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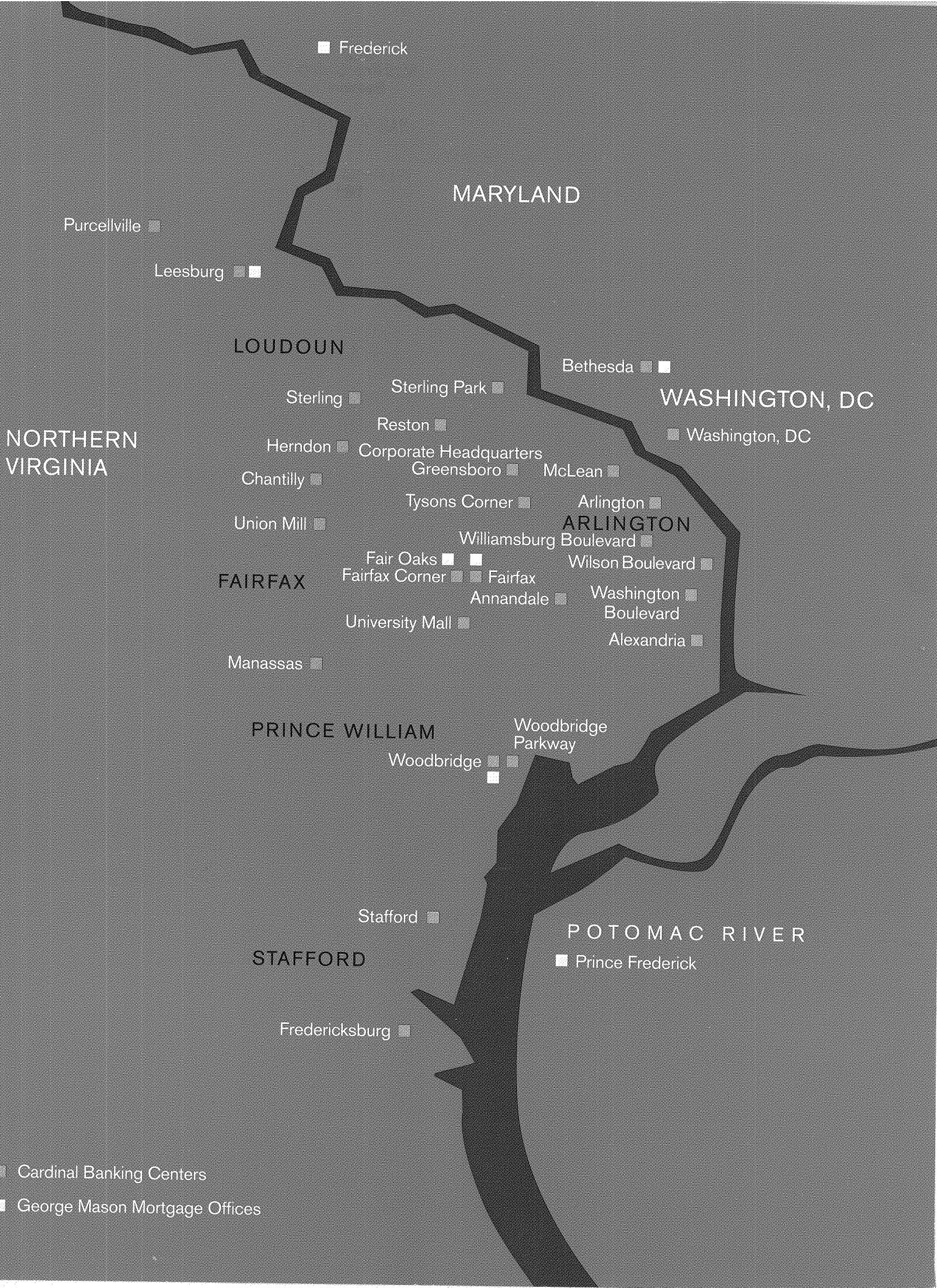


2010 ANNUAL REPORT

***CARDINAL***  

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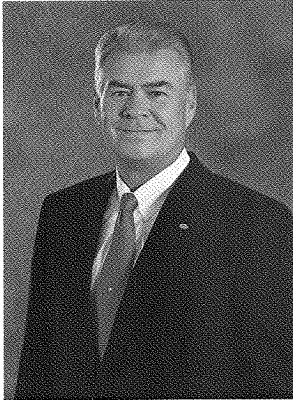
**Financial Corporation**



- Cardinal Banking Centers
- George Mason Mortgage Offices

CARDINAL FINANCIAL CORPORATION 2010 ANNUAL REPORT  
 MESSAGE TO THE SHAREHOLDERS

SEC  
 Mail Processing  
 Section  
 MAR 24 2011  
 Washington, DC



We are pleased to announce another excellent year for Cardinal as we continue to improve upon our key performance measurements. Year over year, our company enjoyed significant overall growth, while hitting record earnings for a second year in a tough economic climate. Cardinal's net interest margin increased, commercial lending activity and deposit growth outpaced the market and mortgage lending volume was strong. As our company's total assets surpassed the \$2 billion mark during the year, we remain committed to our operating philosophy of "Aggressive on Sales, Conservative on Risk" to continue providing sustainable earnings and quality growth year after year.

Total assets at year-end were \$2.07 billion versus \$1.98 billion one year earlier, an increase of 4.85%. Loans held for investment grew to \$1.41 billion, an increase of \$115.9 million, or 8.96%, compared to the prior year-end. Total deposits grew to \$1.40 billion, an increase of 8.23% compared to December 31, 2009. Once again, all capital ratios substantially exceed the requirements of banking regulators to be considered well-capitalized. Tangible Common Equity Capital (TCE) as a percentage of total assets was 10.07% at year-end 2010 compared to 9.54% the prior year-end. Asset quality continues to be strong, largely due to our diligent approach to underwriting, credit management and customer responsiveness. Nonperforming loans remained low at 0.36% of total assets, and annualized net loan charge-offs were 0.37% of loans outstanding.

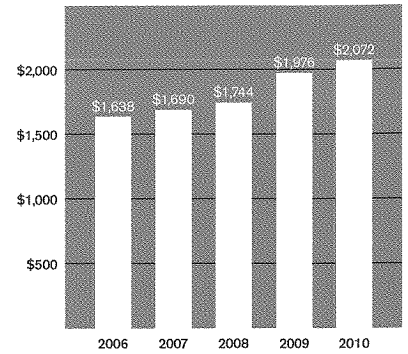
Cardinal had record earnings for the second straight year of \$18.4 million, a 78.62% increase from the prior year. We finished the year with a 3.68% net interest margin, a 74-basis-point increase, not easily achieved in our very competitive market. Low mortgage rates, home buyer tax incentives and general market conditions contributed to a stellar year for mortgage lending, increasing our non-interest income by \$4.0 million to \$27.4 million for the year. In addition, our efficiency ratio dropped to 61.72% from 70.95% in 2009.

As we look ahead in 2011, we face the implications of expanded governmental oversight of our industry through the 2,319-page Dodd-Frank Act. Institutions across the country await the full impact of this sweeping regulation, as the rules related to this legislation are finalized and implemented. Will this lead to a more stable financial industry, or simply more burdensome and costly regulatory oversight? The additional costs related to compliance with the Dodd-Frank Act will be meaningful for our industry, already tasked with significant regulatory compliance. We will face these challenges as we always have, confident in our ability to move our company forward while following the rules of the road.

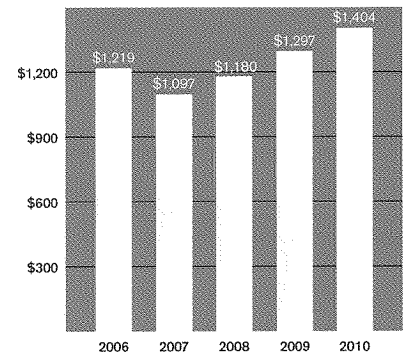
Another area of concern is the emerging trend of the same reckless banking behavior indicating some have forgotten the lessons of the recent past. We are already beginning to see undisciplined underwriting and pricing of loans and deposit products that we believe will eventually lead to problems. We can only hope that the related boards and management will be quicker to correct these issues this time around for the good of our industry. We also believe all banking customers and shareholders would be better off if the free market decides survival and failure in the future.

In 2010, we took advantage of many opportunities to improve the long-term outlook for the Cardinal franchise. In May, we completed a core systems conversion that allows for the expansion of our product line and additional operational efficiencies. As we grow, we will build off these technology investments and our customers

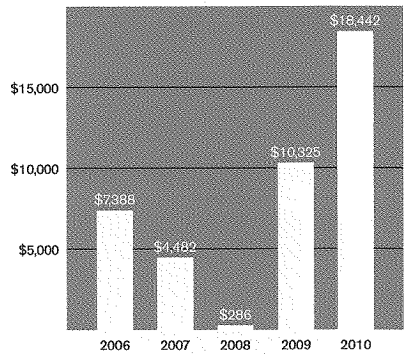
Assets (in millions)



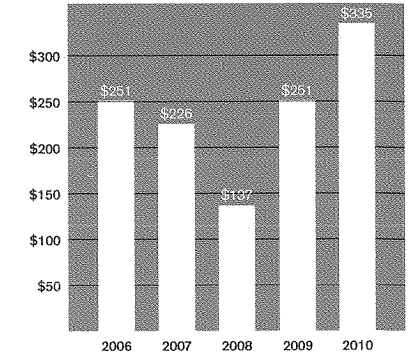
Deposits (in millions)



Net Income (in thousands)

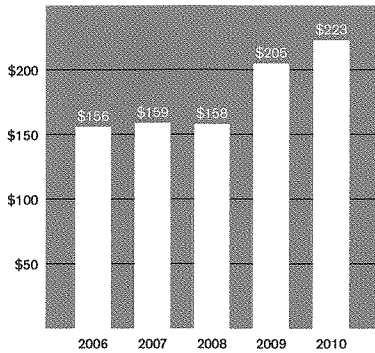


Market Capital (in millions)

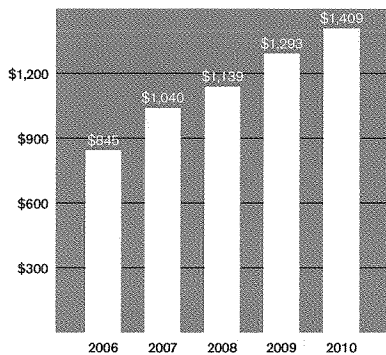


CARDINAL FINANCIAL CORPORATION 2010 ANNUAL REPORT  
**MESSAGE TO THE SHAREHOLDERS**

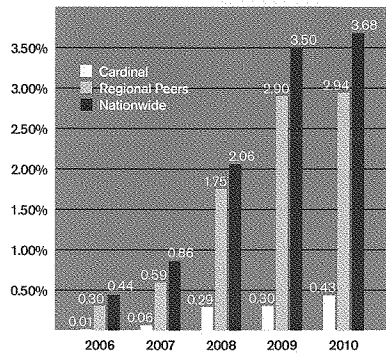
Shareholders' Equity (in millions)



Net Loans Receivable (in millions)



Nonperforming Assets to Peers\*  
 (As a % of Total Assets)



\*Source: SNL Financial

**Regional Peers** – Publicly traded thrifts and banks with assets of \$750 million to \$4 billion, geographic headquarters in MD, DC and VA

**Nationwide** – Publicly traded thrifts and banks with assets of \$1.75 billion to \$2.25 billion

will see enhanced online, cash management and mobile banking services. We opened our 26th retail banking office on Wilson Boulevard in Arlington. We will open our fourth Arlington office in the second quarter of 2011 and continue to evaluate other locations.

George Mason Mortgage (GMM) and Cardinal First Mortgage (CFM) boasted excellent results this year. GMM saw an expansion in its branch locations to six, opening our Frederick, Md., mortgage office in July 2010. The combined efforts of our two mortgage companies helped over 9,000 customers purchase or refinance their homes. After 17 years, Gene Merrill decided that 2010 would be his final year as CEO of GMM and has assumed the position of vice chairman of GMM and CFM. Bob Brower, as GMM/CFM President, will be charged with upholding the standards and success that Gene has helped Cardinal build as hallmarks of our mortgage companies. Bob has 18 years with GMM and is excited for this new leadership opportunity.

With over \$3 billion in assets under administration and investment management, we are committed to the success and growth of our wealth management group. Our region's status as one of the most affluent markets in the United States deems it a necessity to have a solid wealth management program. In addition, the uncertainty and challenges resulting from the recent recession and financial turmoil have only highlighted the importance of professional wealth planning and consultation. The Cardinal Wealth Management Group will always play an important role as part of our financial services team.

Our commitment to the community continues to deepen every year. The annual Cardinal Bank Charity Classic has now raised over \$2 million to support not only our continued partnership with Inova Kellar Center, but the expanded outreach efforts of the Cardinal Bank Community Fund. Through the Fund, we provided grants to more than 40 local organizations that serve our communities in the focused areas of children and families, arts and humanities, health and wellness, and education. One recipient, *Bright Beginnings*, was featured on WUSA Channel 9's "Friday's Heroes" segment, and another, The Young Playwrights' Theater, was honored with the National Arts and Humanities Youth Program Award.

We believe strongly that the presence of a Cardinal office in a community requires a community presence from that banking office. We opened our 11th School Bank at Herndon Middle School this past spring, an event covered by Fox5 News and *Northern Virginia Magazine*. In addition to our ongoing school bank partnerships, corporate participation in community service events and financial literacy efforts, we continue to support sponsorship and service efforts undertaken by our employees to grow and foster the thriving communities that depend on us as a partner.

We received impressive regional and national recognition in 2010. We were named "2010 Business of the Year" by the D.C. Chamber of Commerce. We were recognized with a Five-Star Rating by Bauer Financial, an independent consumer rating agency, and were one of only 32 institutions in the nation named to the Sandler O'Neill + Partners "Sm-All Stars" Class of 2010, our second appearance on this elite list. In October, Cardinal Bank/Washington President Kate Carr was named one of the "25 Women to Watch" by *US Banker Magazine*, and we finished the year being named to the *Washington Business Journal's* "Watch List '11."

As we do every January, we reached out to the business community, partnering once again with George Mason University to co-host the 2011 Annual Economic Conference, "*From Recovery to Expansion: How and When.*" The conference boasted a terrific panel of speakers that attracted over 500 attendees, eager to get both an academic and practical assessment of the economic indicators for the region and the banking industry in the coming year.



Our company is only as good as our employees. I want to personally thank the best educated, highest motivated, and friendliest team of officers and service-oriented employees I have ever had the privilege to work for and with. This team continues to amaze all of our customers with world-class service that can only be obtained at Cardinal. This is "The Team" I will always remember as the best in banking. If you haven't experienced "Cardinal Class Service," please call us and start today.

A thank you also to our Board of Directors who stuck with us and never lost faith during the past couple years. We are extremely grateful for their valuable contributions to Cardinal and express a special and sincere thanks to our Lead Director Sid Dewberry.

We will not rest on our results and recognition. Cardinal's Management, our Employees, and our Board of Directors are committed to ensuring that 2011 is another year of accomplishment. Our team is prepared to face the challenges of the future and deliver the value you have come to expect from Cardinal.

All of us in the Cardinal family are grateful for your support and will continue to prove ourselves worthy of your trust.

Bernard H. Clineburg  
Chairman of the Board and Chief Executive Officer

#### BOARD OF DIRECTORS

Tysons Corner, home to Cardinal Financial Corporation and many *Fortune* 500 corporations, is undergoing one of the biggest transportation improvement projects in the country. The Capital Beltway, Dulles Toll Road and the new Silver Line Metro extension to Dulles Airport are major components of the multi-year plan that will shape the region's growth for decades. High above the bustle of the construction zone, the Cardinal Financial Corporation Board of Directors has the perfect vantage point to survey the skyline of one of the most desirable commercial destinations in the Mid-Atlantic. (L-R): J. Hamilton Lambert, Sidney O. Dewberry, Alan G. Merten, William G. Buck, Alice M. Starr, Buddy G. Beck, Bernard H. Clineburg, George P. Shafran, Michael A. Garcia, William E. "Rick" Peterson and James D. Russo.

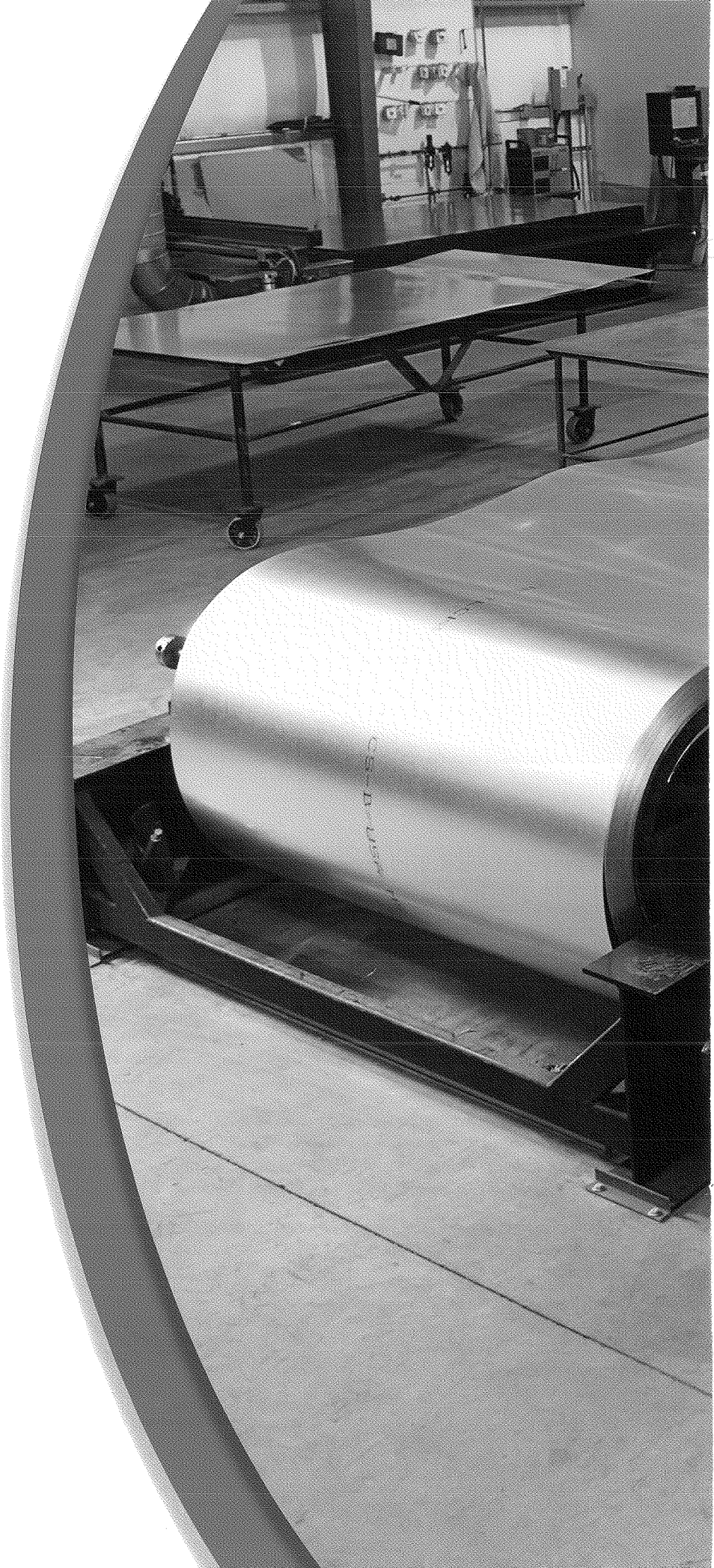
*“Cardinal had record earnings for the second straight year of \$18.4 million.”*

**ACME MECHANICAL  
CONTRACTORS OF VIRGINIA, INC.**

The family-owned **Acme Mechanical Contractors of Virginia, Inc.** serves the plumbing and heating needs of customers throughout the Washington, D.C., area. Working closely with Cardinal Bank, Acme Mechanical Contractors President Gary London was able to expand. He now oversees the operations of the business and its employees from a new 39,000-square-foot facility in Manassas, Va., that is home to a sheet metal shop, pipe fabrication area, warehouse and administrative offices.

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(L-R): Acme Mechanical Contractors President Gary London; Cardinal Bank Regional President & Chief Credit Officer Christopher W. Bergstrom and Executive Vice President Todd W. Hewitt.





## COMMONWEALTH ORTHOPAEDICS

Established in 1994, **Commonwealth Orthopaedics** has steadily expanded throughout the Northern Virginia region. Today, the practice offers 10 medical offices, including two surgical centers and six physical therapy facilities.



### **Pictured Above**

(L-R): Cardinal Regional President F. Kevin Reynolds; Commonwealth Orthopaedics' Charles S. Lefton, M.D., Gordon L. Avery, M.D. and Mark P. Madden, M.D.; and Cardinal Bank Senior Vice President & Market Executive Cheryl S. Beebe.

### **Pictured Right**

(L-R): Inova Health System CEO Knox Singleton and Cardinal Financial Corporation Chairman & CEO Bernard H. Clineburg.





## **INOVA® HEALTH SYSTEM**

For nearly a decade, Cardinal Bank and **Inova Health System** have enjoyed a partnership that has helped bring world-class health care to more than one million Washington area residents each year. In addition, funds raised through the annual Cardinal Bank Charity Classic and the Cardinal Bank Community Fund help support Inova's mission of excellence in patient care, education and research.





*“Cardinal received impressive regional and national recognition in 2010.”*

#### **THE ORTHOPAEDIC FOOT & ANKLE CENTER**

Throughout the Washington area, physicians and medical professionals have come to rely on Cardinal Bank to provide the customized financial products needed for today's sophisticated practices. **The Orthopaedic Foot & Ankle Center** turned to Cardinal because we mirrored its commitment to personal service. As the first comprehensive foot and ankle medical center in the region, it is a teaching center that offers the latest treatments and procedures in a state-of-the-art office environment.

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(L-R): Steven K. Neufeld, M.D., The Orthopaedic Foot & Ankle Center; Cardinal Bank Vice President & Market Executive Penny Bladich; and the Center's Matthew M. Buchanan, M.D.





(L-R): MTCI COO Domonique Basler, CEO Kent L. Milliken and Chairwoman Dalena Kanouse with Cardinal Bank's Government & Technology Group Senior Vice President Seth C. Carter and Senior Vice President & Manager Sushil K. Clarence.

#### **MANAGEMENT AND TRAINING CONSULTANTS, INC. (MTCI)**

Dedicated to providing project management and unique manpower solutions designed to meet specific client requirements, **Management and Training Consultants, Inc. (MTCI)** has been growing since its inception in 1999. Founded by retired military leaders, the Dumfries, Va., consultancy now has clients in 42 states and sees its banking relationship with Cardinal Bank as an integral part of its future success.



### CRAFTMARK HOMES

Cardinal Bank's financial stability has allowed its real estate lending team to remain "in the game" throughout the economic downturn. This, in turn, has helped clients like **Craftmark Homes**, one of the Virginia-Maryland-Delaware region's top homebuilders, continue to meet the housing demands of the market.

(L-R): Cardinal Bank Senior Vice President Richard F. Schoen and Senior Vice President Robert J. Lavery; Craftmark Homes CFO/Senior Vice President Frank J. Malacane, CPA, and Craftmark Homes President Ken Malm.





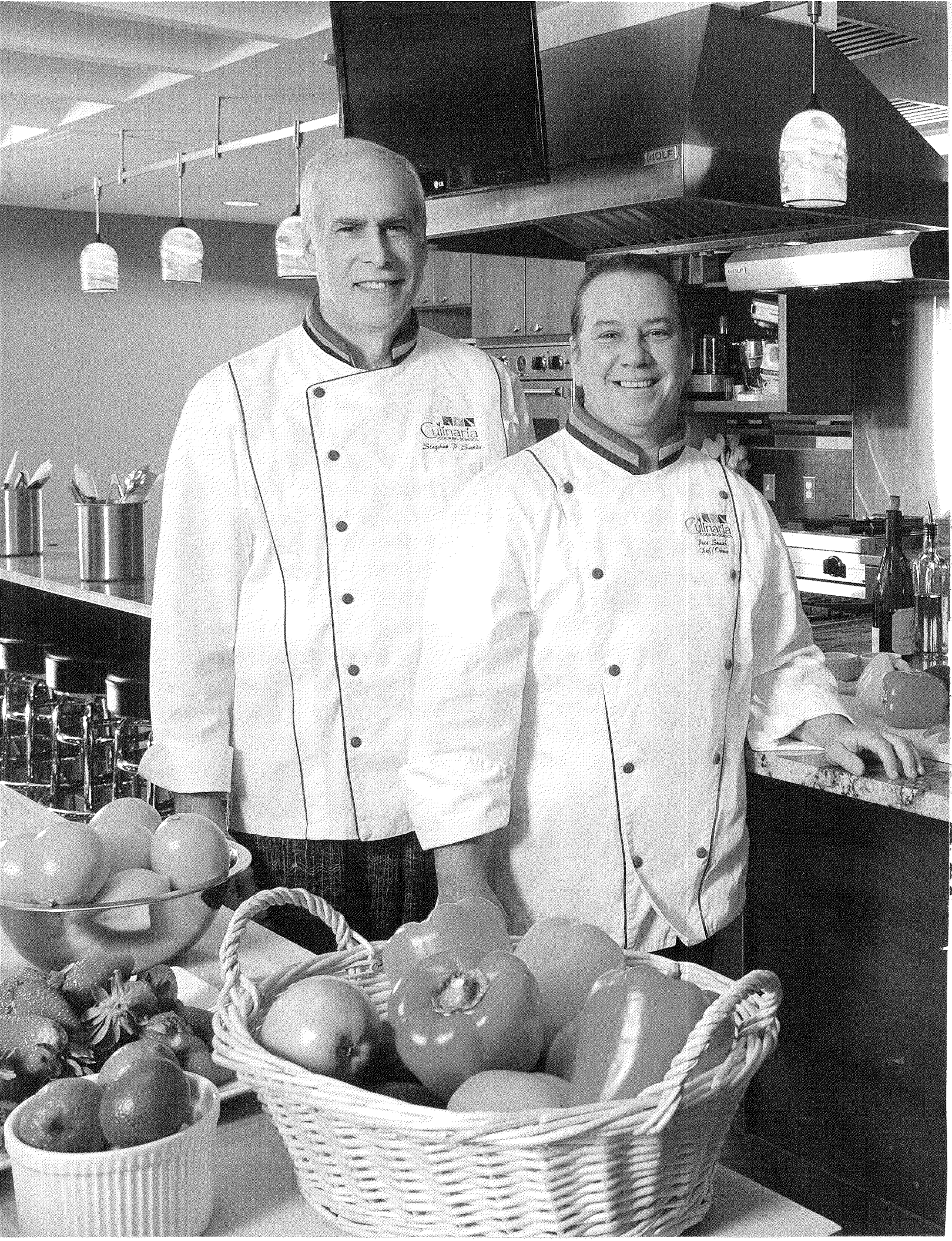


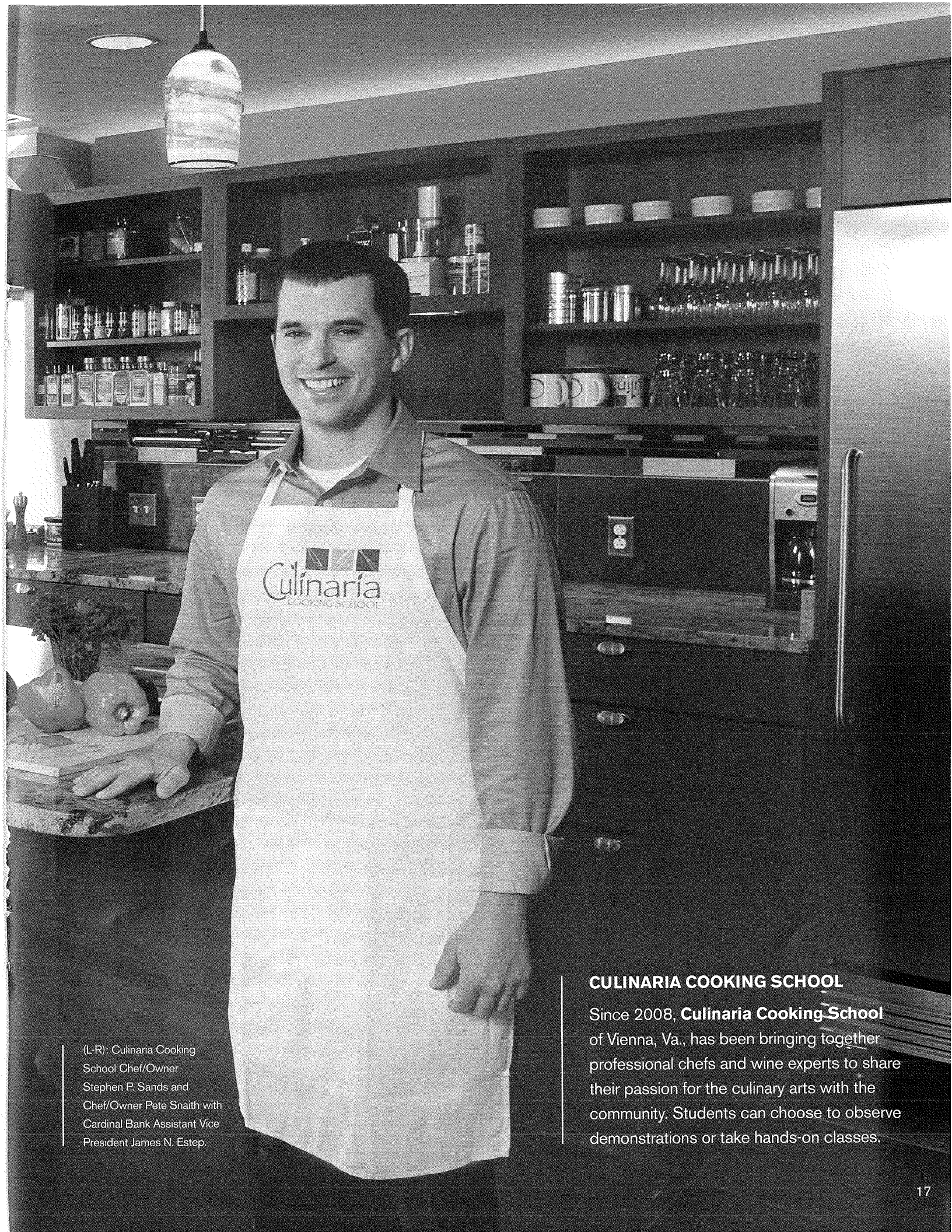


(L-R): Cardinal Bank Vice President Katie Golden and Executive Vice President & Chief Lending Officer Dennis M. Griffith; Chantilly Auto Body President Nedal Khatib and Bob Ellison.

### CHANTILLY AUTO BODY

Innovative business banking products from Cardinal Bank have helped **Chantilly Auto Body** finance its largest 30,000-square-foot repair facility in Chantilly, Va., and open three other locations in Northern Virginia. The business is committed to providing quality workmanship and outstanding customer care.



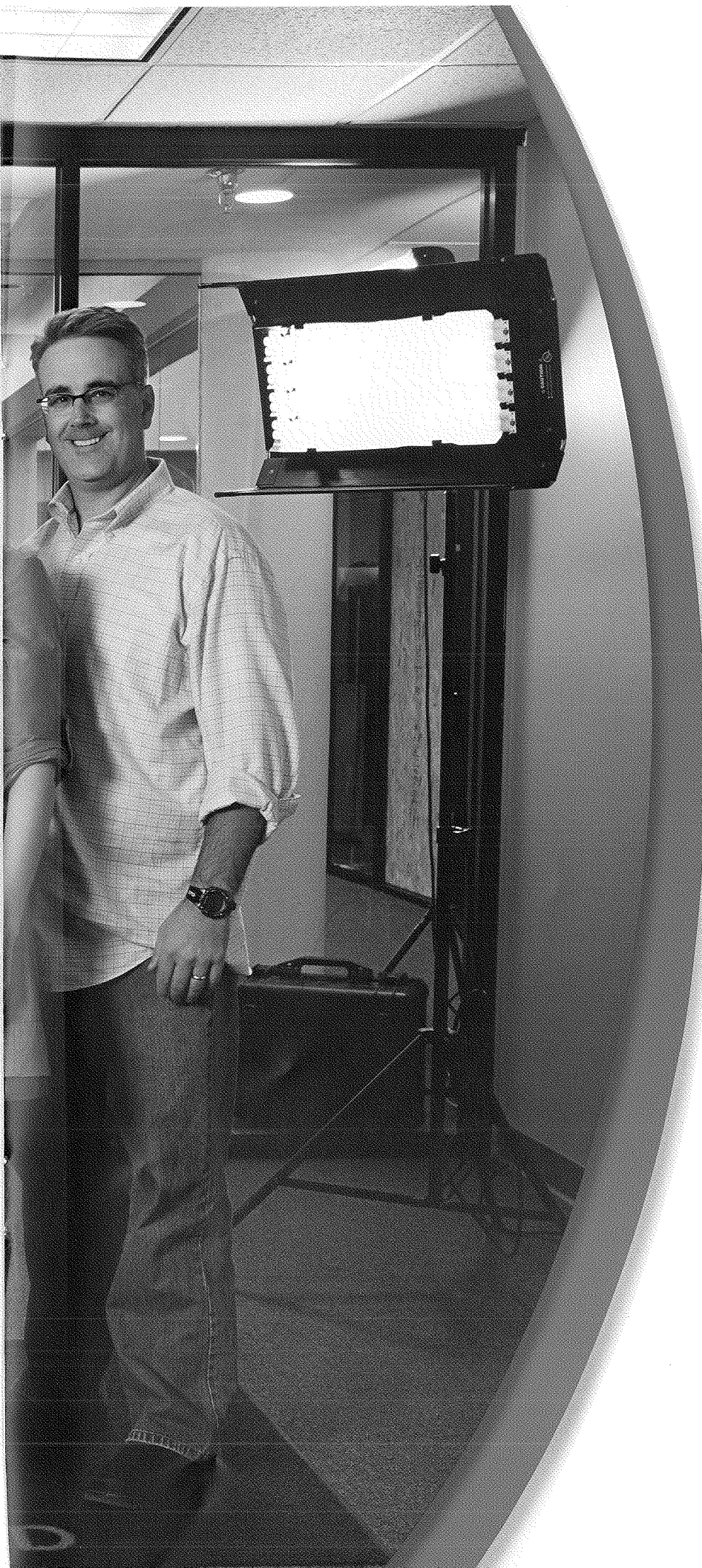


(L-R): Culinaria Cooking School Chef/Owner Stephen P. Sands and Chef/Owner Pete Snaith with Cardinal Bank Assistant Vice President James N. Estep.

## CULINARIA COOKING SCHOOL

Since 2008, **Culinaria Cooking School** of Vienna, Va., has been bringing together professional chefs and wine experts to share their passion for the culinary arts with the community. Students can choose to observe demonstrations or take hands-on classes.





*“Cardinal will not rest on its results and recognition.”*

#### **HALF YARD PRODUCTIONS, LLC**

Since its founding in 2006, **Half Yard Productions, LLC** has delivered nearly 200 hours of television programming, including hits like *The Real Housewives of DC*, *Modern Marvels* and *Say Yes to the Dress*, to networks, studios and entertainment companies around the world. Clients include Bravo, TLC, Discovery Channel, History Channel, Animal Planet, National Geographic Channel and Versus. Today, Cardinal Bank is helping fuel the company’s growth – it recently opened an additional facility in New York City.

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(L-R): Cardinal Bank Vice President Kathryn R. Speakman; Cardinal Bank/Washington President Kate Carr; and Half Yard Productions, LLC Co-Owners Abby Greensfelder and Sean Gallagher.

# LeapFrog solutions



## **LEAPFROG SOLUTIONS, INC.**

Cardinal Bank's wide range of financial solutions designed for small businesses has helped **LeapFrog Solutions, Inc.** grow into a full-service, strategic marketing communications firm serving public- and private-sector clients.

## THE VIRGINIAN

Cardinal Bank is helping **The Virginian** continue its mission of excellence for area seniors as one of the region's premier Continuing Care Retirement Communities (CCRCs). Located in Fairfax, Va., The Virginian offers seniors a variety of living options that range from independent living to long-term care.

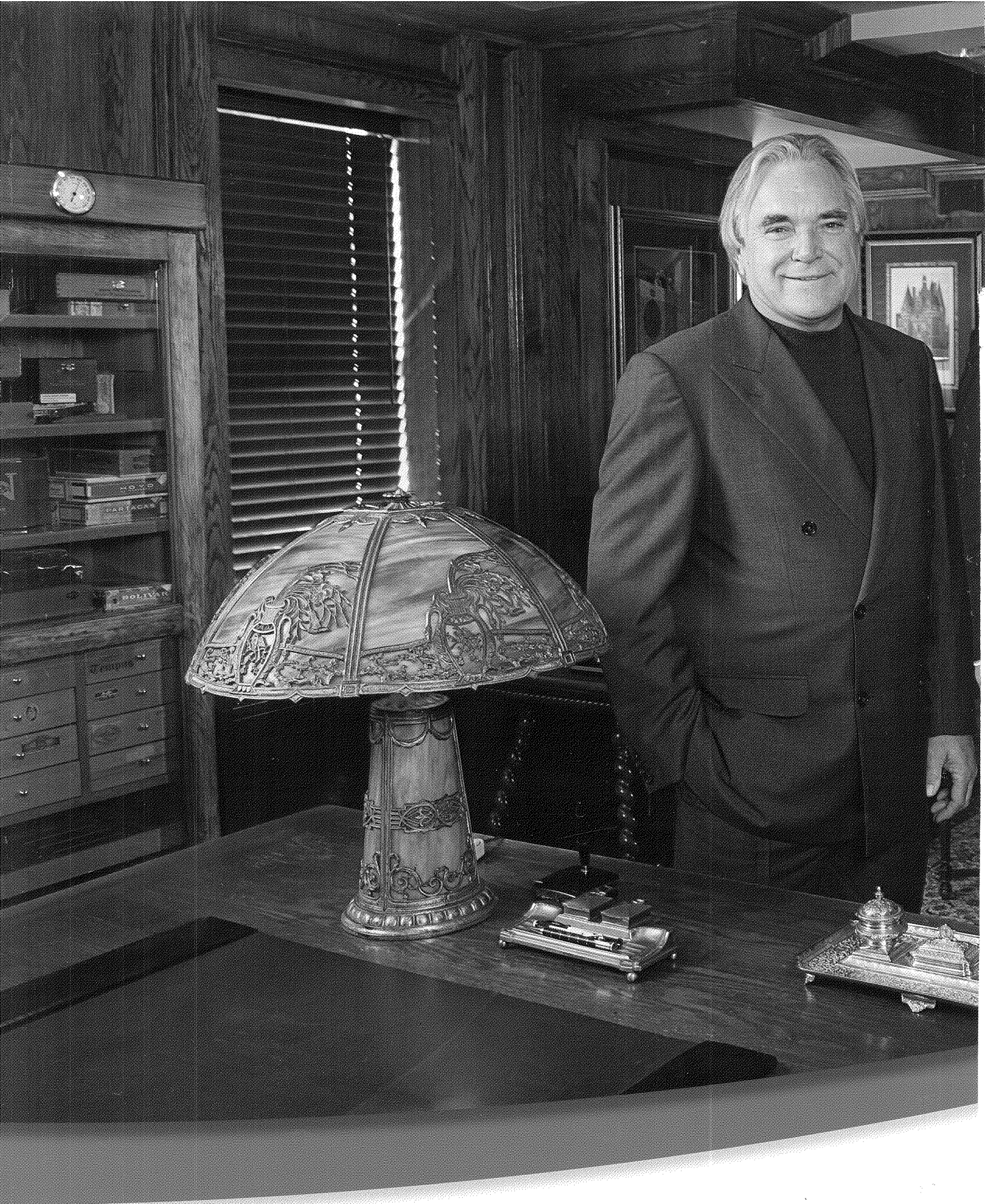


### **Pictured Left**

(L-R): Cardinal Bank Vice President Alissa M. Curry and LeapFrog Solutions, Inc. CEO Lisa G. Martin.

### **Pictured Above**

(L-R): The Virginian CFO Mark W. Ridgely; Cardinal Bank Senior Vice President & Commercial Services Executive Lynn H. Gulick; and The Virginian Executive Director Christopher G. Isherwood.







(L-R): PMA Properties' Rob Kaufman;  
Cardinal Bank Senior Vice President & Market  
Executive Thomas W. Grantham and Senior Vice  
President Andrew J. Peden.

### **PMA PROPERTIES**

Located in Old Town Alexandria, Va., **PMA Properties** is a small, local property developer known for distinctive and historic residential, commercial and retail spaces. With the help of Cardinal Bank, PMA Properties purchases and completely renovates every building to bring out its elegant architectural form.

## NATIONAL PHILHARMONIC

The National Philharmonic's critically acclaimed symphonic and choral performances have been delighting audiences throughout the Washington area for years. Today, it is the ensemble-in-residence at The Music Center at Strathmore in Bethesda, Md. Since 2008, Cardinal Bank and Cardinal Wealth Management have provided the organization with the products and services needed to meet its diverse banking and cash management requirements.



### **Pictured Above**

(L-R): National Philharmonic President Kenneth A. Oldham, Jr. and Maestro Piotr Gajewski with Cardinal Trust and Investments Managing Director & Executive Vice President William T. Mundy. *National Philharmonic photo by Jay Mallin.*

## **MILLER & SMITH**

The dedicated professionals at **Miller & Smith** of McLean, Va., have a passion for bringing new ideas to life as they build sophisticated, imaginative new homes for discriminating clients in neighborhoods throughout Maryland, Virginia and Delaware. Having a partner like George Mason Mortgage to work with the company and its clients is a win-win.



### **Pictured Above**

(L-R): George Mason Mortgage, LLC Executive Vice President Timur J. Tunador and President Bob Brower with Miller & Smith's President Douglas I. Smith, Vice President of Operations Dale Hall and Partner Charles F. Stuart, Jr.



### **BISHOP O'CONNELL HIGH SCHOOL**

**Bishop O'Connell High School** in Arlington, Va., has been offering students a faith-based curriculum for more than 50 years. With 1,200 students, it has the highest enrollment of any private school in the Washington metropolitan area. The school's administration recently chose Cardinal Bank to provide all the banking services they require as they pursue their mission of academic excellence.

(L-R): Cardinal Bank Regional President & Market Executive Kendal E. Carson; Bishop O'Connell High School President Kathleen Ryan Prebble; and Cardinal Executive Vice President & COO Alice P. Frazier.

celebrating



*“Our company is only as good as our employees.”*

**Pictured Right**

Cardinal Bank made a generous donation to the **Bright Beginnings** charitable organization in Washington, D.C. Spotlighted on Derek McGinty's *Friday's Heroes* segment on WUSA 9, Bright Beginnings actively invests in the community through its family development center that is dedicated to meeting the immediate needs of children and families living in homeless environments in the District of Columbia.



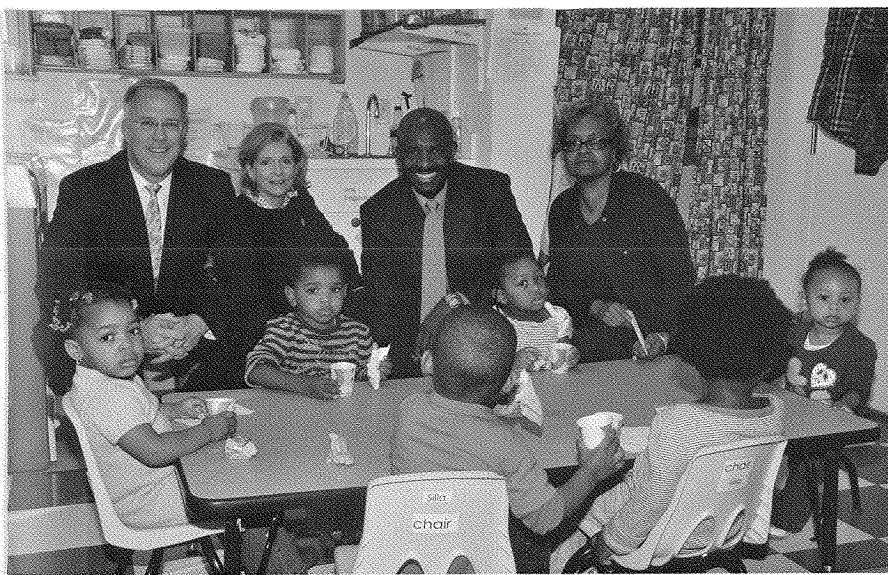
In April 2010, Cardinal Bank opened "**HMS Hawk Bank**," its first student-run middle school bank in Fairfax County at **Herndon Middle School** in Herndon, Va.

(L-R): KC Cardinal; Cardinal Bank Regional President Kevin Reynolds; Fairfax County Public Schools Cluster I Assistant Superintendent Marty Smith; Cardinal's Chantilly Banking Center Manager Mayada J. Habib; Town of Herndon Vice Mayor Connie Hutchinson; Cardinal's Reston Banking Center Manager Tracy Meredith; Cardinal COO Alice Frazier; and Herndon Middle School Principal Justine Klena.



The Cardinal Bank Community Fund awarded \$3,500 to the Prince William Hospital Foundation to benefit **The Cancer Center at Lake Manassas**. Cardinal's gift will help support the latest therapy and treatment planning technologies in the fight against cancer. The Cancer Center at Lake Manassas opened in 2007 and is a strategic partnership of Fauquier Health and Prince William Health System.

(L-R): The Cancer Center at Lake Manassas Director Peter Dritschilo; Cardinal Bank Executive Vice President Todd Hewitt; Prince William Health System Foundation Executive Vice President Kenneth L. Collins; and Cardinal Vice President Joe DiStefano.



(L-R): Cardinal Wealth Services Managing Director and Raymond James Financial Services Financial Advisor Steve Collins; Cardinal Bank/Washington President Kate Carr; WUSA 9NEWS NOW Weekday Anchor Derek McGinty; and Bright Beginnings Executive Director Dr. Betty Jo Gaines.

"Raymond James is not affiliated with Cardinal Bank or any of its subsidiaries. Securities offered through Raymond James Financial Services, Inc., Member FINRA/SIPC, an independent broker/dealer, and are not insured by bank insurance, the FDIC or any other government agency, are not deposits or obligations of the bank, are not guaranteed by the bank, and are subject to risks, including the possible loss of principal." *Steven F. Collins, Financial Advisor, RJFS*



In May 2010, Cardinal Bank opened its third banking center in Arlington, Va., at **2505 Wilson Boulevard**. Cardinal's newest office is located in the heart of the Rosslyn-Ballston Metro corridor.

(L-R): Cardinal Bank Senior Vice President Karen Denas; Buck & Associates Associate Broker Billy Buck; Virginia state Sen. Mary Margaret Whipple; Arlington County Board Member Barbara Favola; Buck & Associates President & CEO William G. Buck; Arlington Chamber President Rich Doud; and Cardinal Financial Chairman & CEO Bernard Clineburg.



The 2010 Cardinal Charity Classic raised over \$202,000, bringing the eight-year fundraising total to more than \$2 million. The funds raised from the 2010 tournament will be used to continue Cardinal's partnership with **Inova Kellar Center**, while also supporting other community outreach programs and organizations through the Cardinal Bank Community Fund.

(L-R): Cardinal Bank Regional President Kevin Reynolds; Inova Kellar Center Director Rick Leichtweis; KC Cardinal; George Mason University Patriots Men's Basketball Coach Jim Larranaga; and Cardinal Chairman & CEO Bernard Clineburg.

**SELECTED FINANCIAL INFORMATION**



In thousands, except per share data. For the years ended December 31,

<b>Income Statement Data:</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>
Interest income	\$ 96,633	\$ 86,742	\$ 88,611	\$ 98,643	\$ 87,401
Interest expense	27,588	36,200	45,638	58,324	46,047
Net interest income	69,045	50,542	42,973	40,319	41,354
Provision for loan losses	10,502	6,750	5,498	2,548	1,232
Net interest income after provision for loan losses	58,543	43,792	37,475	37,771	40,122
Non-interest income	27,389	23,348	17,812	19,480	21,684
Non-interest expense	59,469	52,427	55,913	51,884	51,245
Net income (loss) before income taxes	26,463	14,713	(626)	5,367	10,561
Provision (benefit) for income taxes	8,021	4,388	(912)	885	3,173
Net income	\$ 18,442	\$ 10,325	\$ 286	\$ 4,482	\$ 7,388
<b>Balance Sheet Data:</b>					
Total assets	\$ 2,072,018	\$ 1,976,185	\$ 1,743,757	\$ 1,690,031	\$ 1,638,429
Loans receivable, net of fees	1,409,302	1,293,432	1,139,348	1,039,684	845,449
Allowance for loan losses	24,210	18,636	14,518	11,641	9,638
Loans held for sale	206,047	179,469	157,009	170,487	338,731
Total investment securities	344,984	378,753	315,539	364,946	329,296
Total deposits	1,403,725	1,297,005	1,179,844	1,096,925	1,218,882
Other borrowed funds	389,586	427,579	367,198	400,060	194,631
Total shareholders' equity	222,902	204,507	158,006	159,463	155,873
Common shares outstanding	28,770	28,718	24,014	24,202	24,459
<b>Per Common Share Data:</b>					
Basic net income	\$ 0.63	\$ 0.38	\$ 0.01	\$ 0.18	\$ 0.30
Fully diluted net income	0.62	0.37	0.01	0.18	0.30
Book value	7.75	7.12	6.58	6.59	6.37
Tangible book value <sup>1</sup>	7.22	6.52	6.00	5.90	5.75
<b>Performance Ratios:</b>					
Return on average assets	0.92%	0.57%	0.02%	0.27%	0.51%
Return on average equity	8.44	5.53	0.18	2.85	4.87
Dividend payout ratio	0.12	0.10	3.38	0.22	0.13
Net interest margin <sup>2</sup>	3.68	2.94	2.78	2.63	2.98
Efficiency ratio <sup>3,4</sup>	61.72	70.95	82.03	81.02	82.41
Non-interest income to average assets	1.37	1.29	1.08	1.19	1.49
Non-interest expense to average assets	2.98	2.89	3.40	3.18	3.52
Loans receivable, net of fees to total deposits	100.40	99.72	96.57	94.78	69.36
<b>Asset Quality Ratios:</b>					
Net charge-offs to average loans receivable, net of fees	0.37%	0.22%	0.24%	0.06%	0.00%
Nonperforming loans to loans receivable, net of fees	0.53	0.05	0.41	—	0.01
Nonperforming loans to total assets	0.36	0.04	0.27	—	0.01
Allowance for loan losses to nonperforming loans	320.03	2,677.59	310.81	—	11,822.87
Allowance for loan losses to loans receivable, net of fees	1.72	1.44	1.27	1.12	1.14
<b>Capital Ratios:</b>					
Tier 1 risk-based capital	12.67%	12.97%	11.67%	12.10%	13.25%
Total risk-based capital	14.06	14.15	12.72	12.98	14.06
Leverage capital ratio	10.82	11.03	9.90	10.26	10.68
<b>Other:</b>					
Average shareholders' equity to average total assets	10.93%	10.31%	9.74%	9.65%	10.43%
Average loans receivable, net of fees to average total deposits	96.28	97.57	96.00	78.87	68.42
Average common shares outstanding:					
Basic	29,123	27,186	24,370	24,606	24,424
Diluted	29,608	27,674	24,837	25,012	24,987

(1) Tangible book value is calculated as total shareholders' equity, excluding accumulated other comprehensive income, less goodwill and other intangible assets, divided by common shares outstanding.

(2) Net interest margin is calculated as net interest income divided by total average earning assets and reported on a tax equivalent basis at a rate of 30%.

(3) Efficiency ratio is calculated as total non-interest expense divided by the total of net interest income and non-interest income, excluding the impairment loss on Fannie Mae perpetual preferred stock and the settlement with a mortgage correspondent during 2008; the impairment loss on escrow arrangement during 2007; and the litigation recovery during 2010, 2008, 2007, and 2006.

(4) The calculation of the efficiency ratio, which is a financial measure not prepared in accordance with generally accepted accounting principles ("GAAP"), and a reconciliation of the efficiency ratio to our GAAP financial information are included in our 2010 Annual Report on Form 10-K.

## DIRECTORS AND OFFICERS

### CARDINAL FINANCIAL CORPORATION AND SUBSIDIARIES

#### BOARDS OF DIRECTORS CARDINAL FINANCIAL CORPORATION CARDINAL BANK

**Bernard H. Clineburg**  
Chairman of the Board  
& Chief Executive Officer,  
Cardinal Financial Corporation

**Sidney O. Dewberry**  
Lead Director, Cardinal Financial  
Corporation; Chairman of the  
Board, Dewberry

**B.G. Beck**  
Director, L-1 Identity Solutions, Inc.

**William G. Buck**  
President & Chief Executive  
Officer, William G. Buck &  
Associates, Inc.

**Michael A. Garcia**  
President, Mike Garcia  
Construction, Inc.

**J. Hamilton Lambert**  
President, J. Hamilton Lambert  
& Associates  
Executive Director, Claude Moore  
Charitable Foundation

**Alan G. Merten**  
President, George Mason  
University

**William E. "Rick" Peterson**  
Principal, Financial  
Portfolio Investments,  
The Peterson Companies

**James D. Russo**  
Managing Director,  
Potomac Consultants Group

**George P. Shafran**  
President, Geo. P. Shafran  
& Associates, Inc.; Regional  
Chairman AAA Mid-Atlantic

**Alice M. Starr**  
President & Chief Executive  
Officer, Starr Strategies Co.

#### CARDINAL OFFICERS CARDINAL FINANCIAL CORPORATION

**Bernard H. Clineburg**  
Chairman of the Board,  
Chief Executive Officer

**Christopher W. Bergstrom**  
Executive Vice President,  
Chief Risk Officer

**Janice A. Cross**  
Assistant Secretary

**Jennifer L. Deacon**  
Chief Accounting Officer,  
Secretary

**Alice P. Frazier**  
Executive Vice President,  
Chief Operating Officer

**Eleanor D. Schmidt**  
Executive Vice President,  
Chief Compliance Officer

**Mark A. Wendel**  
Executive Vice President,  
Chief Financial Officer

#### CARDINAL BANK

**Bernard H. Clineburg**  
Chairman of the Board,  
President & Chief Executive Officer

**Christopher W. Bergstrom**  
Regional President,  
Chief Credit Officer

**Kathleen Walsh Carr**  
President, Cardinal Bank/  
Washington

**Kendal E. Carson**  
Regional President

**Paulette P. Cross**  
Executive Vice President,  
Marketing Director

**Alice P. Frazier**  
Executive Vice President,  
Chief Operating Officer

**Dennis M. Griffith**  
Executive Vice President,  
Chief Lending Officer

**Todd W. Hewitt**  
Executive Vice President

**Guy S. Johnston**  
Executive Vice President

**Melissa A. Quirk**  
Executive Vice President,  
Chief Information Officer

**F. Kevin Reynolds**  
Regional President

**Eleanor D. Schmidt**  
Executive Vice President,  
Chief Compliance Officer

**Mark A. Wendel**  
Executive Vice President,  
Chief Financial Officer

#### CARDINAL WEALTH MANAGEMENT

#### WILSON/BENNETT CAPITAL MANAGEMENT, INC.

**F. Kevin Reynolds**  
President, Cardinal Trust  
and Investments

**William T. Mundy**  
Managing Director &  
Executive Vice President,  
Cardinal Trust and Investments

**Steven F. Collins**  
Managing Director,  
Cardinal Wealth Services, Inc.

#### MORTGAGE OPERATIONS

#### GEORGE MASON MORTGAGE, LLC

#### CARDINAL FIRST MORTGAGE, LLC

**Christopher W. Bergstrom**  
Chairman

**D. Gene Merrill**  
Vice Chairman

**Bob Brower**  
President

**Timur J. Tunador**  
Executive Vice President

#### STOCK LISTING

Cardinal Financial Corporation common stock is listed on the NASDAQ Global Select Market under the symbol CFNL. The stock is typically listed as CardFnc in regional newspapers. At the close of business on February 10, 2011, there were 614 record holders of the Corporation's common stock.

#### Quarterly Common Stock Prices

Market Price	High (\$)	Low (\$)
2010		
4th Quarter	12.15	9.42
3rd Quarter	10.92	8.56
2nd Quarter	11.56	8.89
1st Quarter	10.77	8.38
2009		
4th Quarter	9.41	7.79
3rd Quarter	8.69	6.56
2nd Quarter	8.97	5.60
1st Quarter	6.47	4.98

A performance graph that compares the Corporation's stock price with two indices over the past five years has been included in the Corporation's 2010 Annual Report on Form 10-K that is also being mailed to shareholders.

#### FINANCIAL INFORMATION

The Corporation's 2010 Annual Report on Form 10-K has been filed with the Securities and Exchange Commission and contains the Corporation's consolidated financial statements and notes thereto and management's discussion and analysis of financial condition and results of operation. A copy of this document is being mailed to shareholders. Copies of this document and other filings, including exhibits thereto, may be obtained electronically at the SEC's website at [www.sec.gov](http://www.sec.gov). The Annual Report, Form 10-K and other corporate publications are available online at [www.cardinalbank.com](http://www.cardinalbank.com) under Investor Relations - SEC Filings. They are also available by request, free of charge, by writing to Investor Relations, 8270 Greensboro Drive, Suite 500, McLean, Virginia 22102.

#### CORPORATE HEADQUARTERS

Cardinal Financial Corporation  
8270 Greensboro Drive, Suite 500  
McLean, Virginia 22102  
703.584.3400

#### ANNUAL SHAREHOLDERS MEETING

The Corporation's annual meeting of shareholders will be held at 10 a.m. (ET) on Friday, April 15, 2011, at the Hyatt Fair Lakes, 12777 Fair Lakes Circle, Fairfax, Virginia.

#### GENERAL INFORMATION

Please visit the Corporation's website at [www.cardinalbank.com](http://www.cardinalbank.com) for information about online banking, products and services, news releases or investor relations. You can also call 703.584.3400 or 800.473.3247.

#### REGISTRAR AND TRANSFER AGENT

American Stock Transfer & Trust Company  
6201 15th Avenue, Brooklyn, NY 11219  
800.937.5449

*Cardinal Executive Officers as of March 2011.*

#### Caution About Forward-Looking Statements

*We make statements in this 2010 Annual Report that are subject to risks and uncertainties. The words "believes," "expects," "may," "will," "should," "projects," "contemplates," "anticipates," "forecasts," "intends" or other similar words or terms are intended to identify forward-looking statements. You should not place undue reliance upon any forward-looking statement. Except as required by federal securities laws, Cardinal Financial Corporation undertakes no obligation to update or revise any forward-looking statement.*

*For an explanation of the risks and uncertainties, you should also read Cardinal Financial Corporation's Annual Report on Form 10-K for the year ended December 31, 2010, and the consolidated financial statements and related notes to the consolidated financial statements contained therein as filed with the Securities and Exchange Commission. This report can be obtained at the Company's website ([www.cardinalbank.com](http://www.cardinalbank.com)) or at the Commission's website ([www.sec.gov](http://www.sec.gov)).*

## CARDINAL FINANCIAL CORPORATION

### CORPORATE HEADQUARTERS

8270 Greensboro Drive  
Suite 500  
McLean, Virginia 22102  
703.584.3400  
800.473.3247

### CARDINAL BANK BANKING CENTERS

#### ALEXANDRIA

1737 King Street  
Alexandria, Virginia 22314  
703.460.4040

#### ANNANDALE

4115 Annandale Road  
Annandale, Virginia 22003  
703.584.3877

#### ARLINGTON

2100 N. Glebe Road  
Arlington, Virginia 22207  
703.387.2473

#### BETHESDA

7315 Wisconsin Avenue  
Bethesda, Maryland 20814  
301.652.0997

#### CHANTILLY

14000 Sullyfield Circle  
Chantilly, Virginia 20151  
703.378.6575

#### FAIRFAX

10641 Lee Highway  
Fairfax, Virginia 22030  
703.934.9200

#### FAIRFAX CORNER

4100 Monument Corner Drive  
Fairfax, Virginia 22030  
703.222.4375

#### FREDERICKSBURG

501 C Jefferson Davis Highway  
Fredericksburg, Virginia 22401  
540.899.7799

#### GREENSBORO

8270 Greensboro Drive  
McLean, Virginia 22102  
703.584.3500

#### HERNDON

199 Elden Street  
Herndon, Virginia 20170  
703.584.3820

#### K STREET

1776 K Street, NW  
Washington, D.C. 20006  
202.331.3950

#### LEESBURG

20 Catoclin Circle, SE  
Leesburg, Virginia 20175  
703.771.3353

#### MANASSAS

9626 Center Street  
Manassas, Virginia 20110  
703.393.8200

#### MCLEAN

1313 Dolley Madison Boulevard  
McLean, Virginia 22101  
703.356.6060

#### PURCELLVILLE

440 East Main Street  
Purcellville, Virginia 20132  
540.338.3325

#### RESTON

11150 Sunset Hills Road  
Reston, Virginia 20190  
703.460.4000

#### STAFFORD

289 Garrisonville Road  
Stafford, Virginia 22554  
540.288.3900

#### STERLING

46005 Regal Plaza  
Sterling, Virginia 20165  
703.444.4296

#### STERLING PARK

101 Enterprise Street  
Sterling, Virginia 20164  
703.584.3880

#### TYSONS CORNER

1650 Tysons Boulevard  
McLean, Virginia 22102  
703.760.9457

#### UNION MILL

5766 Union Mill Road  
Clifton, Virginia 20124  
703.584.3890

#### UNIVERSITY MALL

10695 Braddock Road  
Fairfax, Virginia 22032  
703.584.3833

#### WASHINGTON BOULEVARD

3434 Washington Boulevard  
Arlington, Virginia 22201  
703.807.0002

#### WILLIAMSBURG BOULEVARD

6402 Williamsburg Boulevard  
Arlington, Virginia 22207  
Opening Spring 2011

#### WILSON BOULEVARD

2505 Wilson Boulevard  
Arlington, Virginia 22201  
703.584.3810

#### WOODBIDGE

13870 Smoketown Road  
Woodbridge, Virginia 22192  
703.680.4004

#### WOODBIDGE PARKWAY

14000 Jefferson Davis Highway  
Woodbridge, Virginia 22191  
703.491.6907

### CARDINAL WEALTH MANAGEMENT

8270 Greensboro Drive  
Suite 400  
McLean, Virginia 22102

### CARDINAL TRUST AND INVESTMENTS

703.848.2175

### WILSON/BENNETT CAPITAL MANAGEMENT, INC.

703.584.6020

### CARDINAL WEALTH SERVICES, INC.

703.584.3470

### GEORGE MASON MORTGAGE, LLC

### CORPORATE HEADQUARTERS

4100 Monument Corner Drive  
Suite 100  
Fairfax, Virginia 22030  
703.273.2600  
800.867.6859

#### BETHESDA

6550 Rock Spring Drive  
Suite 655  
Bethesda, Maryland 20817  
301.841.1300

#### FAIR OAKS

4000 Legato Road  
Suite 550  
Fairfax, Virginia 22033  
703.279.5900

#### FREDERICK

111 East Church Street  
Frederick, Maryland 21701  
301.620.0650

#### LAKE RIDGE

2750 Killarney Drive  
Lakepoint One, Suite 105  
Woodbridge, Virginia 22192  
703.680.3998

#### LEESBURG

606 South King Street  
Suite 200  
Leesburg, Virginia 20175  
703.443.1900

#### PRINCE FREDERICK

65 Duke Street  
Suite 205  
Prince Frederick, Maryland 20678  
301.855.7652

### CARDINAL FIRST MORTGAGE, LLC

4100 Monument Corner Drive  
Suite 410  
Fairfax, Virginia 22030  
703.848.2850

### SCHOOL BANKS

#### ATE SAVES BANK

Annandale Terrace Elementary School  
Annandale, Virginia

#### BUSY BEE BANK

Clearview Elementary School  
Herndon, Virginia

#### COUGAR BRANCH

Benton Middle School  
Manassas, Virginia

#### EAGLES' NEST EGG BANK

Armstrong Elementary School  
Reston, Virginia

#### HMS HAWK BANK

Herndon Middle School  
Herndon, Virginia

#### IDEAL BANK OF EXCELLENCE

Ideal Academy Public Charter School  
Washington, D.C.

#### MONCURE BEAR KID'S BANK

Moncure Elementary School  
Stafford, Virginia

#### SOARING EAGLES BANK

Potowmack Elementary School  
Sterling, Virginia

#### STARS AND STRIPES BANK

Springwoods Elementary School  
Woodbridge, Virginia

#### SUNRISE SAVINGS

Sunrise Valley Elementary School  
Reston, Virginia

#### WILDCAT BANK & TRUST

Elizabeth Vaughan Elementary School  
Woodbridge, Virginia

