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, 1999

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 June 30, 1999, Union Bankshares Corporation had 7,475,220 shares of Common Stock outstanding.

UNION BANKSHARES CORPORATION
FORM 10-Q
JUNE 30, 1999

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PART 1 - FINANCIAL INFORMATION
ITEM 1. FINANCIAL STATEMENTS

UNION BANKSHARES CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(Dollars in thousands)

ASSETS	June 30, 1999 (UNAUDITED)	December 31, 1998	June 30, 1998 (UNAUDITED)
Cash and cash equivalents:			
Cash and due from banks	$ 31,296	$ 39,607	$ 25,582
Interest-bearing deposits in other banks	2,336	1,413	1,159
Federal funds sold	5,128	-	8,350
TOTAL CASH AND CASH EQUIVALENTS	38,760	41,020	35,091
SECURITIES AVAILABLE FOR SALE, AT FAIR VALUE	196,389	161,228	148,212
INVESTMENT SECURITIES fair value of $10,799, $16,452 and $19,351, respectively	10,790	16,142	18,997
TOTAL SECURITIES	207,179	177,370	167,209
LOANS, NET OF UNEARNED INCOME	505,966	479,822	453,016
Less allowance for loan losses	7,303	6,407	5,177
NET LOANS	498,663	473,415	447,839
BANK PREMISES AND EQUPIMENT, NET	22,928	21,057	20,662
OTHER REAL ESTATE OWNED	1,032	1,101	1,390
OTHER ASSETS	38,395	19,984	18,365
TOTAL ASSETS	$ 806,957	$ 733,947	$ 690,556
LIABILITIES AND STOCKHOLDERS' EQUITY			
NON-INTEREST-BEARING DEMAND DEPOSITS	$ 103,190	$ 81,329	$ 83,771
INTEREST-BEARING DEPOSITS:			
Savings accounts	61,823	61,281	59,985
NOW accounts	81,312	81,514	73,351
Money market accounts	62,930	64,331	58,912
Time deposits of $100,000 and over	92,352	80,926	

			67,897
Other time deposits	235,376	238,248	225,232
TOTAL INTEREST-BEARING DEPOSITS	533,793	526,300	485,377
TOTAL DEPOSITS	636,983	607,629	569,148
SHORT-TERM BORROWINGS	27,607	19,476	16,323
LONG-TERM BORROWINGS	52,145	28,325	28,460
OTHER LIABILITIES	20,046	5,158	5,703
TOTAL LIABILITIES	736,781	660,588	619,634
STOCKHOLDERS' EQUITY:			
Common stock, $2 par value. Authorized 24,000,000 shares; issued and outstanding, 7,475,220, 7,507,394 and 7,497,394 shares, respectively	14,950	15,015	14,995
Surplus	-	311	4
Retained earnings	56,992	55,690	54,193
Accumulated other comprehensive income (losses)			
Net unrealized gains (losses) on securities available for sale, net of taxes	(1,766)	2,343	1,730
TOTAL STOCKHOLDERS' EQUITY	70,176	73,359	70,922
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 806,957	$ 733,947	$ 690,556

</TABLE>

See accompanying notes to consolidated financial statements.

UNION BANKSHARES CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME AND COMPREHENSIVE INCOME (UNAUDITED)

(Dollars in thousands, except per share data)

<TABLE>
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	Three Months Ended June 30		Six Months Ended June 30	
	1999	1998	1999	1998
<S>	<C>			
INTEREST INCOME:				
Interest and fees on loans	$ 10,338	$ 10,098	$ 20,740	$19,640
Interest on securities:				
U.S. government and agency securities	431	369	773	821
Obligations of states and political subdivisions	1,224	1,022	2,345	2,017

Other securities	1,386	1,039	2,533	2,041
Interest on Federal funds sold	29	110	88	299
Interest on interest-bearing deposits in other banks	1	21	29	46
TOTAL INTEREST INCOME	13,409	12,659	26,508	24,864
INTEREST EXPENSE:				
Interest on deposits	5,664	5,412	11,342	10,498
Interest on other borrowings	919	657	1,524	1,392
TOTAL INTEREST EXPENSE	6,583	6,069	12,866	11,890
NET INTEREST INCOME	6,826	6,590	13,642	12,974
PROVISION FOR LOAN LOSSES	751	480	1,513	915
NET INTEREST INCOME AFTER PROVISION FOR LOAN LOSSES	6,075	6,110	12,129	12,059
OTHER INCOME:				
Service charges on deposit accounts	738	738	1,430	1,339
Other service charges and fees	554	234	822	662
Gains (losses) on securities transactions, net	-	(27)	19	(25)
Gains (losses) on sales of other real estate owned and bank premises, net	-	-	(2)	16
Other operating income	2,630	466	5,232	523
TOTAL OTHER INCOME	3,922	1,411	7,501	2,515
OTHER EXPENSES:				
Salaries and benefits	4,999	2,703	9,507	5,183
Occupancy expenses	522	319	918	615
Furniture and equipment expenses	589	486	1,053	850
Other operating expenses	2,360	1,666	4,195	3,034
TOTAL OTHER EXPENSES	8,470	5,174	15,673	9,682
Income before income taxes and cumulative effect of accounting change	1,527	2,347	3,957	4,892
Income tax expense	195	438	706	937
INCOME BEFORE EFFECT OF ACCOUNTING CHANGE	1,332	1,909	3,251	3,955
CUMULATIVE EFFECT OF CHANGE IN ACCOUNTING METHOD, NET	-	-	(104)	

NET INCOME	$ 1,332	$ 1,909	$ 3,147	$ 3,955
OTHER COMPREHENSIVE INCOME (LOSSES)				
Unrealized holding gains (losses) arising during the period net of taxes of($1705) and ($908) for three and six months 1999 and $18 and $899 for three and six months 1998	$ (3,310)	$ 34	$ (1,763)	$ 1,746
Less reclassification adjustments for gains (losses) included in net income net of taxes of $0 and $6 for three and six months 1999 and ($9) and ($9) for three and six months 1998	-	(18)	13	(16)
Total Other Comprehensive Income (losses)	(3,310)	16	(1,776)	1,730
COMPREHENSIVE INCOME (LOSSES)	$ (1,978)	$ 1,925	$ 1,371	$ 5,717
BASIC EARNINGS PER SHARE				
Before cumulative effect of change in accounting	$ 0.18	$ 0.25	$ 0.44	$ 0.53
Cumulative effect of change in accounting method	-	-	(0.02)	-
Net income	$ 0.18	$ 0.25	$ 0.42	$ 0.53
DILUTED EARNINGS PER SHARE				
Before cumulative effect of change in accounting	$ 0.18	$ 0.25	$ 0.43	$ 0.53
Cumulative effect of change in accounting method	-	-	(0.02)	-
Net income	$ 0.18	$ 0.25	$ 0.41	$ 0.53
DIVIDENDS PER SHARE	$ 0.20	$ 0.19	$ 0.20	$ 0.19

</TABLE>

See accompanying notes to consolidated financial statements.

UNION BANKSHARES CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)
THREE MONTHS ENDED JUNE 30, 1999 AND 1998
(Dollars in thousands)

<TABLE>
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<S>	<C> 1999	1998
OPERATING ACTIVITIES:		
Net income	$ 3,147	$ 3,955
Adjustments to reconcile net income to net cash and cash equivalents provided by operating activities:		
Depreciation of bank premises and equipment	1,244	747
Amortization of intangibles	430	153
Provision for loan losses	1,513	915
Gains on sales of securities available for sale	(19)	25
(Gains) Losses on sale of other real estate owned	2	(16)
Increase in other assets	(18,632)	(6,156)
Increase (Decrease) in other liabilities	17,005	(1,380)
NET CASH AND CASH EQUIVALENTS USED IN OPERATING ACTIVITIES	4,690	(1,757)

INVESTING ACTIVITIES:		
Net increase in securities	(36,211)	(3,127)
Net increase in loans	(26,881)	(55,345)
Acquisition of bank premises and equipment	(3,115)	(4,430)
Proceeds from sales of other real estate owned	190	418
NET CASH AND CASH EQUIVALENTS USED IN INVESTING ACTIVITIES	(66,017)	(62,484)
FINANCING ACTIVITIES:		
Net increase (decrease) in non-interest-bearing deposits	21,861	17,272
Net increase in interest-bearing deposits	7,493	61,441
Net increase(decrease) in short-term borrowings	8,131	(10,922)
Increase in long-term borrowings	23,880	4,880
Issuance of common stock	1,005	10
Repurchase of common stock	(1,915)	-
Cash Dividends paid	(1,328)	(1,231)
Repayment of long-term borrowings	(60)	(135)
NET CASH AND CASH EQUIVALENTS PROVIDED BY FINANCING ACTIVITIES	59,067	71,315
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(2,260)	7,074
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	41,020	28,681
CASH AND CASH EQUIVALENTS AT END OF PERIOD	$ 38,760	$ 35,755
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash payments for:		
Interest	11,860	12,101
Income taxes	564	890

</TABLE>

See accompanying notes to consolidated financial statements.

UNION BANKSHARES CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)
JUNE 30, 1999

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 periods ended June 30, 1999 are not necessarily indicative of the results that may be expected for the year ending December 31, 1999.

These financial statements should be read in conjunction with the consolidated financial statements and notes thereto included in the Company's 1998 Annual Report to Shareholders. Certain previously reported amounts have been reclassified to conform to current period presentation.

As of January 1999, the Company adopted SOP 98-5 - REPORTING ON THE COSTS OF START-UP ACTIVITIES. This SOP requires that the costs of start-up activities be expensed as incurred. This is a change from past practices, which allowed the amortization of these costs over a specified time. As a result, two additional lines are on the Consolidated Statements of Income and Comprehensive Income: Income before effect of accounting change and Cumulative effect of change in accounting method, net of taxes. This one time effect impacted the first quarter and the six months ended June 30, 1999 as a result of costs accumulated in 1998 related to the Bank of Williamsburg (See Management Discussion).

2. ALLOWANCE FOR LOAN LOSSES

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

	1999	1998
Balance, January 1	$ 6,407	$4,798
Provisions charged to operations	1,513	915
Recoveries credited to allowance	192	155
Loans charged off	(809)	(691)
	-------	------
Balance, June 30	$ 7,303	$5,177
	=======	======

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 7,494,300 and 7,492,307 for the three months ended June 30, 1999 and 1998 and 7,511,420 and 7,480,514 for the six months ended June 30, 1999 and 1998. 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 7,697,395 and 7,526,604 for the three months ended June 30, 1999 and 1998 and 7,714,120 and 7,512,181 for the six months ended June 30, 1999 and 1998.

4. PURCHASE OF MORTGAGE CAPITAL INVESTORS, INC.

On February 11, 1999, the Company completed the purchase of Mortgage Capital Investors, Inc. a mortgage origination business with 16 locations in the states of Virginia, Maryland, North Carolina, South Carolina and Florida. This business was purchased to enhance the Company's existing mortgage operations and increase non-interest income. It contributed approximately $132,000 in net income for the period February 11 to June 30, 1999. This acquisition was accounted for under the purchase method of accounting. The purchase price was $5,000,000. At closing the Company paid $1,000,000 in cash and $1,000,000 in common stock. In addition, $3,000,000 is to be distributed over the next three years in cash and common stock. At closing 61,490 shares were issued with cash paid for fractional shares. As a result of the transaction, goodwill in the amount of $1,044,887 was recorded and is being amortized using the straight line method over 10 years at $104,488 per year.

5. SEGMENT REPORTING DISCLOSURES

Union Bankshares Corporation has two reportable segments: traditional full service community banks and mortgage loan origination business. The community bank business is made up of four banks which provide loan, deposit, investment, and trust services to retail and commercial customers throughout their locations in Virginia. The mortgage company provides a variety of mortgage loan products in a multi-state market. These loans are originated and sold 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 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. While the banks offer a distribution and referral network for the mortgage services, the mortgage company does not offer a similar network for the banks due largely to the lack of overlapping geographic markets. Another a major distinction is the source of income. The mortgage business is a fee based business while the banks are driven principally by net interest income.

The following is a summary of segment profit (dollars in thousands). Segment information for periods prior to 1999 are not presented as the Company's mortgage banking operation prior to the acquisition of MCI was not significant.:

SIX MONTHS ENDED JUNE 30, 1999

<TABLE>
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	COMMUNITY BANKS	MORTGAGE BANKING	TOTAL

<S> <C>

Net interest income after provision for loan loss	$ 12,262	$ -	$ 12,262
Total other income	2,654	4,829	7,483
Total other expenses	10,034	4,630	14,664
Segment profit after taxes	3,756	132	3,888
Total assets	787,011	19,524	806,535

</TABLE>

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

Net income	
Segment profit	$ 3,888
Other	(741)
Net income	$ 3,147

THREE MONTHS ENDED JUNE 30, 1999

<TABLE>
<CAPTION>

<S> <C>	COMMUNITY BANKS	MORTGAGE BANKING	TOTAL
Net interest income after provision for loan loss	$ 6,120	$ -	$ 6,120
Total other income	1,648	2,477	4,125
Total other expenses	5,087	2,859	7,946
Segment profit (losses) after taxes	2,108	(272)	1,836
Total assets	787,011	19,524	806,535

</TABLE>

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

Net income	
Segment profit	$ 1,836
Other	(504)
Net income	$ 1,332

6. 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 SFAS137, "Accounting for derivative instruments hedging activities--deferal of the effective date of FASB Statement 133". SFAS 137 delayed the effective date of with SFA3133 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.

7. 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. 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, bonds and stocks. Mortgage Capital Investors provides a wide array of mortgage products through its 16 offices in Virginia, Maryland, North Carolina, South Carolina and Florida.

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 are 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, the addition of Mortgage Capital Investors 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. This location is one of the faster growing areas of Virginia and it is expected that this bank will contribute to the profit of the Company within its first two years. Also in February 1999, the Company acquired Mortgage Capital Investors, a mortgage origination company based in Springfield, Virginia. In June 1999, the Company merged its King George State Bank subsidiary into its Union Bank & Trust subsidiary to better leverage its presence in the Fredericksburg, Virginia market and reduce costs after the retirement of King George State Bank's president.

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 1999 was $1.3 million, down from $1.9 million for the same period in 1998. The decline in net income for the period is due principally to an increase of $271,000 in the provision for loan loss over the second quarter of 1998; an increase of $2.3 million in salaries and benefits (which includes a full 3 months expenses for Mortgage Capital Investors) and a $694,000 increase in other expenses which includes the addition of Check Imaging and branch automation software and hardware. Diluted earnings per share amounted to $.18 in the second quarter of 1999, as compared to $.25 in the second quarter of 1998. The Company's annualized return on assets for the second quarter of 1999 was .67% as compared to 1.12% a year ago. The Company's annualized return on equity totaled 7.19% and 10.85% for the three months ended June 30, 1999 and 1998, respectively.

Net income for the first six months of 1999 before the cumulative effect of a change in accounting was $3.3 million, down 17.5% from $4.0 million a year ago. During the first quarter the Company adopted a new accounting standard (Statement of Position 98-5) which required it to expense certain previously capitalized start-up costs totaling $158,000, or $104,000 net of applicable taxes. Earnings per share before the cumulative adjustment for a change in accounting method on a diluted basis decreased to $.43 from $.53 for the same six months in 1998. Diluted earnings per share was $.41 in the first six months of 1999, as compared to $.53 in the first six months of 1998. The Company's annualized return on assets for the first six months of 1999 was .82% as compared to 1.20% a year ago. The Company's annualized return on equity totaled 8.61% and 11.41% for the six months ended June 30, 1999 and 1998, respectively.

Declining interest rates through most of the first six months continued to negatively impact the net interest margin as loans and investments matured, were prepaid or repriced at lower rates, while deposit competition remained tight. With the Federal Reserve's interest rate hike in late June, the margin improve over the second half of 1999. Rising interest rates negatively impacted our mortgage origination business income which slowed in the second quarter. Recent expansion activities, including branch acquisitions and de novo openings, in addition to the addition of a new mainframe and imaging software/hardware have generated a short term drag on earnings. Other infrastructure costs, principally continued investments in technology and people, contributed to a decline in earnings for the quarter for the core banking business. While the benefits of these technology investments tends to lag behind the costs, the long term benefit is significant in terms of the Company's ability to compete effectively in the changing financial services marketplace.

Of particular significance during the first six months was the opening of a new bank subsidiary, the Bank of Williamsburg. As with any de novo operation, the Bank of Williamsburg is expected to incur operating losses for the first year, becoming profitable during the second year of operation. The Bank's performance since opening in a temporary location has met management's expectations.

NET INTEREST INCOME

Net interest income on a tax-equivalent basis for the second quarter of 1999 increased by 2.7% to $7.4 million from $7.2 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. The opening of the Williamsburg bank with most of its capital invested in the investment portfolio has contributed to the narrowed interest margin. Average earning assets during the second quarter of 1999 increased by $103.5 million to $717.7 million from the second quarter of 1998, while average interest-bearing deposits grew by $56.1 million to $539.3 million over this same period. The Company's yield on average earning assets was 7.82%, down 84 basis points from 8.66% a year ago, while its cost of average interest-bearing liabilities also decreased 33 basis points from 4.62% to 4.29%.

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UNION BANKSHARES CORPORATION
Average Balances, Income and Expenses, Yields and Rates (Taxable Equivalent Basis)

Three Months June 30,

<S> <C>

	1999 Average Balance	1999 Interest Income/ Expense	1999 Yield/ Rate	1998 Average Balance	1998 Interest Income/ Expense	1998 Yield/ Rate
				(Dollars in thousands)		
ASSETS:						
Securities:						
Taxable	$131,210	$ 1,915	5.85%	$ 92,147	$ 1,500	6.53%
Tax-exempt(1)	86,134	1,703	7.93%	73,753	1,468	7.98%
Total securities	217,344	3,618	6.68%	165,900	2,968	7.17%
Loans, net.	495,598	10,338	8.37%	440,108	10,190	9.29%
Federal funds sold	4,015	29	3.20%	6,947	110	4.45%
Interest-bearing deposits in other banks	775	1	1.55%	1,241	21	6.14%
TOTAL EARNING ASSETS . . .	717,732	$ 13,986	7.82%	614,196	$ 13,289	8.66%
Allowance for loan losses	(7,058)			(5,106)		
TOTAL NON-EARNING ASSETS	83,264			67,855		
TOTAL ASSETS	$793,938			$676,945		
LIABILITIES & STOCKHOLDERS' EQUITY:						
Interest-bearing deposits:						
Checking	$ 87,240	$ 410	1.89%	$ 73,552	$	

					438	2.39%
Regular savings	59,757	391	2.62%	58,703	445	3.04%
Money market savings	64,008	561	3.51%	61,294	522	3.42%
Certificates of deposit:						
$100,000 and over	93,642	1,178	5.05%	66,952	927	5.55%
Under $100,000	234,631	3,124	5.34%	222,623	3,080	5.55%
TOTAL INTEREST-BEARING DEPOSITS	539,278	5,664	4.21%	483,124	5,412	4.47%
Other borrowings	76,676	919	4.81%	41,647	657	6.33%
TOTAL INTEREST-BEARING LIABILITIES	615,954	6,583	4.29%	524,771	6,069	4.62%
Non-interest bearing liabilities:						
Demand deposits	84,153			76,185		
Other liabilities	19,556			5,488		
TOTAL LIABILITIES	719,663			606,444		
Stockholders' equity	74,275			70,501		
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$793,938			$676,945		
NET INTEREST INCOME		$ 7,403			$ 7,220	
Interest rate spread			3.53%			4.04%
Interest expense as a percent of average earning assets			3.68%			3.94%
Net interest margin			4.14%			4.71%

</TABLE>

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

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UNION BANKSHARES CORPORATION
Average Balances, Income and Expenses, Yields and Rates (Taxable Equivalent Basis)

	Six Months Ended June 30,					
	1999			1998		
	Average Balance	Interest Income/ Expense	Yield/ Rate	Average Balance	Interest Income/ Expense	Yield/ Rate
						(Dollars in thousands)
<S>	<C>					
ASSETS:						
Securities:						
Taxable	$115,527	$ 3,453	6.03%	$ 94,446	$ 3,017	6.44%
Tax-exempt(1)	85,977	3,327	7.80%	72,616	2,900	8.05%

Total securities	201,504	6,780	6.79%	167,062	5,917	7.14%
Loans, net	488,719	20,740	8.56%	432,005	19,721	9.21%
Federal funds sold	4,175	88	4.30%	8,767	299	4.44%
Interest-bearing deposits in other banks	1,344	29	4.35%	1,206	46	7.02%
TOTAL EARNING ASSETS	695,742	$ 27,637	8.01%	609,040	$ 25,983	8.57%
Allowance for loan losses	(6,887)			(5,028)		
TOTAL NON-EARNING ASSETS	81,625			60,806		
TOTAL ASSETS	$770,480			$664,818		
LIABILITIES & STOCKHOLDERS' EQUITY:						
Interest-bearing deposits:						
Checking	$ 84,775	$ 871	2.07%	$ 69,318	$ 818	2.38%
Regular savings	58,804	789	2.71%	57,042	861	3.04%
Money market savings	64,024	1,075	3.39%	59,171	1,012	3.45%
Certificates of deposit:						
$100,000 and over	90,913	2,349	5.21%	66,245	1,784	5.43%
Under $100,000	236,648	6,257	5.33%	215,790	5,984	5.59%
TOTAL INTEREST-BEARING DEPOSITS	535,164	11,341	4.27%	467,566	10,459	4.51%
Other borrowings	61,260	1,525	5.02%	49,105	1,392	5.72%
TOTAL INTEREST-BEARING LIABILITIES	596,424	12,866	4.35%	516,671	11,851	4.63%
Non-interest bearing liabilities:						
Demand deposits	81,328			72,846		
Other liabilities	18,984			5,203		
TOTAL LIABILITIES	696,736			594,720		
Stockholders' equity	73,744			70,098		
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$770,480			$664,818		
NET INTEREST INCOME		$ 14,773			$ 14,132	
Interest rate spread			3.66%			3.94%
Interest expense as a percent of average earning assets			3.73%			3.92%
Net interest margin			4.28%			4.64%

</TABLE>

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

PROVISION FOR POSSIBLE LOAN LOSSES

The provision for possible loan losses totaled $751,000 for the second quarter of 1999, up from $480,000 for the second quarter of 1998. For the first six months, provision is up at $1.5 million for 1999 versus $915,000 in 1998. These provisions reflect the performance of the loan portfolio and management's assessment of the credit risk in the portfolio. (See ASSET QUALITY)

NON-INTEREST INCOME

Non-interest income for the three months ended June 30, 1999 totaled $3.9 million, up from $1.4 million for the same period in a year ago. For the six months ended on June 30, 1999 non-interest income was up $5.0 million at $7.5 versus $2.5 million in 1998. This increase is due principally to the increases in income from mortgage brokerage fees from Mortgage Capital Investors (MCI) totaling $2.4 million for the second quarter and $4.8 for the first six months of 1999. The remaining increase in non-interest income is due to increases in service fees on deposit accounts, increases in other service fees and increased brokerage commissions. Management continues to seek additional sources of non-interest income, including increased emphasis on its credit card operations, mortgage banking activities and brokerage services.

NON-INTEREST EXPENSE

Non-interest expense increased by 63.5% for the three months ended June 30, 1999, totaling $8.5 million as compared to $5.2 million for 1998. For the first six months of 1999, non-interest expenses was up 61.8% at $15.7 million in 1999 versus $9.7 million in 1998. In the second quarter, the impact of MCI full three months of expenses is the primary source of increase. Of the $2.3 million increase in the quarter in salaries and benefits, over $2.0 million was from MCI. For the six months ended June 30, 1999, personnel costs increased $4.3 million of which $3.6 million was MCI with the remaining $700,000 coming from normal merit increases, the full impact of staffing in last years purchased branches, and the addition of staff in the technology area including a Senior Technology manager. For the first six months, occupancy expense is up which is principally attributable to MCI and the Bank of Williamsburg, while the increase in furniture and equipment expense is the result of amortization of software expense and new software licensing fees. Also for the six months, other operating expenses are up $1.2 million of which MCI accounts for $733,000 with the remainder coming from increased processing expenses, consulting costs and amortization of core deposit premiums for the purchased branches and goodwill expense for the MCI purchase.

FINANCIAL CONDITION

Total assets as of June 30, 1999 were $807.0 million, an increase of 16.9% from $690.6 million at June 30, 1998. Asset growth was fueled by loan growth, as loans totaled $498.7 million at June 30, 1999, an increase of 11.4% from $447.8 million at June 30, 1998. Stockholders' equity totaled $70.1 million at June 30, 1999, which represents a book value of $9.39 per share.

Deposit growth remained steady. Total deposits at June 30, 1999 were $637.0 million, up 11.9% from $569.1 million at June 30, 1998. Other borrowings totaled $79.7 million at June 30, 1999, a 78.1% increase over $44.8 million at June 30, 1998. This is reflective of the Company's effort to better leverage its strong capital position. The Company continues to utilize other borrowings to supplement deposit growth and, periodically, engages in wholesale leverage transactions. 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 non-interest bearing demand deposits and savings accounts. Increased competition for funds, particularly 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 in to account such factors as the methodology used to calculate the allowance and comparison to peer groups.

The allowance for loan losses totaled $7.3 million at June 30, 1999 or 1.44% of total loans, as compared to 1.34% at December 31, 1998 and 1.14% at June 30, 1998. At June 30, 1999, non-performing assets of $4.2 million included foreclosed properties of $1,032,000 and a $710,000 investment in income-producing property.

	JUNE 30, 1999	DECEMBER 31, 1998	JUNE 30, 1998
	(DOLLARS IN THOUSANDS)		
Non-accrual loans	$2,484	$2,813	$2,787
Foreclosed properties	1,032	1,101	1,390

Real estate investment	710	730	954
Non-performing assets	$4, 226	$4,644	$5,131
Allowance for loan losses	$7,303	$6,407	$5,177
Allowance as % of total loans	1.44%	1.34%	1.14%
Non-performing assets to loans and foreclosed properties	.83%	.97%	1.13%

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, 1999, the Company's ratio of total capital to risk-weighted assets was 12.42% and its ratio of Tier 1 capital to risk-weighted assets was 11.14%. Both ratios exceed the fully phased-in capital requirements. The following summarizes the Company's regulatory capital and related ratios at June 30, 1999 (dollars in thousands):

Tier 1 capital	$ 63,435
Tier 2 capital	$ 7,303
Total risk-based capital	$ 70,738
Total risk-weighted assets	$ 568,861
CAPITAL RATIOS:	
Tier 1 risk-based capital ratio	11.15%
Total risk-based capital ratio	12.44%
Leverage ratio (Tier I capital to average adjusted total assets)	8.16%
Equity to assets ratio	8.76%

The Company's book value per share at June 30, 1999 was $9.39. 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 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, 1999, cash, interest-bearing deposits in other banks, federal funds sold, securities available for sale and loans maturing or repricing in one year were 24.2% of total earning assets. At June 30, 1999 approximately $144.5 million or 28.5% 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.

YEAR 2000

The Company's Year 2000 effort is proceeding in accordance with a written plan, which has been adopted by the Company's Board of Directors. Progress reports are provided to the Board on a regular basis. The Company has completed its assessment of the mission critical computer systems. Testing has been completed for all mission critical systems. All material business partners have been contacted: issues discussed and surveys of their contingency plans reviewed. The vendors/partners have provided Y2K compliance statements.

The Company has developed a comprehensive Business Resumption Contingency Plan (BRCP). The plan identifies 33 business systems. Each system has a policy statement, an internal and external PR statement, and step by step procedures to guide our management team in the event of a failure. The BRCP will be tested in four phases beginning in September. Phase one is where each owner will have alternative resources in place. Phase two is an initial walk through. Phase three is performing mock transactions if applicable. Finally, phase four is a refresher scheduled for early December. At this time, Management believes the most likely worst case scenario concerning Year 2000 will not have a material effect on the company's results of operations, liquidity, and financial condition for the year ending December 31, 2000. However, the Company is dependent on numerous outside vendors whom it can not control. Additionally, no entity can address the virtually unlimited possible circumstances related to Year 2000 issues, including risks outside the Banks market place. These plans will continue to be reviewed to meet new circumstances as they arise.

The Company is continuing its customer awareness efforts throughout the markets that it serves. These are designed to make the customers aware of our efforts to prepare for all potential situations and to give them our assurances that the Company is prepared. In addition, a cash contingency model has been developed to alert the Company to unusual changes in the cash demand patterns. The cash analysis and education of the community will be an ongoing function.

The Company has incurred internal staff costs as well as consulting and other expenses related to the infrastructure and facilities enhancements necessary to prepare its systems for the Year 2000. These cost, unless for depreciable assets, were expensed as incurred. Approximately $100,000 of expenses have been incurred as of June 30, 1999 and all costs have been expensed as incurred. The Company has $150,000 remaining in its Year 2000 budget and does not anticipate needing more.

The following table presents the Company's interest sensitivity position at June 30, 1999. This one-day position, which is continually changing, is not necessarily indicative of the Company's position at any other time.

<TABLE>
<CAPTION>

Interest Sensitivity Analysis

<S> <C>	30-Jun-99 Within 90 Days	90-365 Days	1-5 Years (In thousands)	Over 5 Years	Total
Earning Assets:					
Loans, net of unearned income (3) .	$106,068	$ 37,195	$ 195,643	$164,576	$503,482
Investment securities	275	3,514	5,027	1,974	10,790
Securities available for sale. . .	5,721	2,406	67,129	121,133	196,389
Federal funds sold	5,128	-	-	-	5,128
Other short-term investments . . .	418	-	-	-	418
Total earning assets	117,610	43,115	267,799	287,683	716,207
Interest-Bearing Liabilities:					
Interest checking (2)	$ -	$ -	$ 81,312	$ -	$81,312
Regular savings (2)	-	-	61,823	-	61,823
Money market savings	-	62,930	-	-	62,930
Certificates of deposit:					
$100,000 and over . . .	22,785	52,390	17,177	-	92,352
Under $100,000	29,704	125,862	79,408	402	235,376
Short-term borrowings.	27,487	120	-	-	27,607
Long-term borrowings	10,075	75	32,200	9,795	52,145
Total interest-bearing liabilities	90,051	241,377	271,920	10,197	613,545
Period gap	27,559	(198,262)	(4,121)	277,486	
Cumulative gap	27,559	$(170,703)	$(174,824)	$102,662	$102,662
Ratio of cumulative gap to total earning assets .	3.85%	-23.83%	-24.41%	14.33%	

</TABLE>

(1) The repricing dates may differ from maturity dates for certain assets due to prepayment assumptions.
(2) The Company has found that interest-bearing checking deposits and regular savings deposits are not sensitive to changes in related market rates and therefore, it has placed them predominantly in the "1-5 Years" column.
(3) Excludes non-accrual loans

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, 1999:

CHANGE IN PRIME RATE	% CHANGE IN NET INTEREST INCOME
+200 basis points	+.60%
Flat	0
-200 basis points	-.28%

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, 1999:

CHANGE IN PRIME RATE	CHANGE IN NET MARKET VALUE (DOLLARS IN THOUSANDS)
+200 basis points	$ -34,221
+100 basis points	-20,342
Flat	-7,487
-100 basis points	6,834
-200 basis points	18,728

PART II - OTHER INFORMATION

ITEM 6 - EXHIBITS AND REPORTS ON FORM 8-K

(a) See attached list of exhibits.

(b) No Form 8-K was required to be filed during the most recently completed quarter.

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 16, 1999

(Date) G. WILLIAM BEALE,
PRESIDENT, CHIEF EXECUTIVE OFFICER
AND DIRECTOR

August 16, 1999

(Date) D. ANTHONY PEAY,
VICE PRESIDENT AND CHIEF FINANCIAL OFFICER

UNION BANKSHARES CORPORATION AND SUBSIDIARIES
INDEX TO EXHIBITS
FORM 10-Q /JUNE 30, 1999

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<S>	<C>	
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

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