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Middle Atlantic Banking Report
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Middle Atlantic Banking: What is Next?

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It has been almost five years since the Middle Atlantic states have experienced frenetic merger activity, and since 1998, no single year has come close to matching the local impact of the Nationsbank-BankAmerica, First Union-CoreStates and SunTrust-Crestar mergers and nationally the joining forces of Citicorp-Travelers, Bank One-First Chicago and Norwest-Wells Fargo. Five years, though is a long time, and while there has not been a single year since with multiple mergers of that size, since 2000, there have been seven mergers that have had a major impact on the Middle Atlantic banking structure. These were J.P. Morgan-Chase Manhattan, Fleet-Summit, First Union-Wachovia, Washington Mutual-Dime, Royal Bank of Scotland-Mellon, M&T-Allfirst and BB&T- First Virginia.

With merger activity and pricing at all levels picking up, an obvious question is – What is next? In this report, I have looked at the five major banking markets in the region – New York Metro, Southeast Pennsylvania, Greater Pittsburgh, the Baltimore-Washington area as well as the Route 64 Corridor in Virginia – as to what has changed, and what may be expected in the next few years.

New York Metro

The New York Metro area is the region's market in the greatest state of flux and most fragmented, and nationally, only Chicago can come close to matching it in either. This is partly because New York Metro overlaps three states whose banking once was separated by law, but that was almost twenty years ago. The major reason for fragmentation and need for more consolidation was the short-sighted view of the big New York City banks in

the eighties and nineties in failing to use their size and market clout after interstate banking arrived to become something more than New York City banks with a few branches in New Jersey and Connecticut.

This has not kept Citigroup, J.P. Morgan and Bank of New York from being New York Metro area market leaders, but they would have been far more dominant if they, instead of Wachovia, PNC and Fleet, had bought First Fidelity, Midlantic and Summit. This may have seemed unimportant when national commercial lending was the thing for big city banks, but now that the focus has switched to retail services, it is a very different story.

New York Metro Banking Leaders*

	<u>Deposits**</u>			<u>Deposits**</u>	
	<u>Amount</u> (In mill.)	<u>Share</u>		<u>Amount</u> (In mill.)	<u>Share</u>
1. J.P. Morgan	\$67,175	15.0%	7. North Fork	\$12,294	2.7%
2. Fleet	46,020	10.3	8. Washington Mutual	12,199	2.7
3. Citigroup	39,914	8.9	9. GreenPoint	11,253	2.5
4. Wachovia	26,449	5.9	10. Astoria	11,242	2.5
5. HSBC	23,428	5.2	11. PNC	9,618	2.1
6. Bank of New York	13,902	3.1	12. Hudson City	8,048	1.8

*As of June 30, 2002 in this and subsequent tables.

**Excludes main offices of J.P. Morgan, Citigroup and Bank of New York and niche banks.

Source: SNL Financial, Charlottesville, Virginia.

Excluding the main offices of the big New York City banks that have little to do with the local banking battle, J.P. Morgan and Citigroup still rank in the top three, but with only a combined 24% deposit share; and Citigroup is behind Fleet, which had a 10.3% area deposit share in mid-2002. Bank of New York ranks no better than sixth in deposit share behind Wachovia and the British-based HSBC. PNC and Washington Mutual, another large outsider that bought its way into the market, are also among the area's top twelve.

The New York Metro area also is not just a battle between big banks that, collectively, hold only a little over 53% of the deposits. A once small bank from Long Island, North Fork, has used mergers and branching to amass about \$12 billion local deposits and ranked seventh in area deposit share in 2002, and Commerce, which put its first branch in North Jersey in the mid-nineties and in New York City in 2001, has over \$5 billion area deposits. Three thrifts – Greenpoint, Astoria Federal and Hudson City – also have extensive coverage.

So what is next in the New York Metro area? The near certainties in the next three to five years are that:

- J.P. Morgan and Citigroup will continue to lose share.
- Local banks, particularly North Fork and Commerce, will make major share gains.
- Royal Bank of Scotland and its Citizens affiliate will become a player through an acquisition, which is most likely to be one of the leading thrifts.
- Something big will occur relative to Bank of New York, Fleet or PNC.
- There will be more fragmentation before consolidation moves to the levels of other large banking markets.

Less certain, but possible changes that could have a major impact on the New York Metro area banking market structure are:

- Bank of New York following Mellon's lead and selling its branches, which could make Royal Bank of Scotland, Bank of America or Bank One major players overnight.
- A sale of Fleet that would either make Citigroup number one, move HSBC or Wachovia to the lead position, or close to it, or provide Bank of America with a far better entry vehicle than the Bank of New York branches.

- A sale of PNC would not have near the impact of a Fleet sale, but because of its more western base, it could bring Wells Fargo to the New York Metro area, but Bank of America and Bank One are the more likely buyers.

The end result in the New York Metro area five to ten years from now will be the standard barbell structure, but because of the size of the market, there will be a lot of players at both ends. J.P. Morgan, despite its present problems, Citigroup, Wachovia, HSBC, the Royal Bank of Scotland, Bank of America and probably Fleet are likely to be part of that big bank structure. The larger thrifts will take their money and run; North Fork and Commerce, after a couple more years of good growth, are likely to do the same; and Washington Mutual will find this a tougher task than expected and either exit or buy its way into a bigger position.

In terms of market share, the barbell will tip in the direction of the big banks, but this will be totally the result of acquisitions. The surviving and newly opened small banks on a “continuing basis” will, collectively, increase market share, albeit some of the increase may be a Pyrrhic victory as more and more banking, particularly traditional transaction banking, is done by remote access.

Southeast Pennsylvania

In Southeast Pennsylvania, defined as the Philadelphia metropolitan area, including much of South Jersey, the Lehigh Valley and the York-Harrisburg-Lancaster area, is quite different from the New York Metro area in that the move toward the barbell structure is far more advanced and there are no local banks among the leaders. Acquisitions in the nineties of First Fidelity and CoreStates made Wachovia the dominant bank, and it, along with the Royal Bank of Scotland and PNC, represent most of the big bank end of the barbell.

Southeast Pennsylvania Banking Leaders

	<u>Deposits</u>			<u>Deposits</u>	
	<u>Amount</u> (In mill.)	<u>Share</u>		<u>Amount</u> (In mill.)	<u>Share</u>
1. Wachovia	\$22,211	17.1%	7. Fulton	\$4,984	3.9%
2. Royal Bank-Scotland	11,399	8.8	8. M&T	4,696	3.6
3. PNC	11,092	8.6	9. Waypoint	2,349	1.8
4. Commerce	7,272	5.6	10. National Penn	2,185	1.7
5. Sovereign	5,621	4.3	11. Harleysville Nat'l	1,677	1.3
6. Fleet	5,226	4.0	12. Susquehanna	1,505	1.2

Source: SNL Financial, Charlottesville, Virginia.

The major changes since 1998 were adding the world's fifth largest bank measured by market capital or earnings, the Royal Bank of Scotland, as well as Fleet and M&T. Royal Bank of Scotland's affiliate, Citizens, came in through the acquisition of Mellon's retail branches. Fleet has one of the six largest deposit shares and came in via the purchase of Summit. M&T, which is more of a regional bank than truly a big bank, entered the area initially by buying Keystone and then greatly improved its position by acquiring Allfirst.

The "big three" – Wachovia, PNC and Citizens – are pretty much locked into their positions in Southeast Pennsylvania, and most of future change will come from the moves of a second tier that includes the rapidly growing Commerce; the East Coast's biggest thrift, Sovereign; and a local bank, Fulton; along with M&T and Fleet. They are the region's major acquirers, but their size also makes them acquisition targets.

So what is next in Southeast Pennsylvania? The near certainties in the next three to five years are:

- Wachovia, PNC, Fleet and M&T continue to lose share.
- Citizens will continue to grow and buy its way into a more secure second place.

- Local banks, led by Commerce, will make major share gains.

Less certain, but possible moves that could have a major impact on the Southeast Pennsylvania banking structure are:

- The sale of PNC and/or Fleet that was discussed in the New York Metro sector that could bring Bank of America, Wells Fargo, Bank One, HSBC or even Citigroup into the market.
- The sale of Sovereign that could bring Bank of America or Washington Mutual into the market or greatly enhance Citizens' position. Despite ranking two-three in Boston, Citizens' acquisition of Sovereign would not trigger antitrust concern. Sovereign also is too big for M&T, and Fleet would not want to resell the same New England branches, which would be required if it bought Sovereign.

The end result in Southeast Pennsylvania five to ten years from now will be an increased market share at the big bank end of the barbell coming through acquisitions and turning the "big three" into a "big four or five." Wachovia and Citizens are there to stay; Bank of America will be present one way or the other; Bank One or Wells Fargo, could replace PNC by buying it; and Fleet and Washington Mutual also are candidates to be there at the end if they do some acquiring. M&T might grow by merger, and is likely to be around, but it may not have the clout or aggressiveness to move to the next level. Commerce and Fulton, after a few more good years will take the money and run, and this will be true of most banks and stock thrifts in the \$2 to \$20 billion asset size range.

As in the New York Metro area and every large banking market, the share of the small banks will be reduced, but by acquisition. The surviving small banks will increase their collective share, but again there will be an erosion in the amount of traditional banking business eventually because of remote access.

Pittsburgh Area

The biggest change in Pittsburgh area banking in recent years is that it has become less isolated, and this is a trend that should continue. Long after

interstate banking became a reality in Pittsburgh, an out-of-area bank meant one a 140 miles up the road in Cleveland. Mellon and PNC have been historically dominant, and the only challenge to that dominance came in the early nineties when Integra added EquiBank and Landmark to its earlier Union National acquisition and then delivered the entire package to National City. The insularity changed in 2001 when Mellon sold its retail branches to the Royal Bank of Scotland affiliate, Citizens.

Pittsburgh Area Banking Leaders

	<u>Deposits</u>			<u>Deposits</u>	
	<u>Amount</u> (In mill.)	<u>Share</u>		<u>Amount</u> (In mill.)	<u>Share</u>
1. PNC	\$11,750	18.8%	7. F.N.B.	\$2,221	3.6%
2. National City	9,103	14.6	8. First Commonwealth	2,004	3.2
3. Mellon	7,359	11.8	9. Parkvale	1,354	2.2
4. Royal Bank-Scotland	4,120	6.6	10. S&T	1,286	2.1
5. Sky	2,472	4.0	11. WesBanco	1,124	1.8
6. Dollar	2,283	3.7	12. AmeriServ	694	1.1

Source: SNL Financial, Charlottesville, Virginia.

Citizens is still a distant fourth in the Pittsburgh area when measured by deposit share since Mellon’s departure was not total – i.e., it kept three branches with over \$7 billion deposits – but Citizen is third in number of branches, and, presumably, retail deposits. It also is determined to gain share. Its timing could not have been better since PNC was distracted in 2002 by accounting and regulatory problems.

What has not changed in the Pittsburgh area is the barbell structure with a few large banks on one end, a lot of small banks and thrifts on the other, and nothing in between. In fact, Pittsburgh area banking had this structure long before the term was ever applied to the industry. The largest of the second tier banks, Sky and Dollar, have less than 5% deposit shares.

So what is next in the Pittsburgh area? The near certainties in the next three to five years are:

- There will be more sign changes that continue what Mellon started as PNC and/or National City is likely to be acquired by Bank of America, Wells Fargo or Bank One.
- Citizens will gain market share at the expense of its large competitors.
- The second tier, which has a large thrift contingent, will gain share at the big banks' expense and also undergo considerable consolidation.

An interesting, but harder to predict change at the low end of the totem pole will be what happens when Sky and F.N.B. sell. Their size, multi-state reach and diversified investor-base make their sale likely, and the buyers will not be banks with a presence in this market. This could bring a new, strong competitor into the Pittsburgh area, but it also could be a big bank that does not like fringe positions in large markets and would sell its Pittsburgh branches. If this happens sooner rather than later, the buyer of the branches, is likely to be Citizens. If later, then the buyer could be one of the larger of the local consolidators.

The end result five to ten years from now will be a banking structure that is not much changed, but the names could be different and out-of-area ownership should have greatly increased. Citizens is there to stay; PNC and/or National City will have been sold – one or the other, though, should stay around for at least another five years; Mellon will complete its two-step exit from banking by selling what is left and with nonbanks as well as banks being possible acquirers. The consolidation at the low end will create bigger small banks with Dollar Bank and the Indiana twins, First Commonwealth and S&T, being among the most likely survivors.

Baltimore-Washington Area

Proximity and mergers have blurred the differences between the banking structures in Baltimore and Washington. Each city still has its local banks – Chevy Chase and Riggs in Washington and Mercantile and Provident in Baltimore – but the big bank part of the barbell in both cities is the same – Bank of America, Wachovia, SunTrust and BB&T. The major change since 2000 has been the rise of BB&T with the acquisitions of FCNB

and F&M National followed by the purchase of the area’s largest independent bank, First Virginia, at the beginning of this year. The latter was an acquisition with tremendous strategic value and places BB&T solidly in the area’s “big four.”

Baltimore-Washington Banking Leaders

	<u>Deposits</u>			<u>Deposits</u>	
	<u>Amount</u> (In mill.)	<u>Share</u>		<u>Amount</u> (In mill.)	<u>Share</u>
1. Bank of America	\$16,991	13.6%	7. Mercantile	\$5,931	4.7%
2. Wachovia	13,627	10.9	8. Riggs	4,228	3.4
3. SunTrust	12,217	9.8	9. Provident	3,336	2.7
4. BB&T	11,227	9.0	10. Citigroup	2,484	2.0
5. Chevy Chase	7,449	6.0	11. United	1,681	1.3
6. M&T	7,250	5.8	12. Sandy Spring	1,417	1.1

Source: SNL Financial, Charlottesville, Virginia.

The other major, recent change was Allied Irish selling Allfirst to M&T. This could be viewed as nothing more than a franchise transfer from a mid-sized foreign bank to a mid-sized domestic bank, but the new ownership will take a fresh look at how it competes with the much larger banks and builds a better base in the Washington sector. Complicating its task is that M&T is not only part of a disappearing “middle” in the barbell structure, which has become the rule rather than the exception, but the local competitors for that middle ground – Chevy Chase in Washington and Mercantile in Baltimore – are well-entrenched, strong banks.

So what is next in the Baltimore-Washington area? The near certainties in the next three to five years are:

- Bank of America, Wachovia and SunTrust, collectively, will continue to lose deposit share.
- Royal Bank of Scotland will try to buy its way into the market with Chevy Chase and Provident being logical targets.

- Riggs will continue its twenty year slide from once being Washington’s biggest bank to near obscurity – i.e., its market capital is already \$60 million less than that of Sandy Spring.
- Chevy Chase and the small banks, particularly local business banks, will make the major market share gains.

The “wild card” is Mercantile. It is considered “not for sale,” but this was a “tag” carried by F&M National and to a lesser extent, First Virginia, and both are gone. Mercantile is big enough to give an outsider a good base, particularly with its large trust operation. The question is – What outsider? If it were to sell, the Royal Bank of Scotland and Fleet are options, but the most likely buyers are BB&T and SunTrust, which would enhance the growing dominance of the region’s “big four.”

The end result in the Baltimore-Washington area five to ten years from now seems fairly obvious, because we already may be almost there. Bank of America, Wachovia, SunTrust and BB&T are not going anywhere, and if there is change at the large bank end of the barbell, it will be Royal Bank of Scotland buying its way into the fifth position. M&T and Riggs may still be around, but their status is likely to be diminished, and most, if not all, of the other second-tier banks will be gone. Consolidation among the smaller banks is likely, but there will be little reduction in numbers as new entrants replace those that sell. Collectively, small banks should do well at least through the next five years as the remaining mid-sized banks follow the leads of First Virginia and F&M National and forego their independence.

Virginia’s Route 64 Corridor

In the last of the major Middle Atlantic population concentrations, Virginia’s Route 64 Corridor, which stretches from Virginia Beach to Charlottesville and includes Richmond, the future is now. Wachovia, Bank of America, SunTrust and BB&T – the same “big four” as in the Washington area - hold more than 64% of the area’s deposits. This is a barbell with “no room at the inn” for others that might aspire to area leadership. The only change in recent years was BB&T buying its way to parity with the other leaders while there still was something to buy.

Virginia Route 64 Corridor Banking Structure

	<u>Deposits</u>			<u>Deposits</u>	
	<u>Amount</u> (In mill.)	<u>Share</u>		<u>Amount</u> (In mill.)	<u>Share</u>
1. Wachovia	\$7,580	20.4%	7. Franklin	\$661	1.8%
2. Bank of America	6,044	16.2	8. TowneBank	529	1.4
3. SunTrust	5,224	14.0	9. Old Point	428	1.2
4. BB&T	5,022	13.5	10. Royal Bank of Canada	370	1.0
5. SouthTrust	1,082	2.9	11. Resource	328	.9
6. National Commerce	734	2.0	12. C&F	236	.6

Source: SNL Financial, Charlottesville, Virginia.

The extent of the disparity between the big banks and all others in the Route 64 Corridor goes beyond numbers. BB&T, at number four, has about five times the deposits of number five, SouthTrust, but even more pertinent is that ranking eighth in the area is TowneBank, which opened since 1998. Its growth has been exceptional, and it is symbolic of what can happen when the barbell reaches the extreme and eliminates all local mid-sized banks and has no local bank, a la Pittsburgh, among the leaders.

In this Route 64 Corridor scenario, the end result is “etched in stone.” Wachovia, Bank of America, SunTrust and BB&T are leaders in perpetuity, although there may be some change in their relative positions. Southtrust should be the primary acquirer of small banks in the nearterm on the dubious premise that there is room for a mid-sized bank alternative to the big banks. Credit unions will continue to have an unusually high share of the deposits in the Hampton Roads segment. Meanwhile, local banks, in spite of their small size and collective share, are in an ideal environment for growth and profitability if they focus carefully.

The Big Picture

There are several recurring themes in the preceding discussion of the big markets in the Middle Atlantic states that warrants further discussion and may be better understood if placed in the context of the big picture. A major part of that big picture is that the contenders for positioning at the top end of

the barbells nationwide are down to the dwindling few that are shown in the table on the next page. They include:

- The leaders – Citigroup, Bank of America, J.P. Morgan and Wells Fargo - whose size and/or performance has moved them ahead of everyone else.
- A second tier of large banks – Wachovia, Bank One, Washington Mutual, U.S. Bancorp and Fleet – the smallest of which is about twice as large as the biggest bank in the next group.
- The “wannabes” – National City, SunTrust, BB&T, Fifth Third, PNC, Bank of New York and KeyBank – that in turn also are much bigger than anyone behind them, but unlikely to ever make it to the second tier.
- Three foreign banks – HSBC, Royal Bank of Scotland and ABN-AMRO – with big American banking commitments.

There are some good, mid-sized banks with revenues in the \$1 to \$3 billion range – M&T, Comerica and SouthTrust – to name a few. They, though, do not appear to have the wherewithal to be more than regional players in markets not coveted by the truly large.

Major Retail Banks Nationwide, 2002

	<u>Revenue</u>	Est. 2003 <u>Earnings</u>	<u>Market</u> <u>Value*</u>	<u>Assets</u>
	(In millions)		(In billions)	
<u>Big Four</u>				
Citigroup	\$71,308	\$16,707	\$171	\$1,097
Bank of America	35,124	9,304	104	660
J.P. Morgan	29,614	4,297	45	759
Wells Fargo	24,496	6,154	76	349
<u>Second Tier</u>				
Wachovia	\$17,828	\$3,527	\$48	\$341
Bank One	16,831	3,550	42	277
Washington Mutual	13,131	4,028	32	268
U.S. Bancorp	12,708	3,934	40	180
Fleet	11,456	2,625	26	190
<u>Wannabe's**</u>				
National City	\$6,817	\$1,589	\$17	\$118
SunTrust	5,635	1,370	16	117
PNC	5,337	1,117	13	66
BB&T	5,072	1,555	18	91
Fifth Third	4,894	1,781	30	81
Bank of New York	4,808	1,307	17	77
KeyCorp	4,518	975	10	85
<u>Foreign Banks – U.S. Affiliates Only</u>				
ABN-AMRO	\$4,164	\$893	\$ 24***	\$106
HSBC	3,397	775	100***	90
Royal Bank-Scotland	2,432	451	79***	60

*February 28, 2002.

**Next largest is Comerica with revenues of about \$3 billion.

***Total corporation.

Source: SNL Financial, Charlottesville, Virginia.

Among the recurring themes in this report that involve some, or all, of the above are:

- A few big banks become dominant in each market, but they will lose market share to local banks. This may be the case relative to traditional banking when measured by deposit share, which is what is referred to in the analyses, but the big banks will gather a larger share of financial services, in general, as they move beyond traditional banking.
- Royal Bank of Scotland will enter or improve its position in almost every Middle Atlantic major market except the Route 64 Corridor in Virginia. It has momentum and will keep acquiring for at least the next couple of years. This is a bank, though, that has grown very fast on both sides of the ocean, and it may have some digestion problems, but even if that happens, it will be too big to be anything less than one of the long-term leaders.
- Bank of America will become a player in all major markets north of the Mason-Dixon line. It has announced this goal, and the only question is whether it is with a dozen or so new branches per market, or by the purchase of a Fleet, PNC or Commerce.
- Fleet and PNC may be sold. Among the big banks, there always will be some that are struggling and some that are “on a roll.” Today, Fleet, PNC, and J.P. Morgan are struggling, but two years ago it was Wachovia and Bank One, and they have recovered nicely and are now buyers rather than sellers. Fleet and PNC are more vulnerable, though, than Wachovia and Bank One ever were. Fleet, despite its problems, may have the best banking franchise in the Northeast, which makes it a very attractive target. PNC’s size makes it an easier buy for many more banks than Wachovia and Bank One ever were.
- Almost all mid-sized banks will disappear. This is an irreversible trend and has little to do with whether they can

compete. Their problem is that they are small enough to be bought, and the diversity of their shareholder base as a result of their own acquisitions has created investor bases that know a sale is the best way to maximize value. The biggest investors also are often top management and the board who are in a position to make a sale happen and may not want to be the “last one standing when the lights are turned off.”

- Citigroup is the “800 pound gorilla,” but only mentioned relative to Fleet. It is arguably the largest company in the world and a serial acquirer, but the only domestic banking franchise it has bought since the eighties is Golden State, a thrift in a California market where Citigroup already had a presence. As it scours the world for businesses, there is no reason to expect it to change its thrust and go after normal American banking franchises. If Fleet is on the market, though, all bets are off, and if Citigroup bought Fleet, it would be as likely as Bank of America to be moving into all major markets.

Conclusion

The suggestions in this report as to what comes next in the various Middle Atlantic markets are based primarily on a) projections of what has happened in the past, b) the strengths and tendencies of the major players, and c) the strong desire of shareholders to maximize value and minimize risk. It cannot, or does not, factor in surprises and the possibility, and some would say probability, that there will be dramatic changes in how banking services are delivered.

Surprises are inevitable. Five years ago, it was inconceivable that the Royal Bank of Scotland would be the major acquirer in the Middle Atlantic states or that a \$700 million trading loss would send the Allied Irish running back to Dublin.

The most likely sources of surprises in the next five years, as in the past five, are foreign banks and major losses. HSBC, the third largest bank in the world, pulled a bit of a surprise when it bought Household, and it could exit American retail banking or buy Fleet, Bank of New York or PNC. Another of Europe’s “alphabet banks,” ABN-AMRO is changing the names

of its American subsidiaries – LaSalle in Chicago and Standard Federal in Detroit – to ABN-AMRO, which could be the start of something bigger. The other likely source of surprises, “major losses,” should not be the failure of a big bank, but rather forcing that bank into a sale.

The big unknown is the impact of change on how bank products and services are delivered. The disappearance of the branch, the advent of “one stop” banking and the internet as a major banking conduit have been widely predicted and while Wall Street and corporate America have made great use of remote access banking, Main Street still writes checks and stands in teller lines. Then again, once upon a time we listened to radios when we were not in our cars and used phone booths to call home or the office.

Market Definitions:

Metro New York – Bergen-Passaic, Dutchess, Jersey City, Middlesex-Somerset-Hunterdon, Nassau-Suffolk, Newark, New Haven-Bridgeport-Stamford-Danbury-Waterbury and New York MSAs.

Southeast Pennsylvania – Allentown-Bethlehem-Easton, Atlantic City-Cape May, Harrisburg-Lebanon-Carlisle, Lancaster, Philadelphia, Reading, Vineland-Millville-Bridgeton and York MSAs.

Greater Pittsburgh – Johnstown, Pittsburgh, Sharon, Steubenville-Weirton and Wheeling MSAs and Armstrong and Indiana Counties.

Baltimore-Washington Area – Baltimore and Washington D.C. MSAs.

Virginia’s Route 64 Corridor – Charlottesville, Norfolk, Virginia Beach-Newport News and Richmond-Petersburg MSAs.