0%
Efficiency ratio (FTE) (non-GAAP)	70.8%	65.3%	63.6%	63.9%	62.7%	68.8%
Operating efficiency ratio (FTE)(non-GAAP)	61.2%	62.6%	61.4%	60.6%	52.9%	54.4%

Reconciliation of Non-GAAP Disclosures

Net Interest Margin

(\$ IN THOUSANDS)	For the 12 Months Ended					For the 3 Months Ended
	2014	2015	2016	2017	2018	3/31/2019
Net interest income (GAAP)	\$253,213	\$250,450	\$263,966	\$279,007	\$426,691	\$127,547
FTE adjustment	\$9,932	\$10,463	\$11,428	\$11,767	\$8,193	\$2,748
Net interest income (FTE) (non-GAAP)	\$263,145	\$260,913	\$275,394	\$290,774	\$434,884	\$130,295
Average earning assets	\$6,437,681	\$6,713,239	\$7,249,090	\$8,016,311	\$11,620,893	\$13,891,248
Net interest margin (GAAP)	3.93%	3.73%	3.64%	3.48%	3.67%	3.72%
Net interest margin (FTE) (non-GAAP)	4.09%	3.89%	3.80%	3.63%	3.74%	3.80%

