



**Paragon Bank Makes Strategic Decision to Better Support North Carolina Customers**  
*Inks Deal to Sell Richmond Location to Xenith Bank*

**RALEIGH, N.C. (June 1, 2011)** – Paragon Commercial Bank, a leading commercial and private banking establishment, announced today the intended sale of its Richmond, Virginia, branch operations to Xenith Bank, a Virginia-based commercial bank. Expectations are that the transaction will be completed this summer.

Xenith Bank is headquartered in Richmond, Va., and is a wholly-owned subsidiary of Xenith Bankshares, Inc. (NASDAQ:XBKS) whose business focus aligns closely with that of Paragon. Led by established banking experts, Xenith was founded on the concept of providing exceptional client service and consultative, personalized banking solutions. The sale will include a substantial portion of the loans and deposits of the Paragon Richmond office.

Paragon’s President and CEO, Bob Hatley, said, “We have been very impressed with the similar approach that Xenith has to both its employees and its markets – we rarely find banks that operate as Paragon does.”

The Richmond office was formed in 2006 and was Paragon’s first banking office outside of North Carolina. The sale of the Richmond location will allow Paragon to focus capital and banking efforts on its North Carolina markets of Raleigh and Charlotte. The federal authorities have been calling for a return of bank lending to local markets and this move will facilitate Paragon’s ability to increase lending efforts. This move is also positive for the staff and clients of the Richmond office, allowing them to align with a locally owned bank that has a business model similar to that of Paragon.

**About Xenith Bank**

Xenith Bank is a full-service, locally-managed commercial bank headquartered in Richmond, Virginia, specifically focusing on the banking needs of middle market and small businesses, local real estate developers and investors, private banking clients, and select retail banking clients in its target markets. As of March 31, 2011, Xenith Bankshares, Inc. (NASDAQ:XBKS), the parent company of Xenith Bank, had total assets of \$264 million and total deposits of \$192 million. For more information about Xenith Bankshares and Xenith Bank, please visit [www.xenithbank.com](http://www.xenithbank.com).

**About Paragon Commercial Bank**

Founded in Raleigh, N.C. in 1999, Paragon Commercial Bank is North Carolina’s first business only bank. Paragon Commercial Bank provides banking products and services tailored exclusively to the needs of middle-market companies with revenues from \$5 million to \$75 million, their executives and high net worth individuals. The bank is headquartered in Raleigh, N.C. For more information, please visit [www.paragoncommercial.com](http://www.paragoncommercial.com).

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