



Dear Shareholder:

In light of recent economic headlines I want to reassure you that Select Bank remains on track and well capitalized. Since opening in July of 2007 your bank has achieved steady growth and we continue to make progress towards our objectives of quality assets, quality people and convenient branch locations. Select Bank never has originated or held subprime mortgages, nor have we ever held stock in Fannie Mae or Freddie Mac. As a Virginia chartered, Federal Reserve Bank member, we are regularly examined by various regulatory agencies for safety and soundness, and our depositors have the benefit of FDIC Insurance.

Community banks in general are well-positioned to handle economic downturns with capital levels at historic highs. Recent high profile failures by other entities generally have been in the mortgage and/or investment bank areas whose function, purpose and regulation differ from federally insured depository institutions like Select Bank.

It is a very exciting time for us with the construction of our headquarters building on Gristmill Drive well underway. We anticipate opening this office in first quarter of 2009. Upon the opening of our new office, we will consolidate our operations department, executive area and branch staff into one location. We encourage you to stop by and take a look at our progress in person or view live construction on our webcam located at [www.myselectbank.com](http://www.myselectbank.com). Enclosed you will find a color rendering of what the building will look like upon completion.

As a shareholder, we hope you will use Select Bank for your banking needs and refer others as well. As a benefit to our shareholders and to encourage you to do additional business with us, we are offering you a special mortgage promotion. **For any primary or secondary home mortgage, we will pay up to \$1,000 in closing costs.** To take advantage of this special offer, please call Garnett Atkins at 434.455.1713 or Susan Glass at 434.455.1714. With outstanding customer service, competitive products and rates and a deposit cutoff time of 6:00 p.m., we are certain you will enjoy the benefits of banking with us.

Demand for our stock remains strong. If you are interested in purchasing additional shares of our stock, please contact Sherri Sackett at 434.455.1704 to be placed on our list should stock become available.

Please visit us at either of our locations, at [www.myselectbank.com](http://www.myselectbank.com), or call us at 434.455.1700. We look forward to being of service to you and welcome your comments and suggestions.

Sincerely,

A handwritten signature in black ink, appearing to read "J. Michael Thomas".

J. Michael Thomas  
President