



Investor Presentation

November/December 2016

Forward-Looking Statement

Certain statements in this report may constitute “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements are statements that include projections, predictions, expectations, or beliefs about future events or results or otherwise and are not statements of historical fact. Such statements are often characterized by the use of qualified words (and their derivatives) such as “expect,” “believe,” “estimate,” “plan,” “project,” “anticipate,” “intend,” “will,” or words of similar meaning or other statements concerning opinions or judgment of the Company and its management about future events. Although the Company believes that its expectations with respect to forward-looking statements are based upon reasonable assumptions within the bounds of its existing knowledge of its business and operations, there can be no assurance that actual results, performance, or achievements of the Company will not differ materially from any future results, performance, or achievements expressed or implied by such forward-looking statements. Actual future results and trends may differ materially from historical results or those anticipated depending on a variety of factors, including, but not limited to, the effects of and changes in: general economic and bank industry conditions, the interest rate environment, legislative and regulatory requirements, competitive pressures, new products and delivery systems, inflation, changes in the stock and bond markets, accounting standards or interpretations of existing standards, mergers and acquisitions, technology, and consumer spending and savings habits. More information is available on the Company’s website, <http://investors.bankatunion.com> and on the Securities and Exchange Commission’s website, www.sec.gov. The information on the Company’s website is not a part of this presentation. The Company does not intend or assume any obligation to update or revise any forward-looking statements that may be made from time to time by or on behalf of the Company.

Company Overview

- The largest community banking organization headquartered in Virginia
- Holding company formed in 1993 – Banking history goes back more than 100 years
- 7 whole bank and 16 branch acquisitions since 1993
- Assets of \$8.3 Billion
- Comprehensive financial services provider offering
 - Commercial and retail banking through Union Bank & Trust
 - Investment, wealth management and trust services
 - Mortgages primarily through Union Mortgage Group, Inc.

Union's Strengths

- Unique branch network across Virginia, competitive banking products and services and a loyal customer base
- Well positioned for organic growth given commercial activity, household income levels and population growth in its footprint
- Strong balance sheet and solid capital base
- Experienced management team
- Successful acquirer and integrator
- Proven financial performance in both good and bad economic climates

Attractive market demographics support strong organic growth opportunities within our footprint

	Hampton Roads Region	Richmond Region	Northern Virginia Region	Southwest Region	Charlottesville Region	Rappahannock Region	Fredericksburg Region	Northern Neck Region	Total UBSH Regions
Total Households	451,124	391,588	420,049	258,821	220,068	198,251	134,666	26,024	2,100,591
Projected Five-Year Household CAGR	4.3%	5.0%	6.1%	3.2%	4.3%	7.7%	5.9%	2.3%	5.0%
Median Household Income	\$60,104	\$58,675	\$109,705	\$48,136	\$53,791	\$105,080	\$82,502	\$50,185	\$73,178
Total Business	54,355	53,653	51,873	32,260	29,631	25,304	14,983	3,415	265,474
Total Active Market Branches	239	299	358	234	196	193	101	39	1,659
5-Yr Market Deposit CAGR, '09 - '14	2.0%	2.6%	3.5%	2.7%	1.6%	3.8%	2.5%	0.2%	2.7%

Diversity Supports Growth in Virginia

Richmond

- State Capital
- Fortune 500 headquarters (6)
- Finance and insurance
- VCU & VCU Medical Center

Fredericksburg

- Defense and security contractors
- Health care
- Retail
- Real Estate development

Charlottesville

- University of Virginia & Medical College
- High-tech and professional businesses
- Real Estate development

Northern Virginia

- Nation's Capital
- Defense and security contractors
- Associations (lobbyists)
- High tech

Virginia Beach - Norfolk

- Military
- Shipbuilding
- Fortune 500 headquarters (3)
- Tourism

Roanoke - Blacksburg

- Virginia Tech
- Health care
- Retail
- Fortune 500 headquarters (1)

Union Bank & Trust

- 115 branches
 - Reduction of 9 branches (net) year to date. Will close one additional branch in December
- Only Virginia-based bank with a statewide footprint
- 1,264 FTEs
- 59 Commercial Bankers
- \$6.1 Billion Loans
- \$6.3 Billion Deposits
- 176,000+ Core Consumer Households

Strong Presence Across All Major Virginia Markets

MSA
 Market Share Rank
 Company Deposits
 Total Market Deposits
 Market Share

Statewide
 Rank: #7
 Deposits: \$6.1bn
 Market Tot.: \$191bn
 Mkt. Share: 3.2%
 Branches: 115

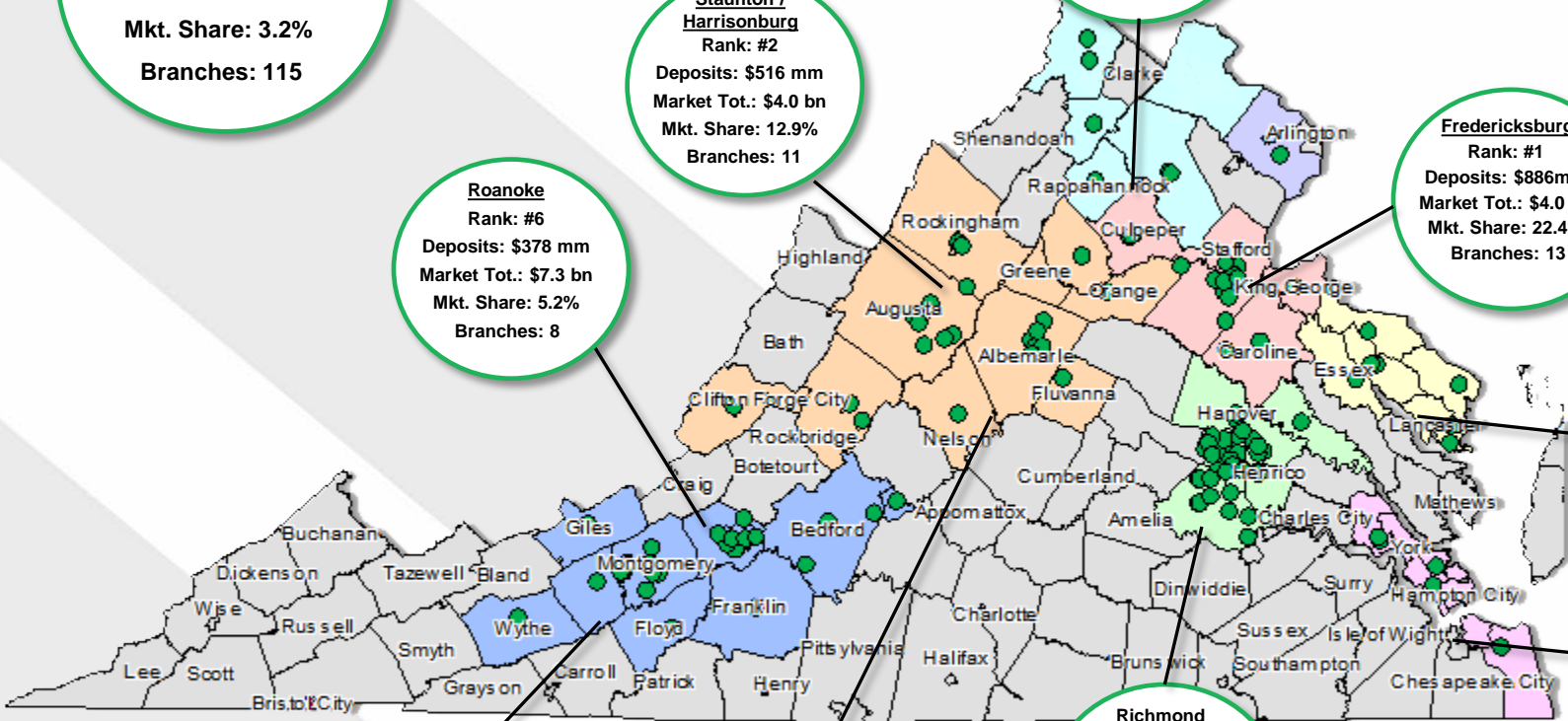
Culpeper
 Rank: #2
 Deposits: \$484 mm
 Market Tot.: \$2.9 bn
 Mkt. Share: 16.9%
 Branches: 8

**Staunton /
 Harrisonburg**
 Rank: #2
 Deposits: \$516 mm
 Market Tot.: \$4.0 bn
 Mkt. Share: 12.9%
 Branches: 11

Fredericksburg
 Rank: #1
 Deposits: \$886mm
 Market Tot.: \$4.0 bn
 Mkt. Share: 22.4%
 Branches: 13

Roanoke
 Rank: #6
 Deposits: \$378 mm
 Market Tot.: \$7.3 bn
 Mkt. Share: 5.2%
 Branches: 8

Northern Neck
 Rank: #2
 Deposits: \$323mm
 Market Tot.: \$1.6 bn
 Mkt. Share: 21.0%
 Branches: 9



Source: SNL Financial; Deposit data as of 6/30/2016

Largest Community Bank Headquartered in Virginia

Deposit Market Share – Virginia

Rank	Parent Company Name	Number of Branches	Total Deposits (\$000)	Total Deposit Market Share (%)
1	Wells Fargo & Co. (CA)	287	38,612,667	20.1
2	Bank of America Corp. (NC)	140	26,154,322	13.6
3	BB&T Corp. (NC)	351	22,630,570	11.8
4	SunTrust Banks Inc. (GA)	203	19,014,719	9.9
5	Capital One Financial Corp. (VA)	74	14,811,622	7.7
6	United Bankshares Inc. (WV)	83	7,089,799	3.7
7	Union Bankshares Corp. (VA)	115	6,101,710	3.2
8	TowneBank (VA)	33	5,704,362	3.0
9	Carter Bank & Trust (VA)	88	3,948,043	2.1
10	PNC Financial Services Group Inc. (PA)	100	3,479,206	1.8
	Other Market Participants (122)	987	44,197,077	23.1
	Market Total	2,461	191,744,097	100.0
	<i>Analysis current as of 10/3/2016</i>			

Union Wealth Management

- Trust, Asset Management, Private Banking, Brokerage and Financial Planning services
- \$2.3B in AUM and AUA, the majority of which is managed assets
- \$2.8 million fiduciary and asset management fees generated in 3Q16
- Organic and Acquisitive growth opportunities
 - Expand services to existing customers utilizing targeted segmentation and marketing strategies
 - Opportunities to serve retail and commercial customers of bank
 - Leveraging bank brand/reputation in wealth management space
 - Target advisors, teams and firms that complement our wealth model and client service culture
 - Closed on Old Dominion Capital Management (\$300 million AUM) acquisition in 2Q

Union Mortgage Group

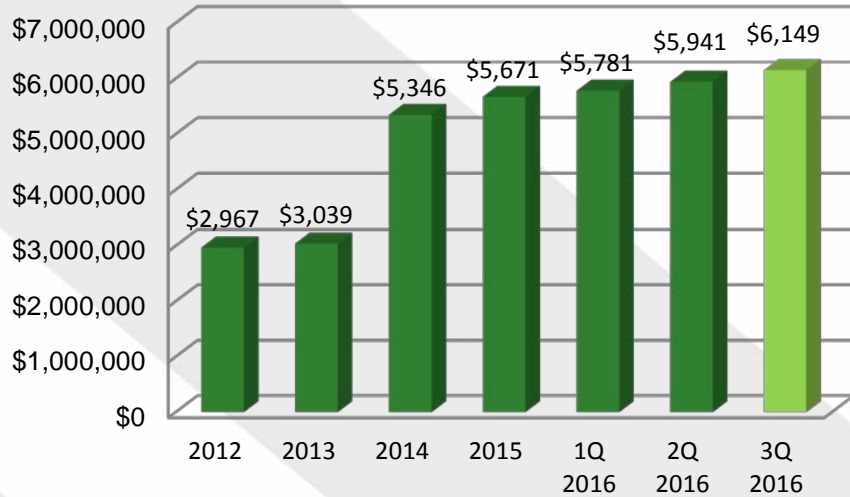
- 22 offices: 20 in Virginia, 1 each in Maryland and North Carolina
- 111 FTEs – 44 loan officers
- \$156.7 million of originations 3Q16 (34% refinance)
- \$785,000 net income in 3Q16
 - Up from \$539,000 in 2Q
- Opportunities:
 - Salesforce expansion in growth markets
 - Improved pipeline management and fulfillment allowing for improved leverage

3Q 2016 Highlights

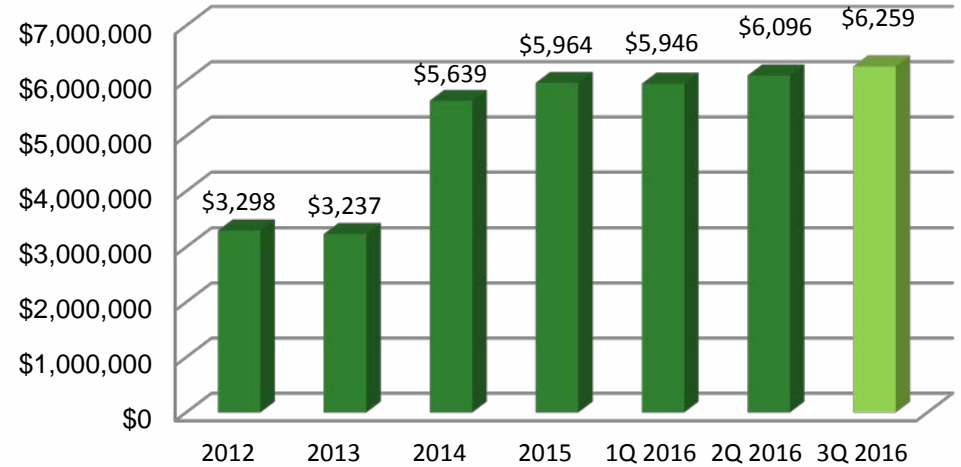
- Net Income was \$20.4 million; earnings per share of \$0.47 – up ~\$2.2 million or 7 cents from 3Q 2015
- Loan growth was 14% annualized in the quarter
- Deposit balances grew 10.7% annualized in the quarter
- Asset Quality remained strong as nonperforming assets declined \$11.8 million, or 34% from 3Q 2015

Balance Sheet Trends

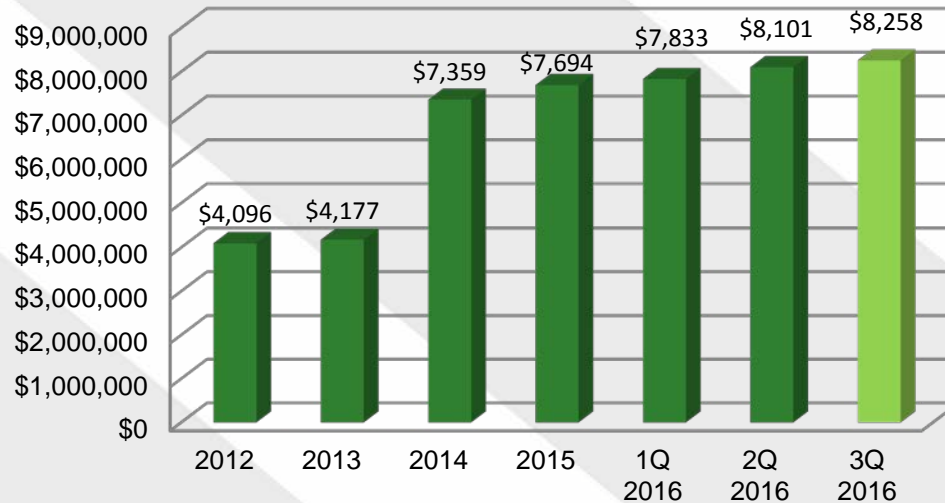
Loans (\$M)



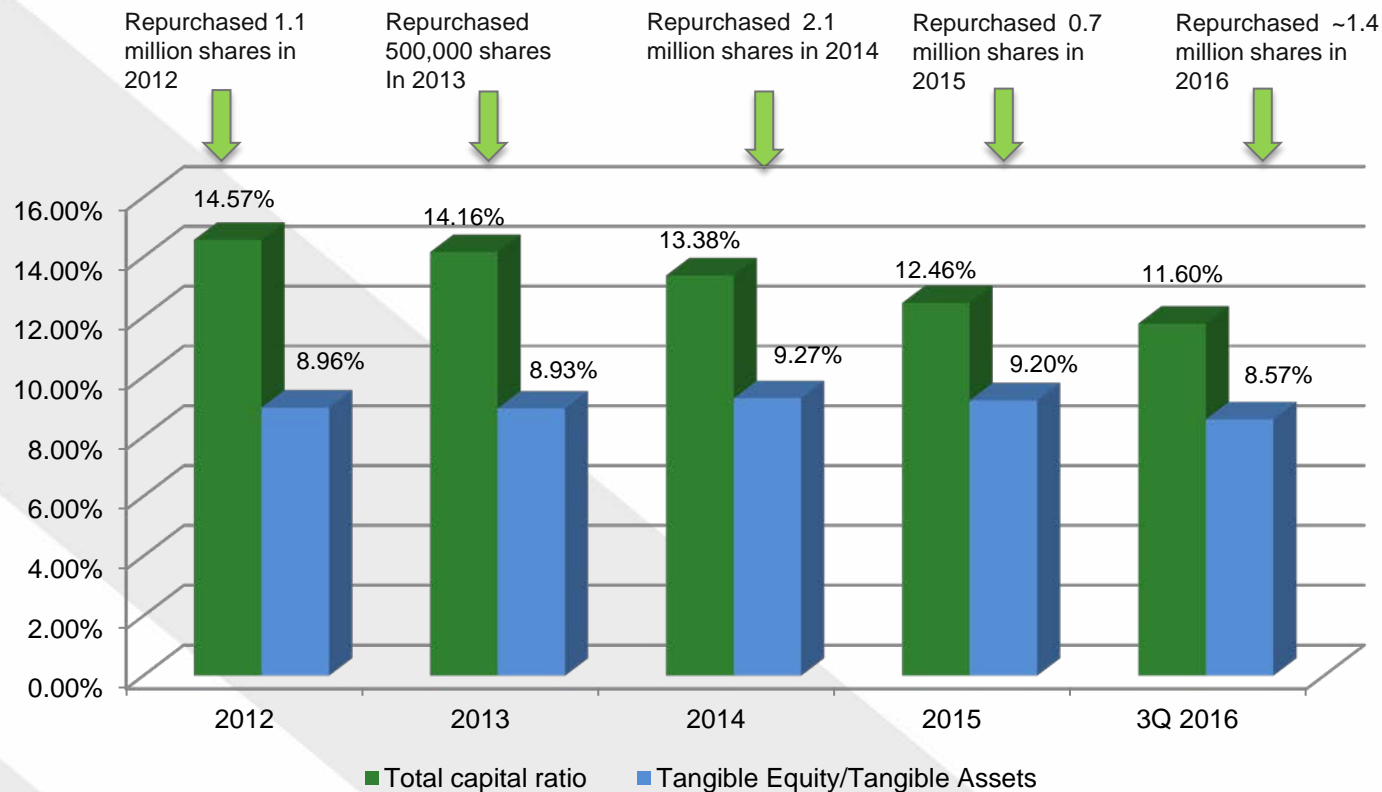
Deposits (\$M)



Assets (\$M)



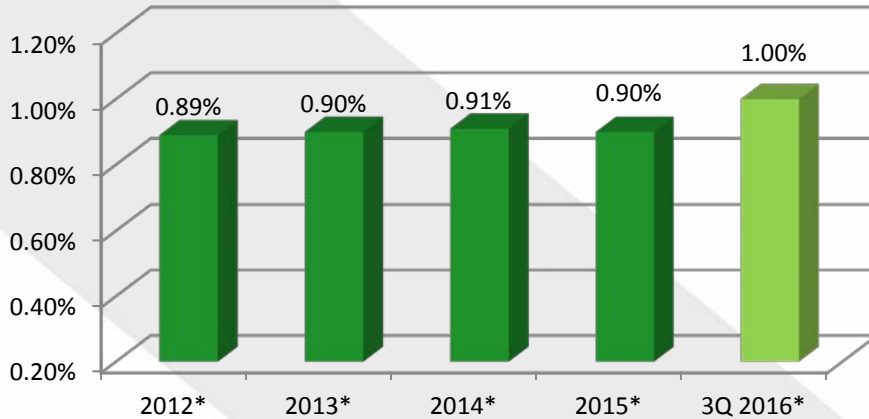
Capital Ratios



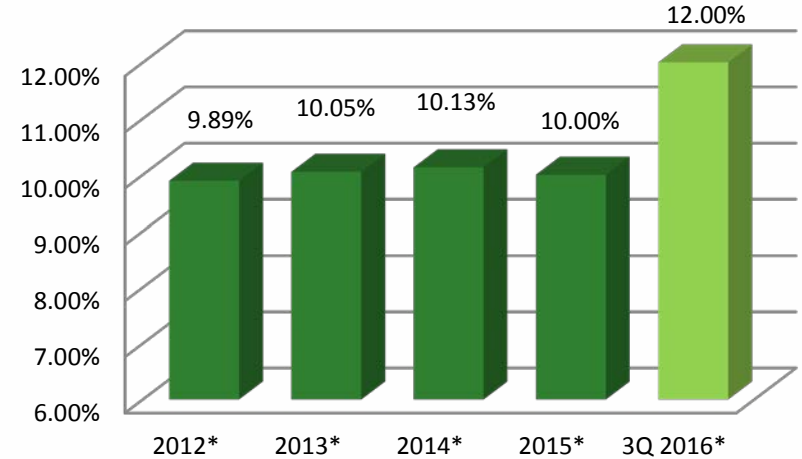
- Since 2011, increased quarterly dividend from \$0.07/share to \$0.20/share;
- Increased quarterly dividend to \$0.20 starting in November 2016
- Repurchased 5.8 million shares since 2012
- In 2016, repurchased \$33.2 million of stock (~1.4 million shares) as of September 30, 2016
- In February, Board approved a \$25 million stock buyback authorization – expires on December 31, 2016 - ~\$13.0 million remaining

Profitability Ratios and Income Trends

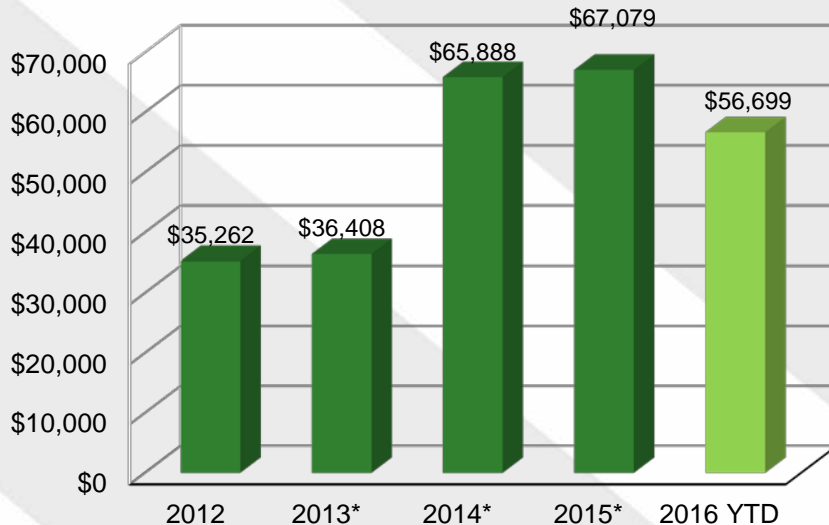
Return on Average Assets (ROA)



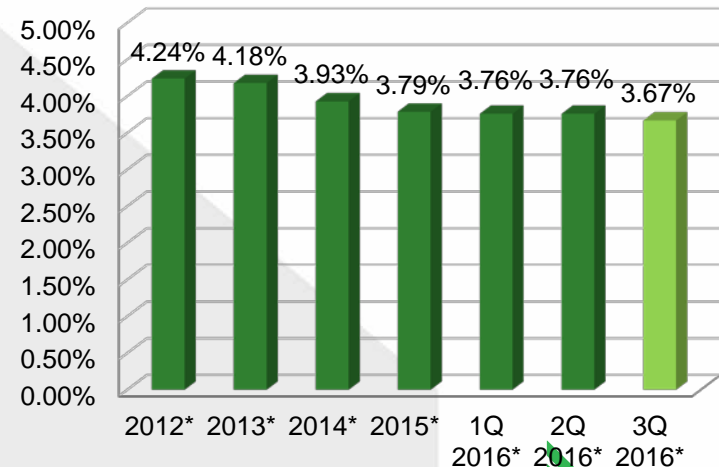
ROTCE



Net Income (\$)



Net Interest Margin



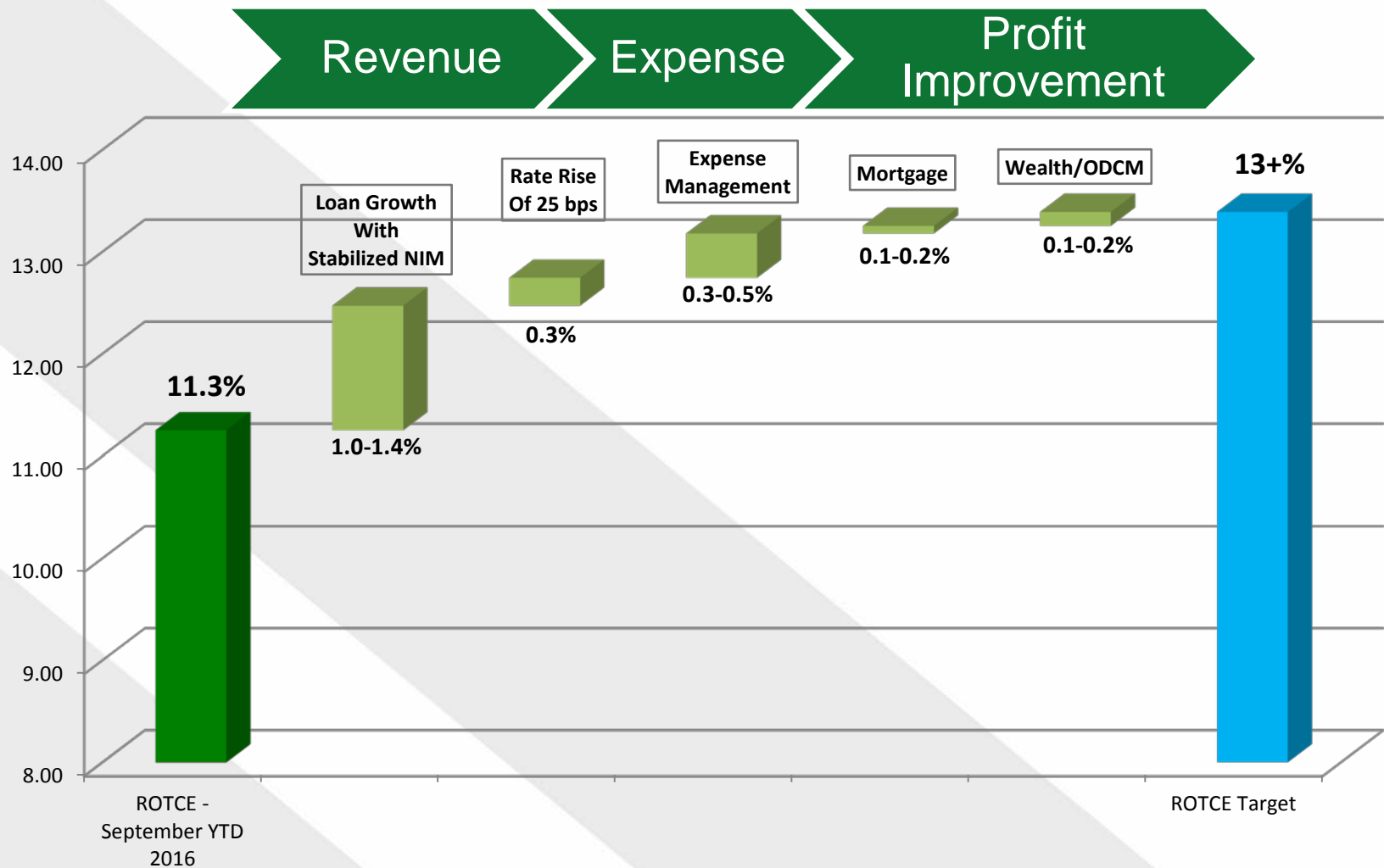
* excludes after-tax acquisition expenses and acquisition accounting impact

Top-Tier Financial Performance Focus

- Union is committed to achieving top tier financial performance and providing our shareholders with above average returns on their investment
- Key financial performance metrics benchmarked against top quartile peers
- Top Tier Financial Performance targets:

Financial Performance Metric	Union Targets
Return on Assets	1.1% - 1.3%
Return on Tangible Common Equity	13% - 15%
Efficiency Ratio	< 60%

Path to Top Tier Return on Tangible Common Equity



This path also delivers Return on Assets of above 1.1%

CEO Succession Plan

- John Asbury became President & CEO of Union Bank & Trust and President of Union Bankshares Corporation on October 1
 - Most recently was President and CEO of First National Bank of Santa Fe, a multi-state bank located in the Southwest
 - Prior to that, he was Senior Executive Vice President at Regions responsible for all lines serving business and commercial customers and managed a \$50 billion book of business
 - Senior Vice President at Bank of America – served in a variety of roles last position responsible for all Pacific Northwest Region business banking
- Asbury joined the board on October 1 and becomes CEO of holding company on January 2, 2017
- Billy Beale remains CEO of holding company until January, then becomes Executive Vice Chairman through March 31. Will stand for re-election to board
- Korn Ferry assisted with the search process
- Timing of succession plan positions Union for seamless leadership transition and strategic continuity

2016 Outlook

- Stable to growing economy in footprint
- Low double digit loan growth
- Modest net interest margin compression in 4Q
- Continued asset quality improvement – reduction of OREO expenses
- Improving ROA, ROTCE and Efficiency Ratio
- Closing 1 branch in 4Q and 1 branch in 1Q 2017

Value Proposition

- Statewide Virginia branch footprint is a competitive advantage and brings a unique franchise value
- Strong balance sheet and capital base
- Organic growth and acquisition opportunities
- Experienced management team
- Committed to top tier financial performance
- Shareholder Value Driven
 - Solid dividend yield and payout ratio with earnings upside

THANK YOU!