



# Hovde

Financial Institutions  
Monthly Overview

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Capital Markets  
Economic Data Review  
M&A Statistics

June 2007

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## June 2007 - Hovde Monthly Overview

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### About Hovde

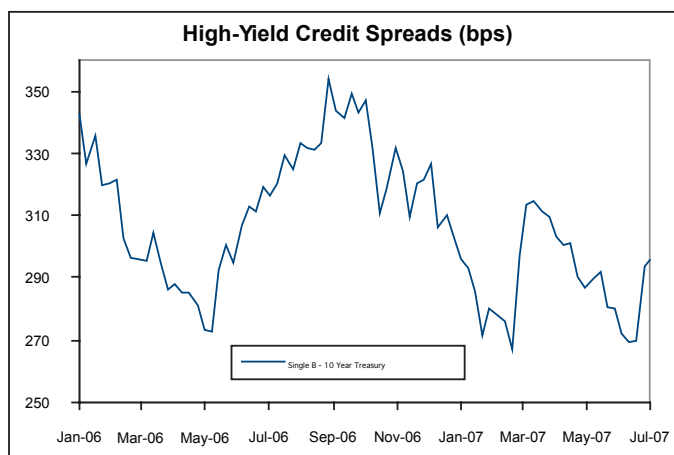
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When we last wrote in late May, the capital markets were wrapping up a record-setting month for M&A volumes, as private equity firms and other buyers continued their aggressive acquisition spree fueled by global liquidity and the continued access to relatively cheap and easy debt financing. However, as June comes to a close, we are beginning to see some initial cracks in the foundation that has supported much of this recent M&A frenzy. Although the private equity “bid” has by no means disappeared — with billions of dollars remaining to be put to work — recent events have led many to speculate that the peak may have arrived or at least be very near. The recent question marks can be summed up by three distinct, yet inter-related issues. First, with long-term interest rates rising by over 50 basis points since mid-March, the low-cost debt that other companies and private equity funds have used to finance and leverage their acquisitions has gotten a lot more expensive. Secondly, in addition to the rise in the absolute level of interest rates, overall credit spreads for almost every asset class — including high-yield debt — have widened recently as continued concerns over the subprime mortgage market have increased worries of a spillover into other areas of the credit market. Last but not least, with this increased uncertainty, we have recently seen a certain level of pushback — primarily in the form of tighter covenants — from investors who, in the past, seemed to have an almost insatiable appetite for the high-yield investments used to finance most M&A transactions, regardless of the structure and lack of covenants in the deals.



While any reader of the Wall Street Journal or our *Monthly Overviews* knows that the subprime mortgage sector remains in absolute shambles — with delinquencies and foreclosures continuing to increase at a dramatic clip — the spillover into the booming Collateralized Debt Obligation (CDO) market, where a large amount of the subprime credit risk resides, has only just recently begun to garner mainstream attention. Sparking these worries was the recent collapse of two heavily-leveraged hedge funds run by Bear Stearns that primarily invested in CDOs and the fear that write-downs and sales of these extremely illiquid securities would finally provide a realistic level of pricing that would force other holders of the same or similar assets to also write down the value of their holdings accordingly. Since then, we have already seen a number of other firms, like Florida-based United Capital, either announce large losses or that they were in jeopardy of having to close down — increasing fears that more funds would be soon to follow and further disrupt the overall credit markets.

At the heart of the problem with Bear Stearns' hedge funds and the CDO market in general has been the fact that these leveraged

investment securities — with tranches rated as high as AAA by the rating agencies — have been the virtual dumping grounds for some of the most toxic assets originated in the past few years. As Moody's itself has pointed out, subprime mortgages made up over half the \$503 billion of CDOs sold in just 2006.

While some may continue to argue this is an issue that remains isolated to the ongoing problems in the subprime mortgage market, the current disruption in the CDO market clearly has implications for the overall structured finance market as well as the booming M&A environment. Although much of the collateral backing recent CDOs has been made up of risky mortgage credit, both CDOs and their sister securities, Collateralized Loan Obligations (CLOs), have been some of the largest purchasers of the high-yield debt that private equity and LBO firms have raised to finance their acquisitions. As such, any further disruptions in the CDO and CLO markets, along with a decreased investor appetite and the demand for higher yields and greater subordination levels, will likely begin to eat away at a large source of liquidity that has provided a means for the investment banks to securitize and offload much of the high-yield debt they are originating that has also helped support the M&A boom.

Although not the biggest deal by today's standards, investors have monitored the financing of the U.S. Foodservice LBO with a watchful eye. U.S. Foodservice was recently in the process of raising a \$3.4 billion bank loan and a \$650 million high yield bond offering to finance its acquisition by KKR and Clayton Dubilier when it had to postpone the offering as both the loan and high yield bond investors forced U.S. Foodservice, to change the terms of the financing multiple times due to the large amount of leverage being thrown onto the balance sheet. Also at issue was the hesitancy of investors to commit to a deal that lacked any hard financial covenants. After the additional rounds of negotiations, the deal was finally priced, but at terms significantly less favorable than originally projected when the deal was announced. This issue will be watched closely over the coming months as the financing for much larger LBO deals, such as First Data and Sallie Mae, comes to market, which will obviously test the debt markets and investor appetite for high-yield debt securities.

While the eventual outcome may not be beneficial for the private equity firms and investors in CDOs, CLOs and other structured and high-yield debt instruments, it may actually bring some benefit to the conventional banking industry in the form of higher, more rational credit spreads and decreased competition from the conduit lenders who have increasingly tried to siphon away much of the banking industry's traditional lending relationships to package those loans into a myriad of asset-backed securities. This added competition and attempt at disintermediation has made it increasingly challenging for the banking and thrift community to maintain credit and underwriting standards in what has always been a competitive market. If any prolonged dislocation in the asset-backed sector persists, banks and thrifts may ultimately stand to benefit as many borrowers will be forced to return to the traditional banking industry for their financing needs, putting those banks in a much better position to attract loans on terms that meet their credit standards and are priced accordingly. All of these issues are clearly of importance to the banking industry and capital markets and we will be sure to follow them and provide our commentary in the months to come.



Federal Reserve Aggregate Bank Data

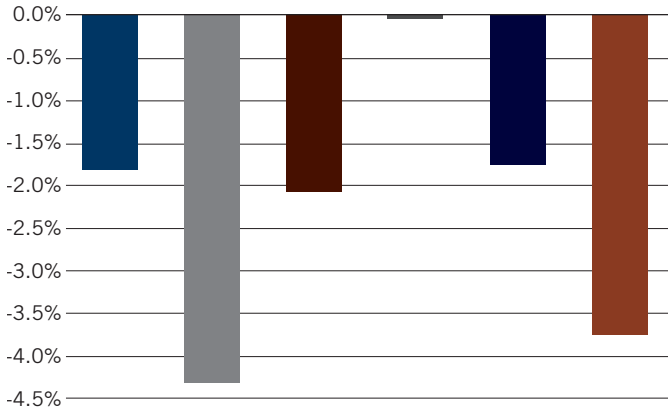
	5/2006	9/2006	10/2006	11/2006	12/2006	1/2007	2/2007	3/2007	4/2007	5/2007	MoM	YoY
<b>ASSETS</b>												
Securities												
Secs in Bank Credit	2,206	2,191	2,206	2,219	2,221	2,213	2,230	2,260	2,272	2,283	0.5%	3.5%
Treasury & Agency	1,193	1,210	1,210	1,206	1,192	1,195	1,200	1,209	1,186	1,175	-0.9%	-1.5%
Other	1,013	981	996	1,013	1,029	1,018	1,030	1,051	1,086	1,107	2.0%	9.4%
Loans and Leases												
C&I	1,110	1,165	1,176	1,180	1,190	1,193	1,202	1,211	1,218	1,242	2.0%	11.9%
Real Estate	3,049	3,150	3,296	3,301	3,324	3,345	3,372	3,316	3,373	3,395	0.7%	11.3%
Consumer	734	727	724	729	736	744	744	741	747	752	0.7%	2.5%
Other	545	550	512	513	518	518	523	525	540	542	0.4%	-0.4%
Other Assets	774	789	821	813	831	842	852	850	853	854	0.1%	10.4%
<b>Total Assets</b>	<b>9,224</b>	<b>9,400</b>	<b>9,571</b>	<b>9,613</b>	<b>9,701</b>	<b>9,751</b>	<b>9,828</b>	<b>9,807</b>	<b>9,905</b>	<b>9,972</b>	<b>0.7%</b>	<b>8.1%</b>
<b>LIABILITIES</b>												
Deposits												
Transaction	677	636	636	647	631	646	634	640	636	649	2.0%	-4.1%
Nontransaction	5,301	5,469	5,568	5,596	5,674	5,695	5,706	5,763	5,836	5,703	-2.3%	7.6%
Large time	1,573	1,695	1,714	1,726	1,726	1,730	1,748	1,778	1,818	1,803	-0.8%	14.6%
Other	3,728	3,774	3,854	3,870	3,948	3,965	3,959	3,985	4,018	3,901	-2.9%	4.6%
Borrowings	1,821	1,854	1,910	1,945	1,957	1,958	1,972	1,984	1,980	2,059	4.0%	13.1%
Other Liabilities	573	554	570	571	577	572	578	588	600	596	-0.7%	4.1%
<b>Total Liabilities</b>	<b>8,440</b>	<b>8,569</b>	<b>8,707</b>	<b>8,765</b>	<b>8,870</b>	<b>8,889</b>	<b>8,910</b>	<b>8,916</b>	<b>9,025</b>	<b>8,959</b>	<b>-0.7%</b>	<b>6.1%</b>
<b>Residual (assets less liabilities)</b>	<b>784</b>	<b>830</b>	<b>864</b>	<b>848</b>	<b>831</b>	<b>862</b>	<b>917</b>	<b>891</b>	<b>880</b>	<b>1,012</b>	<b>15.0%</b>	<b>29.2%</b>

all values in \$ billions

SOURCE: Federal Reserve Documents

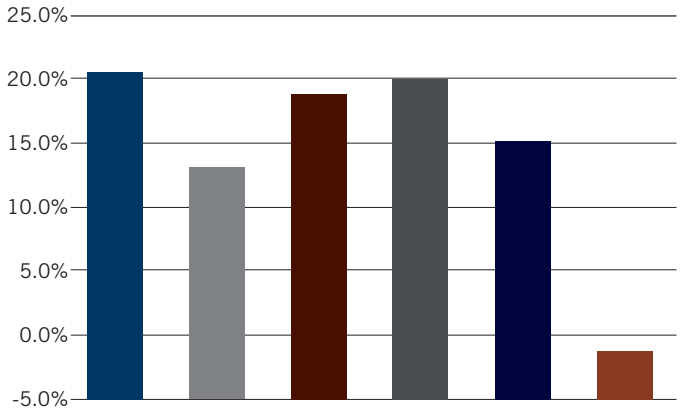
Major Market Index Performance

June 2007



SOURCE: Bloomberg, LLC

Last Twelve Months



SOURCE: Bloomberg, LLC

- Dow Jones
- S&P Financial
- S&P 500
- NASDAQ
- Russell 2000
- NASDAQ Bank

	7/2006	8/2006	9/2006	10/2006	11/2006	12/2006	1/2007	2/2007	3/2007	4/2007	5/2007	6/2007
Dow Jones	0.3%	1.7%	2.8%	3.4%	1.2%	2.0%	1.3%	-2.8%	0.7%	5.7%	4.3%	-1.6%
S&P Financial	2.3%	0.8%	4.1%	2.3%	0.2%	3.7%	0.7%	-3.3%	-0.9%	4.0%	2.0%	-4.3%
S&P 500	0.5%	2.1%	2.5%	3.2%	1.6%	1.3%	1.4%	-2.2%	1.0%	4.3%	3.3%	-1.8%
NASDAQ	-3.7%	4.4%	3.4%	4.8%	2.7%	-0.7%	2.0%	-1.9%	0.2%	4.3%	3.1%	0.0%
Russell 2000	-3.3%	2.9%	0.7%	5.7%	2.5%	0.2%	1.6%	-0.9%	0.9%	1.7%	4.0%	-1.6%
NASDAQ Bank	1.2%	0.8%	0.4%	1.7%	0.6%	2.0%	-1.5%	-1.3%	-1.7%	-1.9%	1.8%	-3.4%

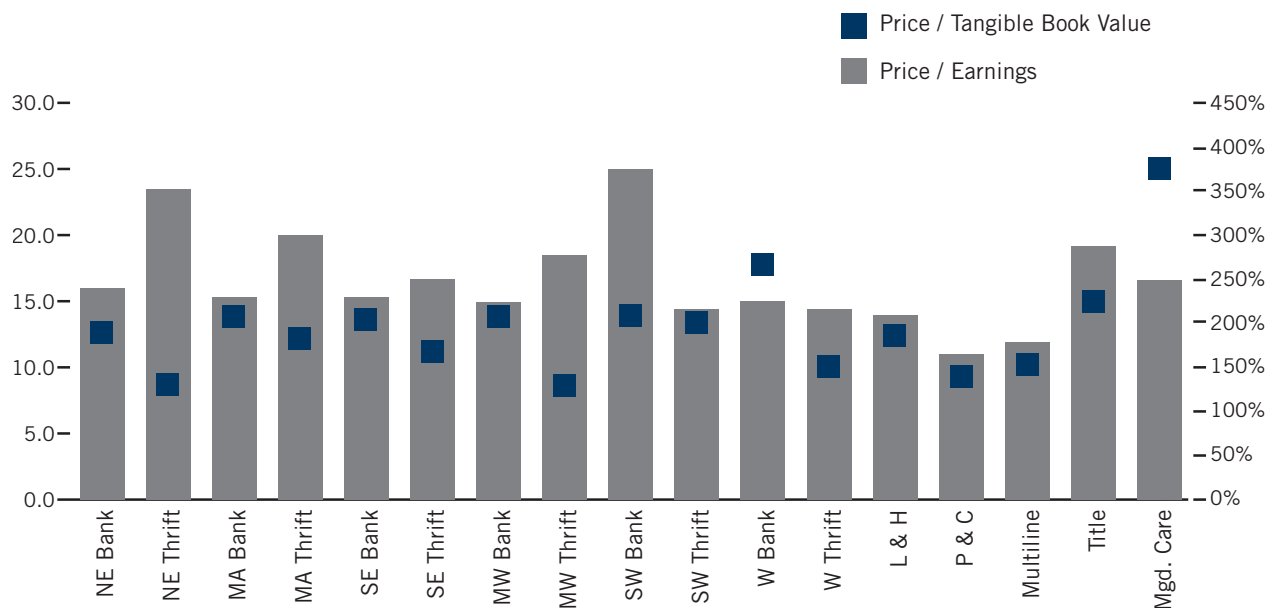
SOURCE: Bloomberg, LLC

## Bank and Thrift Index Valuations

		Price / Earnings		Price / Book Value		Price / TBV		Price Performance		
		Weighted Avg	Median	Weighted Avg	Median	Weighted Avg	Median	1 Mo	6 Mo	12 Mo
<b>New England</b>	Bank	17.1	16.1	202%	157%	268%	181%	1.1%	-1.9%	0.7%
	Thrift	13.4	23.3	169%	123%	193%	136%	-3.3%	-7.0%	-2.5%
<b>Mid Atlantic</b>	Bank	13.9	15.5	174%	162%	287%	206%	-2.1%	-7.3%	-5.8%
	Thrift	21.5	19.6	145%	142%	218%	170%	-3.2%	-7.2%	-3.2%
<b>Southeastern</b>	Bank	13.5	15.2	161%	157%	274%	196%	-2.0%	-7.7%	-3.7%
	Thrift	14.5	16.6	182%	127%	196%	154%	-4.7%	-12.3%	-8.6%
<b>Midwestern</b>	Bank	14.2	14.9	211%	147%	317%	198%	-1.8%	-8.6%	-5.5%
	Thrift	14.6	18.5	175%	113%	232%	133%	-1.8%	-4.3%	-1.9%
<b>Southwestern</b>	Bank	13.6	25.6	121%	105%	220%	198%	-2.3%	-8.3%	-6.7%
	Thrift	18.3	14.0	126%	149%	186%	191%	-2.8%	-1.4%	-1.8%
<b>Western</b>	Bank	14.0	14.9	200%	198%	249%	269%	-2.3%	-8.1%	-4.8%
	Thrift	11.5	14.2	132%	130%	186%	138%	-5.7%	-10.6%	-3.9%

## Insurance Index Valuations

	Price / Earnings		Price / Book Value		Price / TBV		Price Performance		
	Average	Median	Average	Median	Average	Median	1 Mo	6 Mo	12 Mo
Life & Health	15.8	13.7	137%	132%	180%	180%	-1.6%	3.0%	11.1%
Property & Casualty	13.7	11.6	162%	144%	165%	153%	0.7%	3.3%	17.1%
Multiline	14.9	12.6	153%	158%	156%	167%	-2.1%	16.4%	28.0%
Title	17.7	18.0	131%	137%	201%	231%	-7.7%	18.7%	26.5%
Managed Care	16.9	16.7	248%	260%	417%	387%	-4.6%	-0.9%	7.9%



## Economic Data Points - June 2007

Date	Event	Period	Survey	Actual	Prior	Date	Event	Period	Survey	Actual	Prior
6/1	Change in Nonfarm Payrolls	MAY	132K	157K	88K	6/19	Housing Starts	MAY	1472K	1474K	1528K
6/1	Unemployment Rate	MAY	4.50%	4.50%	4.50%	6/19	Building Permits	MAY	1473K	1501K	1429K
6/1	Change in Manufact. Payrolls	MAY	-15K	-19K	-19K	6/21	Leading Indicators	MAY	0.20%	0.30%	-0.50%
6/1	Pending Home Sales MoM	APR	0.30%	-3.20%	-4.90%	6/25	Existing Home Sales	MAY	5.97M	5.99M	5.99M
6/5	ISM Non-Manufacturing	MAY	55.8	59.7	56	6/25	Existing Home Sales MoM	MAY	-0.30%	-0.30%	-2.60%
6/6	Nonfarm Productivity	1Q F	1.00%	1.00%	1.70%	6/26	S&P/CS Composite-20 YoY	APR	-2.10%	-2.10%	-1.40%
6/6	Unit Labor Costs	1Q F	1.30%	1.80%	0.60%	6/26	S&P/CS Composite-20 Home Price	APR	--	--	200.89
6/7	Wholesale Inventories	APR	0.30%	0.30%	0.30%	6/26	New Home Sales	MAY	924K	915K	981K
6/7	Consumer Credit	APR	\$6.0B	\$2.6B	\$13.5B	6/26	New Home Sales MoM	MAY	-5.90%	-1.60%	16.20%
6/13	Import Price Index (MoM)	MAY	0.30%	0.90%	1.30%	6/26	Consumer Confidence	JUN	105	103.9	108
6/13	Import Price Index (YoY)	MAY	--	1.10%	1.90%	6/27	Durable Goods Orders	MAY	-1.00%	-2.80%	0.60%
6/13	Business Inventories	APR	0.30%	0.40%	-0.10%	6/27	Durables Ex Transportation	MAY	0.20%	-1.00%	1.50%
6/13	Fed's Beige Book					6/28	GDP Annualized	1Q F	0.80%	0.70%	0.60%
6/14	Producer Price Index (MoM)	MAY	0.60%	0.90%	0.70%	6/28	Personal Consumption	1Q F	4.40%	4.20%	4.40%
6/14	PPI Ex Food & Energy (MoM)	MAY	0.20%	0.20%	0.00%	6/28	GDP Price Index	1Q F	4.00%	4.20%	4.00%
6/14	Producer Price Index (YoY)	MAY	3.60%	4.10%	3.20%	6/28	Core PCE QoQ	1Q F	2.20%	2.40%	2.20%
6/14	PPI Ex Food & Energy (YoY)	MAY	1.50%	1.60%	1.50%	6/28	Initial Jobless Claims	23-Jun	315K	313K	324K
6/14	Mortgage Delinquencies	1Q	--	4.84%	4.95%	6/28	Continuing Claims	16-Jun	2500K	2490K	2523K
6/15	Consumer Price Index (MoM)	MAY	0.60%	0.70%	0.40%	6/28	FOMC Rate Decision Expected	28-Jun	5.25%	5.25%	5.25%
6/15	CPI Ex Food & Energy (MoM)	MAY	0.20%	0.10%	0.20%	6/29	Personal Income	MAY	0.60%	0.40%	-0.10%
6/15	Consumer Price Index (YoY)	MAY	2.60%	2.70%	2.60%	6/29	Personal Spending	MAY	0.70%	0.50%	0.50%
6/15	CPI Ex Food & Energy (YoY)	MAY	2.30%	2.20%	2.30%	6/29	PCE Deflator (YoY)	MAY	2.30%	2.30%	2.20%
6/15	CPI Core Index SA	MAY	--	209.948	209.634	6/29	PCE Core (MoM)	MAY	0.10%	0.10%	0.10%
6/15	Consumer Price Index NSA	MAY	207.905	207.949	206.686	6/29	PCE Core (YoY)	MAY	1.90%	1.90%	2.00%
6/15	Industrial Production	MAY	0.20%	0.0%	0.70%	6/29	Construction Spending MoM	MAY	0.10%	0.90%	0.10%
6/15	Capacity Utilization	MAY	81.60%	81.30%	81.60%	6/29	U. of Michigan Confidence	JUN F	84	85.3	83.7
6/18	NAHB Housing Market Index	JUN	30	28	30						

SOURCE: Bloomberg, LLC

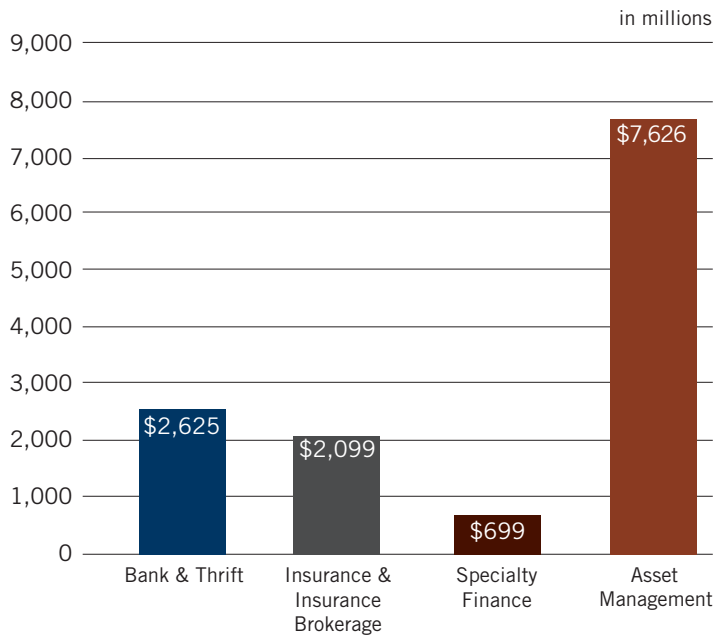
## Economic Data Points - July 2007

Date	Event	Period	Survey	Actual	Prior	Date	Event	Period	Survey	Actual	Prior
7/2	ISM Manufacturing	JUN	55	--	55	7/18	Housing Starts	JUN	--	--	1474K
7/2	ISM Prices Paid	JUN	69.1	--	71	7/18	CPI Core Index SA	JUN	--	--	209.9
7/3	Pending Home Sales MoM	MAY	0.50%	--	-3.20%	7/18	Building Permits	JUN	--	--	1501K
7/6	Change in Nonfarm Payrolls	JUN	125K	--	157K	7/18	Consumer Price Index NSA	JUN	--	--	207.949
7/6	Unemployment Rate	JUN	4.50%	--	4.50%	7/19	Leading Indicators	JUN	--	--	0.30%
7/6	Change in Manufact. Payrolls	JUN	-13K	--	-19K	7/19	Philadelphia Fed.	JUL	--	--	18
7/9	Consumer Credit	MAY	\$5.3B	--	\$2.6B	7/19	Minutes of June 28 FOMC Meeting				
7/10	Wholesale Inventories	MAY	0.40%	--	0.30%	7/25	Existing Home Sales	JUN	--	--	5.99M
7/12	Trade Balance	MAY	-\$60.0B	--	-\$58.5B	7/25	Existing Home Sales MoM	JUN	--	--	-0.30%
7/12	Monthly Budget Statement	JUN	\$31.0B	--	\$20.5B	7/25	Fed's Beige Book				
7/13	Import Price Index (MoM)	JUN	0.50%	--	0.90%	7/26	New Home Sales	JUN	--	--	915K
7/13	Import Price Index (YoY)	JUN	--	--	1.10%	7/26	Help Wanted Index	JUN	--	--	--
7/16	Empire Manufacturing	JUL	--	--	25.8	7/26	New Home Sales MoM	JUN	--	--	-1.60%
7/17	Producer Price Index (MoM)	JUN	--	--	0.90%	7/27	GDP Annualized	2Q A	--	--	0.70%
7/17	PPI Ex Food & Energy (MoM)	JUN	--	--	0.20%	7/27	Personal Consumption	2Q A	--	--	4.20%
7/17	Producer Price Index (YoY)	JUN	--	--	4.10%	7/27	GDP Price Index	2Q A	--	--	4.20%
7/17	PPI Ex Food & Energy (YoY)	JUN	--	--	1.60%	7/27	Core PCE QoQ	2Q A	--	--	2.40%
7/17	Net Long-term TIC Flows	MAY	--	--	\$84/1B	7/31	Personal Income	JUN	--	--	--
7/17	Total Net TIC Flows	MAY	--	--	\$111.8B	7/31	Personal Spending	JUN	--	--	--
7/17	Industrial Production	JUN	--	--	0.00%	7/31	PCE Deflator (YoY)	JUN	--	--	--
7/17	Capacity Utilization	JUN	--	--	81.30%	7/31	PCE Core (MoM)	JUN	--	--	--
7/17	NAHB Housing Market Index	JUL	--	--	28	7/31	PCE Core (YoY)	JUN	--	--	--
7/18	Consumer Price Index (MoM)	JUN	--	--	0.70%	7/31	S&P/CS Composite-20 YoY	MAY	--	--	-2.10%
7/18	CPI Ex Food & Energy (MoM)	JUN	--	--	0.10%	7/31	S&P/CS Composite-20 Home Price	MAY	--	--	200.45
7/18	Consumer Price Index (YoY)	JUN	--	--	2.70%	7/31	Construction Spending MoM	JUN	--	--	--
7/18	CPI Ex Food & Energy (YoY)	JUN	--	--	2.20%						

SOURCE: Bloomberg, LLC

## M&A Transaction Update

### Announced Transactions - June 2007



SOURCE: SNL Financial

### Hovde Financial Deal Alerts

#### Yardville National Bancorp sells for \$403 Million

Hovde Financial is pleased to announce the terms of the signing of a merger agreement between our client, \$2.68 billion asset size Hamilton, NJ-based Yardville National Bancorp (NASDAQ: YANB) and \$122.56 billion asset size Pittsburgh, PA-based PNC Financial Services Group, Inc. (NYSE: PNC). Hovde served as exclusive financial advisor to YNB, initiated this transaction and delivered a fairness opinion to YNB's Board of Directors. YNB shareholders will receive approximately \$235 million in PNC stock (based on PNC's closing price of \$71.84 on June 6, 2007) and \$168 million in cash, in an approximately 60% stock / 40% cash transaction. The transaction is expected to close early in the fourth quarter of 2007 subject to customary closing conditions, including regulatory approvals and approval by YNB's shareholders. Since January 1, 2007, Hovde has announced 13 transactions, amounting to a total deal value of approximately \$1.4 billion. In addition, Hovde announced 36 transactions in 2006, including 31 sell side deals—the most ever in one year by an investment banking firm in sell side bank & thrift M&A.

### Deal Count - June 2007

Bank & Thrift	19
Insurance & Insurance Brokerage	14
Specialty Finance	12
Asset Management & Broker/Dealer	16

SOURCE: SNL Financial

### Deal Count - 2007

Bank & Thrift	148
Insurance & Insurance Brokerage	135
Specialty Finance	62
Asset Management & Broker/Dealer	81

SOURCE: SNL Financial

### Top Financial Advisors in Bank and Thrift Transactions

Trailing 12 Months, Sell-Side Advisory Transactions

Rank	Firm	# of Deals
1	Hovde Financial	32
2	Keefe, Bruyette & Woods, Inc.	31
2	Sandler O'Neill & Partners, LP	31
4	Howe Barnes Hoefer & Arnett, Inc.	19
5	Stifel, Nicolaus & Company, Inc.	11
6	McAdams Wright Ragen, Inc.	7
6	Sheshunoff & Co. Investment Banking LP	7
8	Burke Capital Group, LLC	6
8	SAMCO Capital Markets, Inc.	6
10	Austin Associates, LLC	5

SOURCE: SNL Financial (data from 05/31/2006 - 06/30/2007)

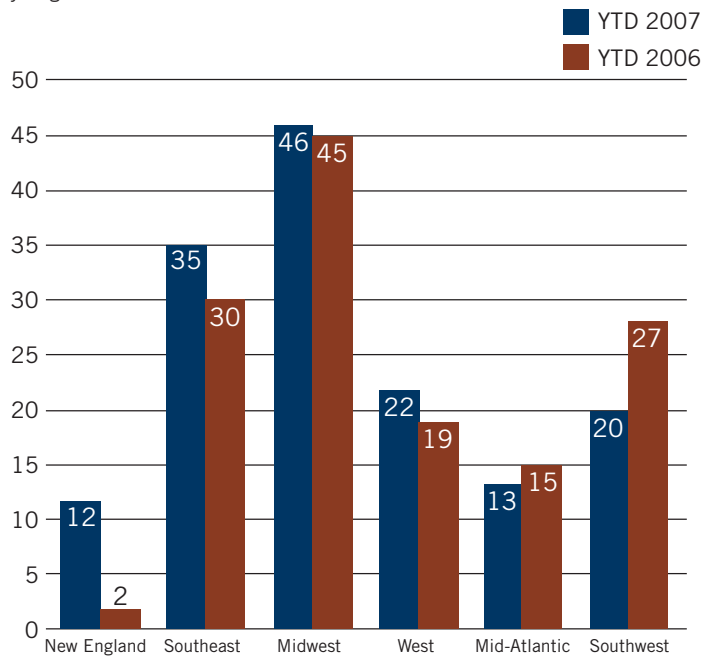
## Bank & Thrift Transactions - June 2007

Buyer	Buyer State	Target	Target State	Announced	DV (\$MM)	P/LTM Ern	P/TBV (%)	Core Deposit Premium (%)
First Wyoming Bancorporation	WY	Western Bank of Cheyenne	WY	06/01/2007	NA	NA	NA	NA
Bangor Savings Bank	ME	Pepperell Bancshares Financial Group, Inc.	ME	06/04/2007	NA	NA	NA	NA
Chittenden Corporation	VT	Community Bank & Trust Company	NH	06/04/2007	124.1	17.5	270.0	27.4
<b>PNC Financial Services Group, Inc.</b>	<b>PA</b>	<b>Yardville National Bancorp</b>	<b>NJ</b>	<b>06/06/2007</b>	<b>403.5</b>	<b>77.5</b>	<b>213.0</b>	<b>12.1</b>
First Citizen Banc Corp	OH	Futura Banc Corporation	OH	06/07/2007	65.5	19.8	243.6	22.4
Martha's Vineyard Co-op Bank of Tisbury	MA	Dukes County Savings Bank	MA	06/07/2007	NA	NA	NA	NA
A.N.B. Holding Company, Ltd.	TX	Bryant-Irvin Bancshares, Inc.	TX	06/13/2007	NA	NA	NA	NA
Central Banccompany, Inc.	MO	Millstadt Bancshares, Inc.	IL	06/13/2007	21.0	52.9	162.4	11.5
Yadkin Valley Financial Corporation	NC	Cardinal State Bank	NC	06/14/2007	41.8	33.2	192.7	16.3
Porter Bancorp, Inc.	KY	Ohio County Bancshares, Inc.	KY	06/16/2007	12.0	50.4	193.7	6.9
Zions Bancorporation	UT	Intercontinental Bank Shares Corporation	TX	06/18/2007	NA	NA	NA	NA
FBC Bancorp Inc.	FL	Prime Bank	FL	06/20/2007	6.4	NM	99.1	NM
National Penn Bancshares, Inc.	PA	Christiana Bank & Trust Company	DE	06/25/2007	64.6	22.9	281.9	34.2
People's United Financial, Inc.	CT	Chittenden Corporation	VT	06/26/2007	1,753.2	20.0	379.1	27.6
Banner Corporation	WA	NCW Community Bank	WA	06/27/2007	18.5	19.9	208.3	20.6
Northrim BanCorp, Inc.	AK	Alaska First Bank & Trust	AK	06/27/2007	6.3	24.3	122.3	2.5
Olney Bancshares of Texas, Inc.	TX	Union Bank, National Association	OK	06/29/2007	78.4	19.8	248.7	17.9
Omaha Financial Holdings, Inc.	NE	Midlands Financial Services, Inc.	NE	06/29/2007	NA	NA	NA	NA
Shinhan Financial Group Co., Ltd.		North Atlanta National Bank	GA	06/29/2007	28.0	20.9	209.5	15.6

\* deals in bold represent Hovde Financial advisory transactions

SOURCE: SNL Financial

### Bank & Thrift Transactions by Region



SOURCE: SNL Financial

### Deal Pricing by Region - YTD

Region	Deal Value	Price/TBV	P/ LTM Ern	P/ Core Dep Prem
New England	\$4,837	297.9	20.0	27.1
Southeast	\$14,359	261.7	26.8	25.6
Midwest	\$24,723	218.0	29.4	16.4
West	\$4,867	261.7	27.4	21.0
Mid-Atlantic	\$2,530	240.3	29.3	20.1
Southwest	\$420	294.8	24.0	24.5
<b>Average</b>		<b>253.3</b>	<b>27.3</b>	<b>21.6</b>

SOURCE: SNL Financial

### Deal Pricing by Quarter

Quarter	Deal Value	Price/TBV	P/ LTM Ern	P/ Core Dep Prem
1Q2005	\$6,669	229.8	25.7	16.1
2Q2005	\$3,488	221.9	27.3	16.0
3Q2005	\$9,887	241.2	23.3	18.6
4Q2005	\$4,701	226.0	25.0	18.1
1Q2006	\$17,446	240.6	26.4	19.9
2Q2006	\$47,289	241.6	27.0	18.3
3Q2006	\$6,438	265.8	25.3	19.9
4Q2006	\$37,247	258.4	25.5	21.9
1Q2007	\$20,945	269.1	27.7	23.8
2Q2007	\$30,903	229.9	26.6	18.2

SOURCE: SNL Financial

## Insurance and Insurance Brokerage Transactions - June 2007

Buyer	Target	Announced	DV (\$MM)
Hilb Rogal & Hobbs Company	Alliant Insurance Services, Inc.	6/01/2007	1,100.0
Northeast Bancorp	Insurance Partners Agency	6/04/2007	NA
Wells Fargo & Company	Weber, Pile & Associates	6/04/2007	NA
J. Smith Lanier & Co.	Charlton Manley Insurance, Inc.	6/05/2007	NA
Fortis SA/NV	James River Group, Inc.	6/11/2007	575.0
Hanover Insurance Group, Inc.	Pacific Century Insurance Holdings Limited	6/11/2007	NA
Myers, Reese, Smith & Chester, Inc.	Powell-Walton-Milward	6/18/2007	NA
AmTrust Financial Services, Inc.	CompBenefits Corporation	6/19/2007	360.0
Humana Inc.	Professionals Direct, Inc.	6/25/2007	23.2
Arthur J. Gallagher & Co.	Associated Industries Insurance Services, Inc.	6/25/2007	41.2
Blackstone Group L.P.	Carswell Insurance Services	6/27/2007	NA
BB&T Corporation	Carpenter, Cammack & Associates, Inc.	6/28/2007	NA
TowneBank	Russell Insurance Agency	6/29/2007	NA

SOURCE: SNL Financial

## Specialty Finance Transactions - June 2007

Buyer	Target	Announced	DV (\$MM)
Lone Star Funds	Accredited Home Lenders Holding Co.	6/04/2007	379.3
Sterling Partners	Metrocities Mortgage, LLC	6/07/2007	NA
GMAC LLC	ResMore Trust Company	6/12/2007	NA
PremierWest Bancorp	Pacific Continental consumer finance division	6/12/2007	NA
Capital Trust, Inc.	Healthcare Loan Origination Platform	6/19/2007	4.4
Resource America, Inc.	Pacific Capital Bancorp leasing division	6/19/2007	280.0
Shearson Financial Network Inc.	Dollar Mortgage Corp.	6/19/2007	NA
Wells Fargo & Company	CIT Construction	6/21/2007	NA
First Community Bancorp	Business Finance Capital Corporation	6/25/2007	35.0
Hillcrest Bancshares, Inc.	SunBridge Capital, Inc.	6/25/2007	NA
Centerbridge Partners L.P.	Green Tree Servicing, LLC	6/27/2007	NA
Liberty Financial Services, Inc.	Stephens Development, Inc.	6/29/2007	NA

SOURCE: SNL Financial

## Asset Management Transactions - June 2007

Buyer	Target	Announced	DV (\$MM)
Management group	Foley Revy Investment Company, Inc.	6/04/2007	NA
Lauritzen Corporation	Cybus Capital Markets, LLC	6/04/2007	NA
Wilmington Trust Corporation	Amaco (Luxembourg) S.A.	6/05/2007	NA
Investment Technology Group, Inc.	RedSky Financial, LLC	6/08/2007	NA
Bank of New York Company, Inc.	LiquidPoint, LLC	6/11/2007	NA
Thomas F. Marsico	Marsico Capital Management, LLC	6/14/2007	NA
ING Groep NV	Landmark Investment Management Co. Ltd.	6/18/2007	NA
CIT Group Inc.	Edgeview Partners, LLC	6/18/2007	NA
Madison Dearborn Partners LLC	Nuveen Investments, Inc.	6/19/2007	5,759.7
Jefferies Group, Inc.	Putnam Lovell NBF Group Inc.	6/21/2007	NA
Principal Financial Group, Inc.	Morley Financial Services, Inc.	6/22/2007	75.0
C. L. King & Associates, Inc.	First Albanay fixed income securities business	6/22/2007	34.0
IntercontinentalExchange, Inc.	WCE Holdings Inc	6/22/2007	37.3
BlackRock, Inc.	Quellos Group fund of funds business	6/26/2007	1,720.0
Security Benefit Mutual Holding Company	Rydex NV Inc.	6/28/2007	NA
Natixis Global Asset Management	Gateway International Advisers, LP	6/29/2007	NA

SOURCE: SNL Financial