



Investor Presentation

May/June 2017

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 Snapshot

Overview

- Shares listed under “UBSH” on NASDAQ
- Headquartered in Richmond, VA
- 100+ years of banking history
- 113 branches across more than 50 counties and 10 MSAs throughout Virginia
 - Only Virginia-based bank with a statewide footprint
 - Largest community banking organization headquartered in Virginia

Financial Highlights as of 3/31/2017

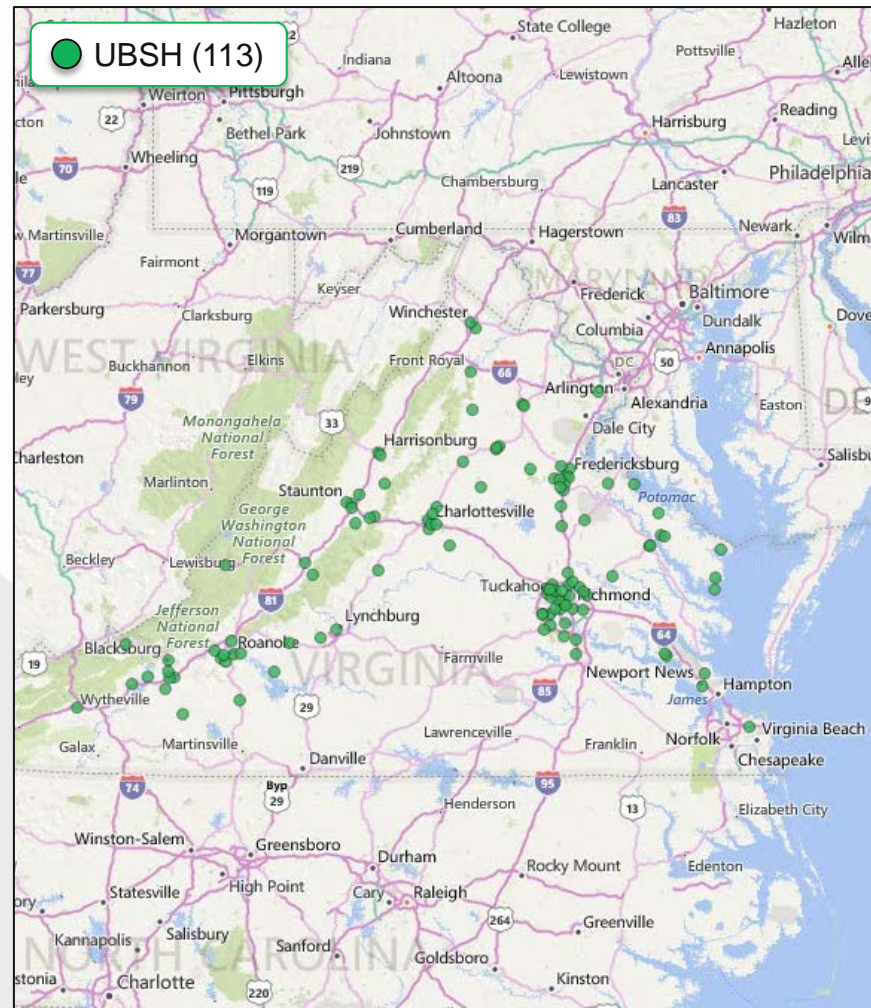
(\$ Millions)

Total Assets	\$8,669.9
Total Loans Held For Investment	6,554.1
Total Deposits	6,614.2
Shareholders' Equity	1,015.6
Market Capitalization	1,536.7

Capital Ratios

Tier 1 Common Capital (CET1)	9.55%
Tier 1 Leverage	9.79%
Tier 1 Capital	10.77%
Total Capital	13.29%
Tangible Common Equity / Tangible Assets	8.36%

Branch Map



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 Key Statistics

Branches

- 113 (-10 in 2016; -1 YTD 2017)

Full Time Equivalent

- 1,309

Commercial Bankers

- 58

Loans

- \$6.55 billion

Deposits

- \$6.61 billion

Consumer Households

- 178+ thousand

Union is the only Virginia-based bank with a statewide footprint

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

Union Wealth Management Key Statistics

Services

- Trust, Asset Management, Private Banking, Brokerage and Financial Planning

Growth

- Acquired Old Dominion Capital Management in May 2016

Size

- \$2.4B in AUM and AUA, the majority of which is managed assets

Income

- \$2.8 million, +\$650,000 from 1Q16

Opportunity

- Organic and acquisitions

1Q 2017 Financial Highlights

Net Income

- \$19.1million, +\$2.2 million or +12.8%, from 1Q16

Earnings per share

- \$0.44, +6 cents, or 15.8%, from 1Q16

ROA

- 92 basis points, + 4 bps from 1Q16

ROTCE

- 11.20%, +107 bps from 1Q16

Efficiency

- 65.3%, -82 bps from 1Q16

Loans

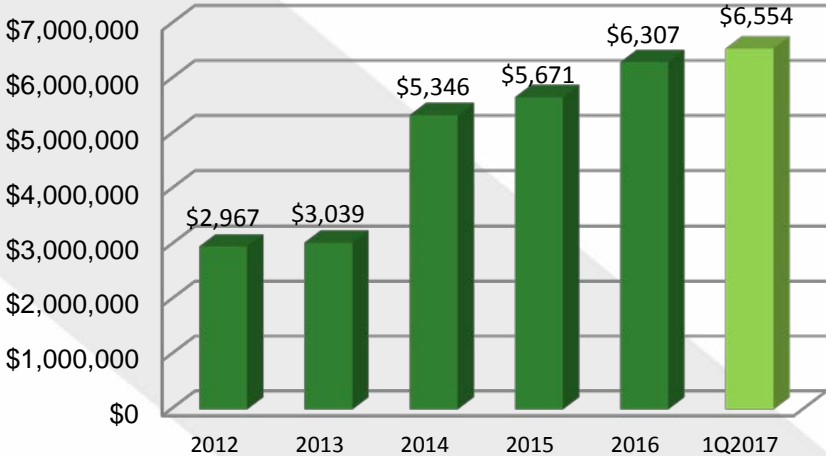
- +3.9% from 4Q16, annualized to 15.7%

Deposits

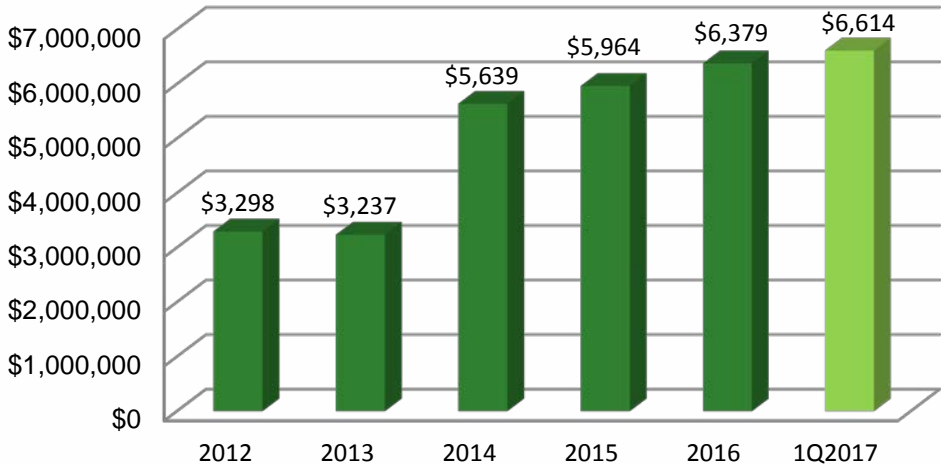
- +3.7% from 4Q16, annualized to 14.7%

Balance Sheet Trends

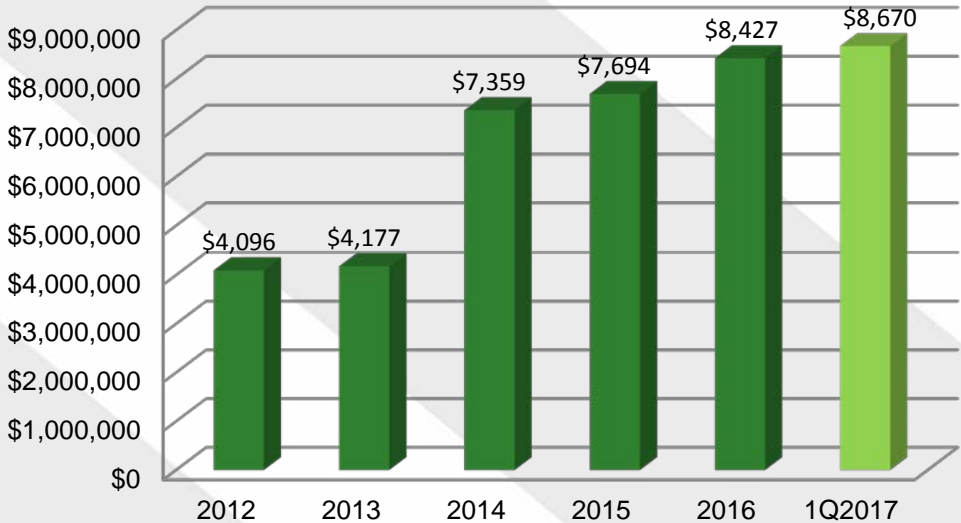
Loans (\$M)



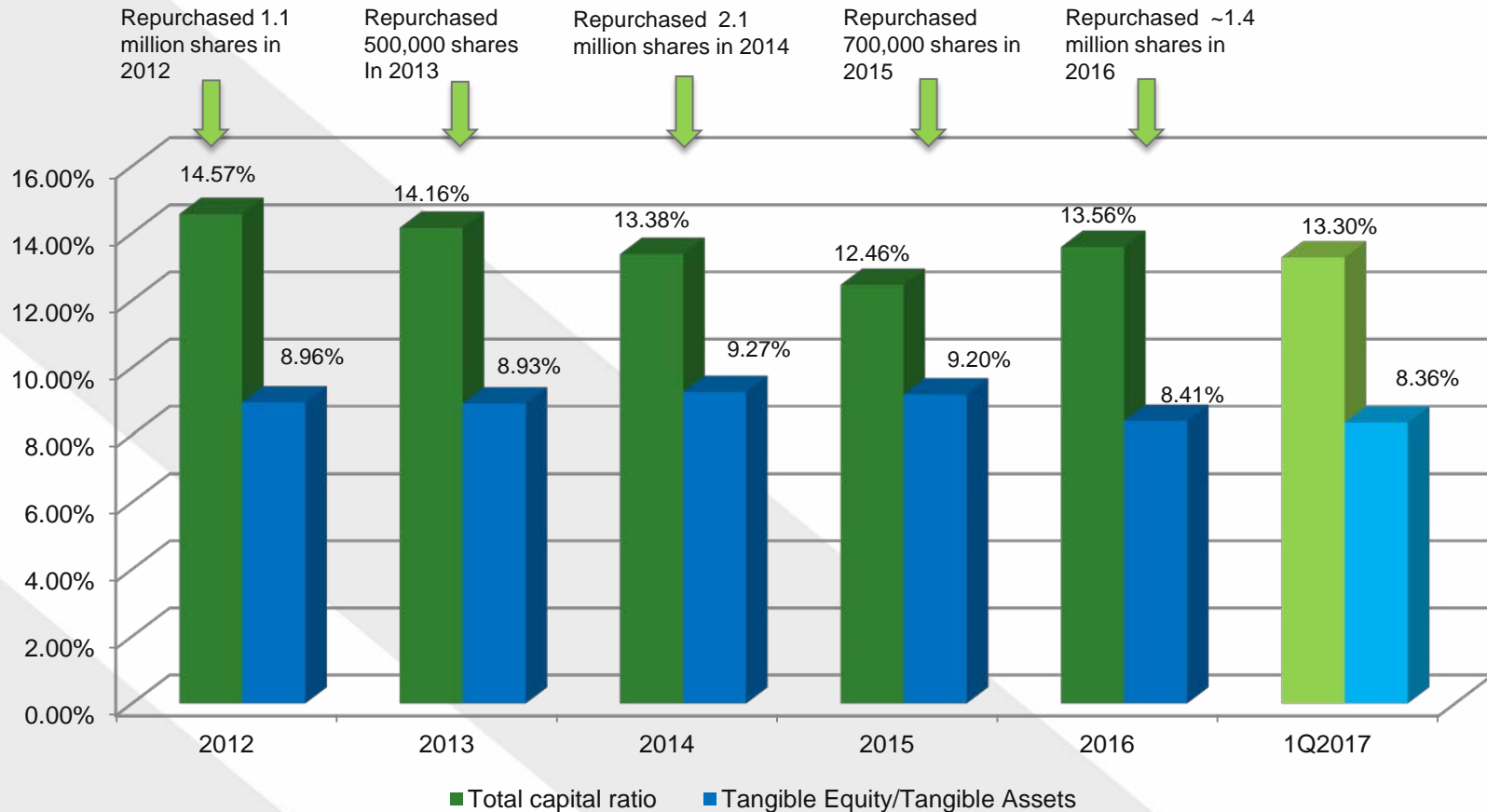
Deposits (\$M)



Assets (\$M)



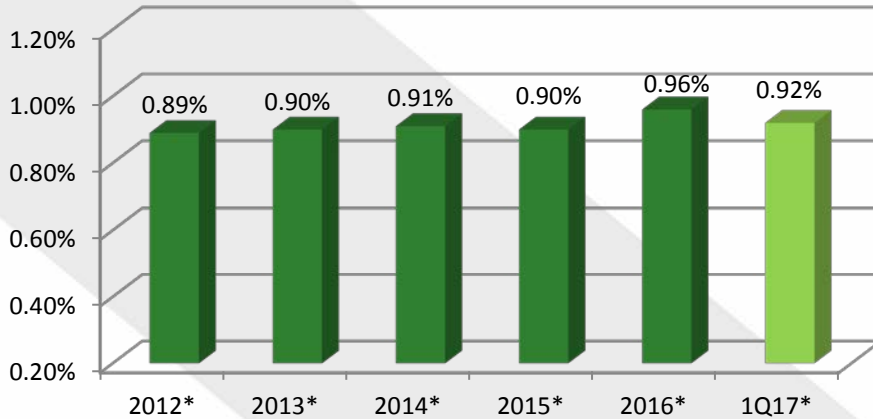
Capital Management



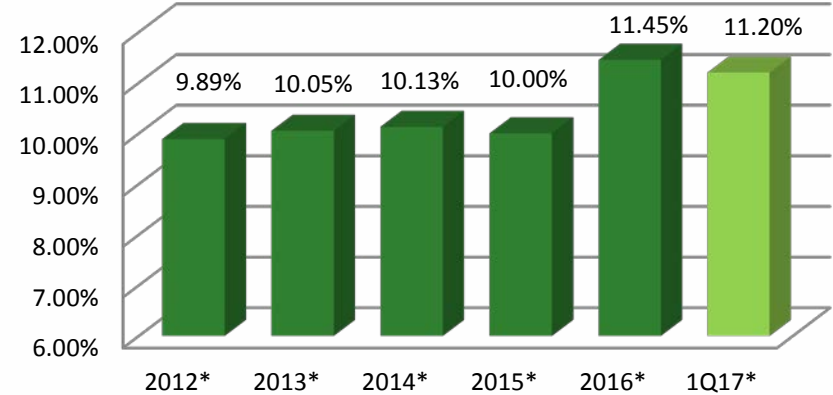
- Since 2011, increased quarterly dividend from \$0.07/share to \$0.20/share;
- Repurchased 5.8 million shares since 2012
- In 2016, repurchased \$33.2 million of stock (~1.4 million shares)

Profitability Ratios and Income Trends

Return on Average Assets (ROA)



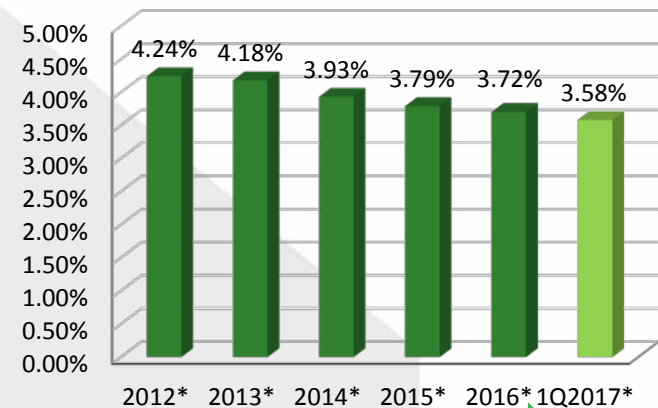
ROTCE



Net Income (\$)



Net Interest Margin



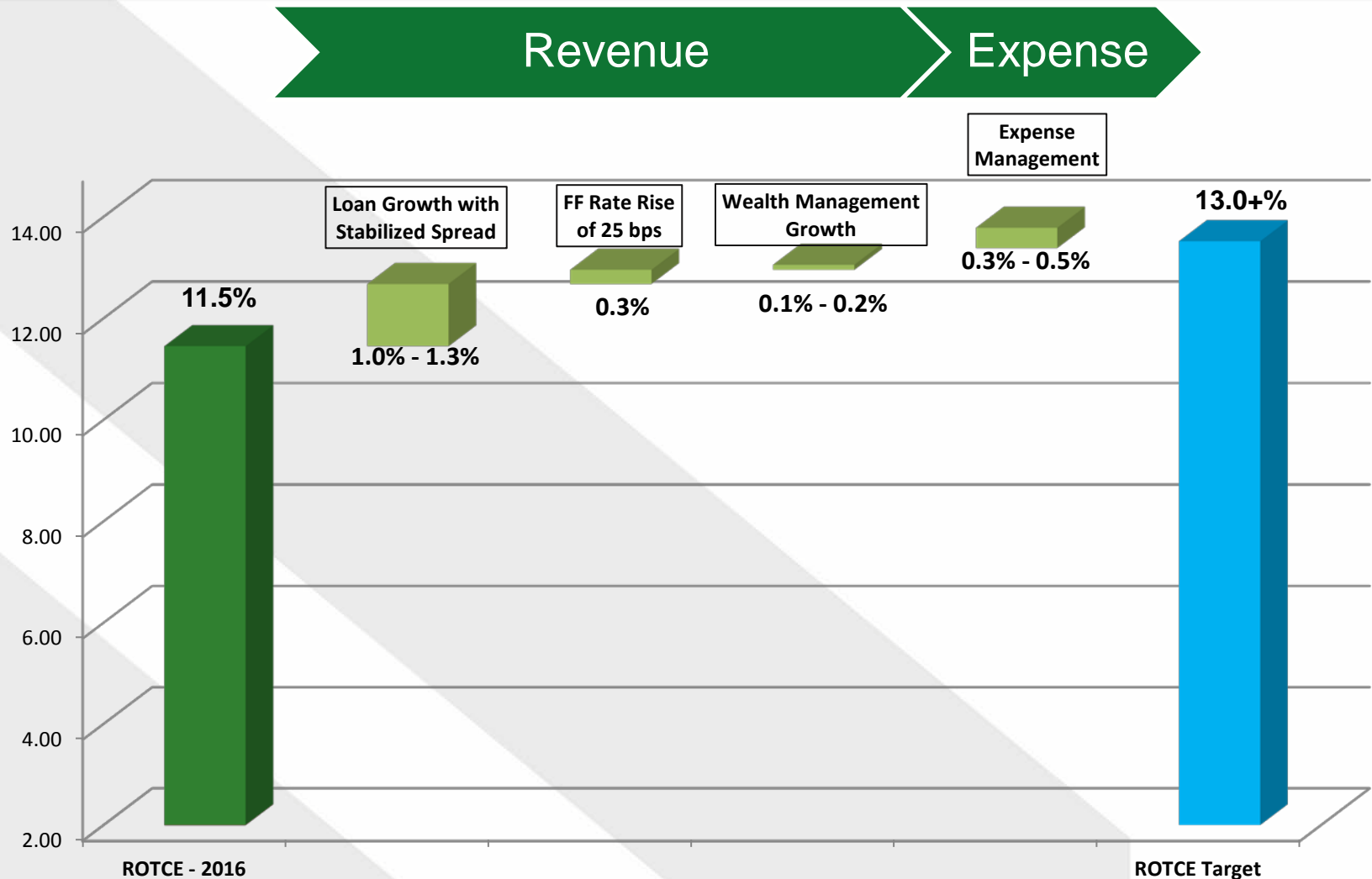
* excludes after-tax acquisition expenses and acquisition accounting impact

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%

2017 Outlook

Economy

- Expect stable economy in Virginia footprint

Loan Growth

- Low double digit

Net Interest Margin

- Stabilizing in 2Q
- Modest expansion in second half of 2017

Key Financial Metrics

- Expect improvement in return on assets, return on tangible common equity and efficiency ratio vs. 2016

2017 Priorities

Diversification

- Loan portfolio
- Revenue streams

Core Funding

- Pace loan growth with deposit growth
- Target 95% loan to deposit ratio over time

Efficiency

- Drive efficiency ratio <60%
- More revenue + lower cost structure

\$10 billion asset crossing

- Finalize preparations in 2017

Value Proposition

Scale

- Statewide branch footprint is a competitive advantage and brings a unique franchise value

Strength

- Balance sheet and Capital levels

Growth

- Organic and acquisition opportunities

Opportunity

- Committed to top-tier financial performance

Shareholder

- Solid dividend yield and payout ratio with earnings upside

APPENDIX

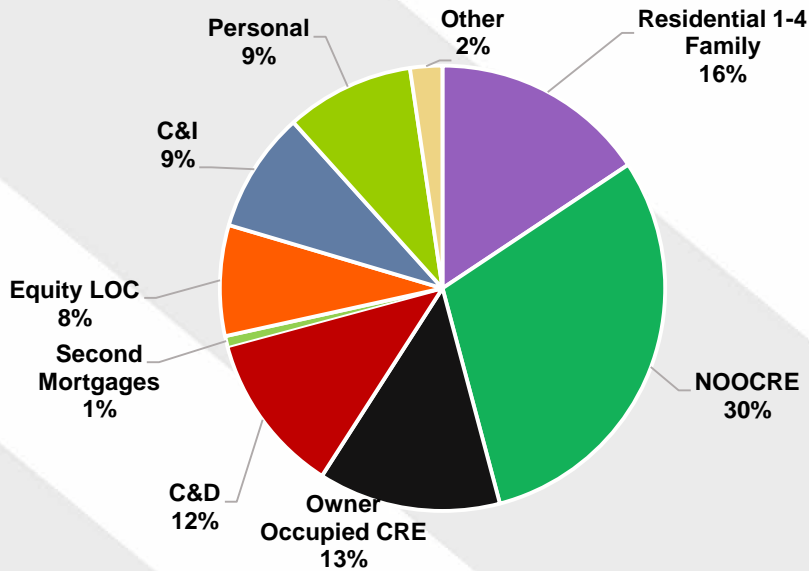
CEO Succession Plan

- John Asbury became President & CEO of Union Bank & Trust and President of Union Bankshares Corporation on October 1; CEO of Holding company on January 2, 2017 – succeeding Billy Beale.
 - Asbury was most recently 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
- Billy was Executive Vice Chairman through March 31 and was re-elected to board in May 2017 and will serve as an advisor to the CEO and Board

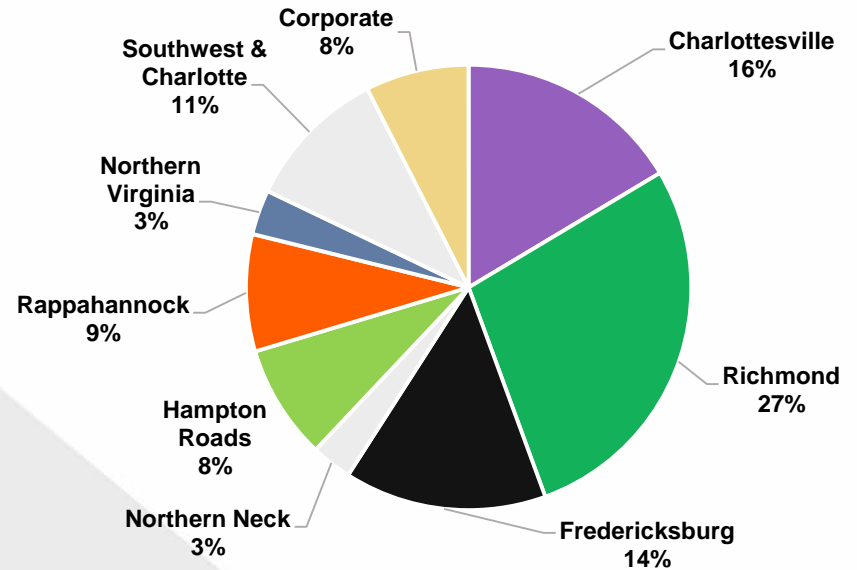
Diversified Loan Portfolio

Loan Composition at March 31, 2017 – \$6.554 Billion

Composition By Type



Composition By Region



**NOO CRE/Total
Capital Ratio:
300%**

Portfolio Characteristics

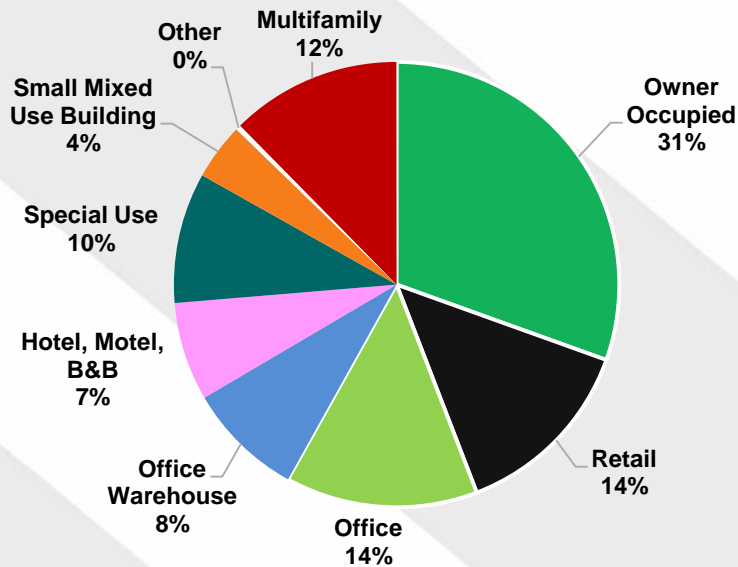
Average loan size	\$143,000
Weighted average maturity	83 months
Yield YTD (Tax Equivalent)	4.35%

**ADC/Total
Capital:
81%**

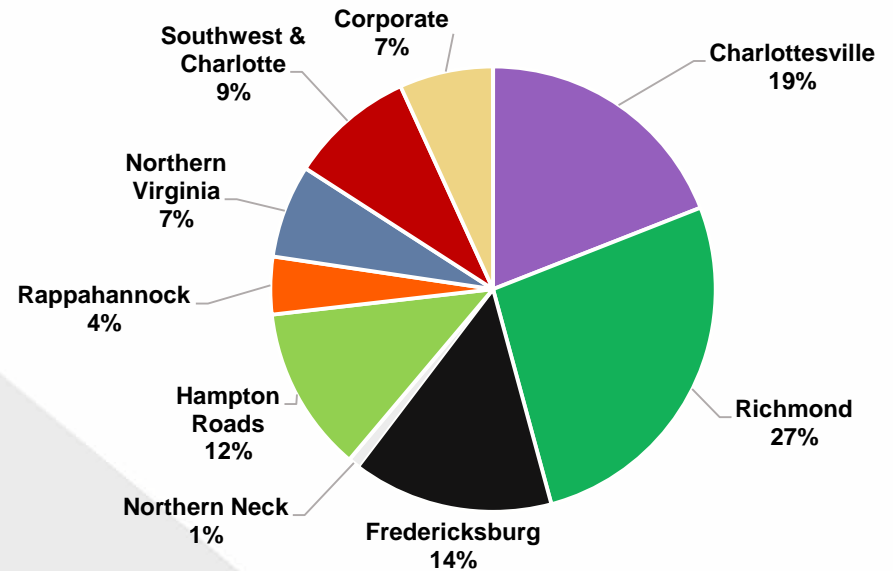
Commercial Real Estate Portfolio

CRE Composition at March 31, 2017 - \$2.856 Billion

Composition By Type



Composition By Region

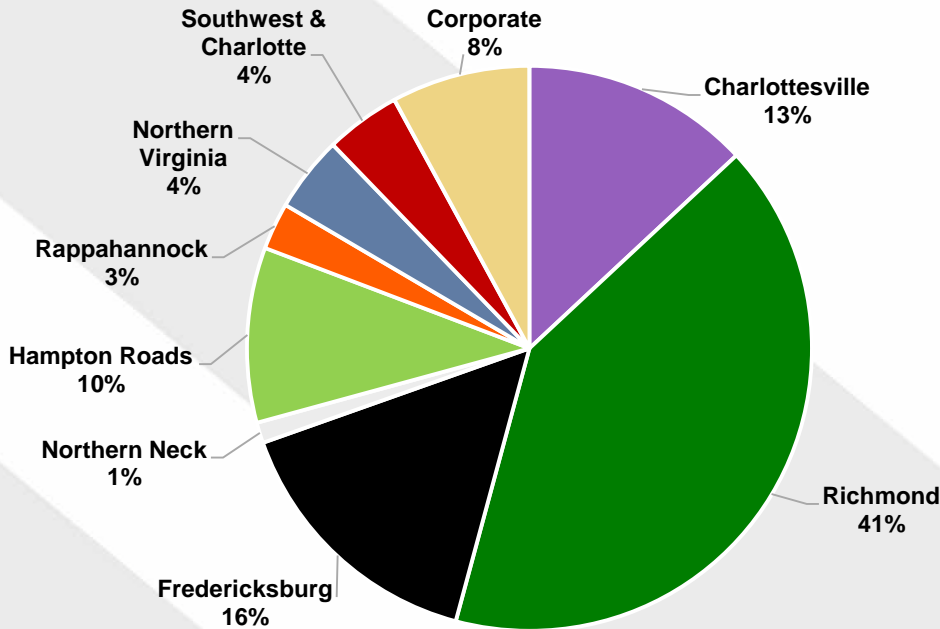


Portfolio Characteristics

10 largest loans	7.0% of CRE portfolio
10 largest loans	2.6% of total loan portfolio
Weighted average maturity	61 months
Weighted average coupon	3.99%

Construction and Development Loans

C&D Composition at March 31, 2017 - \$770 million

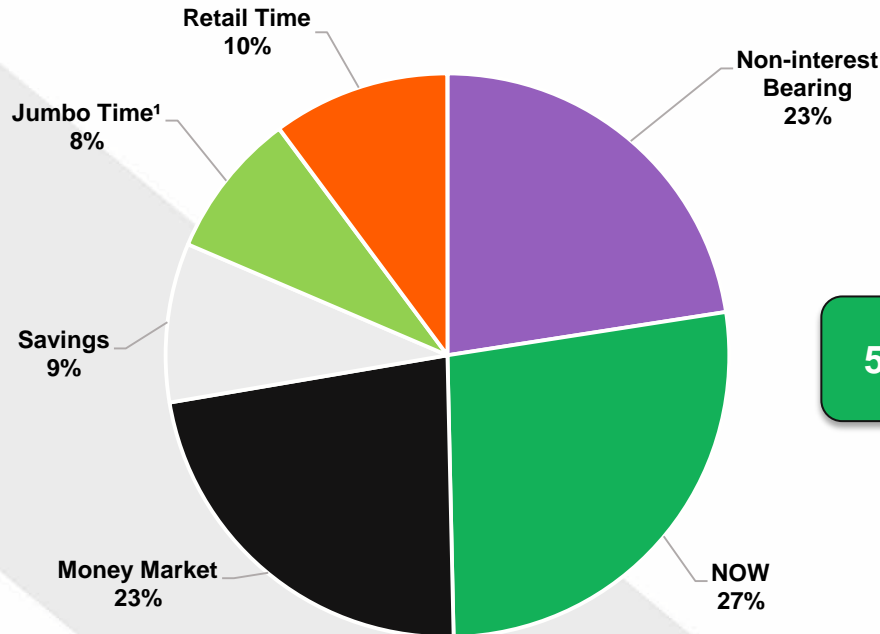


Portfolio Characteristics	
10 largest loans	17.0% of C&D portfolio
10 largest loans	2.6% of total loan portfolio
Weighted average maturity	20 months
Weighted average coupon	4.21%
C&D Loans/Total Capital Ratio	81.0%

- 36.0% commercial construction, 23.2% residential construction and remainder of portfolio divided between raw land, land development and lots
- Most C&D loans have interest reserves
- Residential A&D loans must have 50% or more of the lots under contract to close
- CRE construction loans must be approved with a UB&T-provided mini-perm

Core Deposit Base

Deposit Composition at March 31, 2017 - \$6.614 Billion



50% in transactional accounts

Deposit Base Characteristics

Average cost of interest bearing deposits	41 basis points
Average total cost of deposits	32 basis points
Ranked 1 st in deposit market share for community banks in Richmond MSA	
Ranked 1 st in deposit market share for community banks in Charlottesville MSA	
Ranked 2 nd in deposit market share in Blacksburg-Christiansburg-Radford MSA	

(1) Time deposits greater than \$100,000
 Note: Minimal exposure to CDARS/ICS deposits
 Source: SNL Financial, Company documents

Union Mortgage Group

- 22 offices: 20 in Virginia, 1 each in Maryland and North Carolina
- 101 FTEs – 39 loan officers
- \$100.2 million of originations 1Q17; (34% refinance)
- \$4,000 net income in 1Q17
- Opportunities:
 - Salesforce expansion in Virginia growth markets
 - Process improvement