

Bank Watch

Atlantic Coast

Specialty Finance Sector Shows Signs of M&A Life

The M&A market for banks remains steady relative to Street expectations for a quicker pace, given well-documented earnings and regulatory challenges that smaller institutions face. Year-to-date through August 19, 2013, there were 137 announced bank and thrift transactions, which equates to about 210 deals on an annualized basis. This compares to 251 announced deals in 2012 and 178 in 2011. Pricing, as measured by the average price/tangible book multiple of 117%, is comparable to median pricing observed the past few years; however, P/E ratios have declined as earnings have recovered. The median P/E for 2013 was 23.2x, compared to 33.0x in 2012.

In particular, the specialty finance sector has seen a steady pace of transactions. According to *SNL Financial*, there have been 43 acquisitions of specialty finance companies year-to-date by banks and non-banks, for an aggregate value of \$7.4 billion. There were 80 deals valued at \$10.8 billion in 2012 and 70 deals valued at \$36.0 billion in 2011. Since 2008, the average price/book multiple has ranged between 187% (2011) and 78% (2010). The median year-to-date price/book multiple was 124%, while the median P/E was 7.8x. Sector pricing averages should be taken with a grain of salt as the homogeneity in the banking sector does not apply to the same degree in specialty finance.

While interest in mortgage banking may be waning with rising rates, other specialty finance sectors, such as commercial real estate (CRE), are receiving more attention as banks and non-banks return to the sector. As an example, Capital One Financial Corporation (COF) announced on August 16, 2013 that it would acquire Beech Street Capital for an undisclosed price. Beech Street was founded in 2009 by long-time banking executive Alan Fishman along with employees from Fannie Mae, Freddie Mac, and other lenders. Beech Street focuses on multi-family lending as a Fannie Mae "Delegated Underwriting and Servicing" ("DUS") lender. Such firms are approved to underwrite, close, and deliver most loans without a prior review by Fannie Mae. Capital One is acquiring one of the 24 designated DUS firms and will presumably gain a competitive advantage in underwriting multi-family loans at a time when the sector is benefiting from a resurgence of apartment construction.

Another transaction of note is the July 22, 2013 announcement that PacWest Bancorp (PACW) will acquire CapitalSource Inc. (CSE) for \$2.3 billion of stock and cash. Pricing equated to 169% of June 30 tangible book value and 19x consensus 2013 EPS. Although CapitalSource's primary subsidiary operated as a bank via its California industrial loan charter, the Company is more akin to a commercial finance company in a bank wrapper. PacWest will obtain a prodigious asset generator that will be funded with its core deposits.

Acquisitions of specialty finance companies by banks are not a panacea for challenges that face the industry; however, in some instances a transaction that is thoroughly vetted, well-structured, and attractively priced can provide the buyer a new growth channel while also obtaining revenue and earnings diversification. At Mercer Capital we have three decades of experience in valuing and evaluating a range of financial service companies for banks, private equity, and other investors. We would be happy to assist you in evaluating an opportunity that your institution may be considering.


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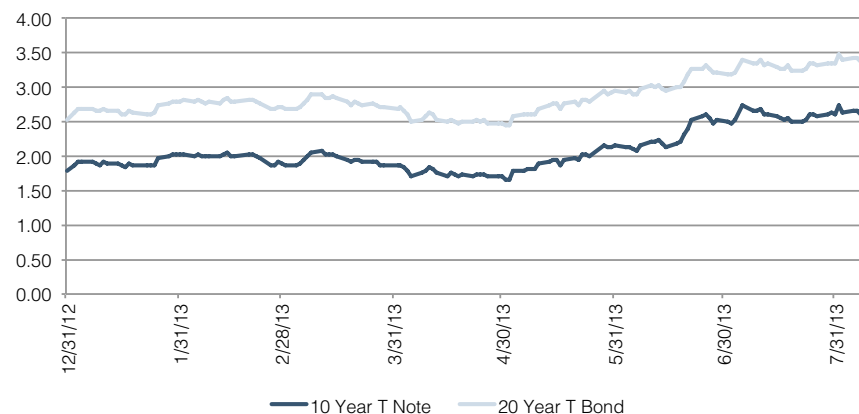
Evaporating Gains

by Madeleine G. Davis

Comments by Federal Reserve Board Chairman Ben Bernanke in the second quarter of 2013 resulted in significant increases in Treasury rates during the quarter, particularly for longer-term securities. In May, Bernanke testified before Congress and outlined the Fed's eventual approach for exiting its accommodative monetary policy, which has included very low interest rates as well as purchases of mortgage-backed securities and Treasuries. Bernanke noted that the Fed would likely begin its exit strategy by gradually reducing asset purchases, prior to a focus on increasing interest rates. Prior releases by the Federal Open Market Committee indicated that rate increases likely will not begin until the unemployment rate has fallen below 6.5%, assuming inflation projections remain in line with longer-term goals. Bernanke's comments before Congress suggest, however, that some tightening of monetary policy could come earlier, through the reduction in asset purchases. In response to Bernanke's comments, longer-term interest rates began to tick up through May and into June.

On June 19th, Bernanke said in a press conference that the Fed could begin to reduce its asset purchases as early as the end of 2013 and could potentially cease such purchases in mid-2014. The near-term timeline for reducing asset purchases spurred a spike in interest rates that compounded the effect of the already-increasing trend in rates observed through May. Rates continued to exhibit volatility throughout the rest of June as markets reacted to Bernanke's comments.

Treasury Rates



The interest rate increases in the latter part of second quarter resulted in the evaporation of unrealized gains in banks' bond portfolios, which had been at very high levels given the persistently low rate environment. The table below summarizes the extent of losses in unrealized bond gains for banks in the second quarter. The number of banks with assets over \$250 million reporting unrealized gains embedded in their bond portfolios fell from 1,985 at March 31, 2013 to 1,018, or 49% fewer, while the number of banks reporting embedded losses tripled from 477 to 1,427.

Asset Size	Avg. Δ Unrealized Gains* (\$000s)	Avg. Δ Unrealized Gains* (%)	Avg. Δ Accum. OCI (%)	Avg. Δ Equity Capital (%)	Avg. Tang. Equity / Tang. Assets 3/31/13	Avg. Tang. Equity / Tang. Assets 6/30/13	Δ Avg. Tang. Equity / Tang. Assets
\$250 Mil - \$500 Mil	-1,275	-444%	-398%	-2.0%	10.8%	10.6%	-0.2%
\$500 Mil - \$1 Bil	-2,250	-316%	-347%	-1.2%	10.8%	10.6%	-0.2%
\$1 Bil - \$5 Bil	-5,654	-246%	-286%	1.2%	10.5%	10.3%	-0.2%
\$5 Bil - \$10 Bil	-16,382	-143%	-134%	1.9%	10.7%	10.8%	0.1%
\$10 Bil - \$250 Bil	-99,041	-227%	-738%	0.7%	10.2%	10.1%	-0.1%
More than \$250 Bil	-1,962,240	-93%	-64%	-0.6%	8.0%	7.9%	-0.1%
Average - All	-11,974	-355%	-368%	-1.0%	10.7%	10.5%	-0.2%

* Unrealized Gains/(Losses) shown after tax

Source: Call Report data compiled by SNL Financial

At March 31, 2013, banks reported unrealized gains representing an average of 1.97% of their total Available for Sale ("AFS") portfolios. That figure declined to 0.84% at June 30, a decline in unrealized gains of 1.13% of total AFS. On average, banks lost more than 350% of reported amounts of unrealized gains embedded in bond portfolios, resulting in commensurate reductions in accumulated other comprehensive income. The impact of the lost AOCI on tangible equity, however, was moderated by the trend of improving earnings in the industry, and on average, equity capital declined by just 1%, while the average tangible equity/tangible assets ratio fell from 10.7% at March 31, 2013 to 10.5% at the end of second quarter.

The effect of volatility in unrealized bond gains may create fluctuations in tangible equity capital, but its effect on regulatory will be much more modest, given the recent issuance of the final Basel III capital rules, which require only banks with more than \$250 billion in assets to include such gains in regulatory capital measures beginning in 2014. Most smaller banks will not be required to include unrealized gains in regulatory capital calculations, with the exception of banks with foreign exposures exceeding \$10 billion.

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UPCOMING WEBINAR

U.S. Basel III Capital Rules: Finally Final

What Does It Mean for Community Banks?



Thursday, August 29, 2013

1:00pm - 2:00pm Eastern

12:00pm - 1:00pm Central

11:00am - 12:00pm Mountain

10:00am - 11:00am Pacific

Register at

<http://mer.cr/webinar-0813>

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Much of the financial rulemaking following the financial crisis set its sights on the largest banks with the community and smaller regional banking sector unaffected or impacted indirectly. However, the new rules regarding capital represent some of the most consequential post-financial crisis rulemakings, affecting banks large and small. Finalized at last, the regulations provide direction for bank capital management decisions.

This webinar, co-sponsored by Mercer Capital and Jones Day, reviews the final rules and assesses their impact on community banks.

Who Should Attend This Webinar?

- CFOs, CEOs, controllers, and treasurers of financial institutions with assets up to \$15 billion
- In-house counsel of financial institutions
- Asset managers, investment managers and portfolio managers with exposure to the financial services industry
- Investment bankers, research analysts
- Regulators, accountants and consultants

Learning Objectives

After attending this webinar, you will:

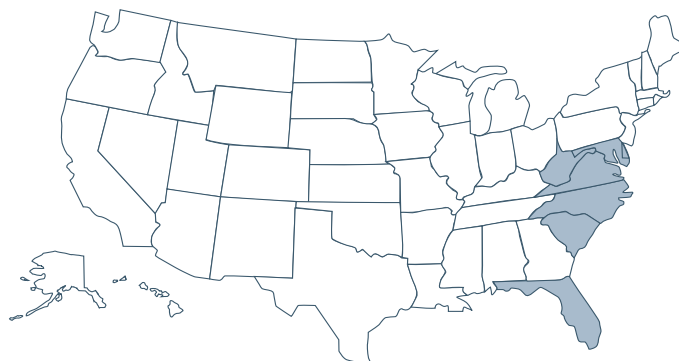
- Understand how the final rules define "capital"
- Appreciate changes to existing concepts, such as risk-weighted assets, and be introduced to new concepts, such as capital buffers
- Learn how investors in the public markets view the effect of Basel on the attractiveness of community banks as investments
- Be able to assess the impact of the new rules on different business lines and banking strategies
- Identify the significance of the new regulations to merger and acquisition strategies

Webinar Presenters

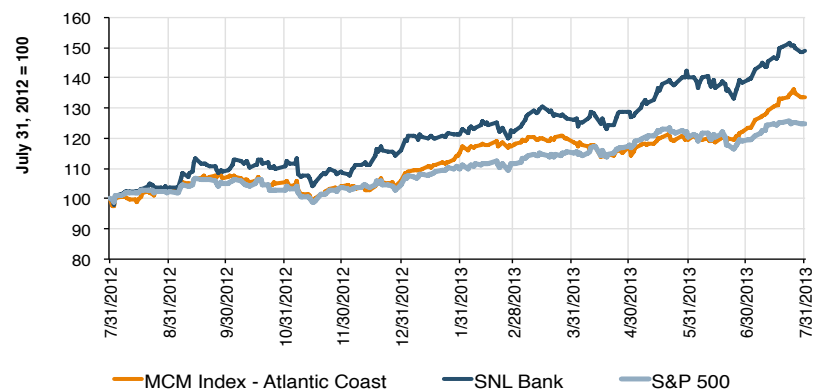
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Community Bank Group Index Overview



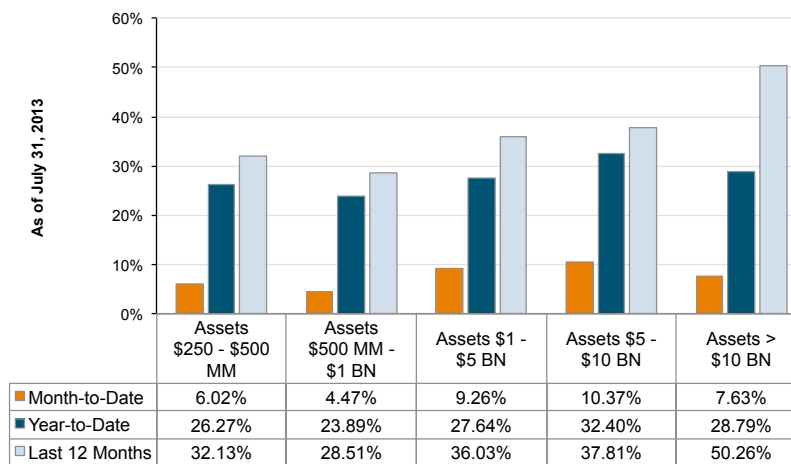
Median Valuation Multiples

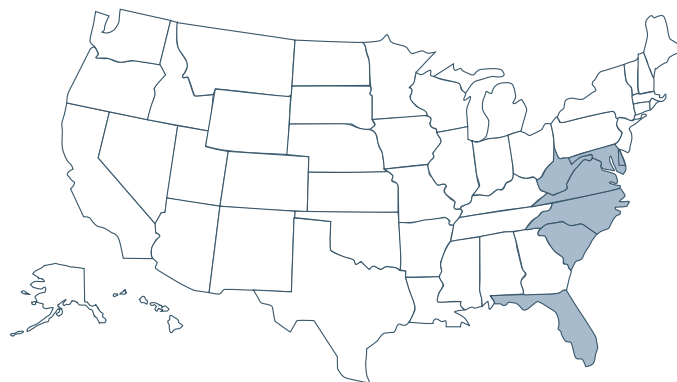
as of July 31, 2013

	Atlantic Coast Community Bank Index	National Community Bank Index
Price / LTM EPS	15.12	14.20
Price / 2013 (E) EPS	15.14	14.67
Price / 2014 (E) EPS	14.53	14.12
Price / Book Value	108.51%	115.19%
Price / Tangible Book Value	121.23%	125.76%
Dividend Yield	2.20%	2.28%

Return Stratification of U.S. Banks

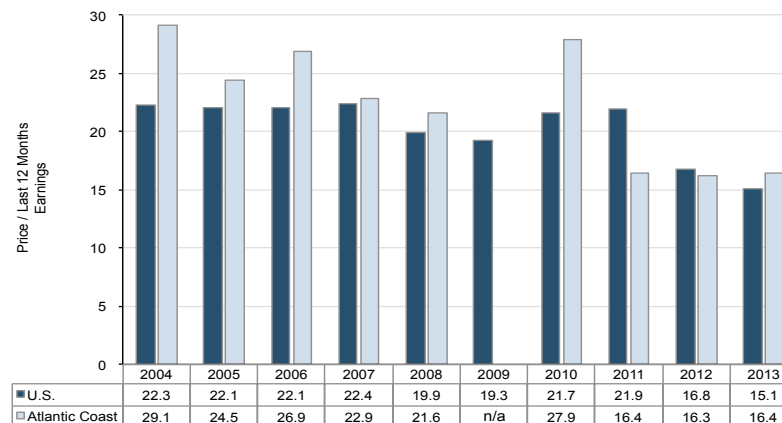
by Asset Size





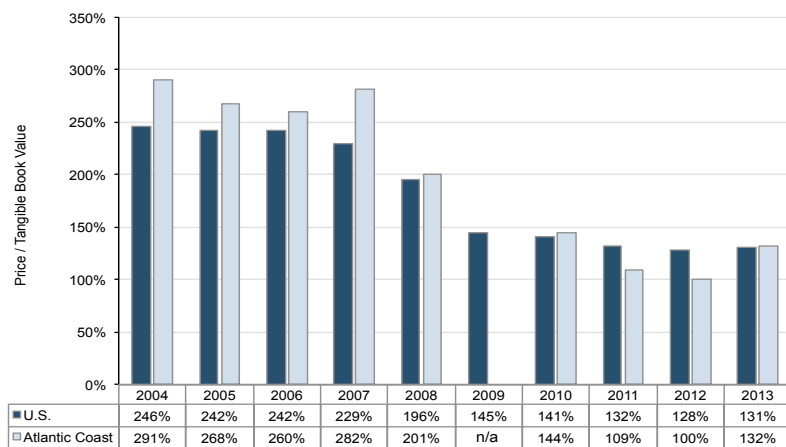
Median Price/Earnings Multiples

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



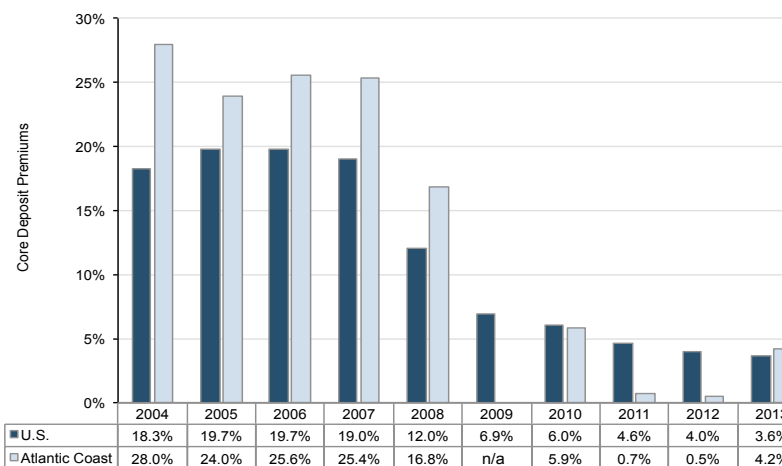
Median Price/Tangible Book Value Multiples

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



Median Core Deposit Multiples

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



Mercer Capital's Atlantic Coast Public Bank Peer Report

August 15, 2013

Price / Earnings																						
52 Wk Perf (%)	52 Wk 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./Assets (%)	Eff. Ratio (%)	LTM ROE (%)	LTM ROA (%)	NPAs/Loans + OREO (%)	NCOs/Avg. Loans(%)	Loan Loss Res./Loans (%)	Assets (\$M)
64.17	16.69	9.00	Bancorp, Inc.	TBBK	DE	\$14.89	\$556	24.41	24.62	21.57	14.07	1.07	1.65	nm	8.73	59.46	6.87	0.60	NA	0.98	2.00	3,876,495.00
64.17			Median - Delaware					24.41	24.62	21.57	14.07	1.07	1.65	...	8.73	59.46	6.87	0.60	...	0.98	2.00	\$3,876,495
26.04	\$8.25	\$5.30	1st United Bancorp, Inc.	FUBC	FL	\$7.20	\$247	36.00	34.25	32.82	20.29	1.06	1.44	0.56%	11.53	78.56	2.80	0.43	5.74	0.53	1.08	\$1,545,299
21.83	\$30.97	\$22.01	BankUnited, Inc.	BKU	FL	\$30.42	\$3,064	14.63	15.57	16.30	16.88	1.65	1.72	2.76%	13.55	45.03	11.86	1.69	0.43	0.48	0.86	\$13,233,425
NA	\$20.98	\$15.14	Capital Bank Financial Corp.	CBF	FL	\$19.13	\$636	16.49	16.51	23.38	17.10	0.92	nm	nm	NA	68.02	5.33	0.87	NA	0.27	1.22	\$6,796,976
55.67	\$13.08	\$7.41	Capital City Bank Group, Inc.	CCBG	FL	\$11.94	\$207	42.64	41.86	53.38	31.86	0.83	1.26	0.00%	6.64	88.65	1.86	0.18	9.97	0.72	1.89	\$2,561,858
26.92	\$10.42	\$7.00	CenterState Banks, Inc.	CSFL	FL	\$9.84	\$296	24.60	25.41	22.66	17.26	1.09	1.35	0.41%	9.54	73.46	4.46	0.51	3.36	0.57	1.66	\$2,355,353
(57.43)	\$3.60	\$0.43	Jacksonville Bancorp, Inc.	JAXB	FL	\$0.51	\$27	NM	NM	NM	NM	1.62	1.68	nm	6.21	95.13	(184.71)	(7.85)	8.80	7.28	5.04	\$520,898
(16.48)	\$3.52	\$1.26	OptimumBank Holdings, Inc.	OPHC	FL	\$1.47	\$12	NM	NA	NM	NM	nm	nm	nm	NA	NA	NA	NA	NA	NA	NA	NA
52.08	\$2.46	\$1.38	Seacoast Banking Corporation of Florida	SBCF	FL	\$2.19	\$208	NM	130.70	31.71	21.14	1.86	1.88	0.00%	5.08	86.32	3.48	0.27	5.60	0.65	1.55	\$2,183,680
26.04			Median - Florida					24.60	29.83	27.55	18.77	1.09	1.56	0.41%	8.09	78.56	3.48	0.43	5.67	0.57	1.55	\$2,355,353
88.24	\$26.08	\$12.83	BCSB Bancorp, Inc.	BCSB	MD	\$24.98	\$80	45.42	39.91	NM	NM	1.54	1.54	0.00%	8.09	79.53	3.22	0.28	5.38	0.30	1.76	\$637,922
3.40	\$5.94	\$4.68	Carrollton Bancorp	CRRB	MD	\$5.17	\$48	NM	NM	NM	NM	0.58	0.58	0.00%	6.32	82.00	0.36	0.03	5.24	0.38	2.01	\$363,766
58.02	\$27.67	\$15.13	Eagle Bancorp, Inc.	EGBN	MD	\$24.78	\$639	14.86	14.77	14.57	13.51	2.04	NM	0.00%	NA	48.82	12.50	1.33	1.80	0.30	1.42	\$3,410,568
46.64	\$9.00	\$5.15	First United Corporation	FUNC	MD	\$8.52	\$53	6.98	7.78	nm	NM	0.73	0.87	0.00%	4.65	75.37	9.46	0.69	5.84	0.37	1.86	\$1,322,767
18.89	\$12.95	\$10.00	Glen Burnie Bancorp	GLBZ	MD	\$12.25	\$34	13.61	14.50	NM	NM	1.06	1.06	3.27%	8.28	78.22	7.40	0.64	NA	NA	NA	\$382,185
1.88	\$8.48	\$6.01	Howard Bancorp, Inc.	HBMD	MD	\$8.15	\$33	23.29	NA	nm	NM	0.94	0.94	nm	8.45	74.44	3.93	0.48	NA	0.32	0.84	\$414,896
21.85	\$13.42	\$9.81	Old Line Bancshares, Inc.	OLBK	MD	\$13.13	\$129	18.23	12.64	14.77	10.12	1.20	1.36	1.22%	8.35	64.91	6.38	0.54	2.90	0.17	0.53	\$1,147,085
34.19	\$26.82	\$16.75	Sandy Spring Bancorp, Inc.	SASR	MD	\$23.99	\$599	13.71	13.42	13.98	14.72	1.23	1.50	2.67%	10.02	60.15	9.04	1.11	1.93	0.19	1.48	\$4,072,617
63.73	\$8.70	\$4.65	Shore Bancshares, Inc.	SHBI	MD	\$8.35	\$71	NM	NM	53.81	26.49	0.62	0.72	0.00%	9.39	74.41	(5.42)	(0.55)	11.60	2.26	2.01	\$1,054,277
34.19			Median - Maryland					14.86	13.96	14.67	14.12	1.06	1.00	0.00%	8.32	74.44	6.38	0.54	5.24	0.31	1.62	\$1,054,277
82.66	\$15.03	\$7.83	Bank of America Corporation	BAC	NC	\$14.32	\$153,842	31.82	28.08	15.26	10.73	0.71	1.08	0.28%	6.94	81.39	2.77	0.30	3.96	1.29	2.27	\$2,123,320,000
14.60	\$36.59	\$26.86	BB&T Corporation	BBT	NC	\$35.32	\$24,861	14.53	14.10	13.89	11.53	1.28	2.09	2.60%	6.78	56.36	8.89	1.04	2.32	0.96	1.61	\$182,735,000
73.15	\$14.35	\$7.34	BNC Bancorp	BNCN	NC	\$13.57	\$278	25.60	27.93	18.99	13.08	1.41	1.61	1.47%	7.69	66.17	5.83	0.55	3.42	1.31	1.57	\$2,929,636
80.70	\$14.26	\$5.97	Carolina Bank Holdings, Inc.	CLBH	NC	\$10.77	\$37	6.15	6.31	nm	NM	0.96	0.96	nm	5.74	66.08	13.47	1.07	NA	0.45	2.13	\$669,489
7.85	\$3.28	\$2.05	Carolina Trust Bank	CART	NC	\$2.97	\$14	NM	NM	NM	NM	0.69	0.70	nm	7.42	81.54	(8.22)	(0.76)	5.96	1.54	1.88	\$265,103
12.99	\$5.98	\$3.51	VantageSouth Bancshares, Inc.	VSB	NC	\$5.48	\$252	45.67	24.71	25.45	14.00	1.35	1.63	nm	7.83	79.72	3.33	0.49	NA	0.26	0.48	\$2,009,420
68.08	\$16.45	\$8.94	First Bancorp	FBNC	NC	\$15.02	\$296	NM	NM	15.78	13.54	1.02	1.34	2.13%	6.93	59.15	(3.63)	(0.39)	3.58	2.75	2.09	\$3,247,410
26.10	\$214.02	\$155.00	First Citizens BancShares, Inc.	FCNCA	NC	\$207.76	\$1,984	12.71	13.01	NM	NM	1.03	1.09	0.58%	8.65	69.54	8.35	0.76	1.72	0.23	1.96	\$21,308,822
49.30	\$6.88	\$4.15	First South Bancorp, Inc.	FSBK	NC	\$6.42	\$63	NM	NM	nm	NM	0.85	0.90	0.00%	10.30	65.45	(10.47)	(1.21)	NA	5.61	1.92	\$680,082
(31.63)	\$12.88	\$5.91	CommunityOne Bancorp	COB	NC	\$8.17	\$178	NM	NM	nm	NM	2.34	2.76	0.00%	3.18	97.42	(18.92)	(0.87)	9.82	1.33	2.10	\$2,036,313
36.09	\$7.42	\$4.80	New Century Bancorp, Inc.	NCBC	NC	\$6.90	\$48	13.80	NA	12.55	12.32	0.86	0.87	nm	10.03	71.69	6.26	0.60	NA	0.27	2.03	\$550,008
76.68	\$9.17	\$3.92	NewBridge Bancorp	NBCC	NC	\$7.19	\$182	NM	NM	10.40	13.50	1.40	1.43	0.00%	8.28	69.72	(6.35)	(0.66)	1.69	2.64	2.19	\$1,730,095
4.43	\$4.90	\$2.56	Oak Ridge Financial Services, Inc.	BKOR	NC	\$4.01	\$7	NM	NM	NM	NM	0.40	0.40	nm	5.27	80.89	(7.01)	(0.54)	4.98	1.83	2.07	\$348,622
30.09	\$6.81	\$4.66	Park Sterling Corporation	PSTB	NC	\$6.20	\$277	31.00	21.19	19.27	16.41	1.08	1.24	1.29%	11.48	70.89	3.62	0.51	1.98	0.02	0.82	\$1,972,923
41.04	\$14.05	\$8.59	Peoples Bancorp of North Carolina, Inc.	PEBK	NC	\$13.00	\$73	13.54	14.68	nm	NM	0.88	0.88	0.92%	8.06	74.54	6.09	0.59	NA	0.92	2.28	\$1,028,040
94.26	\$17.30	\$7.96	Yadkin Financial Corporation	YDKN	NC	\$15.56	\$214	NM	NM	15.63	13.42	1.53	1.55	0.00%	8.00	70.79	(7.93)	(0.72)	2.98	3.10	1.71	\$1,801,915
38.57			Median - North Carolina					14.53	17.94	15.63	13.42	1.03	1.17	0.58%	7.76	70.84	3.05	0.39	3.42	1.30	1.99	\$1,887,419

Mercer Capital's Atlantic Coast Public Bank Peer Report

August 15, 2013

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17.48	\$14.49	\$10.36	Bank of South Carolina Corporation	BKSC	SC	\$13.50	\$60	15.52	NA	NM	NM	1.75	1.75	3.56%	10.11	NA	11.45	1.23	NA	NA	NA	\$340,502
25.26	\$11.16	\$8.00	First Community Corporation	FCCO	SC	\$10.31	\$55	12.73	11.77	12.42	13.75	1.03	1.05	2.33%	8.25	68.65	8.07	0.73	2.69	0.22	1.28	\$633,185
75.89	\$15.95	\$7.06	Palmetto Bancshares, Inc.	PLMT	SC	\$12.40	\$158	16.53	17.98	NM	NM	1.60	1.60	0.00%	9.13	72.71	9.80	0.85	NA	0.54	2.31	\$1,085,222
42.56	\$56.37	\$36.81	First Financial Holdings, Inc.	SCBT	SC	\$54.33	\$1,307	23.12	18.60	17.93	13.52	1.79	2.35	1.40%	7.99	67.55	8.00	0.80	2.64	0.60	1.93	\$5,043,078
157.93	\$5.96	\$2.08	Southcoast Financial Corporation	SOCB	SC	\$5.50	\$39	3.98	4.14	NM	NM	0.94	0.94	nm	9.32	79.04	27.97	2.24	NA	0.51	2.24	\$444,344
73.42	\$13.75	\$7.60	Southern First Bancshares, Inc.	SFST	SC	\$13.18	\$56	15.69	16.59	14.56	10.92	1.17	1.17	nm	5.75	63.85	7.17	0.58	2.42	0.54	1.39	\$839,007
57.99			Median - South Carolina					15.60	16.59	14.56	13.52	1.38	1.38	1.86%	8.69	68.65	8.94	0.83	2.64	0.54	1.93	\$736,096
20.27	\$18.07	\$10.90	Access National Corporation	ANCX	VA	\$15.26	\$157	9.03	9.03	13.09	15.29	1.66	1.66	2.88%	11.24	64.33	18.89	2.06	NA	(0.06)	1.88	\$841,683
11.61	\$25.90	\$18.50	American National Bankshares Inc.	AMNB	VA	\$23.52	\$185	11.64	10.99	12.16	15.33	1.14	1.54	3.91%	9.60	53.41	9.74	1.23	NA	0.05	1.59	\$1,294,017
49.91	\$9.00	\$5.15	Bank of the James Financial Group, Inc.	BOTJ	VA	\$8.55	\$29	9.82	12.33	NM	NM	0.99	0.99	nm	6.74	77.14	10.02	0.67	2.18	0.49	1.62	\$430,871
35.27	\$59.59	\$33.06	C&F Financial Corporation	CFFI	VA	\$53.29	\$176	10.79	NA	NM	NM	1.66	1.85	2.18%	9.68	59.03	16.30	1.71	1.94	1.87	4.75	\$992,681
23.10	\$70.00	\$50.21	Capital One Financial Corporation	COF	VA	\$67.01	\$39,224	9.46	8.37	9.98	10.08	0.98	1.52	1.79%	9.11	52.65	10.43	1.39	1.73	2.03	2.23	\$296,542,000
40.37	\$18.40	\$12.30	Cardinal Financial Corporation	CFNL	VA	\$17.18	\$520	11.77	11.75	14.86	13.88	1.64	1.70	1.40%	10.58	53.44	14.48	1.58	NA	0.09	1.08	\$2,900,102
65.75	\$4.00	\$2.15	Community Bankers Trust Corporation	ESXB	VA	\$3.63	\$79	15.13	14.46	NM	NM	0.83	0.91	0.00%	7.72	79.09	5.45	0.56	NA	0.43	1.78	\$1,124,567
40.71	\$7.50	\$4.04	Eastern Virginia Bankshares, Inc.	EVBS	VA	\$5.98	\$71	18.12	NA	28.95	10.13	nm	NM	0.00%	NA	84.00	3.49	0.33	2.21	1.12	2.66	\$1,115,804
1.59	\$13.31	\$9.01	Fauquier Bankshares, Inc.	FBSS	VA	\$12.51	\$46	16.68	16.69	nm	nm	0.97	0.97	3.84%	8.14	71.27	5.79	0.47	3.83	1.35	1.54	\$590,899
50.42	\$4.01	\$2.30	First Capital Bancorp, Inc.	FCVA	VA	\$3.61	\$44	16.41	17.30	NM	NM	1.03	1.03	nm	7.82	71.95	6.95	0.62	NA	(0.24)	2.06	\$538,937
8.55	\$18.29	\$13.08	First Community Bancshares, Inc.	FCBC	VA	\$15.14	\$304	10.51	10.54	12.78	12.10	0.90	1.33	3.17%	8.97	56.46	8.68	1.14	2.97	0.69	1.36	\$2,650,735
(15.85)	\$2.17	\$1.01	Hampton Roads Bankshares, Inc.	HMPR	VA	\$1.54	\$262	NM	NM	NM	nm	1.42	1.44	0.00%	8.96	82.83	(7.78)	(0.59)	8.29	2.35	2.98	\$2,032,342
24.73	\$21.81	\$15.86	Middleburg Financial Corporation	MBRG	VA	\$19.85	\$141	21.58	30.08	22.18	23.58	1.25	1.32	1.41%	8.83	76.88	7.18	0.67	4.38	0.43	1.76	\$1,217,200
40.45	\$11.93	\$7.85	Monarch Financial Holdings, Inc.	MNRK	VA	\$11.20	\$117	8.30	9.12	9.55	8.87	1.25	1.26	2.14%	9.03	80.42	17.76	1.42	0.35	0.08	1.31	\$1,021,399
28.63	\$38.90	\$28.76	National Bankshares, Inc.	NKSH	VA	\$36.90	\$256	14.58	14.05	15.15	15.09	1.76	1.88	2.93%	12.63	42.77	11.63	1.61	3.26	0.44	1.35	\$1,091,086
24.40	\$14.73	\$10.32	Old Point Financial Corporation	OPOF	VA	\$13.01	\$65	14.78	19.70	NM	NM	0.78	0.78	1.54%	9.52	83.71	4.98	0.50	NA	0.45	1.55	\$866,881
36.87	\$12.00	\$7.30	Southern National Bancorp of Virginia, Inc.	SONA	VA	\$9.90	\$115	21.06	19.40	NM	NM	1.09	1.21	2.83%	13.60	55.82	5.38	0.79	NA	1.03	1.39	\$706,724
65.30	\$22.01	\$12.42	StellarOne Corporation	STEL	VA	\$20.57	\$468	19.59	18.54	19.64	19.15	1.09	1.50	1.94%	10.65	67.16	5.60	0.80	2.22	0.30	1.24	\$3,014,166
6.93	\$17.34	\$13.43	TowneBank	TOWN	VA	\$14.78	\$467	13.08	13.60	NM	nm	1.09	1.50	2.44%	6.96	66.67	7.61	0.98	3.06	0.40	1.17	\$4,595,087
48.75	\$22.90	\$14.23	Union First Market Bankshares Corporation	UBSH	VA	\$21.43	\$533	14.48	13.14	14.11	13.12	1.24	1.50	2.61%	8.92	64.02	8.53	0.93	3.44	0.50	1.10	\$4,056,557
25.87	\$12.20	\$8.46	Valley Financial Corporation	VYFC	VA	\$11.17	\$53	9.63	11.21	8.68	10.32	1.09	1.09	1.25%	6.11	63.28	10.20	0.84	5.32	0.27	1.45	\$806,339
62.00	\$2.57	\$0.61	Village Bank and Trust Financial Corp.	VBFC	VA	\$1.62	\$7	NM	NA	NM	NM	0.92	0.97	nm	1.47	78.50	3.24	0.16	NA	1.83	2.95	\$483,983
85.84	\$15.60	\$7.92	Virginia Commerce Bancorp, Inc.	VCBI	VA	\$15.09	\$493	21.25	21.01	18.66	NM	1.94	1.94	nm	8.95	50.49	10.67	1.02	3.43	0.71	1.92	\$2,836,235
12.35	\$13.33	\$9.29	WashingtonFirst Bankshares, Inc.	WFBI	VA	\$11.77	\$77	18.75	NA	NM	NM	1.04	1.09	nm	7.36	63.63	4.82	0.46	2.72	0.47	0.76	\$1,125,059
34.59	\$6.15	\$3.99	Xenith Bankshares, Inc.	XBKS	VA	\$5.65	\$59	8.31	8.54	31.39	20.18	0.75	0.94	nm	11.18	80.64	8.33	1.28	1.16	0.18	1.06	\$578,931
34.59			Median - Virginia					14.48	13.37	14.49	13.88	1.09	1.32	2.14%	8.96	66.67	8.33	0.84	2.97	0.45	1.55	\$1,115,804
37.76	\$46.75	\$31.27	City Holding Company	CHCO	WV	\$44.27	\$694	15.98	14.58	14.47	14.21	1.88	2.36	3.34%	8.90	52.96	12.22	1.36	2.67	0.26	0.79	\$3,382,550
18.61	\$18.20	\$13.76	First West Virginia Bancorp, Inc.	FWV	WV	\$17.30	\$30	13.63	NA	nm	nm	0.94	0.99	4.39%	10.07	74.32	6.58	0.73	NA	NA	NA	\$299,076
42.61	\$13.10	\$8.55	Premier Financial Bancorp, Inc.	PFBF	WV	\$11.99	\$96	8.95	NA	nm	NM	0.72	0.96	3.67%	9.36	55.46	7.58	0.98	NA	NA	NA	\$1,104,949
112.42	\$9.55	\$3.90	Summit Financial Group, Inc.	SMMF	WV	\$8.31	\$62	12.98	13.36	NM	NM	0.63	0.69	0.00%	6.59	55.98	5.61	0.44	NA	1.12	1.50	\$1,369,970
23.48	\$29.40	\$23.02	United Bankshares, Inc.	UBSI	WV	\$28.48	\$1,434	17.05	15.84	16.26	15.36	1.43	2.31	4.35%	7.68	52.57	8.42	1.01	2.09	0.30	1.13	\$8,480,268
47.64	\$30.55	\$19.75	WesBanco, Inc.	WSBC	WV	\$29.51	\$864	14.26	13.56	13.54	13.15	1.19	2.14	2.58%	7.01	59.79	8.39	1.00	1.86	0.40	1.32	\$6,084,011
40.19			Median - West Virginia					13.95	14.07	14.47	14.21	1.07	1.57	3.51%	8.29	55.72	7.99	0.99	2.09	0.35	1.23	\$2,376,260
38.28			Average					17.28	19.16	19.16	15.13	1.18	1.35	1.59%	8.38	69.22	3.21	0.52	3.78	0.94	1.74	\$39,358,191
35.68			Median					14.78	14.63	15.45	13.88	1.09	1.33	1.41%	8.35	69.72	6.72	0.65	2.98	0.50	1.64	\$1,182,143

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