

**United States**  
**SECURITIES AND EXCHANGE COMMISSION**  
Washington, D.C. 20549

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**FORM 8-K**

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

**Date of Report (Date of earliest event reported): December 15, 2008**

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**UNION BANKSHARES CORPORATION**

(Exact name of registrant as specified in its charter)

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**Virginia**  
(State or other jurisdiction  
of incorporation)

**0-20293**  
(Commission File Number)

**54-1598552**  
(I.R.S. Employer  
Identification No.)

**211 North Main Street**  
**P.O. Box 446**  
**Bowling Green, Virginia 22427**  
(Address of principal executive offices, including Zip Code)

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

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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 13c-4(c) under the Exchange Act (17 CFR 240.13c-4(c))

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**Item 8.01 Other Events.**

On December 15, 2008, Union Bankshares Corporation (“the Company”) issued a press release announcing that it has received preliminary approval from the U. S. Treasury to participate in the Treasury’s TARP Capital Purchase Program. The final approval of the Treasury and closing of the transaction is subject to the Treasury’s standard terms, closing conditions and documentation. Upon approval, the Company would issue to the U. S. Treasury up to \$59 million of preferred stock and warrants to purchase common stock. The Company expects closing to occur prior to December 31, 2008. A copy of the Company’s press release is attached as Exhibit 99.1 to this report and is incorporated herein by reference.

In addition, on December 16, 2008, the Company sent a letter to its bank account customers and shareholders announcing its preliminary approval from the U.S. Treasury to participate in the Capital Purchase Program. A copy of the Company’s press release is attached as Exhibit 99.2 to this report and is incorporated herein by reference.

**Item 9.01 Financial Statements and Exhibits.**

(d) *Exhibits.*

99.1 Union Bankshares Corporation press release dated December 15, 2008

99.2 Union Bankshares Corporation letter to bank account customers and shareholders dated December 16, 2008

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**SIGNATURES**

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

UNION BANKSHARES CORPORATION

Date: December 19, 2008

By: /s/ D. Anthony Peay  
D. Anthony Peay  
Executive Vice President and Chief Financial Officer



**Contact:** D. Anthony Peay - (804) 632-2112  
Executive Vice President/ Chief Financial Officer

**Distribute to:** Virginia State/Local News lines, NY Times, AP, Reuters, S&P, Moody's, Dow Jones, Investor Relations Service

**December 15, 2008**

**Traded: NASDAQ**

**Symbol: UBSH**

**UNION BANKSHARES CORPORATION RECEIVES PRELIMINARY APPROVAL UNDER  
TREASURY CAPITAL PURCHASE PROGRAM**

FOR IMMEDIATE RELEASE (Bowling Green, Virginia) — Union Bankshares Corporation (the “Company”) (NASDAQ: UBSH—News), the parent company of Union Bank and Trust Company, Northern Neck State Bank, and Rappahannock National Bank, today announced it has received preliminary approval for a \$59 million investment from the U. S. Treasury under the Treasury Capital Purchase Program. The program was designed to attract broad participation by healthy financial institutions to expand the flow of credit to consumers and businesses and promote the sustained growth and vitality of the U. S. economy.

Under the program, the Company would issue to the U. S. Treasury up to \$59 million of preferred stock and warrants to purchase. The preferred shares would be non-voting and will pay a dividend of 5% annually for the first five years after issuance and 9% annually thereafter, unless redeemed. Additionally, the Treasury will receive warrants, with a term of 10 years, on approximately \$9 million of the Company's common stock. The Treasury's term sheet with additional detail about the Capital Purchase Program is available on the Treasury's website at [www.treas.gov/initiatives/eesa](http://www.treas.gov/initiatives/eesa). Although the Company currently intends to participate in the program and expects closing to occur prior to December 31, 2008, it will continue to monitor and evaluate any additional governmental requirements that may diminish the value of, or unduly burden, participation in the program.

*“We are pleased to participate in this program, which has been intentionally designed to stabilize our financial markets and provide an additional margin of strength to institutions that are best positioned to overcome the current economic climate. While each of our banks is well capitalized above regulatory guidelines, this additional capital will further strengthen our already strong position. It will allow us to provide much needed credit to consumers and businesses in our markets, as well as the flexibility to evaluate future opportunities that may arise,”* said G. William Beale, President and Chief Executive Officer of Union Bankshares Corporation. *“We fully intend to use this additional capital in a manner that best serves the communities and financial markets we serve.”*

The final approval of the Treasury and closing of the transaction is subject to the Treasury's standard terms, closing conditions and documentation.

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## **ABOUT UNION BANKSHARES CORPORATION**

Union Bankshares Corporation is one of the largest community banking organizations based in Virginia, providing full service banking to the Northern, Central, Rappahannock, Tidewater and Northern Neck regions of Virginia through its bank subsidiaries, Union Bank and Trust Company (43 locations in the counties of Albemarle, Caroline, Chesterfield, Fairfax, Fluvanna, Hanover, Henrico, King George, King William, Nelson, Spotsylvania, Stafford, Westmoreland and the cities of Fredericksburg, Charlottesville, Williamsburg, Newport News, and Grafton); Northern Neck State Bank (9 locations in the counties of Richmond, Westmoreland, Essex, Northumberland and Lancaster); Rappahannock National Bank (7 locations in Washington, Front Royal, Middleburg, Warrenton, and Winchester). Union Bank and Trust Company also operates a loan production office in Manassas. Union Investment Services, Inc. provides full brokerage services; Union Mortgage Group, Inc. provides a full line of mortgage products; and Union Insurance Group, LLC offers various lines of insurance products.

Additional information is available on the Company's website at [www.ubsh.com](http://www.ubsh.com). The shares of the Company are traded on the NASDAQ Global Select Market under the symbol "UBSH."

## **FORWARD-LOOKING STATEMENTS**

Certain statements in this report may constitute "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements are statements that include projections, predictions, expectations or beliefs about future events or results or otherwise are not statements of historical fact. Such statements are often characterized by the use of qualified words (and their derivatives) such as "expect," "believe," "estimate," "plan," "project," "anticipate" or other statements concerning opinions or judgment of the Company and its management about future events. Although the Company 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 the Company will not differ materially from any future results, performance or achievements expressed or implied by such forward-looking statements. Actual future results and trends may differ materially from historical results or those anticipated depending on a variety of factors, including, but not limited to, the effects of and changes in: general economic conditions, the interest rate environment, legislative and regulatory requirements, competitive pressures, new products and delivery systems, inflation, changes in the stock and bond markets, technology, and consumer spending and savings habits. The Company does not update any forward-looking statements that may be made from time to time by or on behalf of the Company.



December 16, 2008

Dear Customers and Shareholders:

Union Bankshares Corporation has received notification of preliminary approval from the United States Treasury that it intends to make a preferred stock investment in Union Bankshares through the U.S. Treasury's Capital Purchase Program for healthy banks. Under the plan, the U.S. Treasury would invest \$59 million in Union Bankshares preferred stock on which it would receive a dividend of 5% annually. The plan would also provide the U.S. Treasury with warrants to purchase approximately \$9.0 million in common stock. It is our intention to participate in the Capital Purchase Program and we expect to close this transaction prior to year end 2008.

We would like to be clear about two very important points. First, for banking organizations the size of Union Bankshares this is not a "bailout" – a term you may have heard used by the media and many others. The U.S. Treasury has stated that the Capital Purchase Program is only for healthy banks. The program is intended to provide capital to qualified banks to expand the flow of credit to consumers and businesses to promote the sustained growth and vitality of the economy. Secondly, we view this capital investment by the U.S. Treasury to be a temporary bridge until the capital markets become healthy and stable, which will permit Union Bankshares to make a follow-on or secondary public offering of its common stock.

We want you to know that for more than a year, as part of its normal capital management process, Union Bankshares has been exploring various avenues to raise additional common equity through the capital markets to support opportunities that we anticipate could bring both organic and acquisition growth. The volatility of the capital markets, when combined with the deep discounts to current market prices required by investors, would have resulted in a dilution of our current shareholders' interests and a decrease in earnings per share. Management concluded such results would be unacceptable, especially since we believe the pricing shown by the capital markets for follow-on offerings over the last year has been more reflective of the problem banks, which have needed capital, not a healthy banking organization such as Union Bankshares.

The capital investment from the U.S. Treasury will allow Union Bankshares to take advantage of opportunities to grow organically through loans to well-qualified individuals and businesses in our marketplace, consistent with the intent of the U.S. Treasury.

Union Bankshares fully expects to complete a follow-on offering of common stock to repurchase the U.S. Treasury investment as soon as the capital markets return to a more healthy state.

Union Bankshares and its subsidiaries are healthy, well-capitalized and have been committed to supporting the prosperity of our markets for over 100 years. We look forward to continuing to serve your financial needs now and in the future.

Sincerely,

A handwritten signature in cursive script, appearing to read "G. William Beale".

G. William Beale  
President and CEO  
Union Bankshares Corporation