



ANNUAL USE OF CAPITAL SURVEY - 2009

NAME OF INSTITUTION

(Include Holding Company Where Applicable)

Union Bankshares Corporation

Person to be contacted regarding this report:	G. William Beale	RSSD: (For Bank Holding Companies)	1971693
UST Sequence Number:	238	Holding Company Docket Number: (For Thrift Holding Companies)	
CPP Funds Received:	59,000,000	FDIC Certificate Number: (For Depository Institutions)	
CPP Funds Repaid to Date:	59,000,000	City:	Bowling Green
Date Funded (first funding):	12-19-2008	State:	Virginia
Date Repaid ¹ :	11-18-2009		

¹If repayment was incremental, please enter the most recent repayment date.

American taxpayers are quite interested in knowing how banks have used the money that Treasury has invested under the Capital Purchase Program (CPP). To answer that question, Treasury is seeking responses that describe generally how the CPP investment has affected the operation of your business. We understand that once received, the cash associated with TARP funding is indistinguishable from other cash sources, unless the funds were segregated, and therefore it may not be feasible to identify precisely how the CPP investment was deployed or how many CPP dollars were allocated to each use. Nevertheless, we ask you to provide as much information as you can about how you have used the capital Treasury has provided, and how your uses of that capital have changed over time. Treasury will be pairing this survey with a summary of certain balance sheet and other financial data from your institution's regulatory filings, so to the extent you find it helpful to do so, please feel free to refer to your institution's quarterly call reports to illustrate your answers. This is your opportunity to speak to the taxpayers in your own words, which will be posted on our website.

What specific ways did your institution utilize CPP capital? Check all that apply and elaborate as appropriate, especially if the uses have shifted over time. Your responses should reflect actions taken over the past year (or for the portion of the year in which CPP funds were outstanding).

<input checked="" type="checkbox"/>	Increase lending or reduce lending less than otherwise would have occurred.	3.99% loan promotion to encourage purchases from our builder customers
<input type="checkbox"/>	To the extent the funds supported increased lending, please describe the major type of loans, if possible (residential mortgage loans, commercial mortgage loans, small business loans, etc.).	
<input checked="" type="checkbox"/>	Increase securities purchased (ABS, MBS, etc.).	MBS were purchased at holding company to offset some of the cost and create cash flow to reinvest in lending as demand increased. No leverage transactions were done.

<input type="checkbox"/>	Make other investments	
<input checked="" type="checkbox"/>	Increase reserves for non-performing assets	Loan loss reserves were increased as appropriate, though not directly related to CPP funds.
<input type="checkbox"/>	Reduce borrowings	
<input type="checkbox"/>	Increase charge-offs	
<input type="checkbox"/>	Purchase another financial institution or purchase assets from another financial institution	
<input checked="" type="checkbox"/>	Held as non-leveraged increase to total capital	Not all of the CPP was used for the above, part was used to increase capital for a cushion against more severe downturn in economy.

What actions were you able to avoid because of the capital infusion of CPP funds?

The capital infusion was a double-edged sword. It provided additional capital and perceived additional strength at a time when the consumer needed renewed faith in our financial system. It also created confusion in that some customers saw it as a sign of weakness and expressed concerned about our financial strength.

What actions were you able to take that you may not have taken without the capital infusion of CPP funds?

While the infusion of CPP funds provided a capital cushion in the midst of a worsening economy, no specific actions were taken that would not otherwise have been taken without the capital infusion.

Please describe any other actions that you were able to undertake with the capital infusion of CPP funds.

n/a