

## Bank Watch Atlantic Coast

## **Bank M&A Market Activity Remains Steady**

Significant Consolidation May Be Approaching

This article is excerpted from our recently published whitepaper, "Community Bank Mergers: Creating the Potential for Shared Upside," which examines the issues that can arise when community banks merge or sell to a larger, public institution.

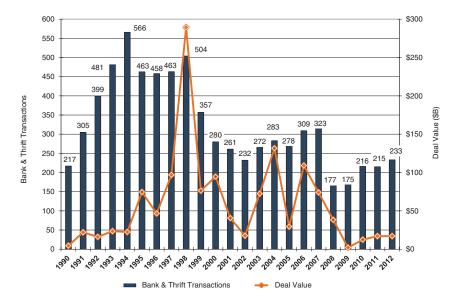
The bank M&A market has defied predictions since 2010 of a broad-based consolidation wave, but M&A activity nonetheless remains steady. A confluence of factors, which could be derailed by a slump in the economy and/or capital markets, ensure in our view that significant consolidation will occur even though the pace is uncertain. In time we expect upwards of one-half of institutions with less than \$1 billion of assets to merge. As of September 30, 2012, there were 7,181 commercial banks and thrifts according to the FDIC, compared to 8,534 at year-end 2007 when the financial crisis began unfolding. There were about 18,000 institutions when the June 1985 Supreme Court decision *Northeast Bancorp, Inc. v. Board of Governors of Federal Reserve* upheld regional interstate banking compacts.

Would-be buyers among public institutions seem to be coalescing around 2014 as the year that activity will become more pronounced as regulators write more rules to codify Dodd-Frank. Also, valuation challenges created by credit marks presumably will be less of an issue to the extent real estate values firm a bit and sellers have another year to mark credits themselves. Still, one catalyst has to be overcome to see a pick-up in activity: would-be sellers' resistance to the reality of today's pricing, which is a function of lower profitability relative to the pre-crisis era. While circumstances can change, much of the industry may see ROE ease further in coming years in spite of another round of cost cutting initiatives. For buyers, the most important controllable variable that determines the return on investment is the price paid.

Unlike the frantic activity of the 1990s and to a lesser extent the years leading up to the financial crisis, we believe bank M&A will be dominated by the merger of privately held small banks with each other rather than large-scale, roll-up activity by regional banks. That is not to say regional banks will not be active, but most have a minimum asset threshold of \$500 million to \$1 billion of assets that precludes acquisition of broad swaths of small institutions. Only 559 of the 7,181 FDIC-insured institutions as of September 30, 2012 had assets greater than \$1 billion.

This trend is reflected in M&A metrics for 2012 in which there were 239 non-assisted acquisitions of banks and thrifts, which was the highest number since 2007 when 323 transactions occurred; however, aggregate acquired assets of \$142 billion was the second lowest total in the past 10 years, eclipsed only by the \$95 billion of assets acquired in non-assisted deals during 2009. The aggregate deal value was modest too at \$14 billion in 2012 as shown in Figure 1.

Figure 1: Non-Assisted Bank & Thrift Acquisitions 1990-2012



Source: SNL Financial

As for large bank deals, public policy now explicitly discourages the largest banks from getting bigger—at least until the next crisis. Even Capital One Financial (COF) had trouble getting regulatory approval for its February 2012 acquisition of ING Direct, which had \$77 billion of internet-based deposits compared to \$128 billion for Capital One. The combination of the two was hardly the next JP Morgan Chase (JPM).

Many bank M&A attorneys regularly remark that the current regulatory environment is the toughest they have ever seen. There also appear to be too few banks rated "2" or better to have

a robust M&A market with plenty of buyers, though perhaps the exam cycle over the next 12 to 18 months will entail a notable migration of "3" rated banks to "2" with improving asset quality and credit metrics.

Get the full whitepaper at http://mer.cr/community-bank-mergers

# Davis, Gibbs to Speak at 2013 Acquire or Be Acquired Conference

Andy Gibbs and Jeff Davis will be presenting the session "Capital Management: Alternatives and Uncertainties," at the 2013 Acquire or Be Acquired Conference sponsored by *Bank Director* magazine.

The session will take place Monday, January 28th and discuss opportunities beyond bank M&A to manage capital in the current environment.

For more information visit http://www.bankdirector.com/conferences

#### **Community Bank Group Index Overview**



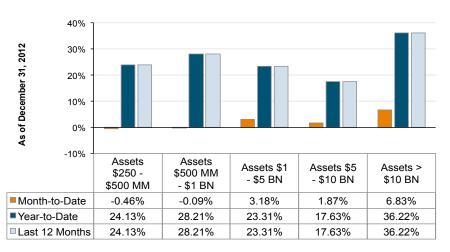
#### **Median Valuation Multiples**

as of December 31, 2012

	Atlantic Coast Community Bank Index	National Community Bank Index
Price / LTM EPS	12.61	11.85
Price / 2012 (E) EPS	12.93	12.67
Price / 2013 (E) EPS	12.97	12.37
Price / Book Value	84.44%	92.38%
Price / Tangible Book Value	92.26%	97.52%
Dividend Yield	2.15%	2.67%

#### Return Stratification of U.S. Banks

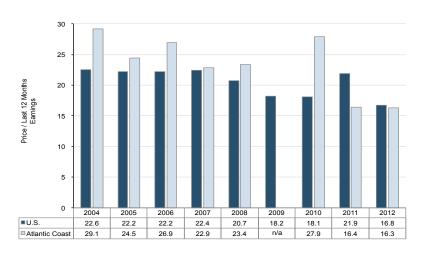
by Asset Size





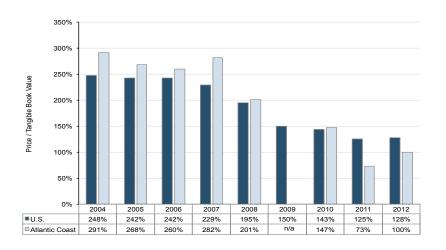
#### **Median Price/Earnings Multiples**

Target Banks Assets <\$5MM and LTM ROE >5%



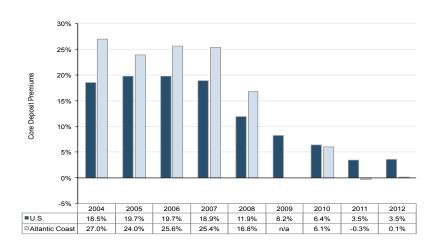
#### Median Price/Tangible Book Value Multiples

Target Banks Assets <\$5MM and LTM ROE >5%



#### **Median Core Deposit Multiples**

Target Banks Assets <\$5MM and LTM ROE >5%



								_		Price / Earı	nings													
52 Wk Perf '(%) P	YTD erf '(%)	52 Wk 5 High (\$)	52 Wk Low (\$)	Company Name	Ticker	State	Current Price (\$)	Market Cap '(\$M)	LTM (x)	Core LTM (x)	FY 13	FY 14	Price/ BVPS(x)	Price/Tang. BVPS (x)	Div. Yield(%) +	Tang. Eq. D	iv. Payout (%)	Eff. Ratio (%)	LTM ROE (%)	LTM ROA N	IPAs/Loans OREO (%)	NCOs/Avg. Loans(%)	Loan Loss Res./Loans	Assets (\$M)
. ()	. ()	J (.,	,						• • • • • • • • • • • • • • • • • • • •			_				(,	()	(,	(/	V7	(-7		(%)	· · /
30.11	(0.73)	12.73	7.92	Bancorp, Inc.	TBBK	DE	\$10.89	\$404	24.20	23.29	22.45	24.23	0.90	1.21	nm	11.95		75.14	1.70	0.26	7.05	2.09	1.00	\$1,544,952
30.11	(0.73)			Median - Delaware					24.20	23.29	22.45	24.23	0.90	1.21		11.95		75.14	1.70	0.26	7.05	2.09	1.00	\$1,544,952
10.35	0.96	\$6.83	\$5.30	1st United Bancorp, Inc.	FUBC	FL	\$6.31	\$215	48.54	39.97	43.75	24.23	0.90	1.21	nm	11.95	0.00	75.14	1.70	0.26	7.05	2.09	1.00	\$1,544,952
22.83	3.17	\$12.23	\$6.35	Capital City Bank Group, Inc.	CCBG	FL	\$11.73	\$202	NM	NM	nm	NM	0.81	1.22	0.00%	6.86	NM	88.73	(0.90)	(0.09)	10.92	1.29	1.97	\$2,493,784
37.97	4.10	\$9.22	\$6.45	CenterState Banks, Inc.	CSFL	FL	\$8.88	\$267	12.33	NM	22.74	18.52	0.98	1.22	0.45%	9.44	5.56	77.79	8.19	0.90	3.79	2.23	1.82	\$2,377,608
(52.22)	75.00	\$3.65	\$0.75	Jacksonville Bancorp, Inc.	JAXB	FL	\$1.40	\$8	NM	NM	NM	NM	0.95	1.12	nm	1.33	NM	81.51	(142.72)	(8.29)	9.77	4.43	4.14	\$551,551
10.45	(0.82)	\$5.43	\$0.40	OptimumBank Holdings, Inc.	OPHC	FL	\$0.49	\$15	NM	NM	NM	NM	1.69	1.69	nm	5.91	NM	169.29	(37.63)	(1.58)	NA	0.85	2.22	\$149,994
1.18	6.21	\$1.94	\$1.32	Seacoast Banking Corporation of Florida	SBCF	FL	\$1.71	\$162	NM	NM	NM	33.26	1.36	1.38	0.00%	5.63	NM	89.09	0.97	0.08	7.87	1.26	1.88	\$2,081,693
10.40	3.63			Median - Florida					30.44	39.97	33.25	24.23	0.96	1.22	0.00%	6.39	2.78	85.12	0.03	(0.01)	7.87	1.69	1.92	\$1,813,323
225.45	5.83	\$12.85			ANNB	MD	\$12.53	\$50	15.86	15.86	NM	NM	1.56	1.56	0.00%	7.33	0.00	64.04	9.66	0.80	2.88	0.61	2.33	\$436,355
29.53	2.25	\$15.75	\$11.20	BCSB Bancorp, Inc.	BCSB	MD	\$14.52	\$46	25.93	21.74	NM	NM	0.84	0.84	0.00%	8.54	0.00	79.68	3.34	0.28	6.26	0.15	1.60	\$645,099
24.83	3.17	\$8.15	\$5.96	CapitalSource Inc.	CSE	CA	\$7.82	\$1,654	4.05	4.09	3.85	13.08	0.97	1.07	0.51%	18.47	2.07	47.66	27.98	5.40	5.07	2.10	2.12	\$8,677,301
105.17	1.77	\$5.94	\$2.99	Carrollton Bancorp	CRRB	MD	\$5.56	\$14	NM	27.23	NM	NM	0.61	0.61	0.00%	6.26	0.00	80.81	1.75	0.16	4.51	0.36	1.63	\$378,797
35.25	7.01	\$21.80	\$14.80	Eagle Bancorp, Inc.	EGBN	MD	\$21.37	\$489	14.06	13.82	13.51	12.62	1.76	1.78	0.00%	8.88	0.00	51.82	11.42	1.09	1.79	0.34	1.39	\$2,976,188
126.25	0.98	\$8.60		First United Corporation	FUNC	MD	\$7.24	\$45	42.59	NM	nm	NM	0.65	0.78	0.00%	4.27	0.00	73.90	2.80	0.20	7.58	1.77	1.84	\$1,359,397
43.11	(0.50)	\$12.25	\$8.24	Glen Burnie Bancorp	GLBZ	MD	\$11.38	\$31	11.05	11.53	NM	NM	0.93	0.93	3.51%	8.78	38.83	74.56	8.83	0.76	2.22	0.07	1.54	\$379,292
51.20	2.21	\$12.99		Old Line Bancshares, Inc.	OLBK	MD	\$11.54	\$79	10.21	NA	10.76	9.61	1.07	1.13	1.39%	8.08	14.16	61.22	11.49	0.94	2.07	0.08	0.78	\$863,882
14.44	2.68	\$20.27	\$16.66	Sandy Spring Bancorp, Inc.	SASR	MD	\$19.94	\$497	14.35	13.27	13.37	13.31	1.03	1.25	2.81%	10.42	31.65	61.35	7.46	0.91	2.71	0.51	1.70	\$3,887,427
(0.57)	(0.93)	\$7.45	\$4.65	Shore Bancshares, Inc.	SHBI	MD	\$5.34	\$45	NM	NM	nm	nm	0.38	0.44	0.00%	8.76	NM	69.85	(3.53)	(0.36)	12.65	2.74	1.60	\$1,178,633
39.18	2.23			Median - Maryland					14.20	13.82	12.07	12.85	0.95	1.00	0.00%	8.65	•	66.95	8.14	0.78	3.69	0.43	1.62	\$1,021,258
74.00	(0.04)	***	00.40	Part of the control	540		044.00	0404.570	45.40	00.54	44.40		0.50		0.050/		40.00	04.07	4.70	0.40		4.00	0.04	** *** ***
74.92 (39.66)	(2.84)	\$12.20 \$0.50	\$6.46 \$0.05	Bank of America Corporation	BAC	NC NC	\$11.28 \$0.18	\$121,579 \$1	45.12 NM	36.51 NM	11.40 NM	8.94 NM	0.56 nm	nm	0.35%	NA (0.04)	16.00 NM	84.37 118.98	1.78	0.19	NA 17.49	1.63 2.43	2.61 2.65	\$2,209,974,000
16.32	6.11	\$34.37	\$26.58	Bank of the Carolinas Corporation BB&T Corporation	BBT	NC NC	\$30.89	\$21.615	11 44	11.01	10.53	9.76	1.14	1.87	2.59%	(0.91)	29.63	54.73	(101.74)	(2.91)	2.58	1.15	1.70	\$448,273 \$183,872,000
20.51	8.49	\$8.87		BNC Bancorp	BNCN	NC	\$8.69	\$21,615	24.14	NM	57.63	12.88	0.91	1.07	2.30%	6.48	55.56	65.55	3.64	0.28	5.29	2.12	1.80	\$2,711,173
207.43	12.52	\$8.50	\$2.65	Carolina Bank Holdings, Inc.	CLBH	NC	\$8.27	\$28	5.48	5.48	nm	12.00 NM	0.77	0.77	2.30 % nm	5.39	0.00	62.29	13.16	0.25	6.67	0.93	1.93	\$675,746
(0.38)	12.32	\$3.00		Carolina Trust Bank	CART	NC	\$2.63	\$12	NM	NM	NM	NM	0.77	0.77	nm	8.02	NM	67.98	(1.84)	(0.18)	5.92	0.95	1.96	\$283,164
43.04	(1.53)	\$6.28	\$2.88	Crescent Financial Bancshares, Inc.	CRFN	NC	\$4.52	\$162	NM	NM	nm	22.50	1.08	1.38	nm	12.11	NM	91.52	0.12	0.02	2.33	0.73	0.41	\$793,764
44.73	4.03	\$16.65	\$8.00	ECB Bancorp. Inc.	ECBE	NC	\$14.98	\$44	NM	NM	NM	30.06	0.65	0.65	0.00%	7.25	NM	82.82	1.22	0.11	7.14	1.16	2.19	\$927,592
16.22	(0.86)	\$13.78	\$7.68	First Bancorp	FBNC	NC	\$12.71	\$250	NM	NM	NM	13.55	0.77	1.03	2.52%	6.46	NM	54.43	1.01	0.11	6.70	1.24	2.03	\$3,322,677
(4.32)	(,	\$187.72	\$155.00	First Citizens BancShares, Inc.	FCNCA	NC	\$172.02	\$1,753	12.35	12.14	NM	NM	0.89	0.94	0.70%	8.86	8.61	62.54	7.54	0.68	2.08	0.44	2.06	\$21,173,620
54.41	9.83	\$6.11	\$3.30	First South Bancorp, Inc.	FSBK	NC	\$5.25	\$51	21.00	41.82	nm	NM	0.58	0.61	0.00%	11.76	0.00	67.13	2.77	0.32	12.72	2.04	3.05	\$717,162
(9.47)	(5.17)	\$29.60		FNB United Corp.	FNBN	NC	\$11.00	\$237	NM	NM	nm	NM	2.22	2.49	0.00%	4.28	NM	108.44	(72.73)	(2.86)	12.91	2.52	2.49	\$2,238,065
164.89	6.43	\$6.45	\$2.08	New Century Bancorp, Inc.	NCBC	NC	\$5.96	\$41	9.03	9.45	NM	NM	0.77	0.77	nm	9.24	0.00	71.70	8.73	0.77	5.52	(0.10)	2.22	\$577,833
28.57	8.86	\$5.09		NewBridge Bancorp	NBBC	NC	\$5.04	\$79	NM	NM	NM	9.47	0.90	0.94	0.00%	4.92	NM	65.09	(17.03)	(1.65)	3.33	2.67	2.98	\$1,713,909
	20.26	\$5.75	\$2.23	Oak Ridge Financial Services, Inc.	BKOR	NC	\$4.89	\$9	NM	NM	NM	NM	0.44	0.44	nm	5.91	NM	78.35	(2.13)	(0.17)	NA	1.80	1.70	\$342,943
25.87	3.25	\$5.55	\$3.89	Park Sterling Corporation	PSTB	NC	\$5.40	\$241	NM	37.62	30.67	15.51	0.90	0.92	nm	17.31	0.00	74.48	1.06	0.19	4.18	0.39	1.29	\$1,110,188
84.88	7.69	\$10.50		Peoples Bancorp of North Carolina, Inc.	PEBK	NC	\$9.80	\$55	10.43	16.65	nm	NM	0.65	0.65	0.82%	8.38	13.83	66.65	6.17	0.61	5.19	1.08	2.62	\$1,006,608
60.87	0.68	\$3.74	\$1.77	Yadkin Valley Financial Corporation	YAVY	NC	\$2.96	\$122	3.84	3.87	NM	15.34	0.55	0.57	0.00%	5.44	0.00	65.04	11.92	0.92	6.63	1.32	1.97	\$1,920,378
35.80	5.66			Median - North Carolina					11.44	12.14	21.04	13.55	0.77	0.85	0.18%	6.56	4.31	67.55	1.50	0.19	5.72	1.20	2.04	\$1,058,398

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										Price / Earr	nings													
52 Wk Perf '(%) Pe	YTD rf '(%)	52 Wk 5 High (\$)	2 Wk Low (\$)	Company Name	Ticker	State	Current Price (\$)	Market Cap '(\$M)	LTM (x)	Core LTM (x)	FY 13	FY 14	Price/ BVPS(x)	Price/Tang. BVPS (x)	Div. Yield(%) +	Tang. Eq. D Assets (%)	iv. Payout (%)	Eff. Ratio (%)	LTM ROE (%)		MPAs/Loans + OREO (%)	NCOs/Avg. Loans(%)	Loan Loss Res./Loans (%)	Assets (\$M)
21.13	9.97	\$12.50	\$10.13		BKSC	SC	\$11.80	\$52	14.39	NA	NM	NM	nm	nm	4.07%	NA	54.88	NA	NA	1.14	NA	NA	NA	\$325,289
43.45	4.29	\$8.85	\$6.08	First Community Corporation	FCCO	SC	\$8.75	\$46	11.08	9.81	NM	NM	nm	nm	2.29%	NA	20.25	73.13	7.57	0.66	2.81	0.17	1.35	\$602,925
77.00	6.24	\$9.18	\$4.94	Palmetto Bancshares, Inc.	PLMT	SC	\$8.85	\$113	NM	NM	NM	NM	1.20	1.20	0.00%	8.24	NM	78.24	(6.74)	(0.57)	8.39	2.89	2.46	\$1,139,731
38.22	3.24	\$42.35	\$29.26	SCBT Financial Corporation	SCBT	SC	\$41.48	\$702	20.74	18.59	19.07	12.87	1.44	1.77	1.74%	8.35	34.00	68.19	7.19	0.70	3.29	0.83	2.49	\$4,325,232
272.60 57.28	(4.71)	\$6.85 \$10.44	\$1.17 \$6.09	Southcoast Financial Corporation  Southern First Bancshares Inc.	SOCB	SC SC	\$4.86 \$9.58	\$30 \$37	8.53 19.16	NA 21.56	NM NM	NM NM	0.87	0.87	nm	7.82 6.02	0.00	73.31 62.15	10.78	0.81	NA 3.09	1.09	2.48	\$438,220 \$780,415
57.28	3.76	\$10.44	\$6.09	Median - South Carolina	SFST	SC	\$9.58	\$37	14.39	18.59	19.07	12.87	1.04	1.04	2.01%	8.03	20.25	73.13	7.19	0.68	3.19	0.87	2.46	\$691,670
30.30	3.70			median - South Carolina					14.55	10.55	15.07	12.07	1.04	1.04	2.01/6	0.03	20.23	75.15	7.13	0.00	3.13	0.07	2.40	\$031,070
74.91	10.54	\$14.86	\$8.79	Access National Corporation	ANCX	VA	\$14.37	\$148	10.05	10.05	9.72	11.67	1.59	1.59	2.23%	10.92	14.69	68.84	16.87	1.80	0.61	0.16	1.79	\$849,348
9.37	0.15	\$24.00	\$18.50	American National Bankshares Inc.	AMNB	VA	\$20.22	\$159	9.54	8.95	10.56	13.07	0.98	1.34	4.55%	9.35	43.40	51.09	10.74	1.28	2.02	0.10	1.49	\$1,305,707
36.00	7.37	\$7.97	\$4.50	Bank of the James Financial Group, Inc.	BOTJ	VA	\$6.12	\$20	17.49	33.53	NM	NM	0.71	0.71	nm	6.81	0.00	76.90	4.30	0.27	2.48	1.11	1.73	\$426,077
(9.12)	14.02	\$6.00	\$2.39	Bank of Virginia	BOVA	VA	\$3.09	\$10	NM	NM	NM	NM	0.63	0.63	nm	8.98	NM	141.01	(5.38)	(0.42)	9.71	1.70	3.71	\$170,085
47.19	4.29	\$43.42	\$27.25	C&F Financial Corporation	CFFI	VA	\$40.61	\$131	8.62	8.63	NM	NM	1.33	1.49	2.86%	9.23	22.29	60.57	16.66	1.71	3.51	1.39	4.61	\$961,819
26.68	6.32	\$62.92	\$44.30	Capital One Financial Corporation	COF	VA	\$61.59	\$35,858	10.00	NA	8.82	8.43	0.90	nm	0.32%	NA	3.25	54.23	9.43	1.23	NA	1.89	2.50	\$312,918,000
53.64	(2.39)	\$16.90	\$10.28	Cardinal Financial Corporation	CFNL	VA	\$15.91	\$481	10.54	10.52	11.50	13.19	1.56	1.61	1.26%	9.83	13.25	50.43	16.02	1.70	NA	0.27	1.06	\$3,039,187
27.27	-	\$1.21	\$0.50	Central Virginia Bankshares, Inc.	CVBK	VA	\$0.70	\$2	11.67	NM	NM	NM	0.54	0.55	0.00%	0.89	0.00	91.23	5.89	0.21	19.47	2.39	3.70	\$385,879
148.70	7.92	\$2.95	\$1.13	Community Bankers Trust Corporation	BTC	VA	\$2.86	\$62	17.88	15.34	NM	NM	0.65	0.73	0.00%	7.71	0.00	79.95	4.18	0.43	7.59	0.45	2.27	\$1,112,277
132.53	(0.93)	\$5.90	\$2.39	Eastern Virginia Bankshares, Inc.	EVBS	VA	\$5.35	\$32	19.81	NM	nm	9.40	0.44	0.56	0.00%	5.59	0.00	81.16	3.21	0.29	3.37	1.65	3.14	\$1,057,770
6.37	2.34	\$13.45	\$9.01	Fauquier Bankshares, Inc.	FBSS	VA	\$12.26	\$45	14.26	14.96	nm	nm	0.93	0.93	3.92%	8.42	55.81	66.98	6.57	0.53	4.46	0.57	1.90	\$575,602
30.21	7.75	\$4.00	\$1.91	First Capital Bancorp, Inc.	FCVA	VA	\$3.06	\$36	NM	NM	NM	13.41	0.88	0.88	nm	7.77	NM	71.50	(13.98)	(1.17)	4.55	3.13	1.93	\$529,449
29.07	0.75	\$16.35	\$11.66	First Community Bancshares, Inc.	FCBC	VA	\$16.09	\$323	13.99	11.72	10.76	10.46	0.97	1.43	2.73%	8.50	36.52	54.77	7.25	0.99	2.53	0.51	1.46	\$2,769,650
(56.47)	1.68	\$3.65	\$1.01	Hampton Roads Bankshares, Inc.	HMPR	VA	\$1.21	\$206	NM	NM	NM	nm	1.10	1.12	0.00%	8.90	NM	87.62	(30.68)	(1.79)	11.57	4.00	3.69	\$2,071,433
22.24	2.55	\$19.00	\$14.66	Middleburg Financial Corporation	MBRG	VA	\$18.11	\$128	20.58	24.38	19.19	19.82	1.13	1.20	1.10%	8.66	22.73	77.26	6.36	0.58	4.99	0.49	1.78	\$1,235,961
37.34	4.99	\$8.99	\$6.28	Monarch Financial Holdings, Inc.	MNRK	VA	\$8.63	\$68	7.88	8.41	7.24	8.28	0.98	0.99	1.93%	5.68	16.74	78.52	15.05	1.24	0.53	0.73	1.08	\$1,110,413
22.54 18.59	2.01	\$37.14 \$11.65	\$25.91 \$9.20	National Bankshares, Inc.	NKSH	VA VA	\$33.04 \$11.35	\$230 \$56	12.81	12.34 27.95	12.77 NM	12.82 NM	1.53	1.63 0.62	3.45% 1.76%	13.14	40.70 27.03	40.02 82.99	12.35	1.68	1.70 5.01	0.64 1.06	1.39	\$1,080,972 \$887,886
46 10	7.93	\$8.90	\$9.20	Old Point Financial Corporation		VA	\$8.78	\$102	15.34 18.68	23.44	17.90	14 81	0.62	1.09	1.76%	10.18	11.70	49.28	4.21 5.46	0.43	4.57	1.06	1.58	\$708,262
21.01	1.98	\$8.90	\$10.83	Southern National Bancorp of Virginia, Inc. StellarOne Corporation	SONA	VA	\$14.42	\$102	16.77	15.68	15.08	14.81	0.98	1.09	2.22%	10.90	25.58	70.31	4.89	0.85	3.23	0.55	1.43	\$2,959,846
27.22	0.71	\$16.16	\$10.03	TowneBank	TOWN	VA	\$14.42	\$489	15.60	16.29	NM	nm	1.19	1.64	2.31%	7.11	31.53	65.45	7.23	0.71	3.75	0.55	1.45	\$4,318,309
22.75	3.23	\$16.49	\$13.00	Union First Market Bankshares Corporation		VA	\$16.28	\$411	12.72	11.55	11.97	12.26	0.95	1.15	2.95%	9.27	25.00	66.86	7.20	0.87	4.14	0.43	1.31	\$4,028,193
78.56	2.21	\$11.67	\$5.10	Valley Financial Corporation	VYFC	VA	\$9.25	\$44	7.34	7.47	7.64	9.44	0.87	0.87	1.51%	6.42	2.78	61.42	11.24	0.90	6.19	0.23	1.58	\$785,292
6.83	31.57	\$2.75	\$0.61	Village Bank and Trust Financial Corp.	VBFC	VA	\$1.25	\$5	NM	NM	NM	NM	0.55	0.58	nm	1.81	NM	79.52	(51.07)	(3.32)	20.07	4.54	3.03	\$508,300
53.92	29.50	\$11.97	\$7.46	Virginia Commerce Bancorp, Inc.	VCBI	VA	\$11.59	\$370	17.30	22.03	NM	14.32	1.51	1.51	nm	8.69	0.00	50.84	10.11	1.01	4.23	0.96	1.94	\$2,823,692
50.68	20.09	\$5.91	\$3.50	Xenith Bankshares, Inc.	XBKS	VA	\$5.56	\$58	8.30	8.26	22.51	19.59	0.74	0.93	nm	11.57	0.00	79.71	8.95	1.46	1.53	0.27	1.12	\$558,011
28.17	2.97			Median - Virginia					13.40	12.34	11.50	12.95	0.94	1.07	1.88%	8.69	15.71	69.57	6.90	0.86	4.19	0.69	1.75	\$1,069,371
6.70	3.99	\$37.50	\$30.70	City Holding Company	CHCO	WV	\$36.24	\$565	14.32	13.23	13.51	12.27	1.64	2.04	3.86%	9.29	55.34	52.80	11.78	1.35	2.52	0.38	0.91	\$2,899,197
9.04	3.04	\$17.28	\$13.76	First West Virginia Bancorp, Inc.	FWV	WV	\$15.25	\$26	11.66	13.33	nm	nm	0.73	0.76	4.79%	11.46	55.88	69.64	7.03	0.77	3.76	0.01	2.49	\$301,012
112.44	(1.48)	\$11.54	\$5.10	Premier Financial Bancorp, Inc.	PFBI	WV	\$10.67	\$85	8.89	9.50	nm	NM	0.65	0.87	4.12%	8.88	9.17	61.17	6.81	0.88	8.49	0.75	1.55	\$1,133,700
116.91	21.90	\$7.14	\$2.75	Summit Financial Group, Inc.	SMMF	WV	\$5.90	\$44	11.13	14.81	NM	NM	0.45	0.49	0.00%	6.42	0.00	54.97	4.86	0.35	10.97	0.83	1.86	\$1,404,086
(5.73)	5.67	\$30.91	\$22.54	United Bankshares, Inc.	UBSI	WV	\$25.72	\$1,293	15.88	13.82	14.55	14.09	1.31	2.15	4.82%	7.53	76.54	52.75	8.28	0.97	2.29	0.25	1.15	\$8,381,378
13.47	2.03	\$23.47	\$18.60		WSBC	WV	\$22.67	\$662	12.74	12.55	12.15	11.45	0.92	1.60	3.18%	7.13	38.20	58.76	7.36	0.86	1.98	0.85	1.59	\$5,576,959
11.26	3.51			Median - West Virginia					12.20	13.28	13.51	12.27	0.82	1.23	3.99%	8.21	46.77	56.87	7.20	0.87	3.14	0.56	1.57	\$2,151,642
45.84	5.78			Average					15.31	16.61	16.63	14.67	0.95	1.10	1.52%	8.13	17.33	72.32	(0.69)	0.31	5.76	1.22	1.97	\$38,929,063
29.53	3.23			Median					12.81	13.58	13.07	13.08	0.90	1.05	1.26%	8.35	11.70	69.75	6.03	0.61	4.53	0.90	1.83	\$1,110,413

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## Mercer Capital

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