April 2013



Bank Watch Atlantic Coast

Process of Elimination Becomes the Catalyst

by Jeff K. Davis, CFA

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An old market saw is that bull markets take the stairs and bear markets take the elevator. The current market fits the bull market description given the slow grind higher. The S&P 500 has produced a total return of 9% YTD, 15% since the post-election low on November 14 and 43% since October 4, 2011, when equities and credit cratered following the downgrade of the U.S. and seizure in the funding markets for European banks.

The recent gains are impressive given the lack of any meaningful pullbacks other than two brief periods of less than 10% since the Q3'11 swoon. Otherwise, the S&P 500, Russell 2000 and NASDAQ Composite charts are a series of higher highs and higher lows. The recent run is curious because of the weekly announcements of weak and/or an unusually uncertain operating environment (I recognize the future, by definition, is uncertain) that retail-oriented companies are making. Markets have an uncanny ability to see 6-to-9 months out. So, recent strength may point to an improving economic backdrop by the fall.

Or maybe the Fed's elixir is lasting longer than expected when the current round of QE was announced last fall. Chairman Ben Bernanke has been very explicit that the Fed is targeting equity (and real estate) markets to support the economy via the presumed wealth effect. I would add the targeting of real estate markets has supported the recapitalization of the banking sector — a project that is now complete if one disregards a subset of troubled small banks. The strength of equities probably will not elicit any commentary in next week's Federal Open Market Committee meeting, though Bernanke may be asked about equities during the press conference that is scheduled to follow the meeting.

At Mercer Capital, we have spent 30 years studying equity market returns, expectations and how various components in a capitalization rate (or capitalization factor) alter value. There is no need to go into the theoretical underpinnings of discount rates and capitalization rates in this setting, but if you are interested see: *Valuing Financial Institutions* (by Chris Mercer; 1991) and Morningstar's *Ibbotson SBBI Valuation Yearbook*. Aside from the large- and small-cap equity risk premium, the level of long-term "risk-free" rates (here measured by the 20-year U.S. Treasury) and expected long-term earnings/cash flow growth are key. The level of Treasury yields and earnings multiples are inversely correlated, while expected (sustainable) earnings growth and multiples are positively correlated.

Mercer Capital's Atlantic Coast Bank Watch

Two observations related to this: a general increase in rates is not necessarily bad for equity valuations if rates are rising due to stronger economic growth and therefore potentially better earnings growth. Also, if there is one attribute the Street loves when contemplating equities, it is earnings growth. And an even better attribute is accelerating earnings growth. A case in point in the banking sector is the performance of Bofl Holding Inc. and Signature Bank in terms of accelerating growth and Texas Capital Bancshares Inc. in terms of decelerating growth. All three are great growth stories, but their stock charts have diverged sharply over the past several months.

The consensus around Wall Street is that equities, while perhaps not cheap, are attractive visà-vis alternative investments in spite of the run the past 16 months. While one can debate the extent that QE has distorted asset values and the valuation of various assets, there may be something to the consensus — at least from a mathematical perspective. As shown in the table, the S&P 500 as of March 8 was trading for 18.2x reported trailing twelve-month earnings and 13.9x consensus forward twelve-month operating earnings. To the extent the subject company (or index) in the table can sustain earnings growth that tracks nominal GDP growth (4% to 5%), maybe further multiple expansion will occur provided the Fed keeps a tight rein on long-term rates. (Note: the delta between trailing reported earnings and forward operating consensus estimate says a lot about Wall Street salesmanship and why investors rarely hear Street professionals talk about trailing earning P/Es. Cheap, a margin of safety and potential multiple expansion sells; fully valued does not.)

In addition to the Case-Shiller Index, Robert Shiller is widely known for his work on equity multiples. The Shiller P/E, which is formally known as the cyclically adjusted P/E (CAPE), is based upon a ten-year trailing average of inflation adjusted earnings. In doing so the multiple captures a full business cycle (or two) in addition to the inflation impact. As of March 8, the Shiller P/E was 23.4x. The average Shiller P/E since 1880 is 16.5x, though most of the period entailed a term structure of rates that is higher than prevails today.

I think Shiller has been arguing the market is richly valued lately, but valuation is never a catalyst. In my mind cheap is 8x to 10x normalized earnings for a value company and something higher for a growth story that is not predicated upon break-through technologies or over the horizon earnings. However, my formative years in valuing banks were the early 1990s when equities really were cheap and before Chairman Alan Greenspan unleashed the great moderation on asset values. So, I may not be able to correctly process the current environment.

Whether cheap or merely trading for a discount to a theoretical multiple (if the Shiller P/E is discarded), a catalyst is needed to close the valuation gap. The Fed may be the continuing catalyst. It has pushed rates lower and asset values higher since March 2009. The jury is out

on the Fed's efforts to push economic growth higher from here, but it seems to have made most fixed investment akin to technology stocks in the late 1990s — though realization of the downside may be years away. When all but one option apparently is eliminated, the consensus may be on to something.

Multiple Sensitivity - Risk-Free Rate, Equity Premiums, and Expected Growth

As of March 11, 2013

Metric or Calculation	Small-Cap Public Company	Large-Cap Public Company	Low-Risk Private Company	High-Risk Private Company
Yield-to-maturity 20-year US Treasury (%) ¹	2.82	2.82	2.82	2.82
+ Multiyear common stock premium (%) ²	5.37			
x Industry beta (x)	1.00			
= Beta adjusted equity premium (%)	5.37	5.37	5.37	5.37
+ Small capitalization stock premium (%)		2.80	2.80	2.80
+ Specific risk associated with subject (%)			1.50	5.00
= Discount rate (%)	8.19	10.99	12.49	15.99
- Long-term sustainable growth rate (%)	-4.00	-6.00	-4.00	-6.00
= Capitalization rate (%)	4.19	4.99	8.49	9.99
= Capitalization factor (1/cap rate) (x)	23.87	20.04	11.78	10.01
S&P 500 P/E - reported trailing 12 mo EPS $(x)^{\scriptscriptstyle 3}$	18.2			
S&P 500 P/E - forward 12 months $(x)^3$	13.9			
S&P 500 P/E - Shiller CAPE (x) ⁴	23.4			
Russell 2000 - forward 12 months (x) ³	NM	16.3		

Specific risks and growth rate assumptions reflect hypothetical metrics for illustration purposes.

¹ Treasury yield for 20-year bonds per the Federal Reserve H.15 as of March 8, 2013

² Multiyear common stock premium per Mercer Capital's analysis of Ibbotson return data

³ S&P 500 and Russell 200 P/E data per Birinyi Associates as reported in the WSK on March 10, 2013
⁴ Shiller P/E ratio per http://www.multpl.com/shiller-pe/

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Friday, April 19, 2013 » 12:00 – 12:30pm Central Register now at www.mercercapital.com

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The Outlook for M&A in 2013

Our expectations for bank M&A in 2013, which follows a modest pick-up in activity in 2012 vis-à-vis 2011, are presented. Investors are anxious for M&A to increase given the earnings outlook, but seller expectations and regulatory actions are acting as a governor—at least for the now.

Understanding Deal Considerations

Key issues that we see when banks combine as it relates to valuing and evaluating a combination are reviewed. This is particularly critical when the consideration consists of shares issued by a buyer (or senior merger partner) whose shares are either privately held or are thinly traded.

View replay at http://mer.cr/bnkweb2

How to Profit on a Distressed Transaction

Buyers have been leery of acquiring troubled banks in non-assisted deals. With a slowly recovering economy, we take a look at the opportunities and pitfalls or making an acquisition of a "turnaround" bank.

View replay at http://mer.cr/bnkweb3

View replay at http://mer.cr/bnkweb1

About the Speaker

Jeff K. Davis, Managing Director of Mercer Capital's Financial Institutions Group, will be the featured speaker for each listed webinar. Jeff spent 13 years as a sell-side analyst providing coverage of publicly traded banks and specialty finance companies to institutional investors evaluating common equity and fixed income investment opportunities. Presently, he is an editorial contributor to SNL Financial.

April 2013



Community Bank Group Index Overview



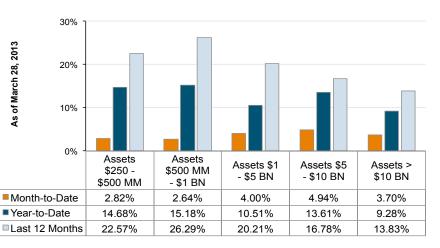
Median Valuation Multiples

as of March 30, 2013

	Atlantic Coast Community Bank Index	National Community Bank Index
Price / LTM EPS	14.63	12.74
Price / 2013 (E) EPS	14.25	13.40
Price / 2014 (E) EPS	13.19	12.57
Price / Book Value	94.07%	102.33%
Price / Tangible Book Value	105.73%	110.93%
Dividend Yield	2.21%	2.61%

Return Stratification of U.S. Banks

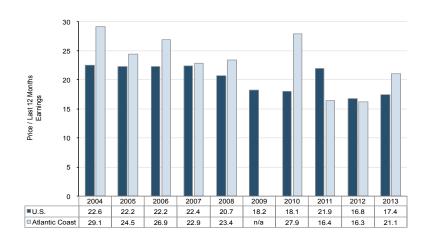
by Asset Size





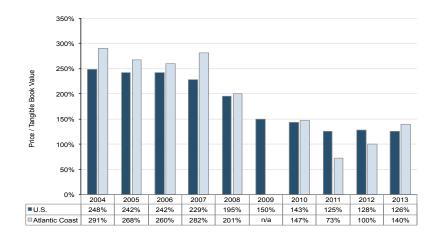
Median Price/Earnings Multiples

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



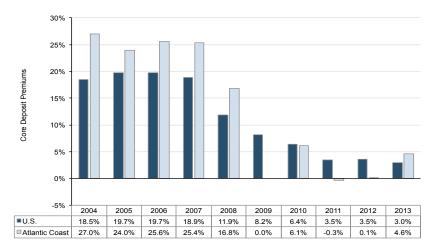
Median Price/Tangible Book Value Multiples

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



Median Core Deposit Multiples

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



		Price / Earnings																				
52 Wk Perf '(%)	52 Wk 5 High (\$)	2 Wk Low (\$)		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/. Assets (%)	Eff. Ratio (%)	LTM ROE (%)	LTM ROA (%)	NPAs/Loans + OREO (%)	NCOs/Avg. Loans(%)	Loan Loss Res./Loans (%)	Assets (\$M)
																					(75)	
26.62	14.24	8.26	Bancorp, Inc.	TBBK	DE	\$12.70	\$475	25.40	24.87	16.60	11.47	1.13	1.43	nm	8.93	61.68	5.86	0.48	NA	1.04	1.73	3,699,659.00
26.62			Median - Delaware					25.40	24.87	16.60	11.47	1.13	1.43		8.93	61.68	5.86	0.48		1.04	1.73	\$3,699,659
4.64	\$6.83	\$5.30	1st United Bancorp, Inc.	FUBC	FL	\$6.20	\$211	44.29	39.92	24.05	17.80	0.89	1.21	nm	11.64	80.97	2.03	0.31	7.11	1.67	1.07	\$1,566,779
8.54 NA	\$28.69 \$18.62	\$22.01 \$15.14	BankUnited, Inc.	BKU	FL FL	\$25.34 \$16.83	\$2,546 \$556	12.36 15.88	13.18 16.73	14.70 19.21	14.88	1.33 0.81	1.39 0.96	3.31%	14.11 13.76	43.63 71.08	12.45 5.31	1.71 0.84	0.43 NA	0.09	1.06	\$12,375,953 \$7,295,713
62.06	\$10.02	\$6.35	Capital Bank Financial Corporation Capital City Bank Group, Inc.	CBF CCBG	FL	\$10.83	\$213	15.66 NM	NM	46.29	12.92 35.73	0.86	1.31	0.00%	6.35	88.59	0.04	0.04	10.49	1.16	1.17	\$2,633,984
(0.59)	\$12.54	\$6.55	CenterState Banks, Inc.	CSFL	FL	\$12.30	\$213	24.45	22.65	46.29	15.26	0.89	1.10	0.50%	9.58	74.07	3.68	0.00	3.67	0.93	1.92	\$2,055,964
(54.75)	\$3.60	\$0.55	Jacksonville Bancorp, Inc.	JAXB	FL	\$1.38	\$243	24.43 NM	22.03 NM	NM	NM	0.54	0.59	0.50 %	2.44	90.38	(188.47)	(7.55)	8.43	6.89	5.07	\$565,057
(73.17)	\$3.00	\$0.40	OptimumBank Holdings, Inc.	OPHC	FL	\$0.44	\$14	NM	NM	NM	NM	2.01	2.01	nm	4.81	173.44	(60.28)	(7.33)	0.43 NA	1.73	2.80	\$143,743
17.07	\$2.25	\$1.32		SBCF	FL	\$1.92	\$14	NM	NM	32.23	22.63	1.56	1.58	0.00%	5.31	91.05	(00.20)	(0.03)	7.44	1.16	1.75	\$2,173,929
4.64	φ2.25	¢1.32	Median - Florida	SBCP	TL.	\$1.5Z	\$10Z	20.17	19.69	21.63	16.53	0.89	1.36	0.25%	7.96	84.78	(0.43)	0.16	7.44	1.16	1.80	\$2,173,525
4.04								20.11	15.05	21.05	10.00	0.05	1.20	0.2070	1.50	04.10	1.04	0.10		1.10	1.00	\$2,200,000
NA	NA	NA	Annapolis Bancorp, Inc.	0	MD	NA	NA	NA	NA	NM	NM	nm	nm	nm	7.20	65.58	8.54	0.70	4.30	0.53	2.25	\$446,386
25.58	\$17.38		BCSB Bancorp, Inc.	BCSB	MD	\$16.64	\$53	27.28	23.31	NM	NM	0.95	0.95	0.00%	8.63	77.82	3.67	0.31	5.39	0.28	1.64	\$644,013
5.10	\$5.94	\$4.52	Carrollton Bancorp	CRRB	MD	\$5.36	\$14	NM	NM	NM	NM	0.59	0.59	0.00%	6.36	81.56	(0.32)	(0.03)	5.04	0.41	1.57	\$365,186
29.35	\$23.00	\$15.36	•	EGBN	MD	\$20.89	\$489	12.98	12.94	11.78	11.03	1.63	1.66	0.00%	8.51	51.24	11.68	1.18	1.88	0.34	1.38	\$3,409,441
7.12	\$9.00		First United Corporation	FUNC	MD	\$8.27	\$51	17.23	35.41	nm	NM	0.74	0.88	0.00%	4.43	72.50	4.79	0.34	5.79	1.41	1.83	\$1,320,783
22.48	\$12.25	\$9.69	Glen Burnie Bancorp	GLBZ	MD	\$11.60	\$32	11.84	12.33	NM	NM	0.95	0.95	3.45%	8.67	71.80	8.12	0.71	2.41	0.35	1.31	\$387,438
29.63	\$9.55	\$6.00	Howard Bancorp, Inc.	HBMD	MD	\$7.00	\$28	22.58	23.32	nm	NM	0.83	0.83	nm	8.50	74.93	3.92	0.45	1.70	0.48	0.85	\$401,675
26.85	\$13.35	\$9.46	Old Line Bancshares, Inc.	OLBK	MD	\$12.93	\$89	11.86	10.97	11.11	9.76	1.18	1.25	1.24%	8.23	60.51	11.01	0.89	1.80	0.23	0.66	\$861,856
12.42	\$20.63	\$16.66	Sandy Spring Bancorp, Inc.	SASR	MD	\$19.19	\$482	12.97	12.10	13.07	12.94	0.99	1.21	2.92%	10.23	60.42	7.85	0.97	2.48	0.42	1.67	\$3,955,206
1.01	\$7.45	\$4.65	Shore Bancshares, Inc.	SHBI	MD	\$7.00	\$59	NM	NM	NM	30.05	0.52	0.61	0.00%	8.36	71.30	(8.07)	(0.82)	12.23	3.20	2.04	\$1,185,807
22.48			Median - Maryland					12.98	12.94	11.78	11.98	0.95	0.95	0.00%	8.43	71.55	6.32	0.58	3.39	0.42	1.61	\$752,935
37.79	\$12.94	\$6.72	Bank of America Corporation	BAC	NC	\$12.25	\$132,574	49.00	39.96	12.28	9.41	0.61	0.92	0.33%	6.71	84.25	1.78	0.19	4.42	1.63	2.61	\$2,209,974,000
3.59	\$34.37	\$26.86	BB&T Corporation	BBT	NC	\$30.90	\$21,627	11.44	11.02	10.57	9.68	1.14	1.87	2.98%	6.56	54.73	10.41	1.14	2.60	1.15	1.70	\$183,872,000
39.08	\$10.10	\$6.72	BNC Bancorp	BNCN	NC	\$9.90	\$203	20.63	89.36	14.87	10.62	1.04	1.21	2.02%	6.63	67.46	4.91	0.41	4.65	1.06	1.93	\$3,083,788
169.51	\$11.69	\$4.10	Carolina Bank Holdings, Inc.	CLBH	NC	\$11.05	\$37	5.97	6.00	nm	NM	0.98	0.98	nm	5.53	62.68	14.98	1.12	5.48	0.77	1.68	\$691,868
36.08	\$3.28	\$1.92	Carolina Trust Bank	CART	NC	\$2.98	\$14	NM	67.77	NM	NM	0.62	0.63	nm	8.13	66.71	0.81	0.08	6.69	0.89	2.16	\$271,051
6.86	\$6.28	\$3.28	Crescent Financial Bancshares, Inc.	CRFN	NC	\$4.05	\$187	50.63	31.85	15.65	11.31	0.97	1.20	nm	11.42	79.48	2.52	0.40	2.38	0.34	0.51	\$1,085,225
31.52	\$13.99	\$7.68	First Bancorp	FBNC	NC	\$12.84	\$253	NM	NM	15.92	13.87	0.89	1.17	2.49%	6.81	57.81	(6.77)	(0.71)	4.91	3.02	1.92	\$3,244,910
5.77	\$184.30	\$155.00	First Citizens BancShares, Inc.	FCNCA	NC	\$182.14	\$1,742	13.89	13.81	NM	NM	0.94	1.00	0.66%	8.30	65.43	7.01	0.64	2.00	0.38	2.37	\$21,283,652
49.43	\$6.88	\$3.70	First South Bancorp, Inc.	FSBK	NC	\$6.50	\$63	NM	NM	nm	NM	0.85	0.90	0.00%	10.01	67.42	(12.87)	(1.50)	5.32	6.16	1.62	\$707,713
(51.09)	\$29.60	\$8.75	FNB United Corp.	FNBN	NC	\$8.75	\$190	NM	NM	nm	NM	1.93	2.19	0.00%	4.05	97.94	(34.88)	(1.75)	13.71	1.93	2.48	\$2,151,565
113.00	\$6.65	\$2.92	New Century Bancorp, Inc.	NCBC	NC	\$6.39	\$44	9.54	9.84	NM	NM	0.82	0.82	nm	9.21	72.76	8.79	0.81	4.01	(0.12)	2.15	\$585,453
30.26	\$6.48	\$3.74	NewBridge Bancorp	NBBC	NC	\$5.94	\$150	NM	NM	9.28	11.00	1.06	1.10	0.00%	4.96	67.01	(15.18)	(1.46)	2.39	3.24	2.29	\$1,708,707
(14.84)	\$5.75	\$2.56	Oak Ridge Financial Services, Inc.	BKOR	NC	\$4.19	\$8	NM	NM	NM	NM	0.41	0.41	nm	5.43	79.86	(7.05)	(0.55)	6.75	1.87	2.10	\$342,851
19.57	\$6.06	\$3.89	Park Sterling Corporation	PSTB	NC	\$5.50	\$245	45.83	26.12	17.02	14.95	0.96	1.10	nm	11.11	71.76	2.02	0.32	2.83	0.18	0.77	\$2,032,633
50.39	\$11.77	\$7.01	Peoples Bancorp of North Carolina, Inc.	PEBK	NC	\$11.34	\$64	13.19	15.80	nm	NM	0.75	0.75	1.06%	8.41	68.11	5.58	0.56	4.47	1.10	2.30	\$1,013,516
48.21	\$4.18	\$2.41	Yadkin Valley Financial Corporation	YAVY	NC	\$4.15	\$179	NM	NM	15.97	11.64	1.25	1.28	0.00%	7.30	69.60	(5.52)	(0.44)	3.66	3.43	1.88	\$1,923,438
33.80			Median - North Carolina					13.89	20.96	15.26	11.15	0.95	1.05	0.49%	7.06	67.78	1.90	0.26	4.44	1.12	2.01	\$1,816,073

	Price / Earnings																					
52 Wk Perf '(%)	52 Wk 52 High (\$)	Wk Low (\$)	Company Name	Ticker	State	Current Price (\$)	Market Cap '(\$M)	LTM (×)	Core LTM (x)	FY 13	FY 14	Price/ F BVPS(x)	Price/Tang. BVPS (x)	Div. Yield(%)	Tang. Eq/. Assets (%)	Eff. Ratio (%)	LTM ROE (%)	LTM ROA (%)	NPAs/Loans + OREO (%)	NCOs/Avg. Loans(%)	Loan Loss Res./Loans (%)	Assets (\$M)
12.77	\$12.50		Bank of South Carolina Corporation	BKSC	SC	\$12.12	\$54	14.43	NA	NM	NM	nm	nm	3.96%	NA	NA	NA	1.18	NA	NA	NA	\$328,648
16.72	\$9.25		First Community Corporation	FCCO	SC	\$8.97	\$47	11.35	9.74	11.48	11.48	0.87	0.88	2.23%	8.88	67.70	7.57	0.66	2.97	0.17	1.35	\$602,925
92.02	\$21.64		First Financial Holdings, Inc.	FFCH	SC	\$20.65	\$341	13.68	16.87	17.93	17.88	1.45	1.51	0.97%	7.07	66.16	10.02	0.89	2.12	1.24	1.73	\$3,215,558
147.69	\$15.95 \$51.68	\$4.94 \$30.27	Palmetto Bancshares, Inc.	PLMT	SC	\$13.92	\$178	NM	NM 19.31	NM	NM	1.80	1.80	0.00%	8.59	76.23 67.37	(1.86)	(0.16)	NA	2.75	2.39	\$1,145,456
62.64 286.34	\$51.68		SCBT Financial Corporation Southcoast Financial Corporation	SCBT	SC SC	\$49.55 \$5.14	\$843	24.41 9.02	10.62	15.40 NM	12.37 NM	1.65 0.92	2.20	1.45% nm	7.62	76.53	7.15	0.70	2.91	0.72	2.06	\$5,136,446 \$438,221
286.34 62.92	\$6.85	\$1.27	Southcoast Financial Corporation Southern First Bancshares, Inc.	SOCE	SC	\$5.14	\$32 \$45	9.02	10.62	NM	NM	0.92	0.92	nm	7.82	62.48	6.03	0.81	2.98	0.71	2.48	\$438,221 \$797,998
62.92	\$11.20	\$0.49	Median - South Carolina	3-31	30	\$10.59	\$ 4 0	14.05	16.87	15.40	12.37	1.20	1.22	1.45%	7.72	67.53	7.36	0.30	2.98	0.71	1.41	\$797,998
62.92			Median - South Caronna					14.05	10.07	15.40	12.37	1.20	1.22	1.43%	1.12	67.55	7.30	0.70	2.57	0.91	1.90	\$757,556
19.24	\$18.07	\$10.56	Access National Corporation	ANCX	VA	\$12.18	\$126	7.12	7.12	9.90	11.73	1.38	1.38	2.96%	10.56	65.32	19.68	2.15	0.44	0.11	1.72	\$863,914
(4.12)	\$24.00	• • • •	American National Bankshares Inc.	AMNB	VA	\$19.85	\$156	9.73	9.17	12.66	13.93	0.95	1.30	4.63%	9.64	54.14	10.08	1.23	1.61	0.07	1.51	\$1,283,687
32.41	\$8.37		Bank of the James Financial Group, Inc.	BOTJ	VA	\$7.15	\$24	11.17	14.06	NM	NM	0.81	0.81	nm	6.71	72.71	7.76	0.50	2.75	0.73	1.70	\$441,381
41.17	\$43.42		C&F Financial Corporation	CFFI	VA	\$40.45	\$132	8.32	8.33	NM	NM	1.29	1.44	2.87%	9.47	60.62	16.88	1.74	3.32	1.39	4.79	\$977,018
3.26	\$62.92	\$47.99	Capital One Financial Corporation	COF	VA	\$55.81	\$32,588	9.06	8.41	8.54	8.23	0.82	1.30	2.15%	8.39	54.18	9.42	1.23	2.05	1.89	2.50	\$312,918,000
55.59	\$18.40		Cardinal Financial Corporation	CFNL	VA	\$17.24	\$522	11.42	11.40	11.91	12.79	1.69	1.75	1.16%	9.83	50.13	16.02	1.70	0.58	0.27	1.06	\$3,039,187
51.42 48.00	\$3.74 \$7.50	\$1.62	Community Bankers Trust Corporation	ESXB	VA	\$3.21	\$70 \$34	15.29	13.75 NM	NM	NM	0.71	0.79	0.00%	7.66	74.40 84.00	4.85 3.54	0.50	7.21	0.61	2.03	\$1,153,288
48.00	\$7.50 \$13.45		Eastern Virginia Bankshares, Inc. Fauguier Bankshares, Inc.	EVBS FBSS	VA VA	\$5.55	\$34 \$45	17.34 22.09	NM 23.32	9.66 nm	nm	0.44	0.56	3.95%	5.67 7.94	68.08	3.54 4.25	0.32	3.05	1.32	2.97	\$1,075,553 \$601,387
52.71	\$13.45		First Capital Bancorp, Inc.	FCVA	VA	\$12.15	\$45	22.09 NM	23.32 NM	NM	NM	0.94	0.94	3.95% nm	7.94	88.75	(13.01)	(1.13)	3.99	2.97	1.39	\$542,947
17 60	\$16.35	\$2.01	First Community Bancshares, Inc.	FCBC	VA	\$15.10	\$307	10.93	9.99	10.52	11.01	0.91	1.33	3 14%	8.80	55.33	8.53	(1.13)	2 75	0.41	1.00	\$342,947
(56.52)	\$3.65	\$1.01	Hampton Roads Bankshares, Inc.	HMPR	VA	\$1.30	\$221	NM	NM	NM	nm	1.21	1.22	0.00%	8.83	85.00	(15.41)	(1.03)	9.53	3.04	3.19	\$2,054,092
17.21	\$20.89		Middleburg Financial Corporation	MBRG	VA	\$18.65	\$132	20.27	27.37	21.26	21.02	1.15	1.22	1.07%	8.77	75.04	7.22	0.66	4.71	0.50	1.81	\$1,236,781
47.53	\$11.40		Monarch Financial Holdings, Inc.	MNRK	VA	\$10.53	\$109	8.42	9.03	10.10	8.40	1.20	1.21	1.90%	6.11	79.26	17.04	1.35	0.34	0.42	1.01	\$1,215,578
12.31	\$37.14	\$28.50	National Bankshares, Inc.	NKSH	VA	\$32.50	\$226	12.75	12.27	12.77	12.77	1.50	1.60	3.51%	12.85	41.37	12.01	1.64	2.79	0.48	1.40	\$1,104,361
22.03	\$14.73	\$10.17	Old Point Financial Corporation	OPOF	VA	\$12.67	\$63	15.08	26.59	NM	NM	0.70	0.70	1.58%	9.84	83.77	4.76	0.48	5.14	0.75	1.55	\$907,499
47.90	\$12.00	\$6.65	Southern National Bancorp of Virginia, Inc.	SONA	VA	\$9.72	\$113	17.05	21.22	15.84	15.11	1.09	1.21	2.06%	13.00	51.54	6.40	0.97	4.77	1.23	1.33	\$723,812
37.25	\$16.50	\$10.97	StellarOne Corporation	STEL	VA	\$15.12	\$347	15.75	15.29	15.33	14.42	0.80	1.10	2.12%	10.80	69.40	5.23	0.75	3.06	0.40	1.41	\$3,023,204
13.46	\$16.16	\$11.75	TowneBank	TOWN	VA	\$14.47	\$465	14.05	14.82	NM	nm	1.09	1.52	2.49%	6.99	65.54	7.26	0.94	3.34	0.51	1.24	\$4,405,923
44.38	\$20.25	\$13.08	Union First Market Bankshares Corporation	UBSH	VA	\$18.87	\$468	13.77	12.46	13.00	12.51	1.09	1.32	2.76%	8.97	63.48	8.13	0.89	3.77	0.56	1.11	\$4,095,865
21.83	\$10.50	\$7.25	Valley Financial Corporation	VYFC	VA	\$9.25	\$44	8.11	9.44	10.60	9.75	0.88	0.88	1.51%	6.54	62.94	10.33	0.83	5.71	0.38	1.49	\$764,584
36.05	\$2.57	\$0.61	Village Bank and Trust Financial Corp.	VBFC	VA	\$2.00	\$9	NM	NM	NM	NM	0.82	0.85	nm	1.97	78.23	(32.28)	(1.95)	18.77	3.49	2.85	\$510,087
71.02	\$14.29	\$7.46	Virginia Commerce Bancorp, Inc.	VCBI	VA	\$13.63	\$443	20.34	23.15	16.18	14.67	1.77	1.77	nm	8.69	50.84	10.11	1.01	4.23	0.96	1.94	\$2,823,692
15.52	\$14.00		WashingtonFirst Bankshares, Inc.	WFBI	VA	\$11.73	\$73	18.91	10.83	NM	NM	1.00	1.05	nm	6.97	61.25	3.93	0.39	2.91	0.43	0.83	\$1,147,818
20.57	\$6.15	\$3.51	Xenith Bankshares, Inc.	XBKS	VA	\$5.10	\$53	7.29	7.19	23.18	15.94	0.68	0.85	nm	11.55	78.73	8.89	1.42	1.18	0.30	1.05	\$563,206
22.03			Median - Virginia					13.26	12.27	12.66	12.78	0.95	1.21	2.12%	8.77	65.54	7.76	0.89	3.32	0.56	1.51	\$1,147,818
16.69	\$40.25	\$30.70	City Holding Company	снсо	wv	\$37.94	\$594	14.54	13.57	13.01	12.57	1.69	2.10	3.90%	9.40	52.91	11.98	1.37	2.48	0.34	0.88	\$2,917,466
10.98	\$17.40	\$13.76	First West Virginia Bancorp, Inc.	FWV	WV	\$16.31	\$28	11.02	15.29	nm	nm	0.79	0.82	4.66%	11.17	70.56	8.03	0.86	3.57	0.07	2.19	\$306,547
49.79	\$12.50	\$6.75	Premier Financial Bancorp, Inc.	PFBI	WV	\$11.25	\$90	9.07	9.85	nm	NM	0.68	0.90	3.91%	9.17	56.47	7.04	0.91	7.96	0.38	1.63	\$1,120,787
77.78	\$7.50	\$3.60	Summit Financial Group, Inc.	SMMF	WV	\$7.20	\$54	12.00	14.56	NM	NM	0.54	0.59	0.00%	6.59	54.54	5.36	0.40	11.01	0.85	1.88	\$1,387,104
(1.62)	\$28.08	\$22.54	United Bankshares, Inc.	UBSI	wv	\$25.78	\$1,298	15.72	14.23	14.60	13.77	1.31	2.14	4.81%	7.55	53.10	8.35	0.98	2.16	0.28	1.13	\$8,420,013
23.59	\$24.85	\$19.08	WesBanco, Inc.	WSBC	WV	\$23.26	\$680	12.64	12.07	11.80	11.17	0.95	1.74	3.27%	6.77	59.70	7.54	0.88	2.02	0.67	1.42	\$6,078,717
20.14			Median - West Virginia					12.32	13.90	13.01	12.57	0.87	1.32	3.91%	8.36	55.51	7.79	0.90	3.03	0.36	1.53	\$2,152,285
31.72			Average					16.69	18.68	15.51	14.06	1.03	1.18	1.73%	8.16	69.91	0.52	0.34	4.49	1.16	1.80	\$39,203,642
23.59			Median				_	13.77	13.94	14.60	12.77	0.95	1.10	1.55%	8.33	67.89	5.94	0.64	3.66	0.72	1.71	\$1,185,807



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