UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

For the Quarterly Period Ended June 30, 2000

Commission File No. 0-20293

UNION BANKSHARES CORPORATION
(Exact name of registrant as specified in its charter)

Virginia	54-1598552
(State of Incorporation)	(I.R.S. Employer Identification No.)

212 North Main Street
P.O. Box 446
Bowling Green, Virginia 22427
(Address of principal executive offices)

(804) 633-5031
(Registrant's telephone number)

SECURITIES REGISTERED PURSUANT TO SECTION 12(b) OF THE ACT: NONE
SECURITIES REGISTERED PURSUANT TO SECTION 12(g) OF THE ACT: COMMON STOCK, $2 PAR VALUE

Union Bankshares Corporation (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

YES X NO

As of August 10, 2000, Union Bankshares Corporation had 7,515,332 shares of Common Stock outstanding.

UNION BANKSHARES CORPORATION
FORM 10-Q
June 30, 2000

INDEX

<TABLE>
<CAPTION>

</TABLE>

PART 1 - FINANCIAL INFORMATION
Item 1. Financial Statements

UNION BANKSHARES CORPORATION AND SUBSIDIARIES
Consolidated Balance Sheets
(dollars in thousands)

<TABLE>
<CAPTION>

ASSETS	June 30, 2000 (Unaudited)	December 31, 1999	June 30, 1999 (Unaudited)
Cash and cash equivalents:			
Cash and due from banks	$ 22,189	$ 18,804	$ 31,296
Interest-bearing deposits in other banks	4,759	867	2,336
Federal funds sold	49	248	5,128
Total cash and cash equivalents	26,997	19,919	38,760
Securities available for sale, at fair value	216,993	201,721	196,389
Investment securities fair value of $6,644, $9,518 and $10,799 , respectively	6,687	9,578	10,790
Total securities	223,680	211,299	207,179
Loans held for sale	16,004	6,680	16,028
Loans, net of unearned income	576,012	543,367	505,966
Less allowance for loan losses	7,594	6,617	7,303
Net loans	568,418	536,750	498,663
Bank premises and equipment, net	20,940	21,458	22,928
Other real estate owned	1,774	2,016	1,032
Other assets	25,097	23,705	22,367
Total assets	$ 882,910	$ 821,827	$ 806,957

LIABILITIES AND STOCKHOLDERS' EQUITY			
Noninterest-bearing demand deposits	$ 91,224	$ 79,048	$ 103,190
Interest-bearing deposits:			
Savings accounts	56,521	58,209	61,823
NOW accounts	107,192	95,882	81,312
Money market accounts	59,227	63,249	62,930
Time deposits of $100,000 and over	107,972	107,654	92,352
Other time deposits	264,763	242,824	235,376
Total interest-bearing deposits	595,675	567,818	533,793
Total deposits	686,899	646,866	636,983
Short-term borrowings	37,943	39,159	27,607
Long-term borrowings	80,728	54,420	52,145
Other liabilities	6,884	12,588	20,046
Total liabilities	812,454	753,033	736,781
Stockholders' equity:			
Common stock, $2 par value. Authorized 24,000,000 shares; issued and outstanding, 7,515,332, 7,487,829 and 7,475,220 shares, respectively	15,031	14,976	14,950
Surplus	411	163	-
Retained earnings	60,418	58,603	56,992
Accumulated other comprehensive income (losses)	(5,404)	(4,948)	(1,766)
Total stockholders' equity	70,456	68,794	70,176
Total liabilities and stockholders' equity	$ 882,910	$ 821,827	$ 806,957

</TABLE>

See accompanying notes to consolidated financial statements.

UNION BANKSHARES CORPORATION AND SUBSIDIARIES
Consolidated Statements of Income (Unaudited)
(dollars in thousands, except per share data)

<TABLE>
<CAPTION>

Three Months Ended Six Months Ended

June 30

June 30	2000	1999	2000	1999
Interest income:				
Interest and fees on loans	$ 12,677	$ 10,470	$ 24,575	$ 20,788
Interest on securities:				
Nontaxable	1,232	1,126	2,477	2,198
Taxable	2,302	1,915	4,490	3,453
Interest on Federal funds sold	1	29	20	88
Interest on interest-bearing deposits in other banks	16	1	32	29
Total interest income	16,228	13,541	31,594	26,556
Interest expense:				
Interest on deposits	6,521	5,664	12,550	11,342
Interest on short term borrowings	763	177	1,356	329
Interest on long term borrowings	1,098	742	2,156	1,195
Total interest expense	8,382	6,583	16,062	12,866
Net interest income	7,846	6,958	15,532	13,690
Provision for loan losses	581	751	1,145	1,513
Net interest income after provision for loan losses	7,265	6,207	14,387	12,177
Noninterest income:				
Service charges on deposit accounts	911	738	1,717	1,430
Other service charges and fees	538	389	1,022	822
Gains on securities transactions, net	64	-	86	19
Gains on sales of loans	1,593	2,558	2,638	4,993
Gains (losses) on sales of other real estate owned and bank premises, net	-	-	5	(2)
Other operating income	113	105	212	191
Total noninterest income	3,219	3,790	5,680	7,453
Noninterest expenses:				
Salaries and benefits	4,832	4,999	9,475	9,507
Occupancy expenses	554	522	1,161	918
Furniture and equipment expenses	740	589	1,471	1,053
Other operating expenses	2,037	2,360	4,087	4,352

Total noninterest expenses	8,163	8,470	16,194	15,830
Income before income taxes	2,321	1,527	3,873	3,800
Income tax expense	427	195	558	653
Net income	$ 1,894	$ 1,332	$ 3,315	$ 3,147
Basic net income per share	$ 0.25	$ 0.18	$ 0.44	$ 0.42
Diluted net income per share	$ 0.25	$ 0.18	$ 0.44	$ 0.41
Dividends per share	$ 0.20	$ 0.20	$ 0.20	$ 0.20

</TABLE>

See accompanying notes to consolidated financial statements.

CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY

UNION BANKSHARES CORPORATION AND SUBSIDIARIES
SIX MONTHS ENDED JUNE 30, 2000 AND 1999 (unaudited)
(dollars in thousands)

<TABLE>
<CAPTION>

<S>	Shares Outstanding <C>	Common Stock <C>	Surplus <C>
Balance - December 31, 1998	7,507,394	15,015	311
Comprehensive income:			
Net income - for six months ended June 30, 1999			
Other comprehensive income net of tax:			
Unrealized holding losses arising during the period (net of tax, $2111)			
Reclassification adjustment (net of tax, $6)			
Other comprehensive income (net of tax, $2,117)			
Total comprehensive income			
Cash dividends - 1999 ($.40 per share semi annually)			
Issuance of common stock under Dividend Reinvestment Plan (10,848 shares)	10,848	22	145
Stock repurchased under Stock Repurchase Plan (104,912 shares)	(104,912)	(210)	(1,704)
Discretionary transfer of retained earnings to surplus			367
Issuance of common stock under Incentive Stock Option Plan (400 shares)	400	1	4
Issuance of common stock in exchange for net assets in acquisition (61,490 shares)	61,490	122	877
Balance - June 30, 1999	7,475,220	$ 14,950	$ 0
Balance - December 31, 1999	7,487,829	14,976	163
Comprehensive income:			
Net income - for six months ended June 30, 2000			
Other comprehensive income net of tax:			

Unrealized holding losses arising during the period (net of tax, $206)			
Reclassification adjustment (net of tax, $29)			
Other comprehensive income (net of tax, $ 235)			
Total comprehensive income			
Cash dividends - 2000 ($.40 per share semi annually)			
Issuance of common stock under Dividend Reinvestment Plan (16,090 shares)	16,090	33	140
Stock repurchased under Stock Repurchase Plan (11,300 shares)	(11,300)	(23)	(115)
Issuance of common stock under Incentive Stock Option Plan (5040 shares)	5,040	10	22
Issuance of common stock in exchange for net assets in acquisition (17,673 shares)	17,673	35	201
Balance - June 30, 2000	7,515,332	$ 15,031	$ 411

See accompanying notes to consolidated financial statements

</TABLE>

<TABLE>
<CAPTION>

<S>	Accumulated Other Comprehensive Income (Loss) <C>	Comprehensive Income (Loss) <C>	Total
Balance - December 31, 1998	2,343		73,359
Comprehensive income:			
Net income - for six months ended June 30, 1999		3,147	3,147
Other comprehensive income net of tax:			
Unrealized holding losses arising during the period (net of tax, $2111)		(4,096)	
Reclassification adjustment (net of tax, $6)		(13)	
Other comprehensive income (net of tax, $2,117)	(4,109)	(4,109)	(4,109)
Total comprehensive income		(962)	
Cash dividends - 1999 ($.40 per share semi annually)			(1,495)
Issuance of common stock under Dividend Reinvestment Plan (10,848 shares)			167
Stock repurchased under Stock Repurchase Plan (104,912 shares)			(1,914)
Discretionary transfer of retained earnings to surplus			-
Issuance of common stock under Incentive Stock Option Plan (400 shares)			5
Issuance of common stock in exchange for net assets in acquisition (61,490 shares)			1,016
Balance - June 30, 1999	$ (1,766)		$ 70,176
Balance - December 31, 1999	(4,948)		68,794
Comprehensive income:			
Net income - for six months ended June 30, 2000		3,315	3,315
Other comprehensive income net of tax:			
Unrealized holding losses arising during the period (net of tax, $206)		(399)	
Reclassification adjustment (net of tax, $29)		(57)	
Other comprehensive income (net of tax, $ 235)	(456)	(456)	(456)

Total comprehensive income			2,859
-			
			=================
Cash dividends - 2000 ($.40 per share semi annually)			
(1,500)			
Issuance of common stock under Dividend Reinvestment Plan (16,090 shares)			
173			
Stock repurchased under Stock Repurchase Plan (11,300 shares)			
(138)			
Issuance of common stock under Incentive Stock Option Plan (5040 shares)			
32			
Issuance of common stock in exchange for net assets in acquisition (17,673 shares)			
236			
		----------------	---

Balance - June 30, 2000		$ (5,404)	
$ 70,456			
		================	
=============			

</TABLE>

UNION BANKSHARES CORPORATION AND SUBSIDIARIES
Consolidated Statements of Cash Flows (Unaudited)
Six Months Ended June 30, 2000 and 1999
(dollars in thousands)

<TABLE>
<CAPTION>

<S>	2000 <C>	1999 <C>
Operating activities:		
Net income	$ 3,315	$ 3,147
Adjustments to reconcile net income to net cash and cash equivalents used in operating activities:		
Depreciation of bank premises and equipment	1,232	1,244
Amortization	284	430
Provision for loan losses	1,145	1,513
(Gains) on sales of securities available for sale	(86)	(19)
(Gains) losses on sale of other real estate owned and fixed assets, net	(5)	2
(Increase) in loans held for sale	(9,324)	(16,028)
(Increase) in other assets	(1,395)	(1,605)
Increase (decrease) in other liabilities	(5,469)	17,005
Net cash and cash equivalents (used in) provided by operating activities	(10,303)	5,689
Investing activities:		
Net increase in securities	(13,018)	(36,211)
Net increase in loans	(32,874)	(26,881)
Acquisition of bank premises and equipment	(880)	(3,115)
Proceeds from sales of bank premises and equipment	181	-
Proceeds from sales of other real estate owned	280	190
Net cash and cash equivalents used in investing activities	(46,311)	(66,017)
Financing activities:		
Net increase in noninterest-bearing deposits	12,176	21,861
Net increase in interest-bearing deposits	27,857	7,493
Net increase (decrease) in short-term borrowings	(1,216)	8,131
Proceeds from long-term borrowings	26,500	23,880
Issuance of common stock	205	172
Repurchase of common stock	(138)	(1,914)
Cash dividends paid	(1,500)	(1,495)
Repayment of long-term borrowings	(192)	(60)
Net cash and cash equivalents provided by financing activities	63,692	58,068
Increase (decrease) in cash and cash equivalents	7,078	(2,260)

Cash and cash equivalents at beginning of period	19,919	41,020
Cash and cash equivalents at end of period	$ 26,997	$ 38,760
Supplemental Disclosure of Cash Flow Information		
Cash payments for:		
Interest	15,618	11,860
Income taxes	545	564

</TABLE>
See accompanying notes to consolidated financial statements.

UNION BANKSHARES CORPORATION AND SUBSIDIARIES
Notes to Consolidated Financial Statements (Unaudited)
June 30, 2000

1. ACCOUNTING POLICIES

The consolidated financial statements include the accounts of Union Bankshares Corporation and its subsidiaries (the "Company"). Significant intercompany accounts and transactions have been eliminated in consolidation.

The information contained in the financial statements is unaudited and does not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. However, in the opinion of management, all adjustments (consisting only of normal recurring accruals) necessary for a fair presentation of the results of the interim periods presented have been made. Operating results for the three and six month period ended June 30, 2000 are not necessarily indicative of the results that may be expected for the year ending December 31, 2000.

These financial statements should be read in conjunction with the consolidated financial statements and notes thereto included in the Company's 1999 Annual Report to Shareholders. Certain previously reported amounts have been reclassified to conform to current period presentation.

2. ALLOWANCE FOR LOAN LOSSES

The following summarizes activity in the allowance for loan losses for the six months ended June 30, (in thousands):

	2000	1999
Balance, January 1	$6,617	$6,407
Provisions charged to operations	1,145	1,513
Recoveries credited to allowance	200	192
Loans charged off	(368)	(809)
Balance, June 30	$7,594	$7,303

3. Earnings Per Share

Basic earnings per share (EPS) is computed by dividing net income by the weighted average number of shares outstanding during the period. Weighted average shares used for the computation of basic EPS were 7,503,816 and 7,494,300 for the three months ended June 30, 2000 and 1999. Weighted average shares used for the computation of basic EPS were 7,499,143 and 7,511,420 for the six months ended June 30, 2000 and 1999. Diluted EPS is computed using the weighted number of common shares outstanding during the period, including the effect of dilutive potential common shares outstanding attributable to stock options. Weighted average shares used for the computation of diluted EPS were 7,503,816 and 7,598,455 for the three months ended June 30, 2000 and 1999. Weighted average shares used for the computation of diluted EPS were 7,503,755 and 7,615,180 for the six months ended June 30, 2000 and 1999.

4. SEGMENT REPORTING DISCLOSURES

Union Bankshares Corporation has two reportable segments: its traditional full service community banks and its mortgage loan origination business. The community bank business includes four banks, which provide loan, deposit, investment, and trust services to retail and commercial customers throughout their locations in Virginia. Through its mortgage subsidiary, the Company provides a variety of mortgage loan products in a multi-state market. These loans are originated and sold principally in the secondary market through purchase commitments from investors, which subject the company to only de minimis market risk.

Profit and loss is measured by net income after taxes including realized gains and losses on the Company's investment portfolio. The accounting policies of the reportable segments are the same as those described in the summary of significant accounting policies. Intersegment transactions are recorded at cost and eliminated as part of the consolidation process.

Both of the Company's reportable segments are service based. The banks offer a distribution and referral network for the mortgage services to their customers. Due largely to the lack of overlapping geographic markets, the mortgage company does not offer a similar network for the banks Another major distinction between the segments is the source of income. The mortgage business is a fee based business while the banks are driven principally by net interest income.

Information about reportable segments and reconciliation of such information to the consolidated financial statements as of June 30, 2000 and June 30, 1999 follows:

<TABLE>
<CAPTION>

Three Months ended June 30, 2000

(in thousands)	Banks	Mortgage	Other	Elimination	Consolidated
<S>	<C>	<C>	<C>	<C>	<C>
Net interest income	$ 7,939	$ 2	$ (95)	$ -	$ 7,846
Provision for loan losses	581	-	-	-	581
Net interest income after provision for loan losses	7,358	2	(95)	-	7,265
Noninterest income	1,341	1,593	1,854	(1,569)	3,219
Noninterest expense	5,643	2,091	1,994	(1,565)	8,163
Income before taxes	3,056	(496)	(235)	(4)	2,321
Income tax expense (benefit)	646	(180)	(39)	-	427
	-	-	-	-	-
Net income (loss)	$ 2,410	$ (316)	$ (196)	$ (4)	$ 1,894
					-
Total assets	$882,733	$ 17,651	$ 76,157	$ (93,631)	$ 882,910

</TABLE>

The following summary reconciles segment profit (loss) to income after taxes (in thousands):

Net Income

Segment profit	$ 2,094

Other subsidiary	60
Parent	(256)
Intersegment profit elimination	(4)
Net Income	$ 1,894

Three Months ended June 30, 1999 (in thousands)

	Banks	Mortgage	Other	Elimination	Consolidated
Net interest income	$ 7,045	$ -	$ (87)	$ -	$ 6,958
Provision for loan losses	751	-	-	-	751
Net interest income after provision for loan losses	6,294	-	(87)	-	6,207
Noninterest income	1,086	2,558	146	-	3,790
Noninterest expense	4,826	2,859	785	-	8,470
Income before taxes	2,554	(301)	(726)	-	1,527
Income tax expense (benefit)	533	(109)	(229)	-	195
	-	-	-	-	-
Net income (loss)	$ 2,021	$ (192)	$ (497)	$ -	$ 1,332
Total assets	$791,761	$ 19,524	$ 79,013	$ (83,341)	$ 806,957

The following summary reconciles segment profit (loss) to income after taxes (in thousands):

Net Income	
Segment profit	$ 1,829
Other subsidiary	56
Parent	(553)
Intersegment profit elimination	-
Net Income	$ 1,332

Six Months ended June 30, 2000 (in thousands)

	Banks	Mortgage	Other	Elimination	Consolidated
Net interest income	$ 15,730	$ (11)	$ (187)	$ -	$ 15,532
Provision for loan losses	1,145				1,145

	Banks	Mortgage	Other	Elimination	Consolidated
Net interest income after provision for loan losses	14,585	(11)	(187)		14,387
Noninterest income	2,493	2,638	3,642	(3,093)	5,680
Noninterest expense	11,275	4,087	3,921	(3,089)	16,194
Income before taxes	5,803	(1,460)	(466)	(4)	3,873
Income tax expense (benefit)	1,173	(508)	(107)	-	558
Net income (loss)	$ 4,630	$ (952)	$ (359)	$ (4)	$ 3,315
Total assets	$882,733	$ 17,651	$ 76,157	$ (93,631)	$ 882,910

</TABLE>

The following summary reconciles segment profit (loss) to income after taxes (in thousands):

Net Income	
Segment profit	$ 3,678
Other subsidiary	97
Parent	(456)
Intersegment profit elimination	(4)
Net Income	$ 3,315

Six Months ended June 30, 1999
(in thousands)

<TABLE>
<CAPTION>

<S>	Banks <C>	Mortgage <C>	Other <C>	Elimination <C>	Consolidated <C>
Net interest income	$ 13,805	$ -	$ (115)	$ -	$ 13,690
Provision for loan losses	1,513				1,513
Net interest income after provision for loan losses	12,292	-	(115)		12,177
Noninterest income	2,093	4,993	367	-	7,453
Noninterest expense	9,734	4,630	1,466	-	15,830
Income before taxes	4,651	363	(1,214)	-	3,800
Income tax expense (benefit)	946	68	(361)	-	653
Net income (loss)	$ 3,705	$ 295	$ (853)	$ -	$ 3,147
Total assets	$791,761	$ 19,524	$ 79,013	$ (83,341)	$ 806,957

</TABLE>

The following summary reconciles segment profit (loss) to income after taxes (in thousands):

Net Income	
Segment profit	$ 4,000
Other subsidiary	52
Parent	(905)
Intersegment profit elimination	-
Net Income	$ 3,147

5. RECENT ACCOUNTING STATEMENTS

In June 1998, the Financial Accounting Standards Board (FASB) issued Statement of Financial Accounting Standards (SFAS) No. 133, "Accounting for Derivative Instruments and Hedging Activities", which establishes accounting and reporting standards for derivative instruments and for hedging activities. It requires that a company recognize all derivative instruments as either assets or liabilities in the consolidated balance sheet and measure those instruments at fair value. The accounting for changes in the fair value of a derivative depends on the intended use of the derivative and the resulting designation. In June of 1999, the FASB issued SFAS 137, "Accounting for Derivative Instruments Hedging Activities--Deferral of the Effective Date of FASB Statement 133". SFAS 137 delayed the effective date of SFAS133 until fiscal years beginning after June 15, 2000. As such, the effective date for the Company will be January 1, 2001. The impact of adopting SFAS 133 will be dependent on the specific derivative instruments in place at the date of adoption. At this time management believes the adoption of this new standard will not have a material impact on the financial condition or results of operations of the Company.

6. 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. Although the Company believes that its expectations with respect to certain forward-looking statements are based upon reasonable assumptions within the bounds of its 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.

Item 2 - Management's Discussion and Analysis of
Financial Condition and Results OF OPERATIONS

Union Bankshares Corporation (the "Company") is a multi-bank holding company organized under Virginia law which provides financial services through its wholly-owned subsidiaries, Union Bank & Trust Company, Northern Neck State Bank, Rappahannock National Bank, the Bank of Williamsburg, Union Investment Services, Inc., and Mortgage Capital Investors, Inc. The four subsidiary banks, Union Bank & Trust Company, Northern Neck State Bank, Rappahannock National Bank and the Bank of Williamsburg are full service retail commercial banks offering a wide range of banking and related financial services, including demand and time deposits, as well as commercial, industrial, residential construction, residential mortgage and consumer loans. Union Investment Services Inc., is a full service discount brokerage company, which offers a full range of investment services and sells mutual funds, stocks and bonds. Mortgage Capital Investors, Inc. provides a wide array of mortgage products through its 13 offices in Virginia, Maryland, New Jersey, Connecticut, and South Carolina.

The Company's primary trade area stretches from Rappahannock County to Fredericksburg, south to Hanover County, east to Williamsburg and throughout the Northern Neck area of Virginia. The Corporate Headquarters is located in Bowling Green, Virginia. Through its banking subsidiaries, the Company operates 29 branches in its primary trade area. In addition to the primary banking trade area, Mortgage Capital Investors, Inc. expands the Company's mortgage origination business to four additional states.

In February 1999, the Company opened the Bank of Williamsburg in temporary headquarters in the Williamsburg Crossing Shopping Center. In March 2000, the Bank of Williamsburg moved into its permanent location at 5125 John Tyler Parkway, which should enhance its continued growth in this community. Deposits have increased significantly since the move, and we expect this bank to achieve monthly profitability during the fourth quarter of 2000.

Management's discussion and analysis is presented to aid the reader in understanding and evaluating the financial condition and results of operations of the Company. The analysis focuses on the consolidated financial statements, the footnotes thereto, and the other financial data herein. Highlighted in the discussion are material changes from prior reporting periods and any identifiable trends affecting the Company. Amounts are rounded for presentation purposes, while the percentages presented are computed based on unrounded amounts.

Results of Operations

Net income for the second quarter of 2000 was $1.9 million, up from $1.3 million for the same period in 1999. The increase in net income for the period was caused primarily by an increase in net interest income of $888,000 over the same period in 1999. The net interest income increase reflects the growth of the community banking business and higher interest rates. Diluted earnings per share amounted to $.25 in the second quarter of 2000, as compared to $.18 in the second quarter of 1999. The Company's annualized return on

average assets for the second quarter of 2000 was .88% as compared to .67% a year ago. The Company's annualized return on average equity totaled 10.94% and 7.19% for the three months ended June 30, 2000 and 1999, respectively.

Net income from the Company's community banking segment increased from approximately $1.6 million in the second quarter of 1999 to over $2.2 million in the second quarter of 2000. Continued growth in existing markets, as well as the performance of acquired and denovo banks and branches and previously implemented initiatives to consolidate backoffice functions are reflected in improved operating efficiencies and contributed to the improvement in the profitability of the community banking segment.

Rising interest rates, coupled with continued strong loan demand and competition for deposits, have continued to compress the net interest margin. Deposit competition has heightened as banks, seeking to fund this loan growth, have offered higher rates on deposits, often repricing their liabilities more rapidly than their assets. In addition to increasing certain deposit rates to attract deposits, the Company has also utilized Federal Home Loan Bank Advances and other borrowings to fund this growth. Such funding is typically more expensive than lower cost customer deposits and compresses the net interest margin, but increases net interest income by enabling the Company to grow earning assets.

The mortgage banking segment continued to suffer from the effects of higher mortgage rates, the inversion in the yield curve and, in some markets, reduced inventories of homes. Due to the decline in volumes, the mortgage company has reduced its noncommission personnel, closed several marginal loan production offices, and opened two loan production offices in higher volume locations in Connecticut and New Jersey. The second quarter reflected a slowing of the losses experienced by the mortgage business to $316,000 versus $636,000 in the first quarter of 2000. Despite a reduction of $965,000 in gains on sales of loans from 1999 levels, the mortgage banking segment loss increased only $43,000 from $273,000 loss in the second quarter of 1999. The Company is continuing to make adjustments to increase the production volumes and improve operating efficiencies of this segment of our business.

Net income for the first six months of 2000 was $3.3 million, up from $3.1 million for the same period in 1999. The increase in net income for the period was caused primarily by an increase in net interest income of $1.8 million and a decrease of $368,000 in the provision for loan loss over the same period in 1999. The net interest income increase reflects the growth of the core banking business, while a decline in the gain on sale of loans is reflective of the effect of higher mortgage rates on mortgage loan production volumes. Diluted earnings per share amounted to $.44 in the first six months of 2000, as compared to $.41 in the same period of 1999. The Company's annualized return on average assets for the first six months of 2000 was .79% as compared to .82% a year ago. The Company's annualized return on average equity totaled 9.70% and 8.61% for the six months ended June 30, 2000 and 1999, respectively.

Net Interest Income

Net interest income on a tax-equivalent basis for the second quarter of 2000 increased by 13.5% to $8.4 million from $7.4 million for the same period a year ago. By managing its interest rate spread and increasing the volume of earning assets over interest-bearing liabilities, the Company has been able to maintain a strong net interest margin. The current interest rate environment and

competition for deposits continue to put pressure on net interest margins. In addition, the subsidiary banks have periodically engaged in wholesale leverage transactions, borrowing funds to invest in securities at lower margins of 150 -

200 basis points. Although such transactions increase net income and return on equity, they do reduce the net interest margin. As of June 30, 2000 such transactions accounted for $25 million of the Company's total borrowings. However, with more of its funds going into loans this year, it should begin contributing to the margin. Average earning assets during the second quarter of 2000 increased by $86.6 million to $804.3 million from the second quarter of 1999, while average interest-bearing deposits grew by $50.8 million to $590.0 million over this same period. The Company's yield on average earning assets was 8.39%, up 50 basis point from 7.89% a year ago, while its cost of average interest-bearing liabilities increased 51 basis points from 4.29% in second quarter 1999 to 4.80% in first quarter 2000.

<TABLE>
<CAPTION>

Union Bankshares Corporation
Average Balances, Income and Expenses, Yields and Rates (Taxable Equivalent Basis)

Three Months June 30,

(Dollars in thousands)

	2000 Average Balance	2000 Interest Income/ Expense	2000 Yield/ Rate	1999 Average Balance
<S>	<C>	<C>	<C>	<C>
Assets:				
Securities:				
Taxable	$ 123,582	$ 2,302	7.50%	$131,210
Tax-exempt(1)	98,094	1,786	7.32%	86,134
Total securities	221,676	4,088	7.42%	217,344
Loans, net..................................	581,678	12,677	8.77%	495,598
Federal funds sold	77	1	5.22%	4,015
Interest-bearing deposits in other banks	856	16	7.52%	775
Total earning assets................	804,287	16,782	8.39%	717,732
Allowance for loan losses.....................	(7,341)			(7,058)
Total non-earning assets......................	64,229			83,264
Total assets..................................	$ 861,175			$793,938
Liabilities & Stockholders' Equity:				
Interest-bearing deposits:				
Checking................................	103,018	554	2.16%	$ 87,240
Regular savings.........................	57,072	337	2.37%	59,757
Money market savings....................	61,971	511	3.31%	64,008
Certificates of deposit:				
$100,000 and over.......................	107,307	1,489	5.58%	93,642
Under $100,000..........................	260,668	3,630	5.60%	

				234,631
Total interest-bearing deposits	590,036	6,521	4.44%	539,278
Other borrowings	112,646	1,861	6.65%	76,676
Total interest-bearing liabilities	702,682	8,382	4.80%	615,954
Non-interest bearing liabilities:				
Demand deposits	86,161			84,153
Other liabilities	2,725			19,556
Total liabilities	791,568			719,663
Stockholders' equity	69,607			74,275
Total liabilities and stockholders' equity	$ 861,175			$793,938
Net interest income		$ 8,400		
Interest rate spread			3.59%	
Interest expense as a percent of average earning assets			4.19%	
Net interest margin			4.20%	

</TABLE>
<TABLE>
<CAPTION>

Union Bankshares Corporation
Average Balances, Income and Expenses, Yields and Rates (Taxable Equivalent Basis)

<S> <C> <C> <C> <C> <C>

	Three Months June 30,				
	1999		1998		
	Interest Income/ Expense	Yield/ Rate	Average Balance	Interest Income/ Expense	Yield/ Rate
	(Dollars in thousands)				
Assets:					
Securities:					
Taxable	$ 1,915	5.85%	$ 92,147	$ 1,500	6.53%
Tax-exempt(1)	1,703	7.93%	73,753	1,468	7.98%
Total securities	3,618	6.68%	165,900	2,968	7.18%
Loans, net	10,470	8.47%	440,108	10,190	9.29%
Federal funds sold	29	2.90%	6,947	110	6.35%
Interest-bearing deposits in other banks	1	0.52%	1,241	21	6.79%

	2000 Interest Income/Expense	2000 Yield/Rate	1999 Average Balance	1999 Interest Income/Expense	1999 Yield/Rate
Total earning assets	14,118	7.89%	614,196	13,289	8.68%
Allowance for loan losses			(5,106)		
Total non-earning assets			67,855		
Total assets			$676,945		
Liabilities & Stockholders' Equity:					
Interest-bearing deposits:					
Checking	410	1.89%	$ 73,552	438	2.39%
Regular savings	391	2.62%	58,703	445	3.04%
Money market savings	561	3.52%	61,294	522	3.42%
Certificates of deposit:					
$100,000 and over	1,178	5.05%	66,952	927	5.55%
Under $100,000	3,124	5.34%	222,623	3,080	5.55%
Total interest-bearing deposits	5,664	4.21%	483,124	5,412	4.49%
Other borrowings	919	4.81%	41,647	657	6.33%
Total interest-bearing liabilities	6,583	4.29%	524,771	6,069	4.64%
Non-interest bearing liabilities:					
Demand deposits			76,185		
Other liabilities			5,488		
Total liabilities			606,444		
Stockholders' equity			70,501		
Total liabilities and stockholders' equity			$676,945		
Net interest income	$ 7,535			$ 7,220	
Interest rate spread		3.60%			4.04%
Interest expense as a percent of average earning assets		3.68%			3.96%
Net interest margin		4.21%			4.71%

</TABLE>

(1) Income and yields are reported on a taxable equivalent basis.

<TABLE>
<CAPTION>

Union Bankshares Corporation
Average Balances, Income and Expenses, Yields and Rates (Taxable Equivalent Basis)

	Six Months Ended June 30,			
	2000			1999
	Average Balance	Interest Income/ Expense	Yield/ Rate	Average Balance

(Dollars in thousands)

<S>	<C>	<C>	<C>	<C>
Assets:				
Securities:				
Taxable	$ 121,776	$ 4,490	7.42%	$115,527
Tax-exempt(1)	98,353	3,590	7.34%	85,977
Total securities	220,129	8,080	7.38%	201,504
Loans, net	568,881	24,575	8.69%	488,719
Federal funds sold	422	20	9.53%	4,175
Interest-bearing deposits in other banks	972	32	6.62%	1,344
Total earning assets	790,404	32,707	8.32%	695,742
Allowance for loan losses	(7,092)			(6,887)
Total non-earning assets	65,454			81,625
Total assets	$ 848,766			$770,480
Liabilities & Stockholders' Equity:				
Interest-bearing deposits:				
Checking	100,076	1,056	2.12%	$ 84,775
Regular savings	57,881	688	2.39%	58,804
Money market savings	62,567	1,016	3.27%	64,024
Certificates of deposit:				
$100,000 and ove	105,473	2,853	5.44%	90,913
Under $100,000	254,342	6,937	5.48%	236,648
Total interest-bearing deposits	580,339	12,550	4.35%	535,164
Other borrowings	113,546	3,512	6.22%	61,260
Total interest-bearing liabilitie	693,885	16,062	4.66%	596,424
Non-interest bearing liabilities:				
Demand deposits	83,301			81,328
Other liabilities	2,879			18,984
Total liabilities	780,065			696,736
Stockholders' equity	68,701			73,744
Total liabilities and stockholders' equity	$ 848,766			$770,480
Net interest income		$ 16,645		
Interest rate spread			3.66%	
Interest expense as a percent of average earning assets			4.09%	
Net interest margin			4.23%	

</TABLE>

<TABLE>
<CAPTION>

Union Bankshares Corporation
Average Balances, Income and Expenses, Yields and Rates (Taxable Equivalent Basis)

Six Months Ended June 30,

(Dollars in thousands)

<S>	1999 Interest Income/ Expense <C>	1999 Yield/ Rate <C>	1998 Average Balance <C>	Interest Income/ Expense <C>	Yield/ Rate <C>
Assets:					
Securities:					
Taxable................................	$ 3,453	6.03%	$ 94,446	$ 3,017	6.44%
Tax-exempt(1)..........................	3,327	7.80%	72,616	2,900	8.05%
Total securities...................	6,780	6.79%	167,062	5,917	7.14%
Loans, net.................................	20,788	8.58%	432,005	19,721	9.21%
Federal funds sold	88	4.25%	8,767	299	6.88%
Interest-bearing deposits in other banks..........................	29	4.35%	1,206	46	7.69%
Total earning assets...............	27,685	8.02%	609,040	25,983	8.60%
Allowance for loan losses.....................			(5,028)		
Total non-earning assets......................			60,806		
Total assets................................			$664,818		
Liabilities & Stockholders' Equity:					
Interest-bearing deposits:					
Checking................................	871	2.07%	$ 69,318	818	2.38%
Regular savings.........................	789	2.71%	57,042	861	3.04%
Money market savings....................	1,076	3.39%	59,171	1,012	3.45%
Certificates of deposit:					
$100,000 and ove........................	2,349	5.21%	66,245	1,784	5.43%
Under $100,000..........................	6,257	5.33%	215,790	5,984	5.59%
Total interest-bearing deposits.......................	11,342	4.27%	467,566	10,459	4.51%
Other borrowings	1,524	5.02%	49,105	1,392	5.72%
Total interest-bearing liabilitie....................	12,866	4.35%	516,671	11,851	4.63%
Non-interest bearing liabilities:					
Demand deposits.........................			72,846		
Other liabilities.......................			5,203		

Total liabilities			594,720		
Stockholders' equity			70,098		
Total liabilities and stockholders' equity			$664,818		
Net interest income	$ 14,819			$ 14,132	
Interest rate spread		3.67%			3.98%
Interest expense as a percent of average earning assets		3.71%			3.90%
Net interest margin		4.30%			4.65%

</TABLE>

(1) Income and yields are reported on a taxable equivalent basis.

Provision for Loan Losses

The provision for loan losses totaled $581,000 for the second quarter of 2000, down from $751,000 for the second quarter of 1999. For the first six months of 2000, the provision was $1,145,000 versus $1,513,000 for the same period in 1999. The provision for loan losses for the first quarter and first six months of 1999 included $350,000 related to a single credit relationship. These provisions reflect the performance of the loan portfolio and management's assessment of the credit risk in the portfolio. (See Asset Quality)

Noninterest Income

Noninterest income for the three months ended June 30, 2000 totaled $3.2 million, down from $3.8 million for the same period a year ago. This decrease is due principally to the decrease in income from gains on sales of loans in the mortgage banking segment which decreased $965,000 totaling $1.6 million for the second quarter versus $2.5 million for the second three months of 1999. All other categories of noninterest income for second quarter 2000 increased over the same period in 1999 with deposit service charges up $173,000 and other service charges and fees up $157,000, reflecting deposit growth and initiatives to enhance fee income. Management continues to seek additional sources of noninterest income, including increased emphasis on cross-selling services and better leveraging the financial services available throughout the organization.

Noninterest Expense

Noninterest expense in the second quarter of 2000 totaled $8.1 million, a decrease of $307,000 over the same period in 1999. Personnel costs comprised $167,000 of the decrease and include a decline of $587,000 for the mortgage banking segment. Occupancy expense was up $32,000 and furniture & equipment expense was up $151,000 while Other operating expenses were down $323,000 over last year's second quarter. The increases reflect depreciation expenses for major technology investments made in the second and third quarters of 1999. The decrease in salary and other expenses reflect the volume declines and cost reductions initiatives in the mortgage segment.

Financial Condition

Total assets as of June 30, 2000 were $882.9 million, an increase of 9.41% from $807.0 million at June 30, 1999. Asset growth was fueled by loan growth, as loans totaled $576 million at June 30, 2000, an increase of 13.8% from $506 million at June 30, 1999. Stockholders' equity totaled $70.5 million at June 30, 2000, which represents a book value of $9.37 per share.

Deposit growth was strong as the banks continued to increase market share but was outpaced by the loan growth. Total deposits at June 30, 2000 were $686.9 million, up 7.8% from $636.9 million at June 30, 1999. Other borrowings totaled $118.7 million at June 30, 2000, a 48.8% increase over $79.8 million at June 30, 1999. As a result of the loan growth, the Company utilizes other borrowings to fund the excess growth which compresses the net interest margin but increases net interest income. The Company also periodically engages in wholesale leverage transactions to better leverage its capital position. The increases in other borrowings reflect about $25 million in net leverage transactions over the last five quarters. These wholesale leverage transactions have typically been executed at spreads of approximately 150 to 200 basis points and, although they have negatively impacted the Company's net interest margin (as a percentage), they have had a positive effect on earnings and return on equity.

Continued competition for deposits, particularly as it impacts certificate of deposit rates, is reflected in the deposit mix. Management continues to focus on increasing lower cost deposit products, including noninterest bearing demand deposits and savings accounts and effective management of competitive rates on interest sensitive products. Increased competition for funds, by banks seeking to fund strong loan growth and by non-banks, continues to contribute to a narrowing of the net interest margin, which has been largely offset by increases in the volume of earning assets.

Asset Quality

The allowance for loan losses is an estimate of an amount adequate to provide for potential losses in the loan portfolio. General economic trends as well as conditions affecting individual borrowers affect the level of credit losses. The allowance is also subject to regulatory examinations and determination as to adequacy, which may take into account such factors as the methodology used to calculate the allowance and comparison to peer groups.

The allowance for loan losses totaled $7.6 million at June 30, 2000 or 1.32% of total loans, as compared to 1.22% at December 31, 1999 and 1.44% at June 30, 1999.
<TABLE>
<CAPTION>

	June 30, 2000	December 31, 1999	June 30, 1999
	(dollars in thousands)		
<S>	<C>	<C>	<C>
Non-accrual loans	$1,694	$1,487	$2,484
Foreclosed properties	1,774	2,016	1,742
Non-performing assets	$3,468	$3,503	$4,226
Allowance for loan losses	$7,594	$6,617	$7,303
Allowance as % of total loans	1.32%	1.22%	1.44%
Non-performing assets to loans and foreclosed properties	.60%	.64%	.83%

</TABLE>

At June 30, 1999, the allowance for loan losses included reserves of approximately $1.4 million related to a single credit relationship totaling approximately $1.8 million. Management has previously restructured this credit with the borrowers in an attempt to work out repayment of this debt, but collection is uncertain and accordingly, in late 1999, $1.1 million of this credit was charged off against previously established reserves.

Capital Resources

Capital resources represent funds, earned or obtained, over which financial institutions can exercise greater or longer control in comparison with deposits and borrowed funds. The adequacy of the Company's capital is reviewed by management on an ongoing basis with reference to the size, composition, and quality of the Company's resources and consistency with regulatory requirements and industry standards. Management seeks to maintain a capital structure that will assure an adequate level of capital to support anticipated asset growth and absorb potential losses.

The Federal Reserve, along with the Comptroller of the Currency and the Federal Deposit Insurance Corporation, has adopted capital guidelines to supplement the existing definitions of capital for regulatory purposes and to establish minimum capital standards. Specifically, the guidelines categorize assets and off-balance sheet items into four risk-weighted categories. The minimum ratio of qualifying total assets is 8.0%, of which 4.0% must be Tier 1 capital, consisting of common equity and retained earnings, less certain goodwill items.

At June 30, 2000, the Company's ratio of total capital to risk-weighted assets was 11.55% and its ratio of Tier 1 capital to risk-weighted assets was 10.41%. Both ratios exceed the fully phased-in capital requirements. The following summarizes the Company's regulatory capital and related ratios at June 30, 2000 (dollars in thousands):

<TABLE>
<CAPTION>

Tier 1 capital	$ 69,568
Tier 2 capital	7,594
Total risk-based capital	77,162
Total risk-weighted assets	668,336
Capital Ratios:	
Tier 1 risk-based capital ratio	10.4%
Total risk-based capital ratio	11.6%
Leverage ratio (Tier I capital to average adjusted total assets)	8.0%
Equity to assets ratio	8.0%

</TABLE>

The Company's book value per share at June 30, 2000 was $9.37. Dividends to stockholders are typically declared and paid semi-annually in June and December.

Liquidity

Liquidity represents an institution's ability to meet present and future financial obligations through either the sale or maturity of existing assets or the acquisition of additional funds through liability management. Liquid assets include cash, interest bearing deposits with banks, federal funds sold, investments (available for sale) and loans maturing within one year. The Company's ability to obtain deposits and purchase funds at favorable rates determines its liability liquidity. Additional sources of liquidity available to the Company include its capacity to borrow additional funds when necessary through federal funds lines with several regional banks and a line of credit

with the Federal Home Loan Bank. Management considers the Company's overall liquidity to be sufficient to satisfy its depositors' requirements and to meet its customers' credit needs.

At June 30, 2000 cash, interest-bearing deposits in other banks, Federal funds sold, securities available for sale and loans maturing or repricing in one year were 21.0% of total earning assets. At June 30, 2000 approximately $154.8 million or 26.2% of total loans would mature or reprice within the next year. The Company utilizes Federal funds purchased, FHLB advances, securities sold under agreements to repurchase and customer repurchase agreements, in addition to deposits, to fund the growth in its loan portfolio, and to fund securities purchases, periodically in wholesale leverage transactions.

ITEM 3 - QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Earnings Simulation Analysis

Management uses simulation analysis to measure the sensitivity of net interest income to changes in interest rates. The model calculates an earnings estimate based on current and projected balances and rates. This method is subject to the accuracy of the assumptions that underlie the process, but it provides a better analysis of the sensitivity of earnings to changes in interest rates than other analysis such as the static gap analysis.

Assumptions used in the model, including loan and deposit growth rates, are derived from seasonal trends and management's outlook, as are the assumptions used to project yields and rates for new loans and deposits. All maturities, calls and prepayments in the securities portfolio are assumed to be reinvested in like instruments. Mortgage loans and mortgage backed securities prepayment assumptions are based on industry estimates of prepayment speeds for portfolios with similar coupon ranges and seasoning. Different interest rate scenarios and yield curves are used to measure the sensitivity of earnings to changing interest rates. Interest rates on different asset and liability accounts move differently when the prime rate changes and are accounted for in the different rate scenarios.

The following table represents the interest rate sensitivity on net interest income for the Company using different rate scenarios as of June 30, 2000:

Change in Prime Rate	% Change in Net Interest Income
+200 basis points	-2.17%
Flat	0

-200 basis points	+8.35%

Market Value Simulation

Market value simulation is used to calculate the estimated fair value of assets and liabilities over different interest rate environments. Market values are calculated based on discounted cash flow analysis. The net market value is the market value of all assets minus the market value of all liabilities. The change in net market value over different rate environments is an indication of the longer term repricing risk in the balance sheet. The same assumptions are used in the market value simulation as in the earnings simulation.

The following chart reflects the change in net market value over different rate environments as of June 30, 2000:

Change in Prime Rate	Change in Net Market Value (dollars in thousands)
+200 basis points	$-42,271
+100 basis points	-25,343
Flat	6,696
-100 basis points	11,110
-200 basis points	27,633

PART II - OTHER INFORMATION

Item 6 - Exhibits and Reports on Form 8-K

(a) See attached list of exhibits

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
(Registrant)

August 14, 2000
(Date)

____
G. William Beale,
President, Chief Executive Officer
and Director

August 14, 2000
(Date)

____
D. Anthony Peay,
Vice President and Chief Financial Officer

UNION BANKSHARES CORPORATION AND SUBSIDIARIES
Index to Exhibits
Form 10-Q /June 30, 2000

Exhibit No.	Description	
2	Plan of acquisition, reorganization, arrangement, liquidation or succession -	Not Applicable
4	Instruments defining the rights of security holders, including indentures	Not Applicable
10	Material contracts	Not Applicable

11	Statement re: computation of per share earnings	Not Applicable
15	Letter re: unaudited interim financial information	Not Applicable
18	Letter re: change in accounting principles	Not Applicable
19	Previously unfiled documents	Not Applicable
20	Report furnished to security holders	Not Applicable
22	Published report re: matters submitted to vote of security holders	None
23	Consents of experts and counsel	Not Applicable
24	Power of Attorney	Not Applicable
99	Additional Exhibits	None

</TABLE>

<TABLE> <S> <C>

<ARTICLE> 9
<MULTIPLIER> 1,000

<S> <C>
<PERIOD-TYPE> YEAR
<FISCAL-YEAR-END> DEC-31-2000
<PERIOD-END> JUN-30-2000
<CASH> 22,189
<INT-BEARING-DEPOSITS> 4,759
<FED-FUNDS-SOLD> 49
<TRADING-ASSETS> 0
<INVESTMENTS-HELD-FOR-SALE> 216,993
<INVESTMENTS-CARRYING> 6,687
<INVESTMENTS-MARKET> 6,644
<LOANS> 576,012
<ALLOWANCE> 7,594
<TOTAL-ASSETS> 882,910
<DEPOSITS> 686,899
<SHORT-TERM> 37,943
<LIABILITIES-OTHER> 6,884
<LONG-TERM> 80,728
<PREFERRED-MANDATORY> 0
<PREFERRED> 0
<COMMON> 15,031
<OTHER-SE> 55,425
<TOTAL-LIABILITIES-AND-EQUITY> 882,910
<INTEREST-LOAN> 24,575
<INTEREST-INVEST> 6,967
<INTEREST-OTHER> 52
<INTEREST-TOTAL> 31,594
<INTEREST-DEPOSIT> 12,550
<INTEREST-EXPENSE> 16,062
<INTEREST-INCOME-NET> 15,532
<LOAN-LOSSES> 1,145
<SECURITIES-GAINS> 86
<EXPENSE-OTHER> 16,194
<INCOME-PRETAX> 3,873
<INCOME-PRE-EXTRAORDINARY> 3,873
<EXTRAORDINARY> 0
<CHANGES> 0
<NET-INCOME> 3,315
<EPS-BASIC> 0.25
<EPS-DILUTED> 0.25
<YIELD-ACTUAL> 4.23
<LOANS-NON> 1,694
<LOANS-PAST> 2,057
<LOANS-TROUBLED> 0
<LOANS-PROBLEM> 7,493
<ALLOWANCE-OPEN> 6,617
<CHARGE-OFFS> 368
<RECOVERIES> 200
<ALLOWANCE-CLOSE> 7,594
<ALLOWANCE-DOMESTIC> 7,594
<ALLOWANCE-FOREIGN> 0
<ALLOWANCE-UNALLOCATED> 0

</TABLE>