

Union Bankshares Corporation (NASDAQ: UBSH; Richmond, VA) and Xenith Bankshares, Inc. (NASDAQ: XBKS; Richmond, VA) announce definitive merger agreement

Deal Value: Approximately \$701.2 Million

Sandler O'Neill served as financial advisor to Xenith Bankshares and rendered a fairness opinion in connection with the transaction. This transaction represents Sandler O'Neill's 126th bank or thrift transaction nationwide since January 1, 2015, representing \$41.6 billion in aggregate transaction value. Sandler O'Neill has served as a financial advisor on more bank and thrift transactions than any other investment bank during that time period.¹

Since January 1, 2014, Sandler O'Neill has advised on more than 90% of transactions in North Carolina, South Carolina and Virginia with a deal value greater than \$100 million. These transactions had an aggregate deal value over \$12.1 billion.¹

Richmond, Va., May 22, 2017 – Union Bankshares Corporation (NASDAQ: UBSH, or "Union") and Xenith Bankshares, Inc. (NASDAQ: XBKS, or "Xenith") jointly announced today that they have entered into a definitive merger agreement for Union to acquire Xenith in an all-stock transaction.

Based on financial data as of March 31, 2017, the combined company would have total assets of \$11.9 billion, total deposits of \$9.2 billion and gross loans of \$8.9 billion. This transaction strengthens Union's presence in Virginia's second most populous market, Hampton Roads / Virginia Beach, and adds to its Richmond and Northern Virginia footprints. After systems integration, on a pro forma basis, Union will have the fourth largest branch network in Virginia and will remain the only community bank with a statewide footprint across the Commonwealth.

"We expect that our combined statewide footprint will bring additional convenience to our customers and position us as a strong competitor against large regional institutions and smaller community banks alike – making us the preeminent community bank in Virginia," said John C. Asbury, President and Chief Executive Officer of Union.

"This transaction delivers on Xenith's original vision to be an integral part of creating the preeminent commercial bank headquartered in the Commonwealth of Virginia" said T. Gaylon Layfield, III, Chief Executive Officer for Xenith. "With a statewide presence, strong pro forma capital ratios, enhanced retail delivery system and focused commercial banking capabilities, the combined company will be positioned to deliver value to our customers."

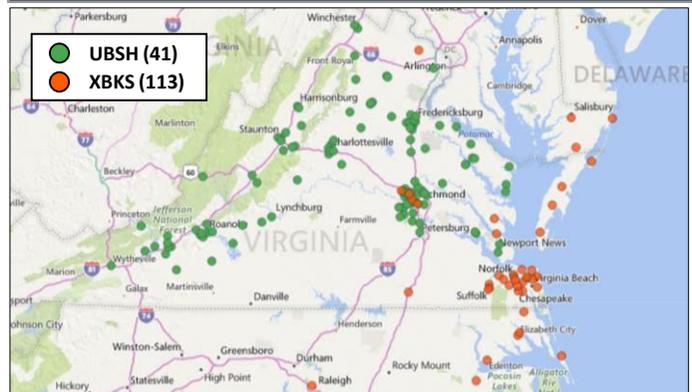
Under the terms of the merger agreement, each outstanding share of Xenith common stock will be converted into the right to receive 0.9354 shares of Union common stock. This implies a deal value per share of \$29.67 per share of Xenith common stock or approximately \$701.2 million in the aggregate based on Union's closing stock price of \$31.72 on May 19, 2017. Shareholders owning more than 4.9% of Xenith common stock will, after the closing of the merger, be subject to a restriction on the sale of their Union shares for 60 days.

Financial Highlights

<i>(Dollars in millions)</i>	UBSH	XBKS
Total Assets	\$8,670	\$3,199
Total Net Loans	\$6,536	\$2,339
Total Deposits	\$6,614	\$2,620
Total Common Equity	\$1,016	\$470
TCE / TA	8.4%	13.9%

*(1) Excludes terminated transactions and self-advisory roles
Note: Financial data as of March 31, 2017; Source: Company Earnings Release*

Pro Forma Branch Map



Sandler O'Neill Contacts:

Jon Doyle
Senior Managing Principal
(212) 466-7826

Scott Clark
Principal
(212) 466-7965

Josh Shropa
Vice President
(212) 466-7748

Joe Regan
Associate
(212) 466-8037

Brendan Lesch
Analyst
(212) 466-7869