



# New Bank Report

## *Eastern Edition*

Second Quarter 2009

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Community Bank Delaware, Lewes, Delaware • Est. May 2006

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## Where are the New Banks?\*



Note: New banks that opened during the first quarter are highlighted with a box. Banks are red and thrifts are blue.

\*New banks and thrifts started in 2009.

Source: SNL Financial, Charlottesville, Virginia.

September 4, 2009

**My Bank's Worth What?**  
**If you're good, it's 72% to 88% of book**

Each year-end and periodically during the year we value a new bank's illiquid stock based on the pricing multiples of other new banks with a traded stock. We've grown accustomed to the anguish the results can cause and we always try to prepare the president and the board, but the outcome is still often a shock. These results reflect what we know – bank stock pricing for “good banks” is well below book value and banks that have high NPAs or are posting large losses, trade at an even deeper discount.

The negative impact NPAs have on stock price cannot be understated. For the most troubled banks, those with NPAs over 4% of assets, the median stock price is only 46% of tangible book. For those in the middle with NPAs from 2% to 4% of assets, the median is 65%. For those banks that have little-to-no asset quality issues, which is almost half of all new banks, the median price is still well below tangible book at 88%. This is low, but it is still almost double those with serious NPA issues (88% vs. 46%).

**Impact of NPAs on New Bank Stock Prices\***

<u>Non-Performing Assets Medians (number of banks)</u>	<u>Price/ Earnings**</u>	<u>Price/ Tangible Book**</u>	<u>NPAs/ Assets</u>	<u>Avg. Shares Traded Daily***</u>
Under 2% ( <b>57</b> )	17.3X	<b>88%</b>	1.00%	<b>657</b>
Between 2% and 4% (32)	15.5	<b>65</b>	2.50	<b>684</b>
Over 4% (30)	-	<b>46</b>	<u>6.02</u>	<b>1,047</b>
Grand median ( <b>119</b> banks)	16.5X	73%	2.09%	702

\*Established since 1990 and located on the east coast from South Carolina up to Maine. Stock pricing as of August 27, 2009, and financial data as of June 30, 2009, or the twelve months ended June 30, 2009

\*\*Stock price as of August 27, 2009 and financial data as of June 30, 2009 or the twelve months ended June 30, 2009.

\*\*\*One year.

Source: SNL Financial, Charlottesville, Virginia.

Another notable item is the impact of NPAs on the trading volume of new bank stocks. A trend reflected in the previous table is that when a new bank gets in asset quality trouble, investors start selling the stock. The median average daily volume of the banks with NPAs under 4% was under 685 shares versus 1,047 for those with NPAs over 4%.

NPAs have a huge impact on earnings as large loan loss provisions are taken and interest income is reversed, but even for those that are relatively unscathed by the issue, earnings remain low. The table below shows that of the 119 new banks, only one bank had an ROE above 10% and only 16 were between 5% and 10%. Over half of the new banks were losing money (69 of 119).

### Impact of Earnings on New Bank Stock Prices

<u>Return on Equity Medians (number of banks)</u>	<u>Price/ Earnings*</u>	<u>Price/ Tangible Book*</u>	<u>NPAs/ Assets</u>	<u>Avg. Shares Traded Daily**</u>
Over 10% ( <b>1***</b> )	8.5X	101%	1.46%	5,485
5% to 10% ( <b>16</b> )	13.0	<b>86</b>	1.21	701
0% to 5% ( <b>33</b> )	32.1	<b>72</b>	1.06	384
Negative (69)	-	61	2.51	843
- losses over 10% (30)	-	52	4.52	1,847

\*Stock price as of August 27, 2009 and financial data as of June 30, 2009 or the twelve months ended June 30, 2009.

\*\*One year.

\*\*\*Access National Bank, Chantilly, Virginia. Established 1999.

Source: SNL Financial, Charlottesville, Virginia.

Of the banks that posted earnings, median price to tangible book multiples were low. Those 16 banks that posted ROEs between 0% and 5% traded at a median price to tangible book of 72% and those that earned a slightly higher 5% to 10% traded at a median of 86%, still well below tangible book. Only one bank, Access National in Chantilly, Virginia, posted an ROE of more than 10% and it only trades at tangible book.

Once again, the volume of trades tells a story. Those with losses, and in particular those with excessive losses (mostly the same banks with NPA

issues), traded much more than those with earnings. The median average daily shares traded for those with ROEs from 5% to 10% was 701 and those with ROEs from 0% to 5% was 384. Comparatively, those banks with losses in excess of 10% of equity traded a median of 1,847 shares daily.

**Historical Change New Bank Stock Pricing**

<u>Date</u>	<u>Number of Banks in Group</u>	<u>Median</u>		
		<u>Price/Tangible Book</u>	<u>Price/Earnings</u>	<u>ROE</u>
8/27/09	119	<b>73%</b>	16.5X	(1.45)%
12/31/08	-*	78	18.1	.69
12/31/07	-*	121	16.2	5.11
12/31/06	-*	<b>163</b>	20.1	7.22

\*Utilized same 119 banks for each year.

Source: SNL Financial, Charlottesville, Virginia.

Thus, if you are one of the lucky ones - a bank with NPAs under 2% of assets (57 of 119 new banks) and earning a little bit of money (49 of 119 banks), your stock is roughly worth from 72% to 88% of tangible book. This is a far cry from only a few years ago when almost all bank stocks were highly valued. A look back at this same group of 119 banks shows that their median stock value at the end of 2006 was 163% tangible book, 90 basis points higher than today's 73%.

Respectfully,



David G. Danielson  
President



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Since 1978, Danielson Associates has provided consulting services to banks and their boards of directors. The firm has in-depth knowledge of markets across the country and has worked with clients of all sizes and market orientations.

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**Strategic Planning** - What is the future direction of your bank? What are its options? How should it get there?

**Capital Plans/Capital Restoration Plans** - How much capital is necessary? What capital raising methods are feasible, and what is the likely price?

**TARP/PPP Warrant Pricing** - Should you pay back the TARP funding? What is the value of the warrants issued to the Treasury under the PPP?

**M&A Advisory** - Is it time to buy, sell or hold steady? How much is the bank worth? Who are the potential acquirers? Are there good acquisition targets? How much are they worth?

**Fairness Opinions** - What constitutes a "fair" offer and thereby fulfills your fiduciary responsibilities to your investors?

**Branch Acquisitions** - A detailed analysis of the branch deposits and loans to be purchased. A suggested price range will be provided along with proforma financial statements.

**Board Retreats** - Presentations tailored to meet your specific needs.

**Stock Valuations** - What is your bank's stock worth?

**New Bank Feasibility Studies** - What kind of new bank will succeed? How have banks with similar capital and strategies performed?

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*Chairman*

**David G. Danielson**  
*President*

**G. Larry Warren**  
*Managing Director*

<b><i>New Bank Openings</i></b>	<b><i>City, State</i></b>	<b><i>Capital Raised (in millions)</i></b>	<b><i>Date Opened</i></b>
Coastal Carolina National Bank	Myrtle Beach, SC	\$20.0	6/8/2009
Oak View National Bank	Warrenton, VA	14.0	6/8/2009
Coastal Bank & Trust	Jacksonville, NC	10.2	4/13/2009
Regent Bank*	Greenville, SC	10.0	4/14/2009

<b><i>New Bank Failures</i></b>	<b><i>City, State</i></b>	<b><i>NPA's/Assets</i></b>	<b><i>Date Opened</i></b>
First BankAmericano	Elizabeth, NJ	5.80%	1/15/1997

On May 11, 2009 announced acquisition by JJR Bank Holding Company, the Holding Company for Crown Bank in Brink, NJ. First BankAmericano failed on July 31, 2009, before closing the transaction. Crown Bank assumed the deposits after the bank failed.

Waterford Village Bank	Williamsville, NY	.95	2/26/2007
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On June 1, 2009 announced acquisition by VCH Bank in Williamsville, NY. Waterford Village Bank failed on July 24, 2009, before closing the transaction. Evans Bancorp in Hamburg, NY assumed the deposits after the bank failed

\*Thrift

Source: SNL Financial, Charlottesville, Virginia.

**Acquisitions of New Banks**

<i>Seller</i>	<i>Buyer</i>	<i>Deal Value (in millions)</i>	<i>Price/ Tang. Book</i>	<i>Date Announced</i>
<b>CNB Financial</b> Worcester, MA Established – 11/01 Branches – 6	<b>United Financial Bancorp</b> West Springfield, MA	\$24.8	125%	6/25/09

**Recapitalization of New Banks**

<i>Bank</i>	<i>Investor</i>	<i>Investment (in millions)</i>	<i>Tang. Equity/ Tang. Assets</i>	<i>Date Announced</i>
<b>Darien Rowayton Bank</b> Darien, CT Established – 4/06 Branches – 2	<b>Alcar, LLC</b> New York, NY	\$15.0	2.55%	8/7/09
<b>VantageSouth Bank</b> Burlington, NC Established – 3/06 Branches – 2	<b>Piedmont Community Holdings</b> Chapel Hill, NC	\$8.0	7.57%	6/10/09

\*From June 6, 2009 through August 26, 2009. Acquisitions since previously published New Bank Report.

Source: SNL Financial, Charlottesville, Virginia.

Year Opened	Number of Banks			Operating	Assets (in millions)	Median	No. of Branches
	Started*	Sold**	Failed			LTM Net Income*** (in thousands)	
2009****	5	-	-	5	\$28.2	\$(1,707)	1
2008	27	-	-	27	59.1	(1,976)	1
2007	31	1	1	29	100.6	(1,107)	2
2006	31	1	-	30	135.0	(1,111)	2
2005	23	1	-	22	258.5	(1,091)	3
2004	21	2	1	18	216.5	(1,073)	4
2003	14	3	-	11	151.8	264	4
2002	14	3	-	11	227.6	316	3
2001	20	6	-	14	166.6	(1,497)	4
2000	29	6	-	23	239.7	175	5
1999	42	14	-	28	300.5	(172)	5
1998	33	15	1	17	492.0	(62)	9
1997	23	13	1	9	482.7	157	6
1996	17	8	-	9	631.3	1,412	5
1995	8	4	-	4	456.3	(1,568)	7
1994	4	3	-	1	980.4	(12,291)	19
1993	7	5	-	2	209.1	744	9
1992	4	3	-	1	68.5	(703)	4
1991	13	10	-	3	912.5	1,079	16
1990	<u>34</u>	<u>27</u>	<u>-</u>	<u>7</u>	392.0	(7)	7
Total	400	125	4	271			

\*Includes all new banks opened between January 1, 1990 and June 30, 2009 in the Atlantic seaboard states from South Carolina to Maine.

\*\*Does not include new banks acquired by other new banks if still operating independently.

\*\*\*For the last twelve months ("LTM") ended June 30, 2009 in this and subsequent tables.

\*\*\*\*Through June 30, 2009.

Source: SNL Financial, Charlottesville, Virginia, FDIC.gov and various websites for individual banks.

<i>Connecticut</i>	<i>June 30, 2009</i>			<i>LTM Net</i>	<i>No. of Branches</i>	<i>Date Opened</i>
	<i>Assets (in millions)</i>	<i>Equity/ Assets</i>	<i>NPAs/ Assets*</i>	<i>Income (in thousands)</i>		
<b>2008</b>						
Bank of Fairfield	\$37.0	28.75%	-	\$(2,379)	2	8/08
Quinnipiac B&T, Hamden	<u>36.3</u>	<u>22.70</u>	<u>-</u>	<u>(1,376)</u>	<u>1</u>	3/08
Average	\$36.6	25.73%	-	\$(1,878)	2	
<b>2006</b>						
Darien Rowayton, Darien**	\$112.9	2.55%	.81%	\$(3,605)	2	4/06
Bank of Greenwich, Cos Cob	<u>60.3</u>	<u>7.35</u>	<u>3.30</u>	<u>(3,007)</u>	<u>2</u>	12/06
Average	\$86.6	4.95%	2.06%	\$(3,306)	2	
<b>2004</b>						
Connecticut B&T, Hartford <sup>(TARP)</sup>	\$241.6	9.69%	1.58%	\$(1,864)	7	3/04
<b>2002</b>						
Bank of New Canaan <sup>(TARP)</sup>	\$242.9	7.82%	2.71%	\$1,116	2	4/02
Connecticut River, Wethersfield	<u>193.8</u>	<u>7.36</u>	<u>2.32</u>	<u>263</u>	<u>3</u>	11/02
Average	\$218.3	7.59%	2.52%	\$690	3	
<b>2001</b>						
Bank of Southern Conn., New Haven	\$135.7	10.59%	4.73%	\$(2,521)	4	10/01
Community's, Bridgeport	<u>45.7</u>	<u>9.62</u>	<u>1.12</u>	<u>(198)</u>	<u>1</u>	2/01
Average	\$90.7	10.11%	2.93%	\$(1,360)	3	
<b>1998</b>						
Connecticut Community, Westport	\$449.1	8.69%	2.56%	\$(6,189)	9	12/98
<b>1995</b>						
Simsbury B&T <sup>(TARP)</sup>	\$265.8	7.67%	.81%	\$(866)	5	3/95
<b>1994</b>						
Patriot National, Stamford	\$980.4	6.25%	13.68%	\$(12,921)	19	8/94
<b>1990</b>						
Prime Bank, Orange	\$46.2	16.65%	.01%	\$(7)	1	2/90

Note: <sup>(TARP)</sup> identifies all banks that have received funding through August 26, 2009 from the U.S. Treasury in this and subsequent pages.

\*NPAs include loans 90 days past due and still accruing and restructured loans in this and subsequent pages.

\*\*Announced a \$15 million recapitalization on August 7, 2009 by Alcar LLC of New York, NY.

<i>Delaware</i>	<i>June 30, 2009</i>			<i>LTM Net</i>	<i>No. of Branches</i>	<i>Date Opened</i>
	<i>Assets (in millions)</i>	<i>Equity/ Assets</i>	<i>NPAs/ Assets</i>	<i>Income (in thousands)</i>		
<b>2007</b>						
MidCoast Comm., Wilmington	\$139.9	12.91%	.07%	\$(564)	1	3/07
<b>2006</b>						
Community Bank Delaware, Lewes	\$91.0	10.45%	.13%	\$(1,355)	2	5/06
<b>2000</b>						
Bancorp Bank, Wilmington	\$1,729.2	10.46%	1.76%	\$(37,445)	2	7/00
<b>1990</b>						
County Bank, Rehoboth Beach	\$410.6	8.93%	1.57%	\$(2,275)	9	7/90

<i>District of Columbia</i>	<i>June 30, 2009</i>			<i>LTM Net</i>	<i>No. of Branches</i>	<i>Date Opened</i>
	<i>Assets (in millions)</i>	<i>Equity/ Assets</i>	<i>NPAs/ Assets</i>	<i>Income (in thousands)</i>		
<b>2005</b>						
Bank of Georgetown	\$358.0	12.12%	.98%	\$(91)	7	5/05
<b>1998</b>						
City First	\$128.1	14.53%	3.87%	\$(62)	1	11/98

<b>Maryland</b>	<b>June 30, 2009</b>			<b>LTM Net</b>	<b>No. of Branches</b>	<b>Date Opened</b>
	<b>Assets (in millions)</b>	<b>Equity/ Assets</b>	<b>NPAs/ Assets</b>	<b>Income (in thousands)</b>		
<b>2008</b>						
BlueRidge Bank, Frederick	\$62.4	24.13%	1.95%	\$(1,434)	1	4/08
<b>2007</b>						
Revere Bank, Laurel	\$85.9	17.35%	-	\$(2,492)	2	11/07
<b>2005</b>						
Monument Bank, Bethesda <sup>(TARP)</sup>	\$231.9	9.98%	.44%	\$2,371	1	9/05
<b>2004</b>						
Howard Bank, Ellicott City <sup>(TARP)</sup>	\$256.5	10.93%	3.22%	\$532	5	8/04
HarVest Bank, Rockville	<u>211.6</u>	<u>7.81</u>	<u>4.81</u>	<u>(1,208)</u>	<u>5</u>	11/04
Average	\$234.1	9.37%	4.02%	\$(338)	5	
<b>2003</b>						
Congressional Bank, Potomac	\$203.0	10.97%	.30%	\$(392)	4	10/03
<b>2001</b>						
Frederick County Bank	\$257.6	10.12%	.41%	\$1,016	4	10/01
<b>2000</b>						
Bay National, Baltimore	\$316.6	6.38%	6.55%	\$(4,878)	2	5/00
CommerceFirst, Annapolis	<u>192.1</u>	<u>9.81</u>	<u>2.61</u>	<u>175</u>	<u>5</u>	6/00
Average	\$254.3	8.10%	4.58%	\$(2,352)	4	
<b>1999</b>						
Capital, Rockville <sup>(TARP)</sup>	\$207.2	9.06%	2.26%	\$985	3	12/99
<b>1998</b>						
EagleBank, Bethesda <sup>(TARP)</sup>	\$1,582.9	8.75%	1.96%	\$9,869	13	7/98
<b>1993</b>						
Easton B&T	\$164.2	8.22%	2.78%	\$511	7	7/93
<b>1990</b>						
BankAnnapolis <sup>(TARP)</sup>	\$459.1	7.87%	2.43%	\$(1,483)	8	1/90
County First, La Plata	<u>177.1</u>	<u>11.41</u>	<u>.75</u>	<u>1,105</u>	<u>7</u>	3/90
Average	\$318.1	9.64%	1.59%	\$(189)	8	

<i>Massachusetts</i>	<i>June 30, 2009</i>			<i>LTM Net</i>	<i>No. of Branches</i>	<i>Date Opened</i>
	<i>Assets (in millions)</i>	<i>Equity / Assets</i>	<i>NPAs/ Assets</i>	<i>Income (in thousands)</i>		
<b>2008</b>						
Nuvo B&T, Springfield	\$27.8	28.62%	-	\$879	1	4/08
<b>2006</b>						
Bank of Cape Cod	\$86.5	11.02%	-	\$(1,121)	2	8/06
<b>2002</b>						
Leader Bank, Arlington <sup>(TARP)</sup>	\$324.4	8.39%	.30%	\$3,332	4	5/02
<b>2001</b>						
Commonwealth, Worcester*	\$287.2	8.83%	1.40%	\$(1,575)	6	11/01

\*Announced acquisition on June 25, 2009 by United Financial Bancorp, Inc. of West Springfield, MA.

<i>New Jersey</i>	<i>June 30, 2009</i>			<i>LTM Net</i>	<i>No. of Branches</i>	<i>Date Opened</i>
	<i>Assets (in millions)</i>	<i>Equity/ Assets</i>	<i>NPAs/ Assets</i>	<i>Income (in thousands)</i>		
<b>2008</b>						
Freedom Bank, Oradell	\$101.6	10.42%	.32%	\$(1,690)	1	4/08
New Jersey Community, Freehold	62.5	21.96	-	(2,902)	2	7/08
Cross River, Teaneck	38.1	19.67	-	(1,672)	1	6/08
Harmony Bank, Jackson	30.7	44.00	-	(1,764)	1	9/08
Community First, Somerset	<u>26.3</u>	<u>29.73</u>	<u>-</u>	<u>(2,172)</u>	<u>1</u>	10/08
Median	\$38.1	21.96%	-	\$(1,764)	1	
<b>2007</b>						
Bank of Princeton	\$240.1	11.06%	.70%	\$(1,322)	4	4/07
First Bank, Williamstown	214.8	10.64	.39	(2,973)	3	4/07
First Choice, Lawrenceville	205.5	10.08	1.33	(116)	3	3/07
Capital Bank, Vineland	115.1	15.82	-	(224)	2	4/07
BankAsiana, Palisades Park	113.1	14.70	.53	(2,718)	2	10/07
Regal Bank, Livingston	<u>94.1</u>	<u>12.46</u>	<u>-</u>	<u>(1,941)</u>	<u>2</u>	12/07
Median	\$160.3	11.76%	.46%	\$(1,632)	3	
<b>2006</b>						
Bank of New Jersey, Fort Lee	\$306.9	15.72%	.65%	\$720	6	5/06
First State, Cranford	249.3	6.98	3.97	(2,074)	2	1/06
Heritage Community, Randolph	127.6	9.22	1.95	(1,667)	3	3/06
Northern State, Closter <sup>(TARP)</sup>	<u>60.3</u>	<u>8.20</u>	<u>-</u>	<u>(1,399)</u>	<u>1</u>	1/06
Median	\$188.4	8.71%	1.30%	\$(1,533)	3	
<b>2005</b>						
North Jersey Community, Englewood Cliffs	\$473.0	7.17%	-	\$1,849	7	1/05
Indus American, Iselin	158.1	7.87	.11%	(2,774)	4	12/05
Highlands State, Vernon <sup>(TARP)</sup>	<u>136.7</u>	<u>10.91</u>	<u>2.26</u>	<u>(1,239)</u>	<u>3</u>	10/05
Median	\$158.1	7.87%	.11%	\$(1,239)	4	
<b>2003</b>						
Liberty Bell, Cherry Hill	\$165.2	8.15%	2.46%	\$(350)	4	8/03
<b>2002</b>						
Grand Bank, Hamilton	\$378.0	7.09%	2.64%	\$4,190	2	3/02
Pascack Comm., Westwood <sup>(TARP)</sup>	252.4	6.62	1.13	(1,409)	4	2/02
Enterprise, Kenilworth	<u>111.6</u>	<u>9.51</u>	<u>2.53</u>	<u>(883)</u>	<u>2</u>	8/02
Median	\$252.4	7.09%	2.53%	\$(883)	2	

<i>New Jersey (continued)</i>	<i>June 30, 2009</i>			<i>LTM Net</i>	<i>No. of Branches</i>	<i>Date Opened</i>
	<i>Assets (in millions)</i>	<i>Equity/ Assets</i>	<i>NPAs/ Assets</i>	<i>Income (in thousands)</i>		
<b>2001</b>						
Mariner's Bank, Edgewater	\$307.6	6.72%	2.87%	\$(3,374)	6	5/01
ISN Bank, Cherry Hill	<u>107.2</u>	<u>3.82</u>	<u>19.41</u>	<u>(3,355)</u>	<u>2</u>	5/01
Average	\$207.4	5.27%	11.14%	\$(3,365)	4	
<b>2000</b>						
Two River Comm., Middletown <sup>(TARP)</sup>	\$632.7	12.96%	2.45%	\$717	16	2/00
BCB Community, Bayonne	617.5	8.76	1.00	3,160	4	11/00
1st Colonial, Collingswood	239.7	8.33	1.36	516	3	6/00
Harvest Comm., Pennsville	204.8	7.30	1.08	813	4	1/00
Hilltop Comm., Summit <sup>(TARP)</sup>	180.7	10.39	1.10	(114)	3	2/00
Rumson-Fair Haven Bank	156.0	9.27	1.02	303	5	7/00
Allegiance Comm., S. Orange	<u>116.1</u>	<u>5.46</u>	<u>1.42</u>	<u>(522)</u>	<u>2</u>	5/00
Median	\$204.8	8.76%	1.10%	\$516	4	
<b>1999</b>						
Parke Bank, Sewell <sup>(TARP)</sup>	\$639.5	11.12%	2.66%	\$5,777	4	1/99
Cornerstone, Moorestown	295.8	6.49	2.06	(1,080)	6	10/99
Hopewell Valley, Pennington	281.9	8.28	.81	664	6	2/99
New Millennium, New Brunswick	<u>240.8</u>	<u>9.48</u>	<u>6.76</u>	<u>336</u>	<u>2</u>	7/99
Median	\$288.9	8.88%	2.36%	\$500	5	
<b>1998</b>						
Central Jersey, Long Branch*	\$604.2	10.19%	1.65%	\$(24,221)	13	7/98
Somerset Hills, Bernardsville	<u>312.6</u>	<u>9.96</u>	<u>.04</u>	<u>1,774</u>	<u>6</u>	12/98
Median	\$458.4	10.08%	.85%	\$(11,224)	10	
<b>1997</b>						
Shore Comm., Toms River	\$225.9	7.93%	4.72%	\$157	6	2/97
<b>1991</b>						
Unity Bank, Clinton <sup>(TARP)</sup>	\$912.5	7.51%	7.61%	\$(771)	16	9/91
<b>1990</b>						
Sterling Bank, Mount Laurel	\$392.0	7.89%	5.96%	\$(16,666)	10	12/90

\*Announced acquisition on May 26, 2009 by OceanFirst Financial Corp. in Toms River, NJ.

<i>New York</i>	<i>June 30, 2009</i>			<i>LTM Net</i>	<i>No. of Branches</i>	<i>Date Opened</i>
	<i>Assets (in millions)</i>	<i>Equity/ Assets</i>	<i>NPAs/ Assets</i>	<i>Income (in thousands)</i>		
<b>2009</b>						
Hanover Community, Garden City Park	\$69.0	12.57%	-	\$(4,497)	1	1/09
<b>2008</b>						
Herald National, New York	\$261.5	13.84%	-	\$(26,316)	3	11/08
Empire National, Islandia	193.0	13.69	-	(6,151)	3	2/08
Westchester Bank, Yonkers	100.9	16.04	-	(2,525)	1	6/08
Gold Coast, Islandia	74.0	23.72	-	(2,076)	1	3/08
Savoy Bank, New York	<u>57.0</u>	<u>15.24</u>	<u>.30%</u>	<u>(4,892)</u>	<u>1</u>	1/08
Median	\$100.9	15.24%	-	\$(4,892)	1	
<b>2007</b>						
Madison National, Merrick	\$286.9	10.95%	1.27%	\$3,048	3	2/07
Alma Bank, Astoria	271.8	17.12	.22	83	3	9/07
Global Bank, New York	100.6	8.59	2.30	(1,588)	1	3/07
USNY Bank, Geneva	63.7	9.57	-	(583)	2	7/07
CheckSpring Bank, Bronx	<u>22.0</u>	<u>44.92</u>	<u>-</u>	<u>(1,726)</u>	<u>1</u>	10/07
Median	\$82.2	10.26%	.68%	\$(1,086)	2	
<b>2006</b>						
United International, Flushing	\$188.1	8.22%	3.12%	\$(1,590)	1	2/06
NewBank, Flushing	<u>115.6</u>	<u>10.46</u>	<u>1.78</u>	<u>481</u>	<u>2</u>	9/06
Average	\$151.9	9.34%	2.45%	\$(555)	2	
<b>2005</b>						
Community National, Great Neck	\$390.4	10.91%	1.83%	\$(1,467)	9	4/05
USA Bank, Port Chester	227.9	6.25	12.42	(6,347)	1	12/05
LibertyPointe, New York	<u>222.2</u>	<u>5.29</u>	<u>17.69</u>	<u>(12,711)</u>	<u>3</u>	10/05
Median	\$227.9	6.25%	12.42%	\$(6,347)	3	
<b>2004</b>						
Empire State, Newburgh	\$154.8	6.63%	2.49%	\$(1,619)	3	6/04
<b>2002</b>						
Greater Hudson, Middletown	\$145.1	19.09%	1.39%	\$(2,255)	3	10/02
<b>2000</b>						
Alpine Capital, NYC	\$208.2	12.88%	-	\$2,492	1	3/00
American Comm., Glen Cove	<u>152.2</u>	<u>8.94</u>	<u>.46%</u>	<u>674</u>	<u>3</u>	1/00
Average	\$180.2	10.91%	.23%	\$1,583	2	

<i>New York (continued)</i>	<i>June 30, 2009</i>			<i>LTM Net</i>	<i>No. of Branches</i>	<i>Date Opened</i>
	<i>Assets (in millions)</i>	<i>Equity / Assets</i>	<i>NPAs/ Assets</i>	<i>Income (in thousands)</i>		
<b>1999</b>						
First American, Brooklyn <sup>(TARP)</sup>	615.5	10.65%	1.25%	\$2,683	9	11/99
Metropolitan, NYC	<u>588.7</u>	<u>11.03</u>	<u>2.89</u>	<u>(253)</u>	<u>6</u>	6/99
Average	602.1	10.84%	2.07%	\$1,215	8	
<b>1998</b>						
Hamptons State, Southampton	68.6	6.71%	.97%	\$17	1	10/98
<b>1997</b>						
Victory State, Staten Island	226.4	10.58%	.89%	\$2,010	5	11/97
<b>1996</b>						
Modern Bank, NYC	631.3	5.35%	.78%	\$(4,797)	3	2/96
<b>1995</b>						
Capital B&T, Albany	254.3	8.21%	1.30%	\$778	5	12/95
<b>1993</b>						
Catskill Hudson, Rock Hill	254.1	7.04%	.92%	\$976	11	12/93

<i>North Carolina</i>	<i>June 30, 2009</i>			<i>LTM Net</i>	<i>No. of Branches</i>	<i>Date Opened</i>
	<i>Assets (in millions)</i>	<i>Equity/ Assets</i>	<i>NPAs/ Assets</i>	<i>Income (in thousands)</i>		
<b>2009</b>						
Coastal B&T, Jacksonville	\$28.2	33.68%	-	\$(708)	1	4/09
<b>2008</b>						
Live Oak Banking, Wilmington	\$113.6	9.38%	.04%	\$(1,602)	1	5/08
BlueHarbor Bank, Mooresville	89.6	18.85	-	(2,352)	2	1/08
Forest Commercial, Asheville	59.1	29.31	-	(1,976)	2	3/08
Premier Commercial, Greensboro	54.8	31.59	-	(2,338)	1	5/08
Pisgah Community, Asheville*	52.0	14.31	.22%	(602)	1	5/08
Great State, Wilkesboro	<u>33.0</u>	<u>26.52</u>	<u>-</u>	<u>(1,076)</u>	<u>2</u>	7/08
Median	\$57.0	22.69%	-	\$(1,789)	2	
<b>2007</b>						
KeySource Commerical, Durham	\$178.6	9.30%	.72%	\$373	1	3/07
Carolina Premier, Charlotte	76.5	18.86	-	(1,779)	1	8/07
Oldtown Bank, Waynesville	46.7	22.69	1.37	(533)	1	9/07
Nuestro Banco, Raleigh**	<u>17.4</u>	<u>48.02</u>	<u>-</u>	<u>(2,685)</u>	<u>1</u>	9/07
Median	\$61.6	20.78%	.36%	\$(1,156)	1	
<b>2006</b>						
Park Sterling, Charlotte	\$472.8	9.52%	.78%	\$2,051	3	10/06
Aquesta Bank, Cornelius	182.9	10.28	4.67	(282)	2	8/06
Bank of Commerce, Charlotte (TARP)	167.9	9.62	3.80	(2,481)	1	2/06
CapStone Bank, Raleigh	167.9	14.60	.21	550	1	8/06
Union B&T, Oxford	163.4	9.02	.06	(850)	4	4/06
Community Bank, Salisbury*	141.6	7.58	2.15	817	2	2/06
Providence Bank, Rocky Mount	137.1	9.40	-	93	3	3/06
Patriot State, Fuquay-Varina	122.1	13.51	2.51	(1,533)	3	8/06
VantageSouth, Burlington***	<u>97.3</u>	<u>7.57</u>	<u>4.38</u>	<u>(1,100)</u>	<u>2</u>	3/06
Median	\$163.4	9.52%	2.15%	\$(282)	2	
<b>2005</b>						
Square 1, Durham	\$1,223.4	6.42%	.51%	\$(15,478)	1	8/05
Greystone, Raleigh	698.9	8.39	1.97	(1,028)	1	11/05
NewDominion, Charlotte	<u>561.7</u>	<u>7.58</u>	<u>5.06</u>	<u>656</u>	<u>4</u>	1/05
Median	\$698.9	7.58%	1.97%	\$(1,028)	1	

\*Affiliated with Capitol Bancorp in Lansing, MI.

\*\*Announced acquisition on April 29, 2009 by Four Oaks Fincorp, Inc. in Four Oaks, NC.

\*\*\*Announced recapitalization on June 10, 2009 by Piedmont Community Bank Holdings, Inc. in Chapel Hill, NC.

<i>North Carolina (continued)</i>	<i>June 30, 2009</i>			<i>LTM Net</i>	<i>No. of Branches</i>	<i>Date Opened</i>
	<i>Assets (in millions)</i>	<i>Equity/ Assets</i>	<i>NPAs/ Assets</i>	<i>Income (in thousands)</i>		
<b>2004</b>						
Mountain 1st, Hendersonville <sup>(TARP)</sup>	\$704.8	8.45%	4.65%	\$(1,428)	15	4/04
Nantahala B&T, Franklin	221.4	7.18	2.86	(645)	3	10/04
Alliance B&T, Shelby* <sup>(TARP)</sup>	174.4	15.56	2.67	(1,258)	4	9/04
Select B&T, Winterville	152.8	11.25	-	562	2	8/04
Carolina Commerce, Gastonia**	<u>102.7</u>	<u>8.19</u>	<u>2.54</u>	<u>(2,914)</u>	<u>1</u>	6/04
Median	\$174.4	8.45%	2.67%	\$(1,258)	3	
<b>2001</b>						
Sound Banking, Morehead City <sup>(TARP)</sup>	\$133.4	7.92%	1.44%	\$(1,419)	4	9/01
Parkway Bank, Lenoir	<u>128.3</u>	<u>8.89</u>	<u>5.84</u>	<u>(2,851)</u>	<u>3</u>	8/01
Average	\$130.8	8.41%	3.64%	\$(2,135)	4	
<b>2000</b>						
North State, Raleigh	\$710.6	7.20%	2.34%	\$3,011	7	6/00
New Century, Dunn	628.4	11.65	2.47	8	10	5/00
Bank of Oak Ridge <sup>(TARP)</sup>	351.4	7.70	.74	1,054	5	4/00
TrustAtlantic, Greenville	337.9	10.27	1.20	(2,434)	4	5/00
Cornerstone Bank, Wilson	208.2	7.55	4.62	(1,541)	2	3/00
Carolina Trust, Lincolnton <sup>(TARP)</sup>	<u>171.4</u>	<u>11.61</u>	<u>2.59</u>	<u>(840)</u>	<u>5</u>	12/00
Median	\$344.7	8.99%	2.41%	\$(416)	5	
<b>1999</b>						
Paragon, Raleigh	\$1,236.2	7.21%	2.52%	\$794	3	5/99
First Trust, Charlotte	<u>476.0</u>	<u>9.28</u>	<u>.22</u>	<u>3,557</u>	<u>3</u>	1/99
Average	\$856.1	8.25%	1.37%	\$2,176	3	
<b>1998</b>						
Crescent State, Cary*** <sup>(TARP)</sup>	\$1,073.2	11.11%	2.07%	\$1,370	15	12/98
Bank of the Carolinas, Mocksville <sup>(TARP)</sup>	<u>617.0</u>	<u>8.14</u>	<u>3.51</u>	<u>(5,147)</u>	<u>10</u>	12/98
Average	\$845.1	9.63%	2.79%	\$(1,889)	13	

\* Announced acquisition on February 16, 2009 by 1st Financial Services Corp. in Hendersonville, NC.

\*\* Announced acquisition on June 3, 2009 by Carolina Trust Bank in Lincolnton, NC.

\*\*\* Affiliated with Crescent Financial Corporation in Cary, NC.

<i>North Carolina (continued)</i>	<i>June 30, 2009</i>			<i>LTM Net</i>	<i>No. of Branches</i>	<i>Date Opened</i>
	<i>Assets (in millions)</i>	<i>Equity/ Assets</i>	<i>NPAs/ Assets</i>	<i>Income (in thousands)</i>		
<b>1997</b>						
Capital Bank, Raleigh <sup>(TARP)</sup>	\$1,693.5	10.07%	2.27%	\$(62,207)	31	6/97
Waccamaw, Whiteville	573.0	6.79	4.80	(4,686)	17	9/97
MidCarolina, Burlington	549.4	8.52	1.27	3,319	8	8/97
Bank of Asheville	<u>223.3</u>	<u>9.05</u>	<u>1.30</u>	<u>1,360</u>	<u>5</u>	12/97
Median	\$561.2	8.79%	1.79%	\$(1,663)	13	
<b>1996</b>						
Southern Community, Winston Salem <sup>(TARP)</sup>	\$1,723.6	8.70%	2.07%	\$(46,363)	22	11/96
Carolina Bank, Greensboro <sup>(TARP)</sup>	674.8	7.90	3.04	2,217	9	11/96
Surrey B&T, Mount Airy <sup>(TARP)</sup>	<u>204.4</u>	<u>12.80</u>	<u>.66</u>	<u>2,071</u>	<u>5</u>	7/96
Median	\$674.8	8.70%	2.07%	\$2,071	9	
<b>1991</b>						
Bank of North Carolina, Thomasville <sup>(TARP)</sup>	\$1,598.2	9.11%	1.18%	\$5,654	18	12/91

<i>Pennsylvania</i>	<i>June 30, 2009</i>			<i>LTM Net</i>	<i>No. of Branches</i>	<i>Date Opened</i>
	<i>Assets</i> <i>(in millions)</i>	<i>Equity/Assets</i>	<i>NPAs/Assets</i>	<i>Income</i> <i>(in thousands)</i>		
<b>2008</b>						
Monument Bank, Doylestown	\$77.4	11.81%	-	\$(624)	1	2/08
Victory Bank, Limerick <sup>(TARP)</sup>	<u>56.4</u>	<u>11.87</u>	<u>-</u>	<u>(2,274)</u>	<u>2</u>	1/08
Average	\$66.9	11.84%	-	\$(1,449)	2	
<b>2007</b>						
TriState Capital, Pittsburgh <sup>(TARP)</sup>	\$1,366.8	9.93%	.55%	\$(23,337)	4	1/07
MileStone, Doylestown	79.1	13.96	-	(1,066)	1	11/07
Vantage Point, Fort Washington	68.8	8.44	.05	(1,452)	1	12/07
Hometown, Bedford	57.9	12.89	-	(485)	1	4/07
Colonial American, West Conshohocken <sup>(TARP)</sup>	<u>32.6</u>	<u>8.24</u>	<u>1.11</u>	<u>(1,648)</u>	<u>1</u>	2/07
Median	\$68.8	9.93%	.05%	\$(1,452)	1	
<b>2006</b>						
Hyperion Bank, Philadelphia <sup>(TARP)</sup>	\$73.4	11.06%	.13%	\$(1,042)	1	11/06
MoreBank, Philadelphia	<u>59.1</u>	<u>7.80</u>	<u>-</u>	<u>(1,754)</u>	<u>3</u>	3/06
Median	\$66.3	9.43%	.07%	\$(1,398)	2	
<b>2005</b>						
Graystone, Lancaster	\$1,270.4	9.87%	.53%	\$1,262	28	11/05
First Priority, Malvern <sup>(TARP)</sup>	225.4	10.49	.19	(2,126)	5	11/05
First Resource, Exton <sup>(TARP)</sup>	120.2	9.53	2.76	(434)	1	5/05
Valley Green, Philadelphia	<u>90.9</u>	<u>10.09</u>	<u>1.68</u>	<u>(1,156)</u>	<u>2</u>	11/05
Median	\$172.8	9.98%	1.11%	\$(795)	4	
<b>2004</b>						
Penn Liberty, Wayne <sup>(TARP)</sup>	\$397.2	10.86%	1.73%	\$(3,238)	8	9/04
Meridian, Berwyn <sup>(TARP)</sup>	270.0	9.02	1.11	(823)	3	7/04
Bucks County, Doylestown	208.0	9.46	2.45	(1,106)	4	8/04
Gateway, McMurray	110.5	12.08	-	(258)	2	5/04
Clarion County Comm., Clarion	<u>89.3</u>	<u>10.41</u>	<u>.57</u>	<u>386</u>	<u>3</u>	1/04
Median	\$208.0	10.41%	1.11%	\$(823)	3	
<b>2003</b>						
Integrity, Camp Hill	\$440.5	5.70%	1.28%	\$2,967	6	6/03
Affinity, Wyomissing	151.2	7.59	1.89	(94)	4	4/03
Berkshire, Wyomissing <sup>(TARP)</sup>	<u>135.6</u>	<u>9.20</u>	<u>4.12</u>	<u>(881)</u>	<u>5</u>	9/03
Median	\$151.2	7.59%	1.89%	\$(94)	5	

<i>Pennsylvania (continued)</i>	<i>June 30, 2009</i>			<i>LTM Net</i>	<i>No. of Branches</i>	<i>Date Opened</i>
	<i>Assets (in millions)</i>	<i>Equity/ Assets</i>	<i>NPAs/ Assets</i>	<i>Income (in thousands)</i>		
<b>2002</b>						
York Traditions, York <sup>(TARP)</sup>	\$221.5	10.56%	1.16%	\$52	3	10/02
<b>2001</b>						
Embassy Bank, Bethlehem	\$451.9	7.82%	.12%	\$1,869	5	11/01
Landmark Community, Pittston	178.3	8.92	.76	931	3	3/01
Earthstar, Upper Southampton	<u>138.5</u>	<u>5.15</u>	<u>10.73</u>	<u>(6,691)</u>	<u>4</u>	1/01
Median	\$178.3	7.82%	.76%	\$931	4	
<b>2000</b>						
First CornerStone, King of Prussia	\$219.0	7.39%	6.15%	\$(34)	5	3/00
<b>1999</b>						
Stonebridge Bank, Exton <sup>(TARP)</sup>	\$483.5	8.12%	4.43%	\$(902)	5	2/99
Allegiance, Bala Cynwyd	159.3	4.60	7.03	(10,894)	5	7/99
Asian Bank, Philadelphia	83.0	5.85	1.50	(161)	1	6/99
Philadelphia Trust, Philadelphia	<u>19.6</u>	<u>53.99</u>	<u>-</u>	<u>(182)</u>	<u>1</u>	4/99
Median	\$121.1	6.99%	2.97%	\$(542)	3	
<b>1998</b>						
Enterprise Bank, Allison Park <sup>(TARP)</sup>	\$184.3	9.36%	8.60%	\$194	2	10/98
<b>1997</b>						
American Bank, Allentown	\$482.7	7.80%	.05%	\$(447)	1	6/97
New Century, Phoenixville	<u>268.5</u>	<u>8.59</u>	<u>4.92</u>	<u>(7,528)</u>	<u>5</u>	6/97
Average	\$375.6	8.20%	2.49%	\$(3,988)	3	
<b>1992</b>						
United Bank, Philadelphia	\$68.5	11.19%	6.51%	\$(703)	4	3/92
<b>1990</b>						
Woodlands Bank, Williamsport	\$273.1	6.83%	2.39%	\$1,061	6	10/90

<i>South Carolina</i>	<i>June 30, 2009</i>			<i>LTM Net</i>	<i>No. of Branches</i>	<i>Date Opened</i>
	<i>Assets (in millions)</i>	<i>Equity/ Assets</i>	<i>NPAs/ Assets</i>	<i>Income (in thousands)</i>		
<b>2009</b>						
Coastal Carolina, Myrtle Beach	\$34.8	50.36%	-	\$(2,443)	1	6/09
<b>2008</b>						
VistaBank, Aiken	\$98.8	13.34%	-	\$(1,629)	2	1/08
<b>2007</b>						
Carolina Alliance, Spartanburg	\$184.0	11.94%	-	\$(1,107)	1	1/07
South Atlantic, Myrtle Beach	<u>145.3</u>	<u>11.00</u>	<u>-</u>	<u>(2,920)</u>	<u>2</u>	12/07
Average	\$164.7	11.47%	-	\$(2,014)	2	
<b>2006</b>						
BankMeridian, Columbia	\$281.5	9.98%	5.30%	\$(2,622)	3	5/06
Harbor National, Charleston	216.3	12.53	1.05	23	4	2/06
Congaree State, West Columbia <sup>(TARP)</sup>	133.0	7.65	1.51	(2,265)	2	10/06
Pinnacle Bank, Greenville	112.1	13.80	1.21	224	2	1/06
BankGreenville <sup>(TARP)</sup>	94.1	10.58	2.37	(110)	1	1/06
Atlantic Community, Bluffton	<u>93.7</u>	<u>9.84</u>	<u>3.00</u>	<u>(361)</u>	<u>3</u>	1/06
Median	\$122.5	10.28%	1.94%	\$(236)	3	
<b>2005</b>						
CommunitySouth B&T, Easley	\$386.5	7.82%	7.44%	\$(2,717)	6	1/05
Independence, Greenville	135.7	10.92	4.71	(1,242)	3	5/05
Palmetto Heritage, Pawleys Island	<u>110.2</u>	<u>11.10</u>	<u>1.64</u>	<u>(386)</u>	<u>2</u>	1/05
Median	\$135.7	10.92%	4.71%	\$(1,242)	3	
<b>2004</b>						
CoastalStates, Hilton Head Island	\$479.4	7.04%	4.69%	\$(1,146)	5	8/04
<b>2003</b>						
Tidelands Bank, Mt. Pleasant <sup>(TARP)</sup>	\$813.8	6.54%	2.11%	\$(7,147)	8	10/03
<b>2001</b>						
Crescent Bank, Myrtle Beach*	\$536.3	6.00%	1.93%	\$3,523	4	7/01
<b>2000</b>						
First National, Spartanburg	\$835.7	4.78%	14.06%	\$(66,400)	14	3/00
Southern First, Greenville <sup>(TARP)</sup>	<u>741.9</u>	<u>9.38</u>	<u>1.77</u>	<u>1,716</u>	<u>6</u>	1/00
Median	\$788.8	7.08%	7.92%	\$(32,342)	10	

\*Affiliated with Carolina Financial in Charleston, SC.

<i>South Carolina</i> (continued)	<i>June 30, 2009</i>			<i>LTM Net</i>	<i>No. of Branches</i>	<i>Date Opened</i>
	<i>Assets</i> <i>(in millions)</i>	<i>Equity/ Assets</i>	<i>NPAs/ Assets</i>	<i>Income</i> <i>(in thousands)</i>		
<b>1999</b>						
First Reliance, Florence <sup>(TARP)</sup>	\$696.0	7.96%	4.64%	\$(1,365)	6	8/99
Cornerstone, Easley	180.4	10.48	6.28	(668)	3	9/99
Heritage Community, Hartsville	108.4	9.45	3.68	(274)	3	6/99
South Carolina Community, Columbia	93.9	7.24	6.98	(603)	5	3/99
Seneca National Bank	<u>70.3</u>	<u>9.67</u>	<u>5.32</u>	<u>(350)</u>	<u>1</u>	2/99
Median	\$108.4	9.45%	5.32%	\$(603)	3	
<b>1998</b>						
SouthCoast Community, Mount Pleasant	\$503.0	9.85%	4.19%	\$(409)	11	7/98
GrandSouth, Fountain Inn <sup>(TARP)</sup>	370.3	9.95	3.62	907	3	9/98
Bank of Anderson	<u>131.4</u>	<u>10.25</u>	<u>3.35</u>	<u>(1,306)</u>	<u>2</u>	9/98
Median	\$370.3	9.95%	3.62%	\$(409)	3	
<b>1997</b>						
Community First, Charleston*	\$564.3	5.54%	3.71%	\$888	6	4/97
<b>1996</b>						
Beach First, Myrtle Beach	\$688.3	6.62%	7.13%	\$(14,068)	7	9/96
First South, Spartanburg	<u>446.0</u>	<u>8.88</u>	<u>8.68</u>	<u>1,412</u>	<u>5</u>	8/96
Average	\$567.1	7.75%	7.91%	\$(6,328)	6	
<b>1995</b>						
First Community, Lexington <sup>(TARP)</sup>	\$646.8	12.05%	1.16%	\$(2,803)	11	8/95
<b>1990</b>						
Community First, Walhalla	\$469.8	8.12%	4.14%	\$479	7	3/90

\*Affiliated with Carolina Financial in Charleston, SC.

<i>Virginia</i>	<i>June 30, 2009</i>			<i>LTM Net</i>	<i>No. of Branches</i>	<i>Date Opened</i>
	<i>Assets (in millions)</i>	<i>Equity/ Assets</i>	<i>NPAs/ Assets</i>	<i>Income (in thousands)</i>		
<b>2009</b>						
Cornerstone Bank, Lexington	\$24.5	32.97%	-	\$(1,348)	1	2/09
Oak View, Warrenton	<u>18.6</u>	<u>66.29</u>	<u>-</u>	<u>(1,707)</u>	<u>2</u>	6/09
Average	\$21.6	49.63%	-	\$(1,528)	2	
<b>2008</b>						
Virginia Partners, Fredericksburg	\$72.1	25.00%	-	\$(3,332)	3	8/08
Frontier Community, Waynesboro	43.4	18.09	-	(1,344)	1	2/08
Community Capital, Christiansburg	<u>13.8</u>	<u>47.91</u>	<u>-</u>	<u>(423)</u>	<u>1</u>	8/08
Median	\$43.4	25.00%	-	\$(1,344)	1	
<b>2007</b>						
Chain Bridge, McLean	\$165.3	9.66%	.25%	\$(417)	1	8/07
First Virginia Community, Fairfax	123.8	15.11	.14	(2,771)	2	11/07
Select Bank, Forest	90.3	12.61	1.16	(1,049)	2	6/07
Old Dominion, North Garden	<u>54.3</u>	<u>8.55</u>	<u>1.76</u>	<u>(1,090)</u>	<u>2</u>	7/07
Median	\$107.0	11.14%	.71%	\$(1,070)	2	
<b>2006</b>						
John Marshall, Falls Church	\$186.0	15.48%	1.04%	\$(2,644)	4	4/06
Virginia Business, Richmond	<u>161.6</u>	<u>4.72</u>	<u>2.00</u>	<u>(5,082)</u>	<u>2</u>	4/06
Average	\$173.8	10.10%	1.52%	\$(3,863)	3	
<b>2005</b>						
Sonabank, Charlottesville	\$432.6	15.05%	1.48%	\$864	8	4/05
Virginia Heritage, Fairfax	291.0	10.31	.51	(124)	3	11/05
HomeTown, Roanoke	285.2	8.48	1.09	(1,154)	5	11/05
Virginia Company, Newport News <sup>(TARP)</sup>	<u>106.3</u>	<u>12.95</u>	<u>.15</u>	<u>(636)</u>	<u>2</u>	10/05
Median	\$288.1	11.63%	.80%	\$(380)	4	
<b>2004</b>						
WashingtonFirst, Reston <sup>(TARP)</sup>	\$326.0	10.22%	1.30%	\$26	8	4/4
Bank of Virginia, Midlothian	228.9	7.48	1.33	(1,039)	6	1/04
MainStreet, Herndon	<u>205.9</u>	<u>10.88</u>	<u>.50</u>	<u>213</u>	<u>2</u>	5/04
Average	\$228.9	10.22%	1.30%	\$26	6	
<b>2003</b>						
SuffolkFirst Bank*	\$172.0	9.22%	2.17%	\$(538)	3	1/03
Colonial Virginia, Gloucester	116.5	10.17	.43	(63)	3	11/03
Citizens National, Windsor	<u>45.9</u>	<u>15.84</u>	<u>1.06</u>	<u>76</u>	<u>1</u>	4/03
Median	\$116.5	10.17%	1.06%	\$(63)	3	

\*Announced recapitalization on May 12, 2009 by Xenith Corp. in Richmond, VA.

<i>Virginia (continued)</i>	<i>June 30, 2009</i>			<i>LTM Net</i>	<i>No. of Branches</i>	<i>Date Opened</i>
	<i>Assets (in millions)</i>	<i>Equity/ Assets</i>	<i>NPAs/ Assets</i>	<i>Income (in thousands)</i>		
<b>2002</b>						
Peoples Bank, Richmond	\$265.4	13.32%	.79%	\$2,256	4	4/02
Franklin, Rocky Mount*	227.6	9.31	4.05	343	4	9/02
Highlands, Covington	<u>85.0</u>	<u>10.20</u>	<u>.85</u>	<u>316</u>	<u>2</u>	9/02
Median	\$227.6	10.20%	.85%	\$343	4	
<b>2001</b>						
Freedom Bank, Vienna	\$155.0	11.78%	6.08%	\$(5,942)	2	7/01
<b>2000</b>						
Smith River, Martinsville*	\$88.8	9.16%	2.00%	\$(413)	5	7/00
<b>1999</b>						
TowneBank, Portsmouth <sup>(TARP)</sup>	\$3,492.4	12.11%	.85%	\$24,789	18	4/99
Access National, Chantilly	739.9	8.64	1.46	8,266	5	12/99
Monarch, Chesapeake	668.9	8.62	.76	2,114	10	4/99
Village Bank, Midlothian <sup>(TARP)</sup>	578.8	10.33	4.33	(1,016)	15	12/99
Bank of the James, Lynchburg	397.8	7.19	1.66	(348)	9	7/99
Millennium, Reston	279.1	5.70	8.10	(25,414)	4	4/99
Citizens Community, South Hill <sup>(TARP)</sup>	<u>173.5</u>	<u>12.29</u>	<u>2.63</u>	<u>149</u>	<u>5</u>	12/99
Median	\$279.1	5.70%	8.10%	\$(25,414)	4	
<b>1998</b>						
Cardinal Financial, McLean	\$1,854.0	9.58%	.42%	\$4,376	25	6/98
New Peoples Bank, Honaker	839.6	8.62	2.05	5,434	32	10/98
Alliance Bank, Fairfax	643.0	7.06	2.48	(6,450)	7	11/98
First Capital, Glen Allen** <sup>(TARP)</sup>	492.0	7.98	1.87	(989)	7	12/98
Virginia National, Charlottesville	<u>406.2</u>	<u>9.44</u>	<u>1.04</u>	<u>(209)</u>	<u>9</u>	7/98
Median	\$643.0	8.62%	1.87%	\$(209)	9	
<b>1995</b>						
Valley Bank, Roanoke <sup>(TARP)</sup>	\$692.5	8.70%	3.53%	\$(2,269)	8	5/95

\*Affiliated with MainStreet Bankshares, Inc. in Martinsville, VA.

\*\*Announced acquisition on April 3, 2009 by Eastern Virginia Bankshares in Tappahannock, VA.

<i>West Virginia</i>	<i>June 30, 2009</i>			<i>LTM Net</i>	<i>No. of Branches</i>	<i>Date Opened</i>
	<i>Assets (in millions)</i>	<i>Equity/ Assets</i>	<i>NPAs/ Assets</i>	<i>Income (in thousands)</i>		
<b>2003</b>						
First Bank, Charleston <sup>(TARP)</sup>	\$151.8	11.16%	1.95%	\$1,093	1	6/03
<b>2001</b>						
Main Street, Wheeling	\$207.1	8.31%	1.96%	\$1,178	3	6/01
<b>2000</b>						
Centra Bank, Morgantown	\$1,236.3	9.52%	0.77%	\$8,415	15	2/00
<b>1999</b>						
MVB Bank, Fairmont	\$305.3	9.84%	1.27%	\$1,164	5	1/99
Guaranty B&T, Huntington*	<u>138.7</u>	<u>8.64</u>	<u>0.50</u>	<u>(481)</u>	<u>3</u>	<u>3/99</u>
Average	\$222.0	9.24%	0.89%	\$342	4	
<b>1996</b>						
First Sentry, Huntington	\$343.5	6.96%	1.38%	\$2,027	2	10/96
Rock Branch Community, Nitro	<u>64.6</u>	<u>7.96</u>	<u>1.73</u>	<u>(479)</u>	<u>1</u>	<u>10/96</u>
Average	\$204.0	7.46%	1.56%	\$774	2	

\*Announced Acquisition on August 22, 2008 by First Sentry Bancshares, Inc. in Huntington, WV.

<i>Other New England*</i>	<i>June 30, 2009</i>			<i>LTM Net</i>	<i>No. of Branches</i>	<i>Date Opened</i>
	<i>Assets (in millions)</i>	<i>Equity/ Assets</i>	<i>NPAs/ Assets</i>	<i>Income (in thousands)</i>		
<b>2008</b>						
Optima B&T, Portsmouth, NH	\$65.5	11.55%	-	\$(2,223)	2	1/08
<b>2007</b>						
Nashua Bank, Nashua, NH	\$85.9	13.23%	-	\$(821)	1	10/07
<b>2006</b>						
Hampshire First, Manchester, NH	\$147.1	17.71%	1.05%	\$(463)	4	11/06
<b>2003</b>						
Independence, East Greenwich, RI <sup>(TARP)</sup>	\$82.1	7.61%	.98%	\$(264)	1	3/03
<b>1999</b>						
Centrix B&T, Bedford, NH <sup>(TARP)</sup>	\$557.7	7.58%	.88%	\$3,110	6	6/99
<b>1996</b>						
Bank Rhode Island, East Providence, RI <sup>(TARP)</sup>	\$1,584.9	8.38%	1.19%	\$8,050	16	3/96
<b>1991</b>						
Ledyard National, Norwich, VT	\$376.7	8.42%	1.50%	\$1,079	7	5/91

\*Includes Maine, New Hampshire, Rhode Island and Vermont.

Thriffs	June 30, 2009			LTM Net Income (in thousands)	No. of Branches	Date Opened
	Assets (in millions)	Equity/ Assets	NPAs/ Assets			
<b>2009</b>						
1st Commonwealth, Arlington, VA	\$25.2	38.04%	-	\$(2,662)	1	2/09
Regent Bank, Greenville, SC	<u>16.3</u>	<u>56.94</u>	<u>-</u>	<u>(732)</u>	<u>1</u>	4/09
Average	\$20.7	47.49%	-	\$(1,697)	1	
<b>2008</b>						
Fieldpoint Private, Greenwich, CT	\$235.2	15.37%	-	\$(5,162)	1	4/08
<b>2006</b>						
East River Bank, Philadelphia, PA	\$157.9	9.22%	.84%	\$(181)	2	1/06
Southern B&T, Aiken, SC*	154.2	8.98	.78	(185)	3	9/06
Esquire Bank, Brooklyn, NY	143.4	10.06	-	(3,054)	2	10/06
Harbourside Comm., Hilton Head, SC**	79.4	6.28	4.99	(2,930)	2	2/06
Patriot Community, Woburn, MA	73.6	11.99	-	(35)	1	4/06
Saddle River Valley Bank, NJ	<u>69.9</u>	<u>8.64</u>	<u>-</u>	<u>(2,042)</u>	<u>2</u>	6/06
Median	\$111.4	9.10%	.39%	\$(1,114)	2	
<b>2005</b>						
Team Capital, Bethlehem, PA	\$593.7	8.14%	.48%	\$215	8	11/05
Continental, Plymouth Meeting, PA	478.0	8.32	1.80	1,104	10	9/05
Patriot Federal, Canajoharie, NY	66.7	9.41	.14	(169)	2	12/05
Golden First, Great Neck, NY	<u>23.5</u>	<u>11.36</u>	<u>6.93</u>	<u>(1,683)</u>	<u>1</u>	3/05
Median	\$272.4	8.87%	1.14%	\$23	5	
<b>2001</b>						
InsurBanc, Farmington, CT	\$147.7	12.93%	.21%	\$627	1	4/01
Community Savings, Woodhaven, NY	<u>69.6</u>	<u>7.20</u>	<u>2.10</u>	<u>(5,415)</u>	<u>2</u>	7/01
Average	\$108.7	10.07%	1.16%	\$(2,394)	2	
<b>2000</b>						
Select Bank, Egg Harbor, NJ	\$133.3	6.63%	.81%	\$(1,936)	5	11/00
Province Bank, Marietta, PA	96.6	17.74	.22	464	3	9/00
Fort Lee Savings, Fort Lee, NJ <sup>(TARP)</sup>	<u>67.9</u>	<u>7.91</u>	<u>4.60</u>	<u>109</u>	<u>1</u>	12/00
Median	\$96.6	7.91%	.81%	\$109	3	
<b>1999</b>						
First Central, Glen Cove, NY	\$715.4	7.05%	8.68%	\$(952)	9	4/99
First Capital, Bennettsville, SC	<u>65.8</u>	<u>9.64</u>	<u>3.16</u>	<u>240</u>	<u>2</u>	9/99
Average	\$390.6	8.35%	5.92%	\$(356)	6	

\*Affiliated with Southeastern Bank Financial Corp. in Augusta, GA.

\*\*Affiliated with Savannah Bancorp in Savannah, GA.

<i>Thriffs (continued)</i>	<i>June 30, 2009</i>			<i>LTM Net</i>	<i>No. of Branches</i>	<i>Date Opened</i>
	<i>Assets (in millions)</i>	<i>Equity/ Assets</i>	<i>NPAs/ Assets</i>	<i>Income (in thousands)</i>		
<b>1998</b>						
Little Bank, Kinston, NC <sup>(TARP)</sup>	\$306.7	10.26%	1.41%	\$898	6	11/98
Community First, Pikesville, MD	61.1	13.89	3.10	(169)	1	5/98
New Republic, Rocky Mount, NC	<u>56.0</u>	<u>9.15</u>	<u>2.84</u>	<u>19</u>	<u>3</u>	12/98
Median	\$61.1	10.26%	2.84%	\$19	3	
<b>1996</b>						
Monadnock Community, Peterborough, NH	\$124.5	8.67%	.93%	\$87	2	5/96



*LEADERS IN ACQUISITION ADVISORY SERVICES*

## 1996-2009\* BANK ACQUISITIONS

FINANCIAL ADVISOR RANKINGS • SELL SIDE HOME MARKET\*\*

<i>Rank</i>	<i>Advisor</i>	<i>Number of Deals</i>	<i>Aggregate Deal Value (in millions)</i>
1.	Sandler O'Neill	54	\$35,450
2.	Keefe Bruyette	47	18,983
<b>3.</b>	<b>Danielson Associates</b>	<b>41</b>	<b>3,175</b>
4.	Boenning & Scattergood	25	1,410
5.	Scott & Stringfellow	22	844
6.	McConnell Budd	18	1,508
7.	Orr Group	17	964
8.	Austin Associates	15	987
9.	Ryan Beck	14	832
10.	Baxter Fentriss	13	961
11.	RBC Capital	12	557
11.	Carson Medlin	12	440
13.	McDonald Investments	10	1,099
13.	Janney Montgomery Scott	10	758
13.	Ostrowski & Co.	10	269
16.	Davenport & Company	9	784
16.	Stifel Nicolaus	9	662
16.	Finpro	9	289
19.	Friedman Billings Ramsey	8	691
19.	HAS Associates	8	118

\*January 1, 1996 through August 26, 2009.  
 \*\*Includes the Atlantic seaboard states from South Carolina to Maine plus Ohio and West Virginia.  
 Source: SNL Financial, Charlottesville, Virginia.

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**(240) 207-2306**

**Arnold G. Danielson**  
*Chairman*

**David G. Danielson**  
*President*

**G. Larry Warren**  
*Managing Director*

<i>Seller</i>	<i>Buyer</i>	<i>Deal Value</i> <i>(in millions)</i>	<i>Times Earnings</i>	<i>Price as a Percent of</i>		<i>Year Opened</i>
				<i>Tang. Book</i>	<i>Assets</i>	
<b><u>Announced in 2009</u></b>						
Central Jersey*	OceanFirst Financial	\$61	23.2X	114%	10.6%	1998
First Capital*	Eastern Virginia	26	-	74	6.1	1998
CNB Financial*	United Financial	25	-	125	8.3	2001
AB&T Financial*	1st Financial Services	17	-	71	10.1	2004
TriStone Community	First Community	8	-	58	5.5	2004
Apple Valley B&T	New England Bancshares	7	-	115	8.4	2001
Carolina Commerce*	Carolina Trust	6	-	56	5.3	2004
Nuestro Banco*	Four Oaks Fincorp	3	-	<u>29</u>	<u>15.9</u>	2007
Median			23.2X	73%	8.4%	
<b><u>Announced in 2008</u></b>						
American Community	Yadkin Valley	\$94	23.7X	212%	17.8%	1998
Gateway Financial	Hampton Roads	87	7.5	77	4.1	1998
River City	Village B&T	20	-	131	16.7	2004
American Home	First Chester County	18	-	114	6.6	2001
Guaranty Financial*	First Sentry	13	35.1	148	9.7	1999
Rivergreen Bank	Savings Bank of Maine	13	-	186	12.0	2003
Pennsylvania Business	NOVA Financial	11	-	<u>138</u>	<u>9.2</u>	1999
Median			23.7X	138%	9.7%	
<b><u>Announced in 2007</u></b>						
Premier Community	United Bancshares	\$200	25.5X	377%	22.2%	1988
Community B&T	Chittenden	124	17.8	277	29.1	1990
Boardwalk	Cape Savings	101	-	200	22.2	1999
East Penn	Harleysville National	93	25.2	365	20.6	1991
Christiana B&T	National Penn	65	24.2	326	38.9	1994
Carolina National	First National Bancshares	59	30.8	188	26.3	2002
Bank of Richmond	Gateway Financial	56	28.2	305	33.2	1999
Fidelity & Trust	Eagle Bancorp	49	-	137	10.8	2003
TransCommunity	Community Bankers Acq.	49	-	162	22.6	2002
TSB Financial	SCBT Financial	43	33.4	279	22.5	1998
Cardinal State	Yadkin Valley	42	35.1	203	21.7	2001
Pocono Community	First Keystone	33	37.0	228	25.0	1997
Longleaf Community	Four Oaks Fincorp	13	-	169	23.3	2003
Citizens First	Premier Financial	12	<u>22.7</u>	<u>197</u>	<u>19.8</u>	2001
Median			26.9X	216%	22.6%	

\*Pending transaction.

Seller	Buyer	Deal Value (in millions)	Times Earnings	Price as a Percent of		Year Opened
				Tang. Book	Assets	
<b>Announced in 2006</b>						
Capital Crossing	Lehman Brothers	\$210	14.2X	280%	19.9%	1988
James Monroe	Mercantile	144	34.1	363	27.1	1998
Potomac Bank	Sandy Spring	66	42.7	268	26.7	1998
CN Bancorp	Sandy Spring	44	31.6	215	29.2	1996
Port City Capital	Crescent Financial	39	20.5	295	23.8	2002
SterlingSouth	BNC Bancorp	35	30.9	276	23.6	2000
Albemarle First	Premier Community	29	-	251	23.9	1998
First Valley	New England Banc	26	27.0	241	13.8	1999
First Citizens	Gardiner Savings	21	27.3	167	15.4	1990
Islands Bancorp	Ameris Bancorp	19	33.9	267	26.8	2001
Community Capital	Carver	11	-	149	6.9	1990
First Liberty	WashingtonFirst	10	-	145	11.1	1988
United Heritage	Cathay General	9	-	188	15.6	1997
Millennia Community	TrustAtlantic Financial	8	-	159	26.3	2000
Median			31.3X	246%	23.7%	
<b>Announced in 2005</b>						
<b>Columbia</b>	Fulton	\$313	20.9X	340%	24.4%	1988
Integrity	FNB	130	-	275	19.2	1995
Summit Financial	First Citizens	110	24.8	297	34.3	1990
<b>SVB</b>	Fulton	90	26.1	314	18.9	1991
Legacy Bank	F.N.B.	73	35.7	256	19.2	1999
Long Island Financial	New York Community	70	20.4	245	12.9	1990
Town	Community Partners	39	25.6	274	28.0	1998
Advantage	Sun	37	43.1	266	22.3	1999
Trinity	Citizens South	35	17.9	269	23.5	1999
Community First	American National	33	31.4	242	20.9	1999
Sun	SCBT	28	-	300	29.2	2000
Franklin	Interchange	25	18.2	242	31.2	2000
United	FNB	25	-	239	16.4	1998
Liberty	Wilshire	16	-	179	26.8	1998
Bank of Camden	First Community	10	-	191	21.8	2001
Castle B&T	Nutmeg Financial	8	34.2	138	10.8	1999
Smith River Comm.	Argentum Capital	7	-	152	10.7	2000
Median			25.6X	256%	22.3%	
<b>Announced in 2004</b>						
First Washington	Fulton	\$127	26.0X	349%	26.4%	1989
Community Bancorp	Sun Bancorp	83	34.7	348	19.5	1997
<b>First Heritage</b>	Community Bank System	74	23.1	249	25.7	1994
Pennsylvania State	Sterling Financial	47	32.2	307	24.7	1989
People's Community	First Citizens	40	31.0	314	32.8	1997
Madison	Leesport Financial	38	24.8	295	19.5	1989
First City	Webster Financial	33	16.7	233	17.3	1989
Red Oak	Center Bancorp	27	43.9	231	28.3	1999
New Commerce	SCBT Financial	20	-	238	21.4	1999
Bank of Westport	Fairfield County Bank	11	-	171	16.7	1998
Median			28.5X	272%	23.0%	

Seller	Buyer	Deal Value (in millions)	Times Earnings	Price as a Percent of		Year Opened
				Tang. Book	Assets	
<b>Announced in 2003</b>						
Resource	Fulton	\$195	21.6X	366%	23.7%	1988
MountainBank	South Financial	142	21.0	264	15.6	1997
Premier	Fulton	89	23.5	388	15.4	1992
Harbor	TowneBank	84	49.8	337	33.2	1996
Millennium	Harleysville National	46	-	313	23.7	1998
Hometown Heritage	National Penn	38	-	269	30.3	1999
High Country	Yadkin Valley	37	40.3	230	20.7	1998
CSB	Lakeland	34	31.3	294	27.8	1997
<b>First County</b>	Univest	30	-	284	21.5	1996
<b>Suburban Community</b>	Univest	24	28.1	252	28.2	1996
Horizon B&T	South Shore Savings	19	22.0	167	15.9	1998
FNB	American Community	16	25.1	210	22.1	1996
First Carolina State	Capitol	11	-	178	18.7	2000
Centennial	Crescent Financial	9	-	177	14.9	2000
Median			25.1X	264%	21.8%	
<b>Announced in 2002</b>						
<b>FirstService Bank</b>	National Penn	\$ 95	32.5X	332%	23.7%	1995
Bridge View	Interchange Financial	87	21.2	304	32.1	1990
Northwestern National	United Community	36	26.3	226	26.4	1992
Piedmont Bank	Yadkin Valley	27	36.5	168	12.3	1997
High Street	Capital Bank	21	-	135	12.8	1997
First Commerce	Bank of Granite	19	20.0	159	11.6	1996
Metro-County Bank	Southern Financial	17	-	201	18.1	1997
CNB	MountainBank	14	22.1	169	24.8	1994
<b>Northern State</b>	Legacy	13	-	145	16.7	1999
First-Central Jersey	Synergy Financial	2	-	69	3.6	1998
Median			24.2X	169%	17.4%	
<b>Announced in 2001</b>						
Commercial Bank	North Fork	\$175	17.2X	168%	11.5%	1988
Maine Bank	Chittenden	49	14.3	185	21.0	1991
Park Meridan	Regions	49	17.8	201	17.3	1991
First Western	Mountain Bank	20	-	143	25.8	1997
<b>Pennsylvania Capital</b>	Three Rivers	18	19.5	187	13.9	1990
Independence Bank	Bank of North Carolina	7	-	145	12.3	1997
Median			17.5X	176%	15.0%	

Seller	Buyer	Deal Value (in millions)	Times Earnings	Price as a Percent of		Year Opened
				Tang. Book	Assets	
<b>Announced in 2000</b>						
Atlantic Financial	F&M National	\$ 71	17.3X	163%	18.3%	1989
Carolina Southern	Synovus	64	23.7	272	30.2	1989
Skylands Community	Fulton	33	14.6	209	15.5	1990
Panasia Bank	National Penn	20	18.5	223	14.7	1993
Comm. Bankshares	F&M National	13	19.0	148	17.5	1989
Citizens Southern	First Community	7	<u>30.4</u>	<u>131</u>	<u>10.1</u>	1995
Median			18.8X	186%	16.5%	
<b>Announced in 1999</b>						
Triangle Bancorp	Centura	\$608	24.4X	356%	26.6%	1988
First Frederick	FCNB	37	28.6	448	33.2	1989
MTB	Conn. Bank-Commerce	26	41.4	98	8.0	1993
Olympian Bank	ABN AMRO	23	22.1	227	18.0	1989
Horizon-Virginia	Southern Financial	22	36.3	231	17.8	1990
PierBank	Washington Trust	14	<u>29.9</u>	<u>304</u>	<u>25.2</u>	1989
Median			25.4X	268%	23.2%	
<b>Announced in 1998</b>						
<b>Ambassador</b>	Fulton	\$ 77	32.2X	315%	29.8%	1990
Prestige	Commerce	75	24.6	235	24.2	1990
Community First	Commerce	66	33.3	529	37.6	1989
Regent	JeffBanks	53	-	293	23.5	1989
Bank of South Windsor	New England Comm.	35	26.7	298	22.8	1989
Ironbound	Richmond County	28	21.8	241	25.1	1988
<b>First Capitol</b>	Susquehanna	27	39.6	256	24.7	1988
State Bank-S. Orange	United National	25	38.5	447	34.4	1988
First Comm.-Phila.	HSBC	24	17.4	300	28.6	1989
Maritime B&T	Webster	21	23.2	266	20.0	1991
<b>Ballston Bancorp</b>	MainStreet	20	23.9	264	27.7	1988
Virginia Heartland	Second National	20	27.4	229	21.7	1988
Heritage Bank	WesBanco	12	-	<u>282</u>	<u>39.3</u>	1996
Median			25.7X	274%	24.9%	
<b>Announced in 1997</b>						
Carnegie	Sovereign	\$106	26.7X	283%	25.1%	1988
Carolina State	First Charter	42	35.1	336	30.4	1991
Bank of Mecklenburg	Triangle	42	20.6	218	16.2	1989
First Patriot	United	39	18.7	236	20.4	1990
Old North State	LSB	33	27.0	284	25.3	1989
Tyson's Financial	MainStreet	17	14.5	185	21.5	1991
First Bank-Hartford	New England Comm.	17	12.4	214	22.4	1988
Founders' Bank	Susquehanna	15	24.5	200	15.7	1988
Commerce Bank	MainStreet	14	15.6	256	20.6	1989
Cushnoc B&T	Northeast	3	-	<u>123</u>	<u>13.0</u>	1989
Median			29.1X	227%	21.1%	

Seller	Buyer	Deal Value (in millions)	Times Earnings	Price as a Percent of		Year Opened
				Tang. Book	Assets	
<b>Announced in 1996</b>						
First Sterling	Prime	\$29	18.0X	222%	13.7%	1988
Hanover Bank	MainStreet	23	19.1	270	24.6	1988
<b>United Valley</b>	JeffBanks	23	26.8	188	18.0	1988
Farrington Bank	United National	19	15.6	224	30.7	1990
Annapolis Bancshares	Sandy Spring	18	15.9	204	22.0	1989
Burlington County	Trenton Savings	13	13.1	206	16.6	1988
Granville United	Triangle	11	24.0	176	18.7	1990
Landmark Bank	New Hampshire Thrift	6	-	147	9.3	1991
Median			18.0X	205%	18.4%	
<b>Announced in 1995</b>						
Gloucester County	Fulton	\$36	14.0X	246%	19.5%	1989
Growth Financial	Hudson United	27	24.4	180	21.1	1990
West Jersey	Sovereign	17	21.8	212	17.8	1990
Centerpoint Bank	Community Bankshares	11	13.1	208	15.7	1990
Bergen Commercial	Greater Community	10	18.6	150	15.4	1988
Heritage Bank	Centerbank	8	-	233	13.7	1988
Colonial State	Sovereign	6	34.5	197	14.4	1988
<b>Montour</b>	Omega	5	18.6	148	13.3	1990
Median			18.6X	203%	15.6%	
<b>Announced in 1994</b>						
Bank of Loudoun	Jefferson	\$11	-	210%	18.9%	1988
American Union	Valley National	7	-	176	13.6	1990
First State Bank	First Fidelity	7	-	133	18.5	1988
Ocean Independent	First State Financial	5	-	135	10.8	1988
Security First	JeffBanks	3	-	100	9.8	1988
George Washington	Franklin	3	-	108	8.6	1989
Liberty National	Village	1	13.5X	111	5.2	1989
Median			13.5X	133%	10.8%	
<b>Announced in 1993</b>						
Coastal Bank	Commerce	\$7	13.9X	132%	13.9%	1988
<b>Security National</b>	Harleysville National	5	-	142	15.4	1988
Median			13.9X	137%	14.7%	

Note: Danielson Associates acted as financial advisor or prepared the fairness opinion for the banks in bold.

Source: SNL Financial, Charlottesville, Virginia.

**New Bank Failures**

<b><i>Institution</i></b>	<b><i>City, State</i></b>	<b><i>Assets</i></b> (In millions)	<b><i>Tang. Equity</i></b>	<b><i>Tang. Equity/ Tang. Assets</i></b>	<b><i>NPAs/ Assets</i></b>	<b><i>Date Opened</i></b>
<b><u>Failed in 2009</u></b>						
Cape Fear Bank	Wilmington, NC	\$492	\$29.6	6.02%	8.83%	1998
First BankAmericano	Elizabeth, NJ	163	1.8	1.03	5.80	1997
Waterford Village Bank	Williamsville, NY	55	(.7)	(1.31)	1.13	2007
Citizens Community Bank	Ridgewood, NJ	41	(.2)	(.58)	19.44	2004

**New Bank Recapitalizations**

<b><i>Institution</i></b>	<b><i>Investor</i></b>	<b><i>Investment</i></b> (In millions)	<b><i>Assets</i></b>	<b><i>Tang. Equity/ Tang. Assets</i></b>	<b><i>NPAs/ Assets</i></b>	<b><i>Date Opened</i></b>
<b><u>Announced in 2009</u></b>						
First Bankshares	Xenith Corporation	\$38	\$174	9.45%	.98%	2003
Darien Rowayton	Alcar, LLC	15	113	2.55	.81	2006
VantageSouth	Piedmont Community Holdings	8	97	7.57	4.38	2006
<b><u>Announced in 2008</u></b>						
Community Bank	Investor Group	\$8	\$258	9.89%	-	2005

Source: SNL Financial, Charlottesville, Virginia.

Ticker	8/27/09 Stock Price	Price*		NPAs/ Assets	Avg. Shares Traded Daily**	
		Times Earnings	Percent of Tang. Book			
<b>Connecticut</b>						
BNC Financial	BNFI	\$18.00	-	143%	2.71%	337
Connecticut B&T	CTBC	4.00	-	77	1.58	1,574
Connecticut River Comm.	CRCA	7.51	41.7X	78	2.32	101
Patriot National	PNBK	3.01	-	27	13.68	3,705
Prime Bank	PMHV	6.30	-	46	.01	23
SBT Bancorp	SBTB	15.25	-	77	.81	591
Southern Connecticut	SSE	4.90	-	84	4.73	4,145
<b>Delaware</b>						
Bancorp Bank	TBBK	\$6.45	-	71%	1.76%	68,892
<b>Maryland</b>						
Annapolis Bancorp	ANNB	\$2.90	-	48%	2.43%	1,542
Bay National	BANI	1.25	-	22	6.55	1,762
CommerceFirst	CMFB	6.75	-	60	2.61	630
County First Bank	CUMD	24.00	13.8X	88	.75	52
Eagle Bancorp	EGBN	9.50	16.1	116	2.14	14,999
Frederick County	FCBI	11.00	22.0	77	.41	129
Howard Bancorp	HBMD	8.50	-	90	3.22	228
<b>New Hampshire</b>						
Centrix B&T	CXBT	\$9.75	9.9X	86%	0.88%	486
Hampshire First	HFBN	8.00	-	92	1.05	148
Ledyard Financial	LYNA	32.04	32.7	103	1.50	186
<b>New Jersey</b>						
1st Colonial	FCOB	\$4.95	29.1X	-	1.36%	2,004
Bancorp of New Jersey	BKJ	10.00	-	105%	.65	1,170
BCB Bancorp	BCBP	8.81	13.8	81	1.00	1,020
Community Partners	CPBC	4.00	-	58	2.45	2,023
Enterprise Bank	EBNJ	3.75	-	65	2.53	1,322
First Bank	FRBA	4.10	-	61	.39	1,046
First State Bank	FSNT	3.00	-	59	3.97	55
Harvest Community	HCBP	6.01	8.5	46	1.08	646
Highlands State	HSBK	4.00	-	65	2.26	129
Hilltop Community	HTBC	4.30	-	68	1.10	479
Hopewell Valley Comm.	HWDY	7.00	28.0	77	.81	499
Liberty Bell	LBBB	3.25	-	67	2.46	1,265
New Millennium	NMNB	13.05	15.9	55	6.76	60
New Jersey Community	NJCB	5.50	-	66	-	1,167
Parke Bancorp	PKBK	8.90	8.4	84	2.66	2,851
Pascack Community	PCCB	5.65	-	-	1.13	265
Rumson-Fair Haven	RFHB	6.00	-	106	1.02	384
Shore Community	SHRC	5.00	-	-	4.72	113
Somerset Hills Bancorp	SOMH	8.20	31.5	113	.04	4,690
Sterling Bank	STNJ	1.38	-	34	5.96	4,640
Unity Bancorp	UNTY	4.25	-	64	7.60	2,911

	Ticker	8/27/09 Stock Price	Price*		NPAs/ Assets	Avg. Shares Traded Daily**
			Times Earnings	Percent of Tang. Book		
<b>New York</b>						
Community National	CBNY	\$10.05	-	113%	1.83%	684
ES Bancshares	ESBS	4.02	-	87	2.49	233
Herald National	HNB	6.60	-	113	-	-
USA Bank	USBK	1.05	-	42	12.42	3,869
VSB Bancorp	VSBN	10.95	10.3X	83	.89	1,321
<b>North Carolina</b>						
1st Financial Services	FFIS	\$4.20	-	46%	4.65%	1,049
Bank of Commerce	BONC	5.10	-	61	3.80	311
Bank of the Carolinas	BCAR	4.78	-	54	3.54	1,009
BlueHarbor Bank	BLHK	5.50	-	62	-	-
BNC Bancorp	BNCN	7.50	17.9X	82	1.18	3,032
Capital Bank	CBKN	4.91	-	55	2.26	10,063
Carolina Bank	CLBH	3.65	9.1	36	3.28	3,550
Carolina Premier	CLPKU	22.75	-	260	-	16
Carolina Trust	CART	6.75	-	73	2.59	1,253
CB Financial	CBFA	7.00	-	NA	4.62	30
Crescent Financial	CRFN	4.60	-	66	2.07	7,286
First Trust	NCFT	7.10	9.3	77	.22	2,051
MidCarolina Financial	MCFI	5.50	11.2	80	1.27	701
New Century	NCBC	6.25	-	80	2.47	1,696
North State	NSBC	6.26	19.0	124	2.34	513
Oak Ridge Financial	BKOR	6.50	17.6	58	.74	1,508
Park Sterling	PSTB	6.60	16.1	-	.78	1,117
Parkway Bank	PKWY	2.35	-	30	5.84	427
Patriot State	PTOK	9.00	-	96	2.51	51
Sound Banking	SNBN	4.40	-	40	1.44	270
Southern Community	SCMF	2.74	-	50	2.07	16,620
Surrey Bancorp	SRYP	8.05	14.1	112	.66	302
Waccamaw Bankshares	WBNK	3.05	-	73	4.80	1,538
Weststar Financial	WFSC	6.00	10.7	74	1.30	702
<b>Pennsylvania</b>						
Allegiance Bank	ABPA	\$1.00	-	66%	7.03%	5,024
American Bank	AMBK	5.35	-	121	.05	554
Clarion County Comm.	CCYY	6.75	26.0X	115	.57	67
Enterprise Bank	EFSG	7.00	-	-	8.60	14
First Resource	FRSB	2.50	-	36	2.76	267
New Century	NCYB	3.55	-	45	4.92	167
Woodlands Financial	WDFN	17.00	11.5	64	2.39	237
<b>Rhode Island</b>						
Bancorp Rhode Island	BARI	\$26.29	20.7X	112%	1.19%	10,725

	Ticker	8/27/09	Price*		NPAs/ Assets	Avg. Shares Traded Daily**
		Stock Price	Times Earnings	Percent of Tang. Book		
<b>South Carolina</b>						
Atlantic Bancshares	ATBA	\$4.00	-	52%	3.00%	49
BankGreenville	BGVF	4.50	-	59	2.37	289
Beach First National	BFNB	1.60	-	20	7.04	6,105
Carolina Alliance	CRLN	8.00	-	90	-	415
Coastal Banking	CBCO	3.75	-	32	7.98	1,904
Community First	CFOK	7.22	-	64	4.14	178
CommunitySouth	CBSO	1.80	-	31	7.44	833
Congaree	CNRB	4.00	-	75	1.51	-
Cornerstone	CTOT	9.00	-	100	6.28	18
First Community	FCCO	6.76	-	82	1.15	2,268
First National	FNCS	1.70	-	-	12.34	7,294
First Reliance	FSRL	4.00	-	41	4.64	637
First South	FSBS	9.60	10.4X	51	8.68	394
GrandSouth	GRRB	4.36	39.6	68	3.62	97
Independence	IEBS	4.00	-	47	4.71	39
Peoples	PBCE	2.85	-	48	4.30	1,049
Southcoast Financial	SOCB	4.95	-	41	4.05	5,453
Southern First	SFST	8.10	40.5	57	1.77	3,364
Tidelands Bancshares	TDBK	3.00	-	38	2.09	3,712
<b>Virginia</b>						
Access National	ANCX	\$6.14	8.5X	101%	1.46%	5,486
Alliance Bankshares	ABVA	2.50	-	42	2.48	4,526
Bank of the James	BOJF	10.00	-	123	1.66	558
Bank of Virginia	BOVA	4.14	-	73	1.33	875
Cardinal Financial	CFNL	7.98	-	126	.41	125,418
Citizens Community	CZYB	10.50	-	78	2.63	223
CNB Bancorp	CNBV	3.00	-	60	1.06	250
Colonial Virginia	CNVB	17.70	-	91	.43	47
Freedom Bank	FDVA	5.00	-	65	6.08	236
Hometown Bank	HMTW	7.35	-	89	1.09	179
MainStreet Bank	MNSB	6.40	49.2	73	.50	1,213
MainStreet BankShares	MREE	8.00	-	62	4.05	102
Millennium	MBVA	.30	-	22	8.09	18,220
Monarch	MNRK	8.00	36.4	101	.76	3,434
Southern National	SONA	7.80	-	95	1.48	2,682
TowneBank	TOWN	13.03	16.5	157	.85	65,689
Valley Financial	VYFC	3.55	-	43	3.52	733
Village B&T	VBFC	4.99	-	-	4.22	2,166
Virginia Company	VGNA	3.00	-	52	.15	35
Virginia Heritage	VGBK	9.70	-	123	.51	946
Virginia National	VABK	18.00	-	110	1.04	476
WashingtonFirst	WAFB	9.01	-	93	1.30	474

	Ticker	8/27/09 Stock Price	Price*		NPAs/ Assets	Avg. Shares Traded Daily**
			Times Earnings	Percent of Tang. Book		
<b>West Virginia</b>						
First Sentry	FTSB	\$25.00	17.0X	140%	1.38%	15
MVB Financial	MVBF	20.00	40.8	127	1.27	24
Median (119 banks)			16.5X	73%	2.09%	702

<u>Medians</u>						
NPAs over 4% (30)			-	46%	6.02%	1,047
NPAs between 2% and 4% (32)			15.5X	65	2.50	684
NPAs under 2% (57)			17.3	88	1.00	657















<u>Medians</u>						
ROE over 10% (1)			8.5X	101%	1.46%	5,486
ROE 5% to 10% (16)			12.1	86	1.14	701
ROE 0% to 5% (33)			37.9	72	1.42	431
ROE Negative (69)			-	61	2.51	843
Excess losses over (10)%+ (30)			-	52	4.52	1,847

\*Stock price as of August 27, 2009 and financial data as of June 30, 2009 or the twelve months ended June 30, 2009.

\*\*One year.

Source: SNL Financial, Charlottesville, Virginia.

## LEADING FINANCIAL ADVISORS

 <p style="text-align: right;">Dec. 2008</p> <p><b>Old Forge Bank</b> Old Forge, Pennsylvania has agreed to merge with</p>  <p><b>Penseco Financial Services Corporation</b> Deal Value was \$58.0 million. Danielson acted as financial advisor and prepared the fairness opinion for Old Forge Bank.</p>	<p style="text-align: right;">Sept. 2008</p> <p><b>CHEVY CHASE BANK</b></p> <p><b>Chevy Chase Bank</b> Bethesda, Maryland has sold the deposits of 7 branches to</p>  <p><b>Provident Bankshares</b> Baltimore, Maryland</p> <p>Danielson acted as financial advisor for Chevy Chase Bank.</p>	<p style="text-align: right;">June 2008</p>  <p><b>HNB Bancorp, Inc.</b> Halifax, Pennsylvania has merged with</p>  <p><b>First Perry Bancorp, Inc.</b> Marysville, Pennsylvania</p> <p>Danielson prepared the fairness opinion for HNB Bancorp, Inc.</p>
<p style="text-align: right;">Dec. 2007</p>  <p><b>CCFNB Bancorp, Inc.</b> Bloomsburg, Pennsylvania has merged with</p>  <p><b>Columbia Financial Corp.</b> Bloomsburg, Pennsylvania</p> <p>Danielson acted as financial advisor and prepared the fairness opinion for CCFNB Bancorp, Inc.</p>	<p style="text-align: right;">Jan. 2007</p>  <p><b>Penn Laurel Financial Corp.</b> Curwensville, Pennsylvania has merged with</p>  <p><b>Northwest Bancorp</b> Warren, Pennsylvania</p> <p>Deal value was \$32.7 million. Danielson acted as financial advisor and prepared the fairness opinion for Penn Laurel Financial Corp.</p>	<p style="text-align: right;">Oct. 2006</p>  <p><b>POTOMAC BANK OF VIRGINIA</b></p> <p><b>Potomac Bank of Virginia</b> Fairfax, Virginia has merged with</p>  <p><b>Sandy Spring Bancorp, Inc.</b> Olney, Maryland</p> <p>Deal value was \$64.7 million. Danielson acted as financial advisor and prepared the fairness opinion for Potomac Bank of Virginia.</p>
<p style="text-align: right;">April 2006</p>  <p><b>Centra Financial Holdings</b> Morgantown, West Virginia</p> <p>has acquired</p> <p><b>Smithfield State Bank</b> Smithfield, Pennsylvania</p> <p>Deal value was \$28.8 million. Danielson acted as financial advisor to Centra Financial Holdings.</p>	<p style="text-align: right;">July 2005</p>  <p><b>Columbia Bancorp</b> Columbia, Maryland has merged with</p> <p><b>FULTON FINANCIAL CORPORATION</b></p> <p><b>Fulton Financial Corp.</b> Lancaster, Pennsylvania</p> <p>Deal value was \$310.7 million. Danielson acted as financial advisor and prepared the fairness opinion for Columbia Bancorp.</p>	<p style="text-align: right;">Jan. 2005</p>  <p><b>SVB Financial Services, Inc.</b> Somerville, New Jersey has merged with</p> <p><b>FULTON FINANCIAL CORPORATION</b></p> <p><b>Fulton Financial Corp.</b> Lancaster, Pennsylvania</p> <p>Deal value was \$89.6 million. Danielson acted as financial advisor and prepared the fairness opinion for SVB Financial Services, Inc.</p>

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**TARP WARRANT  
REPURCHASE**

Sept. 2009



Danielson prepared a valuation of the warrants held by the  
U.S. Treasury for Old Line Bancshares, Inc.

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