

August 18, 2010

Banks: Second Quarter Review and Outlook

Company Name	Rating	Risk Profile	Projected EPS		Projected P/E		Dividend	
			Current	Next	Current	Next	Ind	Yield
BB&T Corp. (BBT-NYSE-\$23.85) S/C, A1	Neutral	Average	\$1.35	\$2.30	17.7x	10.4x	\$0.60	2.5%
Capital One Financial (COF-NYSE-\$39.12) None	Neutral	Above Average	\$4.55	\$4.10	8.6x	9.5x	\$0.20	0.5%
Cardinal Financial Corp. (CFNL-NASDAQ-\$9.51) I, I2	Neutral	Average	\$0.61	\$0.70	15.6x	13.6x	\$0.08	0.8%
First Community Bancshares, Inc. (FCBC-NASDAQ-\$13.27) I2, S/C	Buy	Average	\$1.10	\$1.30	12.1x	10.2x	\$0.40	3.0%
First Financial Holdings Inc. (FFCH-NASDAQ-\$9.58) I2	Buy	Above Average	(\$2.76)	\$0.50	NM	19.2x	\$0.20	2.1%
Fulton Financial Corporation (FULT-NASDAQ-\$8.58) None	Buy	Average	\$0.57	\$0.80	15.1x	10.7x	\$0.12	1.4%
StellarOne Corporation (STEL-NASDAQ-\$11.46) I, I2, S/C	Buy	Average	\$0.17	\$0.50	67.4x	22.9x	\$0.16	1.4%
SunTrust Banks (STI-NYSE-\$24.14) S/C	Neutral	Above Average	(\$0.70)	\$0.75	NM	32.2x	\$0.04	0.2%
Union First Market Bankshares Corp. (UBSH-NASDAQ-\$12.51) S/C, I2	Buy	Above Average	\$0.94	\$1.25	13.3x	10.0x	\$0.24	1.9%
Virginia Commerce Bancorp Inc. (VCBI-NASDAQ-\$5.97) I2	Neutral	Above Average	\$0.63	\$0.67	9.5x	8.9x	\$0.00	0.0%
Wilmington Trust Corporation (WL-NYSE-\$9.35) S/C	Buy	Above Average	(\$2.10)	\$0.50	NM	18.7x	\$0.04	0.4%

Important disclosures and analyst certifications are in the Disclosure Section.

(source: Baseline)

Performance and Valuation

After a nice, positive move earlier in the year, bank stocks have given back most of the gains since late April. Over the past year, the SNL Bank and Thrift index was down 3.4% on a total return basis compared to a positive 13.8% return for the S&P 500. Small cap banks continue to underperform, as evidenced by the 8.7% contraction over the past year for the \$500 Million to \$1.0 Billion in assets SNL index. The following graph highlights some of the trends over the past year among various bank asset categories (source SNL Financial):



Regulatory reform and economic uncertainty combined to weigh on the sector over the last several months – and rightfully so. Investors are having a hard time coming to grips with what exactly will come out of the financial reform bill and what degree of impact it will have on industry profitability. This uncertainty, combined with broader economic concerns, has kept cautious investors away from the group. Many bears question where earnings will come from if loan growth does not materialize, margins come under pressure and regulatory costs continue to ratchet up. At the risk of stating the obvious, these seem like reasonable concerns. Perhaps even if credit costs do come down we are facing a period of lower earnings, multiples and dividends. Let us not forget that a key group of industry investors, retail investors, are still reeling from the nasty headlines and destroyed wealth that has been heaped upon them over the past two years. The current outlook does not exactly inspire confidence that this group of investors will be eager to forget the recent pain and welcome the sector back with open arms of forgiveness.

It is not all doom and gloom, however. The argument that stock valuations for many viable and valuable bank franchises are still attractive is valid; unfortunately this argument has meant little over the last few months. We do believe that there is good money to be made in the bank sector as credit improves and earnings naturally rebuild. That said given the numerous headwinds facing the group, the near-term outlook for stock prices is hazy at best. The larger cap banks must deal with more regulatory uncertainty than their small cap brethren, which we think will weigh on the group in the near-term. We remain confident that investors that are willing to ride-out the near-term uncertainties will be rewarded over the long-term as earnings and dividends eventually return.

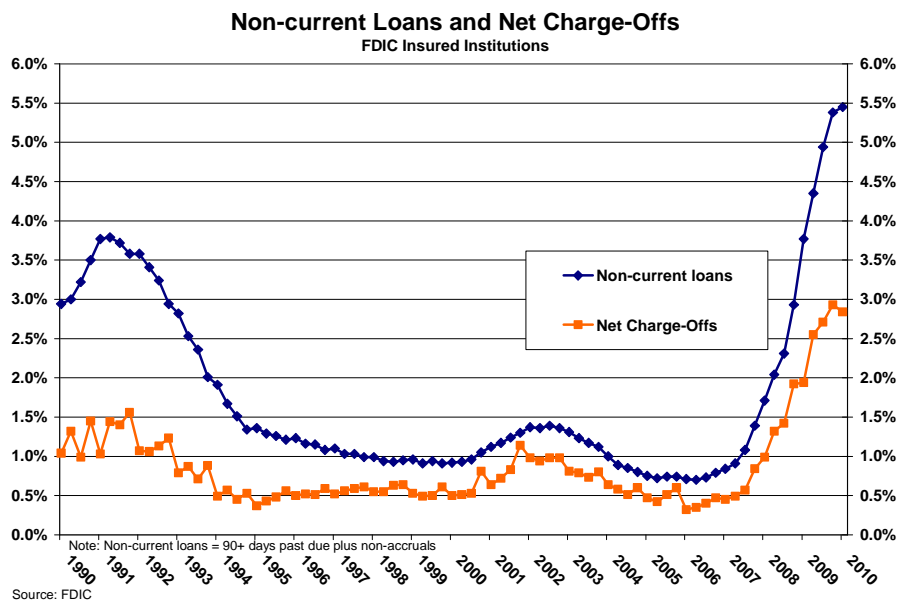
Asset Quality

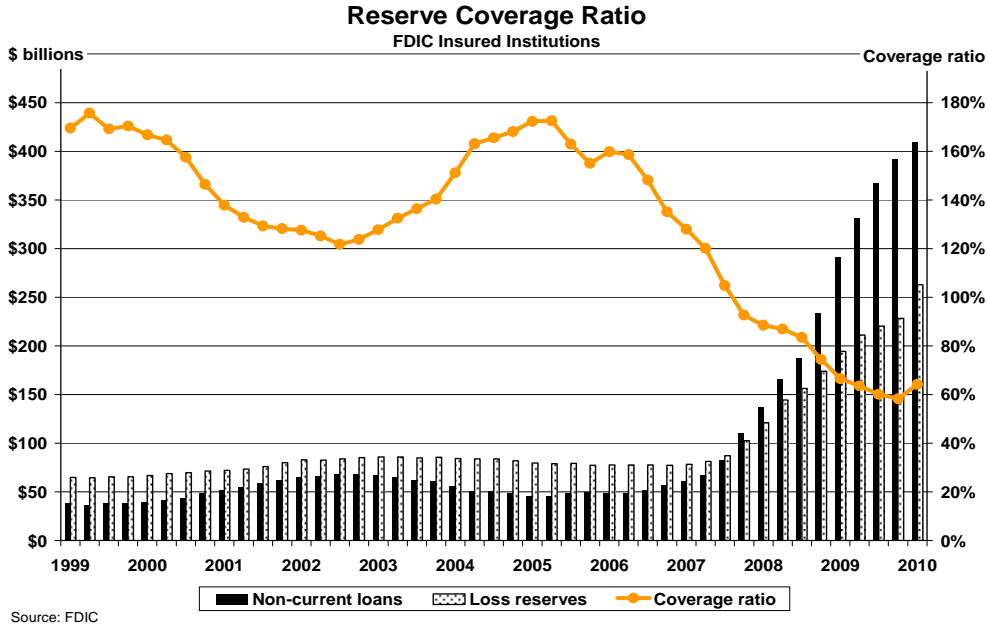
The large banking institutions reported another quarter of improved asset quality while smaller banks reported a mixed bag of asset quality results. As we stated in the first quarter, it looks like the larger banks were much more aggressive in recognizing problem loans earlier in the cycle. Now it appears these larger banks are busy charging off troubled credits and the inflow of problem assets is moderating. The result is gradually declining nonaccrual loan balances and charge-off levels staying fairly flat.

The community banking sector is a different story. While small banks appear to have already reached an apex in problem loans, others saw a substantial increase in the second quarter. The increases spooked investors that were counting on a gradual improvement in credit quality after what was generally considered a positive first quarter. Feedback from bankers suggests that regulators are pushing for stricter charge-off methodology and, in some cases, higher absolute loan loss reserves.

Given the news that the economy is weakening again we suspect that many borrowers will continue to have trouble servicing their commitments. Many borrowers that might have been financially strong going into the downturn are likely to run out of resources and be forced into foreclosure. Even so, we believe the ramp up in problem loans has already peaked for the group as a whole; with nonperforming asset balances remaining elevated going forward as a result of the stagnant economy.

The following chart illustrates the trends in non-current loans (non-accruals and 90 days past due and still accruing) and NCOs since 1990. Note that the data is through the first quarter. It is a positive to see the degree of deterioration moderate in the first quarter and even a slight improvement in charge-off levels.





It is also nice to see the coverage ratio improve in the first quarter. This ratio equates the reserve for loan losses to non-current loans as a high level method of assessing the adequacy of loan loss reserves.

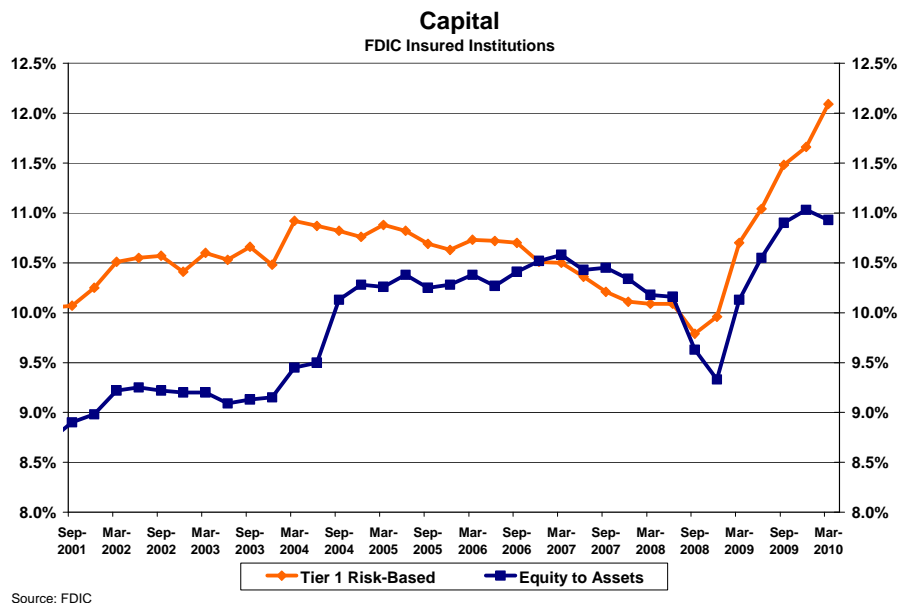
Please see the tables in the back of this report to see company specific asset quality metrics over the past five quarters.

Capital

Much like asset quality, the capital positions of large banks and community banks deviated in the second quarter. Large banking institutions have had success accessing the capital markets, while the capital markets for community banks remains essentially shut. This played out in the numbers this quarter: the large banks experienced a sequential increase in capital ratios, while community bank ratios remained essentially flat.

Just in our own community bank coverage universe we have seen several secondary equity offerings go to market only to be pulled in short order due to adverse conditions. Dilution remains a large concern; however, regulatory pressure to increase capital levels often trumps the issue of dilution.

The following chart illustrates the trends since mid-2001 for total equity-to-assets and tier one risk-based capital:



As we have stated in the past, the market continues to focus on tangible common equity (TCE) since it both ignores the impact of the TARP-related preferred stock and also eliminates intangible assets which have been subject to impairments and are excluded from regulatory capital standards. Bankers are clearly inferring that the regulators want capital in excess of the published "well capitalized" standards. While there is no regulatory standard for TCE specifically, investors should stay attuned to this metric to help evaluate an individual institution's ability to repay TARP-related capital. The other critical factors are overall asset quality, loan loss reserve levels and the level of pretax pre-provision income.

Interest Rate and Margin Environment

Settle in for an extended period of low rates. Unfortunately for banks, this will likely result in a gradual give back of the margin gains that have been made in recent periods. The combination of minimal loan growth (if any), lower security yields and funding costs bottoming out will result in margin compression for many institutions beginning in the second half of this year. We expect many banks will be able to maintain margins in the third and fourth quarter as some lingering higher cost CDs roll off, but this benefit is surely approaching an end. We could see banks start to whittle down unnecessary liquidity, which could help margins, but overall we foresee margins trending lower in future quarters.

In recent months Treasury yields have declined as investors retreated to safer pastures and mortgage rates remain near all-time lows. The FOMC continues to state that economic conditions are likely to warrant a low targeted fed funds rate for an extended period. During the most recent meeting, the Fed stated that they will purchase long-term Treasuries with principal payments from agency debt and mortgage backed securities. Fed fund futures are currently implying a 100% probability that rates will remain unchanged through at least the FOMC's December 2010 meeting.

Recent Regulatory Issues

The passage of the Dodd-Frank Act was one of the sweeping pieces of legislation in the financial arena to pass Congress since the 1930s. The ultimate impact of this massive legislation is difficult to assess since many of the final rules are yet to be written. Over the next several years, regulators from multiple agencies will be busy developing the final version of this bill.

To summarize initial reactions, it seems the bill was not as severe as some feared and yet was more sweeping and complex than many hoped. Several controversial amendments to the Senate version were retained in large part despite intense lobbying efforts to strike them altogether. A huge amount of the final rulemaking will lie with a variety of regulatory agencies. While the major financial stocks reacted positively on the first day following the bill's passage, the reality and uncertainty of the situation now appears to be gripping the financial sector. Unfortunately, this uncertainty is likely to remain with us for some time as regulators promulgate rules and regulations and the market discovers what the likely long-term earnings implications will be.

This is massive and far reaching legislation that is difficult to summarize in a concise form. We will highlight only what we feel are the most significant and controversial aspects of this potential legislation that could impact our companies under coverage. The following is based on multiple sources, but we must particularly note the usefulness of summary materials prepared by the law firm Davis Polk & Wardwell LLP.

Minimum Capital and Risk-Based Capital Requirements - This legislation provides an 18 month timeframe for the appropriate banking regulator to develop capital standards for all depository institutions and systemically important nonbank financial companies. Essentially current capital standards will be used as a floor for these rules and they are likely to be heavily influenced by pending international capital discussions referred to as Basel III.

The most important element of the Collins amendment is to disallow the treatment of trust preferred securities (TRUPS) as Tier One capital for banks with more than \$15 billion in assets as of December 31, 2009. Larger banks will phase-out hybrid securities from the Tier One calculation from January 1, 2013 to January 1, 2016. These hybrid instruments can be counted in Tier Two capital. Any instrument issued by the US government under the TARP program will be exempt from this amendment. Hybrid instruments issued by smaller institutions would be permanently grandfathered. Smaller bank holding companies under \$500 million in assets are totally exempt from this provision.

Several of our larger covered banks have a material dollar amount of TRUPS in their capital structure. **BB&T Corporation** and **Capital One Financial** each have roughly \$3.5 billion of TRUPS outstanding in their Tier One capital. Given the banks' likely ability to internally generate capital and the long phase-in period, we feel both companies should not have major issues with

meeting the new standards if the economy continues to improve. However, these new standards will make major acquisitions less likely and delay potential dividend increases as internal capital generation is stressed over the next several years. Redemption features in recently issued TRUPS offerings will allow the institutions to call these securities if they so desire.

Limitations on Proprietary Trading - The so-called "Volcker Rule" prohibits any "banking entity" from engaging in proprietary trading. The latter is defined as a trading account of the entity that intends to dispose of a variety of instruments on a near-term basis in order to profit from short-term price movements. Importantly, some types of transactions are specifically excluded from this provision. Excluded transactions include: U.S. governments or agencies; instruments of government sponsored entities; municipals; instruments acquired in underwriting or market-making activities; risk-mitigation transactions and any transaction conducted on behalf of customers. Regulators will have the earlier of one year after the issuance of final rules or two years after enactment to make the Volcker Rule effective. The newly created Financial Stability Oversight Council must conduct a study and issue recommendations within six months of enactment.

Investment in private equity or hedge funds will be permitted, but limited to 3% of a bank's Tier One capital. This standard will be phased-in over a five year period following enactment. For the vast majority of banks, this is an easily attained goal or well above their current positions in such investments. This will pose the greatest difficulty for **Goldman Sachs** and **Morgan Stanley**, both registered as bank holding companies, given their greater level of proprietary investments.

The companies we follow should not have major problems with this new regulation since relatively small trading profits are currently reported. While a guessing game, the excluded transactions probably allow much of current trading activity to continue.

The Swap Push-Out Rule/Derivatives Trading - The so-called Lincoln Amendment was one of the most controversial proposals that originally called for all derivative trading activities to be conducted outside of regulated bank subsidiaries. Final compromises on this amendment removed a major impediment to the approval of the bill. Everyone acknowledges "the devil is in the details" in regards to this part of the legislation. This part of the legislation will become effective two years after the derivative title of the bill becomes effective which is 360 days after enactment. The Swap Push-out Rule has up to an additional two year transition period with a discretionary one year period extension. As you can see, the timeframe for this amendment is long and confusing! The Push-out Rule requires certain entities that rely on federal assistance to move certain aspects of their businesses into nonbank affiliates that are subject to additional rules and regulations. These include requirements to clear transactions on exchanges if feasible, report non-cleared transactions and potential capital requirements.

A major intent of this legislation is to prohibit "federal assistance" to certain swap dealers and participants described as "swap entities". Insured depository institutions are excluded from this definition, but holding companies could own subsidiaries that would be considered swap entities. Swap dealers and major swap participants (MSP) can be considered swap entities. A MSP is broadly defined as any entity that maintains significant swap positions that could pose a systematic risk to the system.

Fortunately, certain derivative activities permitted under the National Bank Act are excluded from this legislation. Included in this category are interest rate swaps, foreign exchange transactions, transactions done purely for internal risk mitigation efforts, investment grade credit default swaps, gold and silver contracts. If feasible, these transactions should be cleared through exchanges or reported to central repositories. Other types of derivative transactions, on energy and other commodities for example, would have to be "pushed out" to an affiliate organization.

Given the enormous uncertainty surrounding the final rules and regulations, it is difficult to assess the financial impact. The complexity of the legislation could dampen overall derivative activity and is certainly going to increase operating and capital costs. This impact will largely be confined to the nation's largest institutions since these firms control a substantial amount of the trading in derivatives.

Debit Card Interchange - The language of the so-called "Durbin Amendment" aimed at regulation of debit card interchange was modified in the final bill. These changes more specifically defined interchange as charges between banks and not the charges networks like **Visa** and **Mastercard** charge the banks. The vague "marginal cost" language of the original amendment was also eliminated. The Fed will be empowered with regulating interchange, so uncertainty as to the ultimate impact of this legislation is substantial. Merchants have long argued that the networks' setting of interchange fees was inappropriate and resulted in higher than necessary merchant-related fees. If interchange is reduced, it is possible consumers could start to see fees to use debit cards and/or reduced reward benefits.

Bank of America recently confused this issue, in our opinion, when they indicated that 60-80% of their debit revenue could be at risk. However, they appeared to be looking at marginal cost, which was not the language used in the final version of the bill. We feel regulators will take a rational approach in this regard and note any regulated entity is typically allowed a reasonable return on investment when producing products and services.

Credit Retention – The SEC and banking regulators will jointly prescribe standards that issuers of asset-backed securities that are securitized should retain at least 5% of the credit risk. An exclusion is an asset-backed issuance that consist entirely of “qualified” residential mortgage loans. Regulators will establish the guidelines for a qualified mortgage. Issuers would be prohibited from hedging its retained credit risk.

FDIC-Related Items – The maximum amount of deposit insurance is permanently increased to \$250,000 and is effective retroactively to January 1, 2008. There is no longer an upper limit for the reserve ratio designated by the FDIC each year. The minimum was raised to 1.35% from 1.15%, so bank assessments are likely to head higher in the near term.

Interstate Branching – The bill permits de novo interstate branching by national banks and insured state banks.

Conversion Limitations – This prohibits the conversion of a national banking charter to a state charter, and vice versa, if the converting entity if subject to a cease and desist order, a memorandum of understanding or any other enforcement action.

Lending Limits – Treats credit exposure associated with derivatives, repurchase agreements and security lending as part of current legal lending limits for national banks and thrifts.

The pending bill will also drive key regulatory changes through the creation of several agencies and authorities. As with several of the above items, the timing of these changes is uncertain. Two key changes include the creation of the Financial Stability Oversight Council and the Consumer Financial Protection Bureau.

Mergers and Acquisitions

The M&A environment has remained stagnant as nearly all M&A announcements in recent months were FDIC assisted deals. However, as we have stated in the past, the outlook appears to be shifting away from FDIC deals (although there will undoubtedly be a few more in the Mid-Atlantic region and dozens more in the country) and moving towards strategic deals and capital infusions. Specific to the Mid-Atlantic region, a confluence of several factors is driving the change, among them the lack of failed bank opportunities, tremendous competition for deals and a building backlog of potential traditional partnerships that have been deferred due to recent events and regulatory issues. Other regions of the country (Georgia, Florida, etc.) will no doubt continue to experience numerous FDIC assisted deals for months to come.

Selected Pending/Recently Completed Bank/Branch Acquisitions:

<u>Company</u>	<u>Target</u>	<u>Assets</u>	<u>Terms</u>	<u>Completion Date</u>
Bank of the Ozarks	Woodlands Bank	\$395 Million	FDIC Assisted	Completed
BNC Bancorp	Beach First National Bank	\$620 Million	FDIC Assisted	Completed
Cordia Bancorp	Bank of Virginia	\$222 Million	Up to 52% stake at \$3.00/share	Q3 2010
Citizens South Banking Corp.	Bank of Hiawassee	\$378 Million	FDIC Assisted	Completed
First American Financial Mang.	Community Bank of Rowan	\$147 Million	Apprx. 1.4x TBV	Q3 2010
First Citizens BancShares	First Regional Bank	\$2.2 Billion	FDIC Assisted	Completed
First Citizens BancShares	Georgian Bank	\$2.0 Billion	FDIC Assisted	Completed
First Citizens BancShares	Sun American Bank	\$536 Million	FDIC Assisted	Completed
First Citizens BancShares	Williamsburg First National	\$139 Million	FDIC Assisted	Completed
Jefferson Bancorp	Bay National Bank	\$282 Million	FDIC Assisted	Completed
M&T Bank Corporation	Bradford Bank	\$469 Million	FDIC Assisted	Completed
NAFH National Bank	First National Bank of the South	\$682 Million	FDIC Assisted	Completed
SCBT Financial Corporation	Community Bank & Trust	\$1.2 Billion	FDIC Assisted	Completed
Southern National Bancorp	Greater Atlantic Bank	\$203 Million	FDIC Assisted	Completed
Toronto-Dominion Bank	South Financial Group	\$12.4 Billion	\$0.28 cash or 0.004 share of TD per TSFG	Q3 2010
TowneBank	Bank of Currituck	\$10 Million	Banking operations/cash	Q4 2010
Union First Market Bankshares	First Market Bank	\$1.3 Billion	6.7 million shares	Completed

Source: Bloomberg, SNL Financial LC and company reports.

Davenport Coverage Company Comments**BB&T Corporation (BBT-NYSE)****Rating:** Neutral**Target:** N/A**Basis of Target:** N/A**Disclosures:** A1, S/C**Risk Profile:** Average**Most Recent Report:** July 22, 2010

No surprise in earnings. Including a \$.03 merger-related charge, BB&T reported \$.30 second quarter earnings on \$210MM in net income. "Operating" EPS beat our \$.31 estimate by two cents, and missed consensus (\$.34) by a penny. Despite coming very close to expectations and showing proactive balance sheet risk reduction, BB&T traded lower following the release, potentially due to earnings quality questions. Specifically, BB&T reported a one-time 19-cent per share security gain against an allowance build and likely recurring NPA and OREO write-downs of the same amount. We are retaining our Neutral rating; however, if shares weakened into the low \$20s and toward a 50% premium to tangible book value (\$14.49), we would be more inclined to upgrade.

Ramping-up NPA disposal. BB&T has taken a more aggressive approach in reducing its NPAs, selling-off \$682MM "problem assets" in the June-end quarter compared to \$140MM in Q1. Retail mortgages (\$385MM) and foreclosed properties (\$252MM) accounted for most of the reduction. Management suggested that NPA sales figures in the \$600-\$700MM (the majority coming from commercial portfolios) could be expected in the coming quarters if investor demand and pricing remain elevated. The 3.1% quarter NPA decrease was the first such decline since Q1 2006.

Loan growth. Led by a 20.2% annualized increase in the prime auto portfolio, loan originations improved by 2.6% in aggregate from Q1 levels. By comparison, management noted BB&T was "bucking the trend" of a roughly 6% annualized loan contraction among peers. In fee income, stronger-than-expected mortgage revenue of \$110MM represented 94.6% annualized increase from the prior quarter, though down 40.2% Y/Y. Similarly, insurance revenue (\$287MM) showed solid growth with 13.4% and 2.1% gains from the prior quarter and June 2009 quarter, respectively.

Core margin stays strong. Net interest margin spiked to 4.12% in Q2 as loan portfolios acquired from the Colonial Bank acquisition have done better than expected. This accretive gain will be partially offset with FDIC loss share agreements, but management expects a stable core NIM consistent with the 3.88% from Q1.

Capitalization continues to be a non-issue. BB&T enhanced its "well-capitalized" reputation by bumping-up each of its ratios from the first quarter. Tier 1 Capital now stands at 11.7%, while Tier 1 Common has reached 8.9%, up 3 bps from Q1. Though looming capital requirements under the Dodd-Frank Reform Bill will eventually exclude TruPS from Tier 1 status for larger banks, management did not seem overly concerned. Given a 5-year time-frame to make necessary balance sheet changes, and a growing Tier 1 Common Equity ratio, now 7%, BB&T should not have any capital adequacy issues. We would not, however, be surprised if the bank soon called-back some of its TruPS, in favor of a lower-rate debt issuance.

Durbin Amendment. BB&T expects to earn roughly \$230MM in debit card interchange fee income this year, and was unable to predict the negative impact regulation will have on that segment. Management was confident that a variety of mitigating efforts surrounding fees and pricing would alleviate losses following the Durbin Amendment, as well as the impacts of the Card Act and Regulation E (overdrafts).

Capital One Financial (COF-NYSE)**Rating:** Neutral**Target:** N/A**Basis of Target:** N/A**Disclosures:** None**Risk Profile:** Above Average**Most Recent Report:** August 16, 2010

July asset quality metrics improved substantially in the card operations. The net charge-off rate for July fell 115 basis points from June to 8.13%. Additionally, the 30 day delinquency number fell 13 basis points to 4.66% during the same timeframe. Both net charge-offs and delinquencies also fell for International Card. Auto Finance experienced a 12 basis point improvement in net losses to 2.60%, but delinquencies were relatively stable at 7.72%.

The decline in loan balances appears to be slowing. While U.S. Card saw nearly a \$500MM decline in average balances, both the Auto Finance and International Card segments saw a sequential increase in average and period-end balances suggesting these portfolios are likely to increase in August. The period-end balances for U.S. Card were only \$72MM less than July's

average, suggesting the worst of the decline in this portfolio may be nearing. Over the past year, this portfolio has declined nearly 15.5% in average balances. A continued decline would have obvious implications for the longer-term earnings power of the company.

We are increasing our estimates. We have lowered our assumed loss rates for the credit card portfolios in the second half of this year and in 2011. Partially offsetting these positive changes in our outlook is a more moderate forecast of reserve releases as we think the portfolio will continue to stabilize and then moderately grow in the fourth quarter and next year. Our estimates for the third and fourth quarters are increased by \$.02 and \$.03, respectively, to \$.94 and \$.87 per share. This increases our 2010 estimate by a nickel to \$4.55 on a GAAP basis. Our 2011 forecast raises \$.15 to \$4.10 per share.

We retain our Neutral rating. While impressed with the credit improvement in the card portfolios, we continue to feel the company will be challenged by the economy and an uncertain regulatory environment. The impact of the CARD Act is still being felt in the income statement. The implementation of the new overdraft rules should not be a material issue for COF, but it does not help the revenue situation. Lastly, the pending verbiage of the new debit card rules are another uncertainty. The new capital rules could cause COF to return to the capital markets since its \$3.5 billion of trust preferred securities will be gradually phased out of Tier One capital. Management has indicated they will not pursue the associated redemption options until the phase-in period starts, which is expected to be in 2013.

Cardinal Financial (CFNL-NYSE)

Rating: Neutral
Target: NA
Basis of Target: NA

Disclosures: I, I2
Risk Profile: Average
Most Recent Report: July 22, 2010

Another Standout Quarter. A significant increase in Cardinal's net interest margin, along with a surprisingly strong mortgage banking performance, pushed earnings to \$0.16 in the second quarter. The earnings exceeded our \$0.13 estimate. Asset quality was another plus in the quarter and CFNL continues to enjoy one of the best credit profiles in the region.

Staying at Neutral for the Time Being. While there are not too many issues to pick with Cardinal's performance, we are sticking to our Neutral rating. The stock is more reasonably valued now versus when we downgraded from Buy after last quarter's earnings release, but the current 35% premium to tangible book value is fair in our view. We would likely get more constructive on the stock with a bit more of a pullback. All of that said, we believe CFNL continues to build a very valuable franchise and we would encourage long term shareholders to maintain positions.

Margin Mania. Cardinal's 3.74% net interest margin in the quarter was 34 basis points ahead of the first quarter and easily exceeded our 3.45% estimate. Growth in noninterest bearing accounts and CD runoff, along with successful asset pricing, contributed to the improvement. We estimate that the margin contributed \$0.04 of earnings upside relative to our estimate. Going forward, we have adjusted our second half margin estimates upward to reflect the higher run rate, but we note that if loan demand remains muted we could give back some margin in 2011.

Other Revenue Sources Also Strong. While most mortgage originators have been reporting a slow down in activity after the new homebuyer incentive expired, CFNL's mortgage banking segment had a great quarter and contributed \$1.9 million in income compared to \$1.4 million in the year ago quarter. Wealth management also had a positive second quarter.

Credit Still Strong. After an increase in the first quarter, CFNL's nonaccrual loan balance shrunk slightly to \$4.6 million and OREO declined by \$1.6 million to \$2.9 million. Total nonperforming assets at quarter end represented just 0.36% of total assets, well below industry averages. An improving Washington D.C. economy should result in fairly steady credit results for Cardinal, although economic uncertainty still remains.

Capital Still a Strength. Cardinal ended the quarter with a Tier 1 ratio of 12.75% and a tangible common equity to tangible assets ratio of 9.5%. Both of these ratios are strong and should enable CFNL to capitalize on future growth opportunities.

Moving Estimates Up. Our 2010 and 2011 EPS estimates move up from \$0.55 and \$0.65 to \$0.61 and \$0.70, respectively. Higher margin assumptions account for most of the increase in both periods, although slightly higher provision estimates offset a portion of the improvement.

First Community Bancshares (FCBC-NASDAQ)**Rating:** Buy**Target:** \$20.00**Basis of Target:** Approximately 12.5 Times 2012 EPS Estimate**Disclosures:** I2, S/C**Risk Profile:** Average**Most Recent Report:** July 28, 2010

Core Earnings Retreat Slightly. FCBC reported second quarter earnings of \$0.29 (excluding approximately one penny of one-time gains), which was flat versus our estimate. Lower than expected pre-tax, pre-provision core earnings in the quarter was due to a weaker than expected net interest margin, lower insurance revenue and higher compensation costs.

Maintain Buy Rating. We believe FCBC shares have more room to move to the upside as earnings return and book value is rebuilt. FCBC has historically been one of the more profitable institutions in the region; a distinction that we expect to return in the coming quarters. For these reasons, in addition to strong asset quality figures that remained stable in the first quarter, we are retaining our Buy rating and \$20 price target, which is based on approximately 12.5 times our 2012 EPS estimate of \$1.60 and 2 times the current tangible book value. Longer-term we feel this stock ultimately moves back to the mid-\$20s as book value is rebuilt, credit concerns subside and investor confidence returns to the community banking sector.

Another Good Credit Quarter. At quarter-end, nonperforming assets ticked up slightly to 1.10% of total assets and nonaccrual loans remained flat at 1.26% of total loans. We feel FCBC is well reserved as the company's allowance for loan losses now stands at 122% of nonperforming loans and 1.79% of total loans (up 3 basis points sequentially). While there is always the chance that FCBC encounters a slip in asset quality in the quarters to come, we expect the bank's absolute level of problem loans to remain quite strong relative to peers.

Margin Contracts. First Community's margin declined 10 basis points sequentially to 3.92%. We were a bit surprised by the contraction and had been modeling for slight expansion in the quarter. Going forward, we are modeling for a fairly flat margin in the second half of the year and then slight deterioration in 2011 in anticipation of a higher rate environment.

Capital Still Looks Good. FCBC's tangible book value expanded to \$9.95 from \$9.16 at year-end and the company's tangible common equity to tangible assets ratio expanded 43 basis points to 8.22%. We believe the company's capital position and improved equity value should allow them to pursue additional acquisition opportunities. Finally, we believe FCBC will be one of the first community banks in the region to start rebuilding their dividend, although we would be surprised to see that process started in 2010.

Adjusting Estimates. We are taking our 2010 EPS estimate down \$0.04 to \$1.10 due to lower margin estimates. For 2011 and 2012, we are taking both estimates down by \$0.10 each to \$1.30 and \$1.60, respectively. The adjustments are due to lower margin estimates and lower asset growth assumptions.

First Financial Holdings (FFCH-NASDAQ)**Rating:** Buy**Target:** \$20.00**Basis of Target:** Approximately 1.5 Times Current Tangible Book Value**Disclosures:** I2**Risk Profile:** Above Average**Most Recent Report:** July 26, 2010

Loss as Expected. As expected, First Financial announced a fiscal third quarter loss of (\$0.79) on \$32.2 million in net charge-offs and further loan loss reserve building. The loss and high level of charge-offs was expected after the company pre-released in early July. FFCH has now scrubbed their highest risk loan portfolios – the land, construction, acquisition and development portfolio in the March quarter and now the commercial real estate and business loans greater than \$1 million portfolio. We had expected a loss, but the degree was worse than expected.

Moving Forward. As we said after the pre-release a few weeks ago, we are undoubtedly disappointed in the degree of charge-offs in the quarter. That said, here are a few thoughts that bode well for the future. First, FFCH has done exactly what they said they were going to do...scrub the highest risk portions of the loan portfolio and make any necessary charges. Having gone through both the construction and land portfolios in the March quarter, and now the commercial real estate and business loans greater than \$1 million portfolio, we believe asset quality trends will be positive in the quarters to come. Second, while the sequential improvement in asset quality was not as dramatic as we had hoped, it was a move in the right direction. Lastly, the string of disappointing quarterly results has eroded investor confidence, signaling a potential bottom in sentiment and an opportunity for long term shareholders.

Asset Quality Details. Compared to the March quarter, nonperforming loans (\$132mn versus \$136mn) and 30 day past due loan balances (\$25.6mn versus \$40.5mn) are down, even with the addition of a large \$18.5 million relationship becoming impaired (\$8.8 million of specific reserves) during the quarter. FFCH boosted their loan loss reserve up to 3.36% of loans from 3.17% sequentially.

Noninterest Income Still a Key to Earnings Power. Core noninterest income of \$16.0mn was up \$0.3mn sequentially on strong mortgage banking and fee income contributions; although insurance revenues were light. FFCH's diverse revenue streams currently help to offset the higher credit costs and should support a meaningful rebound in earnings once charge-offs eventually subside.

Capital Downstreamed. First Financial ended the quarter with a tangible common equity to tangible assets ratio of 6.6% versus 6.9% at March 31st. FFCH downstreamed \$30 million to First Federal and still has \$27 million of liquid assets available at the holding company if needed.

Maintain Buy Rating. We feel that both the company specific and industry uncertainty are priced in the stock at this point and investors are fairly compensated for the risk that remains over the next couple of quarters. We estimate tangible book value will bottom out in the \$13 range (\$13.34 currently), which means investors have the opportunity to purchase this valuable franchise below trough book value. Finally, the recent quarterly losses and credit woes have masked one of the primary attributes that originally attracted us to this name: earnings power. On a pre-tax, pre-provision earnings basis, FFCH earned \$0.94 in the quarter, which highlights the potential for very strong earnings once the near term issues dissipate.

Fulton Financial Corporation (FULT-NASDAQ)

Rating: Buy

Target: \$11-12

Basis of Target: 14x-15x 2011 EPS Estimate

Disclosures: None

Risk Profile: Average

Most Recent Report: July 21, 2010

Raise our rating to Buy. FULT declined approximately 10% in reaction to second quarter earnings. The only logical explanation for this weakness was the 9.7% increase in non-performing assets (NPAs) and more cautionary comments from management regarding the credit and macro environment. In our opinion, these events do not justify a sell-off of this magnitude in light of continued profitability, repayment of the TARP preferred, strong core capital and below peer net credit losses. FULT is a conservatively managed bank and this appears to be a great risk/reward opportunity on the stock. Our target range is \$11-\$12 that can be supported either on an earnings multiple basis or as a reasonable percentage of tangible book value that should grow to over \$7.00 in the next year.

FULT just repaid TARP. After waiting hopefully that the company would get permission to repay the Treasury, the stock has sold-off in the wake of this significant announcement! Investors should clearly understand in the current environment that this event was entirely dependent on regulatory approval. FULT's regulators must have a comfort factor that management is addressing its credit issues and underwrites in a conservative fashion. In the wake of the May equity offering, this will aid year-over-year comparisons in 2011. FULT's tangible common equity is 8.15% of tangible assets at June 30th.

NPAs did increase in the quarter, but the news was not all bad. NPAs increased 9.7% to just under \$343MM, or 2.06% of total assets. The deterioration in the quarter was concentrated in the commercial real estate portfolio and over half of this increase was driven by a condo project and a hotel in the suburban Philadelphia region. Management indicated that 30 and 90 day delinquencies improved modestly in the period. Net credit losses were stable versus recent periods at \$28.9MM, or .97% of loans. FULT's level of NPAs and net charge-offs remain below peer levels.

We are refining our estimates. Due to this quarter's commentary, we are assuming a cautious stance toward reserve levels and charge-offs. We have eliminated any assumption for reserve releases in 2011. Management also provided more insight into the level of overdraft charges that could be impacted by pending changes in Reg E. Due to these model assumptions, we have lowered our 2010 estimate by \$.03 to \$.57 and our 2011 forecast by \$.04 to \$.80 per share. Both of these projections are below current consensus expectations.

The margin should expand modestly in the current quarter. FULT's net interest margin (NIM) declined two basis points sequentially to 3.76%, but increased 33 basis points over the prior year. While we expect little-to-no growth in the balance sheet near term, maturing CDs and FHLB advances should allow NIM to increase in the third period. Average loans declined slightly in the June quarter, while average core deposits increased 5.7%. We expect similar trends in the short-term that should aid the NIM.

StellarOne Corporation (STEL-NASDAQ)

Rating: Buy
Target: \$18.50
Basis of Target: 1.5 Times Tangible Book Value

Disclosures: I, I2, S/C
Risk Profile: Average
Most Recent Report: July 21, 2010

Near-Term Excitement Wanes; Still a Sound Long-Term Buy. A stagnant economy has pushed hopes of a rebound in earnings out several more quarters. That said, we continue to recommend purchase of STEL shares for long-term oriented investors. We continue to believe that the worst of STEL's credit problems are behind them, although the weak economy could mean we do not see a meaningful improvement in 2010. With the stock trading at slight discount to the current tangible book value we feel STEL shares continue to offer a favorable risk/reward for shareholders. Our largest concern remains near-term earnings power.

Credit Profile Mixed Versus Q1. StellarOne's nonaccrual loan balance increased \$4.9 million to \$64.1 million in the quarter and total nonperforming assets increased \$8.5 million to \$70.6 million, or 2.36% of total assets. Positively, STEL's 30-89 day past due balance dropped \$17.8 million to \$41.4 million. After charging-off \$6.5 million in the quarter (1.19% of average loans), STEL built the loan loss reserve to 1.95% of loans, which is up from 1.80% at year-end. Nearly 63% of nonaccrual loans are commercial real estate, which includes \$13.8 million of nonperforming construction and development loans in the Smith Mountain Lake market.

Capital Still in Great Shape. STEL's capital position improved in the quarter and still remains in very strong. At quarter-end, the company's tangible common equity to tangible assets ratio improved to 9.57% and Tier 1 capital moved to 13.95%. STEL continues to have one of the stronger capital positions in their peer group, which should allow them flexibility when it comes to growth initiatives and potential TARP repurchase. Management indicated last quarter that they have begun initial discussions with the Fed concerning the potential exit of TARP and the company expects a decision by the third quarter conference call date.

Q2 Earnings as Expected. Earnings of \$0.05 per share in Q2 exceeded our \$0.04 estimate. Backing out one-time items, we estimate core earnings to have been closer to \$0.03 in the quarter. Stronger than expected non-interest income contributions more than offset a higher than expected loan loss provision (\$7.3 million versus \$6.0 million estimate). The margin in the quarter of 3.59% marked another 7 basis point sequential improvement and was slightly ahead of our estimate. Additional CD repricing in the third quarter should support additional modest expansion in the second half of the year.

Earnings Outlook. For 2010, we are taking our EPS estimate up \$0.01 to \$0.17 due to the second quarter beat. For 2011, we are reducing our EPS estimate from \$0.60 to \$0.50 due primarily to a higher loan loss provision estimate. We had previously hoped earnings could approximate \$1.00 in 2011; however, a contracting loan portfolio and a fairly conservative loan loss provision estimate bring that figure down. We continue to believe that in order for STEL to achieve earnings north of \$1.00/share we believe the company will need to drive further efficiencies out of their current platform, which could require putting some capital to work through a strategic acquisition.

SunTrust Banks (STI-NYSE)

Rating: Neutral
Target: N/A
Basis of Target: N/A

Disclosures: S/C
Risk Profile: Above Average
Most Recent Report: July 22, 2010

We are getting more interested in STI, but retain our Neutral rating. We were generally encouraged by second quarter results that reflect better than forecasted operating trends and further signs of improving asset quality. The loss for the June quarter was (\$.11), better than our forecast of a loss of (\$.43) and the consensus of (\$.35). While results included \$57MM in security gains and enhanced trading revenues due to a \$63MM benefit from fair value adjustments on STI debt and associated hedges, this was partly offset by \$63MM in one-time expenses related to the early extinguishment of debt. These results give us additional confidence that STI can return to profitability in 2011. On weakness from current price levels, we would consider upgrading STI, particularly if the shares trade back under tangible book value.

Credit metrics improved more than we expected. Net charge-offs declined \$99MM from the first quarter to \$72MM, or 2.57% on an annualized basis. STI provisioned \$662MM, \$200MM less than Q1, facilitating a \$60MM reserve release. Total nonperforming assets (NPAs) fell \$580MM during the quarter to \$5.5B. The allowance stood at \$3.16B, or 2.81% of total loans which was flat in percentage terms despite the modest reserve release. Stated 30-89 day delinquencies increased 7 bp to 1.26% of the portfolio at quarter-end, but excluding federally guaranteed credits and GNMA repurchases this figure actually dropped 6 bp sequentially to 0.98%.

We are changing our estimates. Due to June quarter results and the expectations for lower credit-related expenses in the future, we are lowering our loss assumption for this year from (\$1.25) to (\$.70). We are lowering our projections for certain fee line items due to the implementation of Regulation E changes (overdrafts) and the likely lowering of debit interchange fees in 2011. As a result, we are lowering our 2011 forecast by a dime to \$.75. Our annual assumptions for net charge-offs are 2.56% for this year with a drop to 1.85% in 2011. This clearly assumes relatively stable macro economic conditions.

Management reiterated they want to repay TARP. STI is the largest financial institution that is awaiting regulatory approval to repay its TARP-related preferred stock. We admire management's willingness to endure additional short-term dilution in favor of not diluting shareholders with additional common equity offering. Improving credit metrics and profitability should provide the regulatory with the evidence they need that STI is adequately capitalized without the Treasury's funds. Internal capital generation was evident despite the reported loss. (The company made money due to a tax credit before the payment of preferred dividends this quarter.) STI's tangible common equity ratio increased 30 bp to 7.18% and Tier One Common advanced 15 bp to 7.85%. The Tier One Capital ratio was 13.40% and would drop to 9.80% if the TARP preferred was repaid.

Union First Market Bankshares (UBSH-NASDAQ)

Rating: Buy

Target: \$22.00

Basis of Target: Approximately 1.9 Times Tangible Book Value

Disclosures: S/C, I2

Risk Profile: Above Average

Most Recent Report: July 23, 2010

Earnings Move Higher. UBSH posted a great second quarter from an earnings perspective as a higher than expected net interest margin combined with lower credit costs to drive \$0.32 in EPS versus the consensus \$0.20. The largest issue we see is a sequential uptick in nonperforming assets, which jumped from \$72.4 million last quarter to \$95.9 million. The largest components of the increase were a \$9.6 million increase in 90 day past dues and \$10.6 million increase in nonaccrual loans.

Still and Good Buy and Hold Stock. While the uninspiring economic and regulatory news may weigh on the banking sector in the coming months, we continue to believe there is plenty of good value in UBSH on an intermediate and long term basis. Our \$22 target is based on roughly 1.9 times the current tangible book value, which increased \$0.36 this quarter to \$11.53. In addition, we think once sentiment towards the group improves this stock should act well (we are the only firm with a Buy rating on the stock at this point). We got a preview of this earlier this year when the economic outlook appeared more favorable and the stock ran up 35%+ between fourth quarter earnings and first quarter earnings.

Credit Weakens, but Still Better than Most Peers. Relative to peers, UBSH's asset quality figures continue to be favorable with nonperforming assets totaling 2.00% of total assets. Again, the largest concern in the quarter was a \$23.5 million increase in nonperforming assets. This is the second quarter in a row where the sequential increase was more than we would have liked to have seen, which could keep a lid on the stock near term. Management indicated that asset quality will likely remain soft in the near term. As we have said in the past, while not out of the woods just yet, Union will likely experience lower credit losses through this cycle than many peers. Net charge-offs ticked up to \$4.0mn (just 0.56% of loans) and the loan loss reserve now stands at 1.20%.

Core Margin Still Looks Good. Excluding the positive impact of \$3.6 million of fair value accretion associated with the merger, UBSH's core margin came in flat sequentially at 4.23%. Including the accretion, the margin was 4.65% versus our 4.42% estimate as cost of funds declined and yields on earning assets held steady. The accretion will gradually dissipate over the next several quarters, but we continue to expect the core margin to remain fairly stable.

Maintain Buy Rating. We feel the outlook for Union remains positive, although near term credit trends will likely remain an overhang. Several positives continue to be low levels of charge-offs, a strong margin and a solid capital position (tangible common equity to tangible assets ratio is strong at 7.9%). We continue to believe the merger will be successful and the combination has a chance to build UBSH into a special franchise. Our GAAP EPS estimate for 2010 moves up from \$0.72 to \$0.94 due to the second quarter beat and higher margin estimates in the second half. Our 2011 estimate remains at \$1.25, which assumes historically high provision levels, weaker noninterest income (lower mortgage banking and service charges) and modest loan growth.

Virginia Commerce Bancorp (VCBI-NASDAQ)

Rating: Neutral
Target: N/A
Basis of Target: N/A

Disclosures: I2
Risk Profile: Above Average
Most Recent Report: July 19, 2010

We Like the Current Path. VCBI continues to steer the ship in the right direction after a rough 2009. Credit costs remained fairly flat compared to the first quarter and overall nonperforming assets declined sequentially. An improving net interest margin and low efficiency ratio supported strengthening earnings in the quarter. We continue to rate the shares Neutral, although once the capital raise (see below) is behind the company and a couple more quarters of credit improvement are in the books we could become more interested.

Capital Raise Pulled. VCBI announced a \$75 million capital raise and a 15% overallotment option, but subsequently has pulled the offering due to adverse market conditions.

Margin, Provision Support Improving Earnings. VCBI posted earnings of \$0.15 per share compared to our \$0.12 estimate, but after adding back certain one-time expenses we estimate core earnings to have been \$0.19. A much lower than expected loan provision and higher than expected net interest margin drove much of the upside relative to our estimate.

Asset Quality Improves. Not including troubled debt restructurings, total nonperforming assets and past dues declined \$17.2 million sequentially and roughly \$48.0 million year-over-year. As a percentage of assets, total NPAs at quarter-end were roughly 3.24% compared to 5.17% a year ago. Management continues to expect year-end NPAs will be in the 2.0-2.5% of assets range, again quite an improvement compared to a year ago. Troubled debt restructurings, which are still accruing interest, increased \$16 million sequentially to \$97.0 million. Regulatory capital ratios are in good shape and the announced common equity raise should improve the quality of VCBI's capital base.

Expectations Nudge Higher. Given the second quarter beat and higher margin assumptions, along with lower credit cost estimates, we are taking our 2010 EPS estimate to \$0.63 from \$0.51. In 2011, we increased our estimate by a nickel to \$0.67, which fully incorporates a capital raise and elimination of the TARP preferred. Our 2011 net interest margin estimate moves up to 3.80% from 3.60% due to expectations for a static interest rate environment, although it would represent a modest decline relative to 2010 as security yields compress.

Wilmington Trust Corporation (WL-NYSE)

Rating: Buy
Target: \$15
Basis of Target: 25% Premium to Book Value

Disclosures: S/C
Risk Profile: Above Average
Most Recent Report: July 23, 2010

Was this the kitchen sink quarter? Our gut says "yes", but the magnitude of this loss did surprise us. WL reported a net loss of \$121MM, or (\$1.33) per share. This loss was credit driven as a material increase in internally classified loans and net charge-offs triggered a \$205MM provision that exceeded the quarter's losses by \$74MM. This was the third consecutive quarter of substantial reserve builds and increased the allowance for losses to \$374MM, or 4.46% of total loans. About \$19MM in various credit-related expenses, \$7.7MM in net security losses and \$1.8MM of one-time compensation expenses relating to the new CEO also reduced net results. On the positive side, fee revenue trends improved sequentially and the net interest margin improved 12 basis points and was above our expectations.

We are retaining our Buy rating and \$15 target. The market's relatively muted reaction to this loss indicates there was some expectation of more aggressive reserve actions in light of the recent CEO change and related board actions. We believe WL is taking an appropriately more conservative stance in regards to its asset quality problems that should allow to deal with its issues. Repayment of TARP will clearly be deferred until we see a stabilization in credit metrics and an associated return to profitability – this is more likely in 2011.

A third party did participate in a recent credit review. This consultant reviewed policies and procedures and specifically reviewed about \$935MM of credits in the more problematic construction and CRE portfolios. We take some comfort that another set of eyes in addition to the regulators have looked at these credits. Management indicated that recent deterioration in collateral values and the financial health of various borrowers, particularly in the southern Delaware market, drove the significant increase in net charge-offs and reserves. Substandard credits increased \$362MM on a sequential basis to \$1.45B, or 17.5% of

the loan portfolio. Management indicated that 92% of the loans added to this category in the quarter were accruing and 69% of the total is current on payments. Surprisingly, the biggest contributor to this increase was the C&I portfolio, but WL indicated that a substantial part of these customers are in businesses tied to real estate construction. Management indicated some management changes have been made and the workout group is being enlarged to more aggressively deal with problem assets.

We are lowering our estimates. We are lowering our current year forecast from a loss of (\$.20) to a loss of (\$2.10) to reflect second quarter results and our expectations of higher provisions over the remainder of this year. We are also lowering our 2011 projection from \$1.00 to \$.50 on the assumptions of higher net charge-offs continuing into next year. Our other revisions are minor, but include higher "other" expenses that includes credit-related items at this time.

Davenport Bank Quarterly
Valuation Data - Banks

Major Regionals/Nationals	Symbol/ Market	Market Cap	Close 8/17/2010	12 Month		Book Value	Price/ Book	Tang. BV	Price/ TBV	Earnings/Share ¹		Price/Earnings		Dividend	Yield
				High	Low					2010E	2011E	2010E	2011E		
Bank of America	BAC-N	\$132,547	\$13.21	\$19.86	\$13.02	\$21.45	0.62x	\$12.15	1.09x	\$0.95	\$1.56	13.9x	8.5x	\$0.04	0.30%
BB&T Corporation*	BBT-N	\$16,527	\$23.85	\$35.72	\$23.50	\$24.07	0.99x	\$14.49	1.65x	\$1.35	\$2.30	17.7x	10.4x	\$0.60	2.52%
Capital One Financial*	COF-N	\$17,869	\$39.12	\$47.73	\$32.42	\$55.33	0.71x	\$23.84	1.64x	\$4.55	\$4.10	8.6x	9.5x	\$0.20	0.51%
Citigroup, Inc.	C-N	\$111,548	\$3.85	\$5.43	\$3.11	\$5.33	0.72x	\$4.29	0.90x	\$0.38	\$0.46	10.1x	8.4x	\$0.00	0.00%
Fifth Third Bancorp	FITB-OTC	\$9,612	\$12.07	\$15.95	\$8.76	\$12.65	0.95x	\$9.51	1.27x	\$0.37	\$0.99	32.6x	12.2x	\$0.04	0.33%
First Horizon National Corporation	FHN-N	\$2,378	\$10.39	\$15.66	\$10.13	\$9.55	1.09x	\$8.68	1.20x	(\$0.12)	\$0.50	NM	20.8x	\$0.00	0.00%
Huntington Bancshares	HBAN-OTC	\$3,950	\$5.51	\$7.40	\$3.50	\$5.22	1.06x	\$4.24	1.30x	\$0.15	\$0.45	36.7x	12.2x	\$0.04	0.73%
J. P. Morgan Chase	JPM-N	\$148,614	\$37.48	\$48.20	\$35.16	\$40.99	0.91x	\$28.05	1.34x	\$3.62	\$4.61	10.4x	8.1x	\$0.20	0.53%
KeyCorp	KEY-N	\$6,910	\$7.85	\$9.84	\$5.29	\$9.19	0.85x	\$8.10	0.97x	(\$0.01)	\$0.40	NM	19.6x	\$0.04	0.51%
M&T Bank Corporation	MTB-N	\$10,772	\$90.43	\$96.15	\$56.82	\$61.82	1.46x	\$30.96	2.92x	\$5.36	\$6.09	16.9x	14.8x	\$2.80	3.10%
Marshall & Ilsley Corporation	MI-N	\$3,430	\$6.50	\$10.66	\$4.97	\$9.65	0.67x	\$8.26	0.79x	(\$1.02)	\$0.03	NM	216.7x	\$0.04	0.62%
PNC Financial Services	PNC-N	\$29,118	\$55.42	\$70.45	\$39.39	\$52.82	1.05x	\$35.36	1.57x	\$5.11	\$5.87	10.8x	9.4x	\$0.40	0.72%
Regions Financial Corp.	RF-N	\$8,980	\$7.15	\$9.33	\$4.61	\$11.23	0.64x	\$6.45	1.11x	(\$0.64)	\$0.32	NM	22.3x	\$0.04	0.56%
SunTrust Banks*	STI-N	\$12,068	\$24.14	\$32.02	\$18.45	\$35.98	0.67x	\$23.04	1.05x	(\$0.70)	\$0.75	NM	32.2x	\$0.04	0.17%
Synovus Financial	SNV-N	\$1,908	\$2.43	\$4.55	\$1.45	\$3.17	0.77x	\$3.12	0.78x	(\$1.19)	(\$0.13)	NM	NM	\$0.04	1.65%
U.S. Bancorp	USB-N	\$42,772	\$22.31	\$28.43	\$20.60	\$13.69	1.63x	\$8.20	2.72x	\$1.65	\$2.20	13.5x	10.1x	\$0.20	0.90%
Wells Fargo	WFC-N	\$132,615	\$25.34	\$34.25	\$24.60	\$21.37	1.19x	\$14.39	1.76x	\$2.10	\$2.87	12.1x	8.8x	\$0.20	0.79%
Average	---	---	---	---	---	---	0.94x		1.41x	---	---	16.7x	26.5x	---	0.82%
Median	---	---	---	---	---	---	0.91x		1.27x	---	---	13.5x	11.3x	---	0.56%
Selected Mid-Cap															
First Citizens	FCNCA-OTC	\$1,881	\$177.40	\$213.99	\$131.39	\$162.28	1.09x	\$151.21	1.17x	\$9.75	\$14.09	18.2x	12.6x	\$1.20	0.68%
Fulton Financial Corporation*	FULT-OTC	\$1,706	\$8.58	\$11.75	\$6.77	\$9.37	0.92x	\$6.60	1.30x	\$0.57	\$0.80	15.1x	10.7x	\$0.12	1.40%
Susquehanna Bancshares, Inc.	SUSQ-OTC	\$1,078	\$8.31	\$12.03	\$5.05	\$15.38	0.54x	\$7.23	1.15x	\$0.12	\$0.45	69.3x	18.5x	\$0.04	0.48%
United Bankshares	UBSI-OTC	\$1,076	\$24.68	\$31.99	\$16.39	\$17.84	1.38x	\$10.60	2.33x	\$1.62	\$1.70	15.2x	14.5x	\$1.20	4.86%
Wilmington Trust*	WL-N	\$856	\$9.35	\$20.23	\$8.98	\$12.19	0.77x	\$7.95	1.18x	(\$2.10)	\$0.50	NM	18.7x	\$0.04	0.43%
Average	---	---	---	---	---	---	0.94x		1.43x	---	---	29.4x	15.0x	---	1.57%
Median	---	---	---	---	---	---	0.92x		1.18x	---	---	16.7x	14.5x	---	0.68%
Small-Cap Under Coverage															
C&F Financial Corp.*	CFFI-OTC	\$56	\$18.24	\$22.69	\$15.51	\$23.08	0.79x	\$19.61	0.93x	\$1.68	\$2.00	10.9x	9.1x	\$1.00	5.48%
Capital Bank*	CBKN-OTC	\$25	\$1.95	\$6.95	\$1.60	\$6.61	0.30x	\$6.44	0.30x	(\$2.21)	(\$0.09)	NM	NM	\$0.00	0.00%
Cardinal Financial Corporation*	CFNL-OTC	\$273	\$9.51	\$11.56	\$7.25	\$7.53	1.26x	\$7.07	1.35x	\$0.61	\$0.70	15.6x	13.6x	\$0.08	0.84%
Carolina Bank Holdings*	CLBH-OTC	\$11	\$3.11	\$5.84	\$2.90	\$9.37	0.33x	\$9.37	0.33x	(\$0.54)	\$0.75	-5.8x	4.1x	\$0.00	0.00%
Crescent Financial Corp.*	CRFN-OTC	\$26	\$2.71	\$5.05	\$2.50	\$6.62	0.41x	\$6.54	0.41x	(\$0.40)	\$0.21	-6.8x	12.9x	\$0.00	0.00%
Fauquier Bankshares Inc.*	FBSS-OTC	\$55	\$15.20	\$18.00	\$11.76	\$12.18	1.25x	\$12.18	1.25x	\$1.14	\$1.45	13.3x	10.5x	\$0.80	5.26%
First Capital Bancorp Inc.*	FCVA-OTC	\$15	\$4.99	\$10.74	\$4.05	\$11.23	0.44x	\$11.23	0.44x	(\$1.04)	\$0.55	-4.8x	9.1x	\$0.00	0.00%
First Community Bancshares*	FCBC-OTC	\$236	\$13.27	\$17.67	\$9.95	\$15.05	0.88x	\$9.95	1.33x	\$1.10	\$1.30	12.1x	10.2x	\$0.40	3.01%
First Financial Holdings*	FFCH-OTC	\$158	\$9.58	\$18.64	\$9.46	\$15.66	0.61x	\$13.34	0.72x	(\$2.76)	\$0.50	NM	19.2x	\$0.20	2.09%
First National Corp.*	FXNC-OTC	\$38	\$13.00	\$17.85	\$9.25	\$14.18	0.92x	\$14.07	0.92x	\$0.88	\$1.00	14.8x	13.0x	\$0.56	4.31%
Middleburg Financial Corp.*	MBRG-OTC	\$104	\$14.96	\$18.00	\$11.50	\$14.84	1.01x	\$13.90	1.08x	\$0.46	\$0.50	32.5x	29.9x	\$0.40	2.67%
National Bankshares Inc.*	NKSH-OTC	\$162	\$23.33	\$29.48	\$21.95	\$18.44	1.27x	\$16.69	1.40x	\$2.22	\$2.25	10.5x	10.4x	\$0.88	3.77%
Old Point Financial Corp.*	OPOF-OTC	\$62	\$12.57	\$18.50	\$11.25	\$16.65	0.75x	\$16.65	0.75x	\$0.43	\$1.15	29.2x	10.9x	\$0.20	1.59%
StellarOne Corp.*	STEL-OTC	\$262	\$11.46	\$16.00	\$9.03	\$17.45	0.66x	\$12.12	0.95x	\$0.17	\$0.50	67.4x	22.9x	\$0.16	1.40%
Union First Market Bankshares*	UBSH-OTC	\$324	\$12.51	\$17.93	\$10.76	\$14.96	0.84x	\$11.52	1.09x	\$0.94	\$1.25	13.3x	10.0x	\$0.24	1.92%
Valley Financial Corp.*	VYFC-OTC	\$15	\$3.10	\$10.41	\$2.71	\$8.33	0.37x	\$8.33	0.37x	\$0.59	\$0.65	5.3x	4.8x	\$0.00	0.00%
Virginia Commerce Bancorp, Inc.*	VCBI-OTC	\$161	\$5.97	\$7.69	\$3.01	\$6.15	0.97x	\$6.15	0.97x	\$0.63	\$0.67	9.5x	8.9x	\$0.00	0.00%
Average	---	---	---	---	---	---	0.77x		0.86x	---	---	14.5x	12.5x	---	1.90%
Median	---	---	---	---	---	---	0.79x		0.93x	---	---	12.1x	10.4x	---	1.59%

* Indicates Davenport & Co. estimates

Source: SNL Financial LC

Davenport Bank Quarterly
Fundamental Data
Second Quarter 2010

	Period End Assets (mil)	Profitability					Capital			Asset Quality ¹		
		Return on Avg Assets	Return on Avg Equity	Net Interest Margin	As Reported NIM	Efficiency Ratio	Tier 1 Ratio	Reserves/ Loans	TCE/ Tang. Assets	NonAccr/ Loans	Reserve/ Nonaccr	Net COs/ Avg Loans
Major Regionals/Nationals												
Bank of America	\$2,363,878	0.50%	5.35%	2.76%	2.77%	61.63%	10.67%	4.55%	5.37%	3.74%	121.65%	3.81%
BB&T Corporation	\$155,083	0.56%	5.29%	4.11%	4.12%	53.80%	11.71%	2.60%	6.76%	2.77%	93.93%	2.47%
Capital One Financial	\$197,489	1.63%	13.24%	7.09%	7.09%	49.67%	9.93%	5.34%	5.95%	1.03%	519.01%	5.35%
Citigroup, Inc.	\$1,937,656	0.54%	6.99%	3.17%	3.15%	59.61%	11.99%	6.51%	6.52%	3.50%	186.19%	4.49%
Fifth Third Bancorp	\$112,025	0.68%	5.66%	3.56%	3.57%	60.81%	13.66%	4.71%	6.91%	3.44%	136.93%	2.20%
First Horizon National Corporation	\$26,254	0.31%	2.44%	3.18%	3.19%	66.07%	16.80%	4.42%	7.63%	4.48%	98.83%	3.02%
Huntington Bancshares	\$51,771	0.38%	3.61%	3.45%	3.46%	57.10%	12.51%	3.71%	5.95%	3.18%	116.72%	2.99%
J. P. Morgan Chase	\$2,014,019	0.94%	11.47%	3.05%	3.06%	60.09%	12.12%	5.12%	5.68%	2.31%	221.50%	3.24%
KeyCorp	\$94,167	0.43%	3.70%	3.15%	3.17%	67.91%	13.62%	4.11%	7.65%	3.56%	115.33%	3.14%
M&T Bank Corporation	\$68,154	1.10%	9.40%	3.83%	3.84%	53.06%	9.16%	1.75%	5.72%	2.06%	85.22%	0.64%
Marshall & Ilsley Corporation	\$53,904	-1.06%	-8.59%	3.16%	3.17%	61.83%	11.00%	3.67%	8.19%	4.36%	84.20%	4.16%
PNC Financial Services	\$261,695	1.18%	10.35%	4.37%	4.35%	51.38%	10.70%	3.40%	7.35%	3.31%	104.42%	2.13%
Regions Financial Corp.	\$135,340	-0.81%	-6.31%	2.87%	2.87%	65.14%	12.04%	3.66%	6.26%	4.28%	85.41%	2.95%
SunTrust Banks	\$170,668	0.04%	0.27%	3.32%	3.33%	64.78%	13.51%	2.72%	7.01%	4.05%	67.16%	2.48%
Synovus Financial	\$32,382	-2.82%	-30.05%	3.23%	3.34%	65.25%	13.36%	3.55%	7.58%	5.78%	61.36%	7.15%
U.S. Bancorp	\$283,243	1.07%	10.68%	3.89%	3.90%	50.66%	10.13%	2.76%	5.76%	1.68%	164.10%	2.28%
Wells Fargo	\$1,225,862	1.03%	10.41%	4.34%	4.38%	53.50%	10.51%	3.04%	6.33%	3.44%	88.40%	2.22%
Average	\$540,211	0.34%	3.17%	3.68%	3.69%	58.96%	11.97%	3.86%	6.62%	3.35%	138.26%	3.22%
Median	\$155,083	0.54%	5.35%	3.32%	3.34%	60.09%	11.99%	3.67%	6.52%	3.44%	104.42%	2.99%
Selected Mid-Cap												
First Citizens	\$21,106	0.54%	6.81%	3.53%	3.54%	68.09%	14.26%	1.34%	7.52%	0.52%	257.14%	0.56%
Fulton Financial Corporation	\$16,627	0.77%	5.94%	3.75%	3.76%	52.60%	14.30%	2.26%	8.15%	2.19%	103.35%	0.96%
Susquehanna Bancshares, Inc.	\$13,892	0.16%	1.01%	3.68%	3.69%	64.00%	13.16%	1.90%	7.31%	2.43%	78.27%	1.46%
United Bankshares	\$7,463	0.95%	9.20%	3.65%	3.69%	52.87%	11.73%	1.27%	6.46%	1.19%	106.67%	0.39%
Wilmington Trust	\$10,385	-4.43%	-29.38%	3.14%	3.15%	80.20%	12.33%	4.46%	7.28%	5.72%	77.89%	6.10%
Average	\$13,894	-0.40%	-1.28%	3.55%	3.57%	63.55%	13.16%	2.25%	7.34%	2.41%	124.66%	1.89%
Median	\$13,892	0.54%	5.94%	3.65%	3.69%	64.00%	13.16%	1.90%	7.31%	2.19%	103.35%	0.96%
Small-Cap Under Coverage												
C&F Financial Corp.	\$904	0.64%	6.35%	7.16%	7.16%	74.32%	14.50%	3.58%	6.78%	1.13%	315.53%	1.60%
Capital Bank	\$1,694	-3.16%	-39.67%	3.24%	3.25%	77.89%	9.10%	2.64%	4.90%	5.53%	47.76%	3.91%
Cardinal Financial Corporation	\$2,073	0.96%	8.84%	3.74%	3.74%	56.90%	12.75%	1.32%	9.87%	0.29%	461.80%	0.25%
Carolina Bank Holdings	\$704	-0.90%	-13.14%	3.49%	3.50%	75.31%	NA	1.77%	4.50%	4.26%	41.54%	3.56%
Crescent Financial Corp.	\$986	-1.62%	-17.89%	3.20%	3.33%	67.73%	11.44%	2.58%	6.41%	1.68%	153.75%	3.72%
Fauquier Bankshares Inc.	\$586	0.69%	9.26%	4.15%	4.10%	73.56%	11.26%	1.15%	7.48%	0.53%	217.71%	0.38%
First Capital Bancorp Inc.	\$546	-2.57%	-29.36%	3.05%	3.06%	78.06%	11.20%	2.78%	6.11%	2.71%	102.65%	1.54%
First Community Bancshares	\$2,247	0.91%	7.71%	3.91%	3.92%	60.05%	12.34%	1.78%	8.22%	1.26%	141.56%	0.89%
First Financial Holdings	\$3,324	-1.43%	-14.54%	3.91%	3.92%	64.39%	NA	3.34%	6.71%	4.71%	70.88%	4.91%
First National Corp.	\$544	0.55%	5.40%	4.09%	4.11%	67.14%	13.84%	1.73%	7.61%	1.58%	108.96%	0.48%
Middleburg Financial Corp.	\$1,061	0.33%	3.36%	3.66%	3.67%	79.88%	13.40%	1.41%	9.11%	1.70%	82.51%	0.61%
National Bankshares Inc.	\$995	1.62%	12.52%	4.50%	4.53%	42.92%	17.35%	1.29%	11.78%	1.22%	105.39%	0.30%
Old Point Financial Corp.	\$912	0.43%	4.96%	3.45%	3.45%	74.53%	12.04%	1.87%	8.99%	2.99%	62.68%	0.47%
StellarOne Corp.	\$2,988	0.21%	1.46%	3.58%	3.59%	69.23%	14.01%	1.91%	9.62%	2.98%	64.26%	1.19%
Union First Market Bankshares	\$3,874	0.91%	8.39%	4.64%	4.65%	61.24%	12.51%	1.17%	7.89%	1.69%	69.42%	0.56%
Valley Financial Corp.	\$762	0.67%	9.38%	2.95%	2.96%	71.76%	12.07%	2.00%	5.12%	3.08%	64.88%	2.21%
Virginia Commerce Bancorp, Inc.	\$2,827	0.79%	9.79%	3.85%	3.89%	49.31%	12.13%	2.76%	5.86%	2.86%	96.51%	0.75%
Average	\$1,590	-0.06%	-1.60%	3.92%	3.93%	67.31%	12.66%	2.06%	7.47%	2.36%	129.87%	1.61%
Median	\$995	0.55%	5.40%	3.74%	3.74%	69.23%	12.34%	1.87%	7.48%	1.70%	96.51%	0.89%

¹ Non-performing assets exclude ninety-days delinquent and still accruing interest.

² Capital One numbers reflect only on-balance sheet reserves and 90 day plus delinquencies for non-performers.

Source: SNL Financial LC and company reports. Data may differ from reported figures.

**Davenport Bank Quarterly
Profitability Ratios
Second Quarter 2010**

Major Regionals/Nationals	Return on Average Equity					Return on Average Assets				
	6/30/2009	9/30/2009	12/31/2009	3/31/2010	6/30/2010	6/30/2009	9/30/2009	12/31/2009	3/31/2010	6/30/2010
Bank of America	5.31%	-1.56%	-0.31%	5.54%	5.35%	0.53%	-0.17%	-0.03%	0.51%	0.50%
BB&T Corporation	4.99%	4.04%	4.75%	4.67%	5.29%	0.56%	0.40%	0.47%	0.47%	0.56%
Capital One Financial	3.33%	7.22%	6.09%	12.15%	13.24%	0.52%	1.08%	0.95%	1.39%	1.63%
Citigroup, Inc.	11.68%	1.63%	-21.39%	11.17%	6.99%	0.94%	0.13%	-1.63%	0.84%	0.54%
Fifth Third Bancorp	28.25%	-2.79%	-2.86%	-0.30%	5.66%	3.04%	-0.34%	-0.35%	-0.04%	0.68%
First Horizon National Corporation	-12.32%	-2.91%	-6.06%	-0.32%	2.44%	-1.47%	-0.37%	-0.77%	-0.04%	0.31%
Huntington Bancshares	-10.15%	-12.58%	-25.79%	2.96%	3.61%	-0.97%	-1.29%	-2.82%	0.31%	0.38%
J. P. Morgan Chase	6.43%	8.91%	7.96%	8.10%	11.47%	0.53%	0.70%	0.66%	0.65%	0.94%
KeyCorp	-8.96%	-13.81%	-6.54%	-1.49%	3.70%	-0.92%	-1.59%	-0.75%	-0.17%	0.43%
M&T Bank Corporation	2.87%	6.79%	7.12%	7.67%	9.40%	0.31%	0.74%	0.79%	0.88%	1.10%
Marshall & Ilsley Corporation	-13.03%	-13.40%	-13.33%	-6.56%	-8.59%	-1.37%	-1.51%	-1.60%	-0.81%	-1.06%
PNC Financial Services	2.79%	7.31%	13.69%	8.33%	10.35%	0.29%	0.82%	1.63%	0.97%	1.18%
Regions Financial Corp.	-4.30%	-8.10%	-11.90%	-4.40%	-6.31%	-0.51%	-1.07%	-1.54%	-0.56%	-0.81%
SunTrust Banks	-3.28%	-5.59%	-4.39%	-2.84%	0.27%	-0.41%	-0.73%	-0.56%	-0.37%	0.04%
Synovus Financial	-69.49%	-56.49%	-35.66%	-37.58%	-30.05%	-6.78%	-5.10%	-3.20%	-3.18%	-2.82%
U.S. Bancorp	6.71%	9.53%	9.17%	9.79%	10.68%	0.73%	0.92%	0.87%	0.94%	1.07%
Wells Fargo	11.52%	10.66%	9.32%	8.85%	10.41%	1.02%	1.06%	0.97%	0.85%	1.03%
Median	2.87%	-1.56%	-2.86%	4.67%	5.35%	0.31%	-0.17%	-0.35%	0.47%	0.54%
Average	-2.21%	-3.60%	-4.13%	1.51%	3.17%	-0.23%	-0.37%	-0.41%	0.16%	0.34%
Selected Mid-Cap										
First Citizens	1.73%	22.63%	4.95%	26.25%	6.81%	0.14%	1.84%	0.41%	2.10%	0.54%
Fulton Financial Corporation	2.81%	4.94%	5.04%	5.62%	5.94%	0.32%	0.56%	0.59%	0.67%	0.77%
Susquehanna Bancshares, Inc.	-1.60%	1.39%	1.54%	1.48%	1.01%	-0.23%	0.20%	0.22%	0.22%	0.16%
United Bankshares	4.26%	6.30%	8.99%	9.04%	9.20%	0.41%	0.61%	0.88%	0.91%	0.95%
Wilmington Trust	-2.68%	-1.75%	-3.12%	-7.97%	-29.38%	-0.32%	-0.21%	-0.38%	-1.02%	-4.43%
Median	1.73%	4.94%	4.95%	5.62%	5.94%	0.14%	0.56%	0.41%	0.67%	0.54%
Average	0.90%	6.70%	3.48%	6.88%	-1.28%	0.06%	0.60%	0.34%	0.58%	-0.40%
Small-Cap Under Coverage										
C&F Financial Corp.	8.09%	7.57%	2.77%	7.70%	6.35%	0.79%	0.76%	0.28%	0.79%	0.64%
Capital Bank	3.72%	9.74%	-19.32%	-15.14%	-39.67%	0.32%	0.83%	-1.67%	-1.23%	-3.16%
Cardinal Financial Corporation	4.82%	5.20%	6.60%	7.28%	8.84%	0.48%	0.56%	0.72%	0.79%	0.96%
Carolina Bank Holdings	2.76%	1.37%	-12.47%	2.48%	-13.14%	0.20%	0.10%	-0.88%	0.17%	-0.90%
Crescent Financial Corp.	1.88%	2.08%	-104.44%	2.39%	-17.89%	0.21%	0.24%	-12.10%	0.21%	-1.62%
Fauquier Bankshares Inc.	7.00%	8.95%	7.65%	7.38%	9.26%	0.55%	0.71%	0.58%	0.57%	0.69%
First Capital Bancorp Inc.	-6.39%	3.56%	4.58%	3.01%	-29.36%	-0.60%	0.32%	0.41%	0.27%	-2.57%
First Community Bancshares	4.13%	-17.38%	-51.57%	8.15%	7.71%	0.44%	-1.99%	-6.04%	0.94%	0.91%
First Financial Holdings	7.77%	-1.63%	-5.08%	-22.02%	-14.54%	0.62%	-0.14%	-0.52%	-2.22%	-1.43%
First National Corp.	1.79%	6.16%	7.81%	7.35%	5.40%	0.17%	0.59%	0.77%	0.74%	0.55%
Middleburg Financial Corp.	5.64%	2.24%	4.55%	2.24%	3.36%	0.56%	0.25%	0.55%	0.23%	0.33%
National Bankshares Inc.	11.68%	12.83%	12.41%	12.11%	12.52%	1.37%	1.55%	1.57%	1.55%	1.62%
Old Point Financial Corp.	-3.01%	5.63%	1.84%	-4.59%	4.96%	-0.29%	0.54%	0.17%	-0.41%	0.43%
StellarOne Corp.	-0.33%	-9.13%	0.52%	1.76%	1.46%	-0.04%	-1.18%	0.07%	0.25%	0.21%
Union First Market Bankshares	1.38%	3.91%	3.64%	1.74%	8.39%	0.15%	0.44%	0.44%	0.20%	0.91%
Valley Financial Corp.	-31.44%	9.65%	-19.55%	6.45%	9.38%	-2.55%	0.75%	-1.51%	0.47%	0.67%
Virginia Commerce Bancorp, Inc.	-8.34%	-49.74%	7.60%	8.05%	9.79%	-0.76%	-4.37%	0.61%	0.64%	0.79%
Median	2.76%	3.91%	2.77%	3.01%	5.40%	0.21%	0.44%	0.28%	0.27%	0.55%
Average	0.66%	0.06%	-8.97%	2.14%	-1.60%	0.10%	0.00%	-0.97%	0.23%	-0.06%

Source: SNL Financial LC * Capital One's numbers are on a reported basis.

**Davenport Bank Quarterly
Profitability Ratios
Second Quarter 2010**

Major Regionals/Nationals	Net Interest Margin (%) as Reported					Efficiency Ratio				
	6/30/2009	9/30/2009	12/31/2009	3/31/2010	6/30/2010	6/30/2009	9/30/2009	12/31/2009	3/31/2010	6/30/2010
Bank of America	2.64%	2.61%	2.62%	2.93%	2.77%	63.70%	62.33%	66.26%	54.46%	61.63%
BB&T Corporation	3.56%	3.68%	3.80%	3.88%	4.12%	47.97%	53.22%	51.07%	50.77%	53.80%
Capital One Financial	5.14%	5.64%	5.44%	7.10%	7.09%	56.50%	49.68%	57.31%	42.37%	49.67%
Citigroup, Inc.	3.24%	2.95%	2.65%	3.32%	3.15%	69.75%	62.11%	72.97%	54.52%	59.61%
Fifth Third Bancorp	3.26%	3.43%	3.55%	3.63%	3.57%	58.32%	62.36%	60.84%	61.26%	60.81%
First Horizon National Corporation	3.05%	3.14%	3.19%	3.19%	3.19%	70.47%	62.02%	65.95%	66.30%	66.07%
Huntington Bancshares	3.10%	3.20%	3.19%	3.47%	3.46%	45.44%	55.65%	45.86%	58.47%	57.10%
J. P. Morgan Chase	3.07%	3.10%	3.02%	3.32%	3.06%	49.35%	50.05%	52.45%	59.20%	60.09%
KeyCorp	2.67%	2.80%	3.04%	3.19%	3.17%	69.79%	81.64%	82.54%	72.26%	67.91%
M&T Bank Corporation	3.43%	3.61%	3.71%	3.78%	3.84%	55.92%	55.21%	52.69%	55.88%	53.06%
Marshall & Ilsley Corporation	2.79%	2.82%	2.95%	3.13%	3.17%	59.25%	56.00%	57.30%	56.49%	61.83%
PNC Financial Services	3.60%	3.76%	4.05%	4.24%	4.35%	58.40%	57.32%	55.02%	53.35%	51.38%
Regions Financial Corp.	2.62%	2.73%	2.72%	2.77%	2.87%	56.17%	70.67%	67.18%	72.58%	65.14%
SunTrust Banks	2.94%	3.10%	3.27%	3.32%	3.33%	65.53%	69.96%	76.57%	67.76%	64.78%
Synovus Financial	3.23%	3.22%	3.25%	3.39%	3.34%	59.04%	65.34%	59.02%	64.59%	65.25%
U.S. Bancorp	3.60%	3.67%	3.83%	3.90%	3.90%	45.74%	45.70%	46.78%	46.82%	50.66%
Wells Fargo	4.30%	4.36%	4.31%	4.27%	4.38%	48.66%	46.79%	51.30%	50.18%	53.50%
Median	3.23%	3.20%	3.25%	3.39%	3.34%	58.32%	57.32%	57.31%	56.49%	60.09%
Average	3.31%	3.40%	3.45%	3.70%	3.69%	57.65%	59.18%	60.07%	58.07%	58.96%
Selected Mid-Cap										
First Citizens	3.01%	3.41%	3.49%	3.52%	3.54%	78.56%	73.46%	73.19%	74.18%	68.09%
Fulton Financial Corporation	3.43%	3.55%	3.67%	3.78%	3.76%	54.84%	54.88%	51.80%	52.99%	52.60%
Susquehanna Bancshares, Inc.	3.52%	3.64%	3.77%	3.80%	3.69%	68.04%	62.14%	59.52%	63.07%	64.00%
United Bankshares	3.67%	3.60%	3.55%	3.65%	3.69%	48.11%	50.94%	51.65%	53.34%	52.87%
Wilmington Trust	3.14%	3.19%	3.12%	3.03%	3.15%	64.35%	66.27%	67.18%	71.00%	80.20%
Median	3.43%	3.55%	3.55%	3.65%	3.69%	64.35%	62.14%	59.52%	63.07%	64.00%
Average	3.35%	3.48%	3.52%	3.56%	3.57%	62.78%	61.54%	60.67%	62.92%	63.55%
Small-Cap Under Coverage										
C&F Financial Corp.	6.15%	6.71%	6.55%	6.86%	7.16%	65.89%	66.67%	68.99%	69.25%	74.32%
Capital Bank	3.17%	3.41%	3.25%	3.22%	3.25%	76.02%	65.93%	90.59%	75.45%	77.89%
Cardinal Financial Corporation	2.84%	2.97%	3.32%	3.40%	3.74%	69.82%	68.52%	66.46%	62.45%	56.90%
Carolina Bank Holdings	3.15%	3.25%	3.41%	3.54%	3.50%	58.26%	68.91%	64.23%	69.40%	75.31%
Crescent Financial Corp.	3.00%	3.08%	3.21%	3.27%	3.33%	67.89%	69.44%	67.00%	69.11%	67.73%
Fauquier Bankshares Inc.	4.21%	4.35%	4.33%	4.27%	4.10%	72.19%	72.31%	67.54%	72.17%	73.56%
First Capital Bancorp Inc.	2.51%	2.71%	3.08%	3.22%	3.06%	79.32%	69.67%	64.16%	66.18%	78.06%
First Community Bancshares	3.62%	3.68%	3.92%	4.02%	3.92%	59.57%	60.39%	61.19%	56.97%	60.05%
First Financial Holdings	4.16%	3.99%	3.94%	3.92%	3.92%	52.57%	60.01%	61.66%	64.84%	64.39%
First National Corp.	3.53%	3.73%	3.83%	4.01%	4.11%	71.91%	70.67%	69.72%	68.60%	67.14%
Middleburg Financial Corp.	4.36%	4.13%	3.83%	3.94%	3.67%	75.16%	79.31%	72.04%	86.41%	79.88%
National Bankshares Inc.	4.10%	4.26%	4.51%	4.57%	4.53%	50.65%	46.57%	44.16%	44.82%	42.92%
Old Point Financial Corp.	3.37%	3.58%	3.45%	3.51%	3.45%	75.16%	74.31%	74.95%	71.96%	74.53%
StellarOne Corp.	3.34%	3.30%	3.45%	3.52%	3.59%	74.04%	74.60%	77.56%	71.17%	69.23%
Union First Market Bankshares	3.30%	3.69%	3.97%	4.59%	4.65%	70.14%	68.60%	65.52%	63.38%	61.24%
Valley Financial Corp.	3.08%	3.00%	3.00%	3.00%	2.96%	68.02%	69.51%	70.59%	73.73%	71.76%
Virginia Commerce Bancorp, Inc.	3.35%	3.52%	3.78%	3.79%	3.89%	51.49%	51.29%	64.29%	52.48%	49.31%
Median	3.35%	3.58%	3.78%	3.79%	3.74%	69.82%	68.91%	67.00%	69.11%	69.23%
Average	3.60%	3.73%	3.81%	3.92%	3.93%	66.95%	66.87%	67.69%	66.96%	67.31%

Source: SNL Financial LC * Capital One's numbers are on a reported basis.

**Davenport Bank Quarterly
Asset Quality Ratios
Second Quarter 2010**

Major Regionals/Nationals	Nonaccrual Loans/Loans (%)					NCOs/Avg Loans (%)				
	6/30/2009	9/30/2009	12/31/2009	3/31/2010	6/30/2010	6/30/2009	9/30/2009	12/31/2009	3/31/2010	6/30/2010
Bank of America	3.58%	4.06%	4.39%	3.85%	3.74%	3.44%	3.95%	3.55%	4.19%	3.81%
BB&T Corporation	2.08%	2.40%	2.56%	2.77%	2.77%	1.81%	1.73%	1.84%	1.82%	2.47%
Capital One Financial	1.18%	1.38%	1.42%	1.04%	1.03%	4.24%	4.52%	4.99%	6.00%	5.35%
Citigroup, Inc.	4.31%	5.17%	5.28%	3.90%	3.50%	5.09%	4.99%	4.60%	4.57%	4.49%
Fifth Third Bancorp	3.47%	4.02%	4.02%	3.77%	3.44%	2.95%	3.65%	3.54%	2.91%	2.20%
First Horizon National Corporation	5.62%	5.88%	5.05%	5.16%	4.48%	4.62%	4.14%	3.90%	4.02%	3.02%
Huntington Bancshares	4.66%	5.76%	5.15%	4.74%	3.18%	3.37%	3.71%	4.74%	2.56%	2.99%
J. P. Morgan Chase	2.17%	2.72%	2.77%	2.39%	2.31%	3.45%	3.83%	3.85%	4.36%	3.24%
KeyCorp	3.25%	4.11%	3.51%	4.00%	3.56%	2.93%	3.59%	4.63%	3.60%	3.14%
M&T Bank Corporation	2.04%	2.28%	2.49%	2.53%	2.06%	1.09%	1.08%	1.04%	0.73%	0.64%
Marshall & Ilsley Corporation	5.01%	4.88%	4.62%	4.58%	4.36%	4.94%	4.52%	5.05%	3.89%	4.16%
PNC Financial Services	2.48%	3.19%	3.61%	3.71%	3.31%	1.83%	1.57%	2.07%	1.71%	2.13%
Regions Financial Corp.	3.05%	3.82%	4.13%	4.44%	4.28%	2.02%	2.84%	2.97%	3.07%	2.95%
SunTrust Banks	4.21%	4.50%	4.57%	4.54%	4.05%	2.45%	3.22%	2.76%	2.79%	2.48%
Synovus Financial	5.40%	5.88%	6.23%	6.59%	5.78%	5.04%	7.27%	5.55%	5.03%	7.15%
U.S. Bancorp	1.61%	1.77%	1.76%	1.82%	1.68%	1.96%	2.20%	2.26%	2.31%	2.28%
Wells Fargo	1.82%	2.48%	2.95%	3.32%	3.44%	1.98%	2.39%	2.60%	2.55%	2.22%
Median	3.25%	4.02%	4.02%	3.85%	3.44%	2.95%	3.65%	3.55%	3.07%	2.99%
Average	3.29%	3.78%	3.79%	3.71%	3.35%	3.13%	3.48%	3.53%	3.30%	3.22%
Selected Mid-Cap										
First Citizens	0.55%	0.44%	0.45%	0.43%	0.52%	0.72%	0.51%	0.45%	0.40%	0.56%
Fulton Financial Corporation	1.88%	1.90%	1.98%	2.02%	2.19%	0.96%	0.81%	0.97%	0.94%	0.96%
Susquehanna Bancshares, Inc.	2.01%	2.28%	2.23%	2.49%	2.43%	1.00%	1.50%	2.08%	1.54%	1.46%
United Bankshares	0.73%	0.83%	0.89%	1.11%	1.19%	1.44%	0.33%	0.45%	0.46%	0.39%
Wilmington Trust	3.27%	4.07%	5.08%	5.38%	5.72%	1.54%	0.96%	1.47%	1.32%	6.10%
Median	1.88%	1.90%	1.98%	2.02%	2.19%	1.00%	0.81%	0.97%	0.94%	0.96%
Average	1.69%	1.90%	2.13%	2.29%	2.41%	1.13%	0.82%	1.08%	0.93%	1.89%
Small-Cap Under Coverage										
C&F Financial Corp.	1.59%	1.29%	0.81%	1.28%	1.13%	1.79%	1.74%	2.72%	1.59%	1.60%
Capital Bank	1.43%	1.36%	2.84%	4.23%	5.53%	0.49%	0.80%	1.52%	2.48%	3.91%
Cardinal Financial Corporation	0.53%	0.67%	0.05%	0.32%	0.29%	0.18%	0.22%	0.24%	0.51%	0.25%
Carolina Bank Holdings	2.95%	2.59%	2.53%	3.48%	4.26%	0.88%	1.65%	1.79%	0.98%	3.56%
Crescent Financial Corp.	1.72%	2.14%	2.39%	3.95%	1.68%	0.94%	0.68%	1.54%	1.36%	3.72%
Fauquier Bankshares Inc.	0.25%	0.94%	0.73%	0.72%	0.53%	0.13%	0.20%	0.46%	0.33%	0.38%
First Capital Bancorp Inc.	0.75%	0.99%	0.89%	1.57%	2.71%	0.14%	0.11%	0.31%	0.26%	1.54%
First Community Bancshares	0.92%	0.88%	1.25%	1.26%	1.26%	0.77%	0.78%	0.77%	0.98%	0.89%
First Financial Holdings	2.43%	2.97%	4.08%	5.17%	4.71%	1.37%	1.10%	3.02%	5.55%	4.91%
First National Corp.	2.79%	2.38%	1.87%	1.93%	1.58%	0.02%	0.21%	0.29%	0.32%	0.48%
Middleburg Financial Corp.	2.41%	1.65%	1.25%	1.37%	1.70%	1.02%	0.67%	0.58%	0.14%	0.61%
National Bankshares Inc.	0.47%	0.67%	0.69%	1.31%	1.22%	0.08%	0.09%	0.14%	0.29%	0.30%
Old Point Financial Corp.	0.94%	0.84%	0.77%	2.77%	2.99%	1.73%	0.33%	1.11%	0.90%	0.47%
StellarOne Corp.	3.18%	2.70%	2.70%	2.73%	2.98%	1.20%	2.47%	0.78%	1.13%	1.19%
Union First Market Bankshares	1.94%	1.54%	1.16%	1.32%	1.69%	0.61%	0.26%	1.70%	0.23%	0.56%
Valley Financial Corp.	3.92%	2.94%	5.00%	5.23%	3.08%	1.64%	0.23%	2.76%	0.40%	2.21%
Virginia Commerce Bancorp, Inc.	4.68%	3.83%	2.88%	3.62%	2.86%	2.95%	3.15%	1.08%	1.22%	0.75%
Median	1.72%	1.54%	1.25%	1.93%	1.70%	0.88%	0.67%	1.08%	0.90%	0.89%
Average	1.94%	1.79%	1.88%	2.49%	2.36%	0.94%	0.86%	1.22%	1.10%	1.61%

Source: SNL Financial LC * Capital One's numbers are on a reported basis.

**Davenport Bank Quarterly
Asset Quality Ratios
Second Quarter 2010**

Major Regionals/Nationals	Reserves/Nonaccrual Loans (%)					Reserves/ Loans (%)				
	6/30/2009	9/30/2009	12/31/2009	3/31/2010	6/30/2010	6/30/2009	9/30/2009	12/31/2009	3/31/2010	6/30/2010
Bank of America	95.12%	92.46%	89.81%	120.27%	121.65%	3.40%	3.75%	3.94%	4.63%	4.55%
BB&T Corporation	100.91%	92.46%	95.66%	93.78%	93.93%	2.10%	2.22%	2.45%	2.60%	2.60%
Capital One Financial	374.44%	338.28%	320.27%	570.23%	519.01%	4.42%	4.66%	4.54%	5.95%	5.34%
Citigroup, Inc.	127.24%	111.42%	113.53%	170.63%	186.19%	5.49%	5.76%	6.00%	6.66%	6.51%
Fifth Third Bancorp	118.58%	113.79%	118.23%	127.76%	136.93%	4.11%	4.57%	4.75%	4.81%	4.71%
First Horizon National Corporation	85.32%	84.38%	95.65%	90.93%	98.83%	4.79%	4.97%	4.83%	4.69%	4.42%
Huntington Bancshares	50.47%	47.32%	77.33%	83.69%	116.72%	2.35%	2.73%	3.98%	3.97%	3.71%
J. P. Morgan Chase	196.63%	172.42%	179.92%	223.96%	221.50%	4.27%	4.69%	4.99%	5.35%	5.12%
KeyCorp	100.39%	96.07%	121.94%	107.30%	115.33%	3.48%	3.95%	4.28%	4.29%	4.11%
M&T Bank Corporation	79.69%	72.95%	67.90%	68.40%	85.22%	1.62%	1.66%	1.69%	1.73%	1.75%
Marshall & Ilsley Corporation	56.61%	62.83%	72.40%	77.55%	84.20%	2.84%	3.07%	3.35%	3.55%	3.67%
PNC Financial Services	108.44%	91.99%	87.65%	89.62%	104.42%	2.69%	2.93%	3.17%	3.33%	3.40%
Regions Financial Corp.	76.35%	73.05%	81.84%	80.36%	85.41%	2.33%	2.79%	3.38%	3.57%	3.66%
SunTrust Banks	52.62%	55.54%	57.75%	59.42%	67.16%	2.21%	2.50%	2.64%	2.70%	2.72%
Synovus Financial	60.96%	58.88%	59.26%	59.77%	61.36%	3.29%	3.46%	3.69%	3.94%	3.55%
U.S. Bancorp	145.22%	145.51%	147.86%	150.34%	164.10%	2.34%	2.58%	2.60%	2.74%	2.76%
Wells Fargo	145.81%	115.14%	100.40%	92.02%	88.40%	2.65%	2.86%	2.96%	3.06%	3.04%
Median	100.39%	92.46%	95.65%	92.02%	104.42%	2.84%	3.07%	3.69%	3.94%	3.67%
Average	116.16%	107.32%	111.02%	133.30%	138.26%	3.20%	3.48%	3.72%	3.97%	3.86%
Selected Mid-Cap										
First Citizens	254.54%	291.87%	294.92%	284.75%	257.14%	1.39%	1.29%	1.34%	1.23%	1.34%
Fulton Financial Corporation	93.88%	102.42%	107.69%	109.28%	103.35%	1.77%	1.95%	2.13%	2.20%	2.26%
Susquehanna Bancshares, Inc.	79.01%	74.81%	78.51%	72.20%	78.27%	1.59%	1.71%	1.75%	1.80%	1.90%
United Bankshares	149.96%	142.04%	133.42%	109.12%	106.67%	1.09%	1.17%	1.18%	1.22%	1.27%
Wilmington Trust	61.55%	54.91%	55.20%	63.94%	77.89%	2.02%	2.24%	2.80%	3.44%	4.46%
Median	93.88%	102.42%	107.69%	109.12%	103.35%	1.59%	1.71%	1.75%	1.80%	1.90%
Average	127.79%	133.21%	133.95%	127.86%	124.66%	1.57%	1.67%	1.84%	1.98%	2.25%
Small-Cap Under Coverage										
C&F Financial Corp.	194.28%	258.32%	444.70%	284.89%	315.53%	3.08%	3.32%	3.61%	3.64%	3.58%
Capital Bank	100.39%	105.34%	66.01%	50.10%	47.76%	1.44%	1.44%	1.88%	2.12%	2.64%
Cardinal Financial Corporation	213.43%	184.82%	2677.59%	413.97%	461.80%	1.13%	1.23%	1.27%	1.33%	1.32%
Carolina Bank Holdings	44.92%	48.85%	71.18%	54.48%	41.54%	1.33%	1.27%	1.80%	1.89%	1.77%
Crescent Financial Corp.	98.57%	83.33%	96.87%	57.15%	153.75%	1.70%	1.79%	2.31%	2.26%	2.58%
Fauquier Bankshares Inc.	446.97%	120.52%	160.76%	159.94%	217.71%	1.11%	1.13%	1.17%	1.16%	1.15%
First Capital Bancorp Inc.	205.75%	160.49%	182.98%	104.53%	102.65%	1.55%	1.59%	1.63%	1.65%	2.78%
First Community Bancshares	159.24%	160.53%	138.51%	140.23%	141.56%	1.31%	1.25%	1.55%	1.58%	1.78%
First Financial Holdings	82.20%	85.70%	67.62%	60.98%	70.88%	2.00%	2.55%	2.76%	3.15%	3.34%
First National Corp.	56.39%	66.99%	85.89%	83.84%	108.96%	1.57%	1.60%	1.60%	1.62%	1.73%
Middleburg Financial Corp.	53.89%	80.94%	106.70%	102.67%	82.51%	1.30%	1.34%	1.33%	1.41%	1.41%
National Bankshares Inc.	230.27%	165.97%	169.01%	92.23%	105.39%	1.09%	1.11%	1.17%	1.21%	1.29%
Old Point Financial Corp.	122.78%	146.05%	159.93%	63.56%	62.68%	1.15%	1.22%	1.24%	1.76%	1.87%
StellarOne Corp.	47.84%	66.96%	66.69%	68.01%	64.26%	1.52%	1.81%	1.80%	1.85%	1.91%
Union First Market Bankshares	78.80%	111.05%	136.41%	88.73%	69.42%	1.53%	1.71%	1.58%	1.17%	1.17%
Valley Financial Corp.	57.27%	77.07%	51.21%	48.03%	64.88%	2.25%	2.27%	2.56%	2.51%	2.00%
Virginia Commerce Bancorp, Inc.	36.72%	82.30%	99.00%	75.89%	96.51%	1.72%	3.15%	2.86%	2.75%	2.76%
Median	98.57%	105.34%	106.70%	83.84%	96.51%	1.52%	1.59%	1.63%	1.76%	1.87%
Average	131.16%	117.96%	281.24%	114.66%	129.87%	1.58%	1.75%	1.89%	1.94%	2.06%

Source: SNL Financial LC * Capital One's numbers are on a reported basis.

*Nonaccrual loans do not include TDRs

To receive price charts and/or research reports on the companies mentioned in this report, please contact Davenport & Company LLC at (800) 846-6666.

Disclosure Section

As of 06/30/10, Davenport's ratings of covered companies were distributed as follows: 56.1% Buy, 42.9% Neutral, 1.0% Sell
As of 06/30/10, Davenport's percentages of covered companies that were investment banking clients within the past 12 months by rating were: 13.0% Buy, 10.2% Neutral, 0.0% Sell

Companies Mentioned in this Report and Associated Disclosures

BB&T Corp. (BBT - NYSE): S/C, A1
Capital One Financial (COF - NYSE): None
Cardinal Financial Corp. (CFNL - NASDAQ): I, I2
First Community Bancshares, Inc. (FCBC - NASDAQ): I2, S/C
First Financial Holdings Inc. (FFCH - NASDAQ): I2
Fulton Financial Corporation (FULT - NASDAQ): None
StellarOne Corporation (STEL - NASDAQ): I, I2, S/C
SunTrust Banks (STI - NYSE): S/C
Union First Market Bankshares Corp. (UBSH - NASDAQ): S/C, I2
Virginia Commerce Bancorp Inc. (VCBI - NASDAQ): I2
Wilmington Trust Corporation (WL - NYSE): S/C
C&F Financial Corp. (CFFI-NASDAQ): I2, I
Carolina Bank Holdings (CLBH - NASDAQ): I2
Capital Bank (CBKN - NASDAQ) I2, O
Crescent Financial (CRFN - NASDAQ) I2
Fauquier Bankshares Inc. (FBSS - NASDAQ) I2, S/C
First Capital Bancorp Inc. (FCVA - NASDAQ) I2, O, I
First National Corp. (FXNC - OTCBB) I2, S/C
Middleburg Financial Corp. (MBRG - NASDAQ) I, I2
National Bankshares Inc. (NKSH - NASDAQ) I2
Old Point Financial Corp. (OPOF - NASDAQ) I2, S/C
Valley Financial Corp. (VYFC - NASDAQ) I, I2, O

Bank of America (BAC - NYSE): N/A
Citigroup, Inc. (C-NYSE): N/A
Fifth Third Bancorp (FITB - NASDAQ): N/A
First Horizon National Corporation (FHN - NYSE): N/A
Huntington Bancshares (HBAN - NASDAQ): N/A
J. P. Morgan Chase (JPM - NYSE): N/A
KeyCorp (KEY - NYSE): N/A
M&T Bank Corporation (MTB - NYSE): N/A
Marshall & Ilsley Corporation (MI - NYSE): N/A
PNC Financial Services (PNC - NYSE): N/A
Regions Financial Corp. (RF - NYSE): N/A
Synovus Financial (SNV - NYSE): N/A
U.S. Bancorp (USB-NYSE): N/A
Wells Fargo (WFC - NYSE): N/A
First Citizens BancShares (FCNCA-NASDAQ): N/A
Susquehanna Bancshares, Inc. (SUSQ - NASDAQ): N/A
United Bankshares (UBSI - NASDAQ): N/A

Bank of the Ozarks (OZRK-NASDAQ): NA
Bank of Virginia (BOVA - NASDAQ): N/A
BNC Bancorp (BNCN - NASDAQ): N/A
Citizens South Banking Corp. (CSBC - NASDAQ): N/A
SCBT Financial Corp. (SCBT-NASDAQ): N/A
Southern National Bancorp of Virginia (SONA-NASDAQ): N/A
Toronto-Dominion Bank (TD - TSX): N/A
South Financial Group (TSFG-NASDAQ): N/A
TowneBank (TOWN-NASDAQ): N/A

Goldman Sachs Group (GS-NYSE): N/A
Morgan Stanley (MS-NYSE): N/A
Visa Inc. (V-NYSE): N/A
Mastercard Inc. (MA-NYSE): N/A

Description of Rating System

- Strong Buy** These shares are viewed as compelling short and long-term investment opportunities. We expect these shares to materially outperform the market over the next 12 months. Aggressive purchase is recommended at current prices.
- Buy** These shares offer attractive long-term appreciation potential from current prices. We would expect these shares to outperform the market over a longer-term horizon and long-term investors can buy at current prices.
- Neutral** These shares should perform roughly in-line with the current market. We neither encourage the purchase nor the sale of these securities at current prices.
- Reduce/Sell** These shares have more downside risk than upside potential at current prices. We expect these shares to underperform the market at current prices.

Risk Profile Considerations

This risk classification has been determined primarily from considering the level and predictability of earnings, the volatility of the stock relative to the market, applicable debt ratings, the composition and level of the company's capital structure, the dependence on key customers, and other relevant risk considerations.

Description of Possible Disclosure Codes

- A1** The Research Analyst or a member of the Analyst's household owns common stock of the subject company.
- A2** The Research Analyst or a member of the Analyst's household owns preferred stock of the subject company.
- A3** The Research Analyst or a member of the Analyst's household has options on the common stock of the subject company.
- A4** The Research Analyst or a member of the Analyst's household owns rights for the securities of the subject company.
- A5** The Research Analyst or a member of the Analyst's household owns warrants for the securities of the subject company.
- A6** The Research Analyst or a member of the Analyst's household has futures contracts on the securities of the subject company.
- A7** The Research Analyst or a member of the Analyst's household has a short position in the common stock of the subject company.
- A8** The Research Analyst or a member of the Analyst's household owns a debt security issued by the subject company.
- B** The Research Analyst or a member of the Analyst's household serves as an officer, director, or advisory board member of the subject company.
- I** Davenport or its affiliates received compensation for investment banking services from the subject company in the past 12 months.
- I2** Davenport or its affiliates expects to receive or intends to seek compensation for investment banking services from the subject company in the next 3 months.
- I/F** Davenport or its affiliates received fixed income investment banking fees from this company within the past 12 months.
- S/C** The subject company was a non-investment banking – securities related services client of Davenport or its affiliates for which compensation was received during the past 12-months.
- N/C** The subject company was a non-securities services client of Davenport or its affiliates for which compensation was received during the past 12-months.
- O** As of the end of the month immediately preceding the date of this report (or the end of the second most recent month if the report date is less than 10 calendar days after the end of the most recent month), Davenport or its affiliates beneficially owned 1% or more of any class of common equity securities of the subject company calculated in accordance with Section 13(d) of the Securities Exchange Act of 1934.
- SCC** The Research Analyst received non-investment banking related compensation from the subject company in the past 12 months.
- U** Davenport or its affiliates managed or co-managed a public offering of securities for the subject company in the past 12 months.
- C** Any other actual, material conflict of interest of the Research Analyst or Davenport and its affiliates, of which Davenport and its affiliates or the Research Analyst knows, or has reason to know, at the time of this report.

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Certification

As the primary author of this report, I hereby certify that the views and opinions expressed herein accurately reflect my personal views and opinions about the principal subject(s) of this report. Further, I hereby certify that no part of my compensation was, is, or will be directly or indirectly related to the specific recommendations or personal views expressed here.

David M. West, CFA, Allan G. Bach