



Hovde

Financial Institutions
Monthly Overview

Capital Markets
Economic Data Review
M&A Statistics

March 2007

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March 2007 - Hovde Monthly Overview

| | |
|-----------------------------------|--------|
| Economic Outlook..... | page 1 |
| Capital Markets | page 3 |
| Proprietary Index Valuations..... | page 4 |
| Economic Data Review | page 5 |
| Mergers & Acquisitions..... | page 6 |

About Hovde

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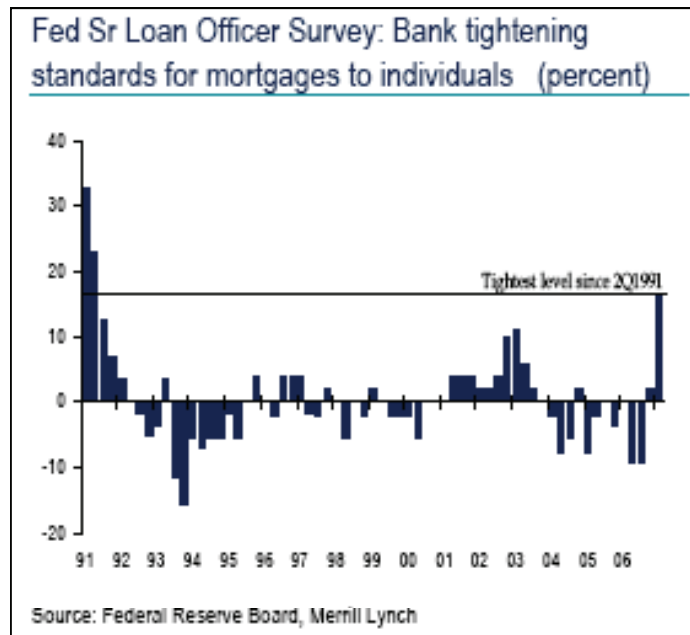
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The Mortgage Meltdown Spreads

Last month, we provided an update on the virtual implosion of the subprime mortgage market along with an overview of some of the underlying issues that helped to ignite it. Since then, we have seen numerous other mortgage lenders either shutter their businesses or be forced into bankruptcy. As of the last count (see the website we highlighted last month, www.ml-implode.com, for a recap) there are now at least 50 different subprime mortgage companies that have shut down their operations since late 2006. This was highlighted, in early April, by the bankruptcy of New Century Financial – the largest independent provider of subprime mortgages in the country.

Although many have argued recently that the problems in the mortgage market have been isolated to the subprime space and that the spillover to the rest of the mortgage and housing market will be minimal, recent evidence would argue otherwise. Not only are credit trends in the much larger Alt-A and more traditional areas of the mortgage market also continuing to deteriorate at a rapid pace, but investor demand for mortgage-related assets – which was the provider of the enormous amount of liquidity that helped to fuel the housing boom – has started to wane rapidly, not just in the subprime space. As Michael Strauss, Chairman and CEO of American Home Mortgage – one of the largest publicly-traded mortgage companies in the U.S. focusing on the more traditional mortgage markets – commented in his company’s recent earnings warning in early April, “During March, conditions in the secondary mortgage and mortgage securities markets changed sharply. In particular, these markets were characterized by far few buyers offering materially lower prices....”

This dynamic, along with heightened regulatory pressures, has hastened the pace at which lenders have begun to tighten their mortgage lending standards (see chart). Many large mortgage lenders, like Countrywide Financial Corp. and IndyMac Bancorp, Inc., recently announced that they were immediately discontinuing many of their riskier lending practices such as 100% no-money-down financing



and other no-documentation loan programs. Some estimates suggest that this overall tightening of credit standards and reduced investor demand could reduce 2007 subprime and Alt-A origination volumes by more than 25%-50%. While this may ultimately create a healthier lending environment for the banking and mortgage industries over the longer-term, it will initially put added pressure on an already weak housing market in the near term as many borrowers will soon find that they no longer have access to the same easy credit they did in the past to either purchase a home or refinance their existing mortgage.

The homebuilding industry has clearly been one of the biggest beneficiaries of these relaxed lending standards over the last few years as it became increasingly easy for homebuyers to get approved for the loans to purchase the builders’ homes. However, now that credit has begun to tighten, an estimated 1.1 million potential borrowers are basically being “priced out” of the market – no longer able to get access to the needed credit. This has inevitably led to a further weakening of demand for housing and a rise in inventories of unsold homes not seen since the early nineties. On March 22nd, the CEO of KB Homes was quoted as saying: “Having now entered the spring selling season, we continue to observe instability in the marketplace.

ALERT! **Appraisals Are Shown To Be Severely Flawed Due to Overly Aggressive Valuations and Significant Fraud**

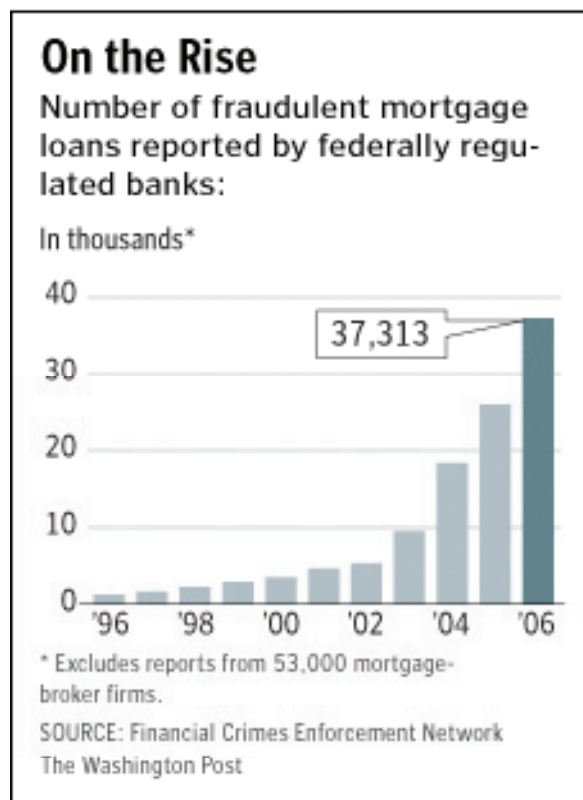
- According to a new study released by BasePoint Analytics, 70% of early payment defaults can be linked to misrepresentation on loan applications.
- Overly aggressive or fraudulent appraisals are a primary reason.
- Many appraisers were coerced by brokers or homebuilders to appraise homes for much more than their true worth.
- GMAC has announced that they will no longer rely on appraisals or brokered opinions for foreclosed properties given the fraud or unrealistic values being assigned.
- All appraisers should be heavily scrutinized to ensure accuracy in their assessed values!
- Are your appraisers factoring concessions and discounts by builders into their appraisals?

Moreover, recent problems in the subprime mortgage market combined with tightening credit requirements could exacerbate the already difficult conditions in the homebuilding industry. The rise in delinquency and foreclosure rates may increase the supply of homes on the market, generating additional downward pressure on prices. Under these conditions, it is hard to predict when the housing markets will stabilize.” While many were hoping that a strong spring selling season would help to stabilize the housing markets and bring buyers back to the table, early indications paint a much different picture. As Robert Toll, the CEO of Toll Brothers, recently described, the spring selling season has been “a bust” so far and we can not predict when housing will recover.

To add insult-to-injury, in recent weeks, it was reported that Beazer Homes, the nation’s sixth-largest residential homebuilder, is being investigated by the FBI, the IRS, and the Justice Department over predatory lending practices through their mortgage arm. This issue may also not be an isolated event, as many other homebuilders have incorporated mortgage arms into their operations as a way to vertically integrate and have control over the financing options of their buyers.

Further government-related investigations and Congressional

hearings into the mortgage and housing markets will be key issues to watch over the coming months – with any new laws or guidelines mandated by Congress or the regulators likely to have a significant impact on both the banking and housing markets.



Federal Reserve Aggregate Bank Data

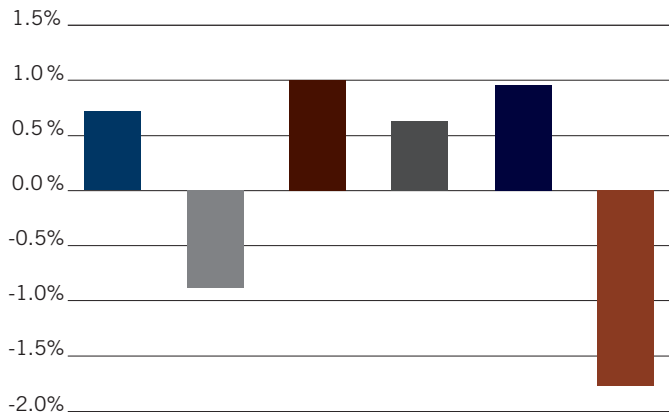
| | 2/2006 | 6/2006 | 7/2006 | 8/2006 | 9/2006 | 10/2006 | 11/2006 | 12/2006 | 1/2007 | 2/2007 | MoM | YoY |
|---|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|-------------|--------------|
| ASSETS | | | | | | | | | | | | |
| Securities | | | | | | | | | | | | |
| Secs in Bank Credit | 2,108 | 2,189 | 2,195 | 2,206 | 2,191 | 2,206 | 2,219 | 2,221 | 2,213 | 2,230 | 0.8% | 5.8% |
| Treasury & Agency | 1,182 | 1,199 | 1,212 | 1,222 | 1,210 | 1,210 | 1,206 | 1,192 | 1,195 | 1,200 | 0.4% | 1.6% |
| Other | 926 | 989 | 984 | 985 | 981 | 996 | 1,013 | 1,029 | 1,018 | 1,030 | 1.2% | 11.2% |
| Loans and Leases | | | | | | | | | | | | |
| C&I | 1,063 | 1,118 | 1,130 | 1,160 | 1,165 | 1,176 | 1,180 | 1,190 | 1,193 | 1,202 | 0.8% | 13.1% |
| Real Estate | 2,967 | 3,089 | 3,128 | 3,128 | 3,150 | 3,296 | 3,301 | 3,324 | 3,345 | 3,372 | 0.8% | 13.6% |
| Consumer | 712 | 729 | 722 | 729 | 727 | 724 | 729 | 736 | 744 | 744 | 0.0% | 4.5% |
| Other | 535 | 547 | 549 | 553 | 550 | 512 | 513 | 518 | 518 | 523 | 0.9% | -2.2% |
| Other Assets | 748 | 779 | 791 | 795 | 789 | 821 | 813 | 831 | 842 | 852 | 1.2% | 13.9% |
| Total Assets | 8,934 | 9,248 | 9,310 | 9,354 | 9,400 | 9,571 | 9,613 | 9,701 | 9,751 | 9,828 | 0.8% | 10.0% |
| LIABILITIES | | | | | | | | | | | | |
| Deposits | | | | | | | | | | | | |
| Transaction | 663 | 664 | 640 | 662 | 636 | 636 | 647 | 631 | 646 | 634 | -1.9% | -4.3% |
| Nontransaction | 5,164 | 5,337 | 5,400 | 5,403 | 5,469 | 5,568 | 5,596 | 5,674 | 5,695 | 5,706 | 0.2% | 10.5% |
| Large time | 1,475 | 1,597 | 1,616 | 1,655 | 1,695 | 1,714 | 1,726 | 1,726 | 1,730 | 1,748 | 1.0% | 18.5% |
| Other | 3,689 | 3,740 | 3,783 | 3,748 | 3,774 | 3,854 | 3,870 | 3,948 | 3,965 | 3,959 | -0.2% | 7.3% |
| Borrowings | 1,782 | 1,827 | 1,801 | 1,804 | 1,854 | 1,910 | 1,945 | 1,957 | 1,958 | 1,972 | 0.7% | 10.7% |
| Other Liabilities | 493 | 554 | 553 | 560 | 554 | 570 | 571 | 577 | 572 | 578 | 1.1% | 17.2% |
| Total Liabilities | 8,148 | 8,448 | 8,512 | 8,544 | 8,569 | 8,707 | 8,765 | 8,870 | 8,889 | 8,910 | 0.2% | 9.4% |
| Residual (assets less liabilities) | 787 | 800 | 798 | 810 | 830 | 864 | 848 | 831 | 862 | 917 | 6.4% | 16.6% |

all values in \$ billions

SOURCE: Federal Reserve Documents

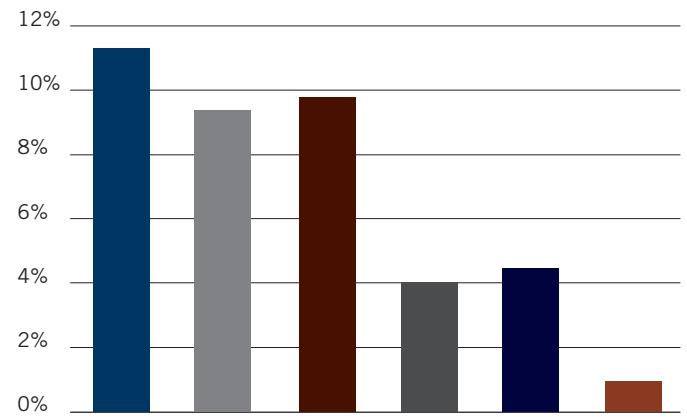
Major Market Index Performance

March 2007



SOURCE: Bloomberg, LLC

Last Twelve Months



SOURCE: Bloomberg, LLC

| | 4/2006 | 5/2006 | 6/2006 | 7/2006 | 8/2006 | 9/2006 | 10/2006 | 11/2006 | 12/2006 | 1/2007 | 2/2007 | 3/2007 |
|---------------|--------|--------|--------|--------|--------|--------|---------|---------|---------|--------|--------|--------|
| Dow Jones | 2.3% | -1.7% | -0.2% | 0.3% | 1.7% | 2.8% | 3.4% | 1.2% | 2.0% | 1.3% | -2.8% | 0.7% |
| S&P Financial | 4.1% | -3.9% | -0.7% | 2.3% | 0.8% | 4.1% | 2.3% | 0.2% | 3.7% | 0.7% | -3.3% | -0.9% |
| S&P 500 | 1.2% | -3.1% | 0.0% | 0.5% | 2.1% | 2.5% | 3.2% | 1.6% | 1.3% | 1.4% | -2.2% | 1.0% |
| NASDAQ | -0.2% | -7.1% | -0.3% | -4.2% | 4.7% | 4.7% | 4.7% | 3.4% | -1.9% | 2.0% | -1.7% | 0.6% |
| Russell 2000 | -0.1% | -5.7% | 0.5% | -3.3% | 2.9% | 0.7% | 5.7% | 2.5% | 0.2% | 1.6% | -0.9% | 0.9% |
| NASDAQ Bank | 0.4% | -1.6% | -0.1% | 1.2% | 0.8% | 0.4% | 1.7% | 0.6% | 2.0% | -1.5% | -1.3% | -1.7% |

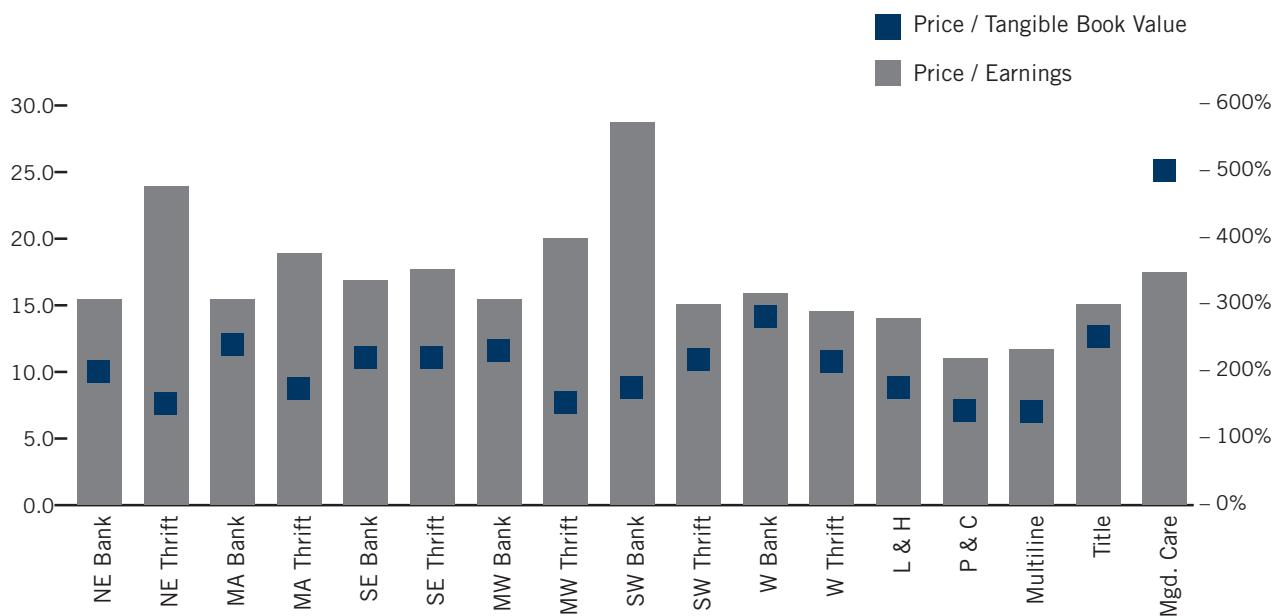
SOURCE: Bloomberg, LLC

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 |
| New England | Bank | 16.8 | 15.6 | 193% | 161% | 317% | 200% | -0.3% | 4.7% | 3.0% |
| | Thrift | 15.9 | 23.5 | 185% | 127% | 214% | 146% | -2.0% | 0.1% | 3.0% |
| Mid Atlantic | Bank | 14.4 | 15.7 | 180% | 171% | 287% | 221% | 0.6% | -1.4% | -2.5% |
| | Thrift | 22.1 | 19.7 | 159% | 154% | 241% | 179% | -0.5% | 0.8% | 1.6% |
| Southeastern | Bank | 14.2 | 16.5 | 171% | 170% | 286% | 206% | -0.6% | 0.3% | 2.6% |
| | Thrift | 15.4 | 17.8 | 124% | 135% | 182% | 203% | -6.0% | -4.3% | -4.8% |
| Midwestern | Bank | 14.6 | 15.5 | 219% | 158% | 343% | 214% | -0.2% | -2.1% | -3.8% |
| | Thrift | 26.3 | 20.3 | 170% | 17% | 123% | 140% | -1.1% | -1.4% | -0.7% |
| Southwestern | Bank | 19.4 | 28.4 | 118% | 107% | 224% | 179% | -1.4% | -2.8% | -2.7% |
| | Thrift | 23.2 | 14.9 | 146% | 152% | 197% | 201% | 0.0% | 3.0% | 8.1% |
| Western | Bank | 15.3 | 16.0 | 221% | 220% | 266% | 283% | -0.6% | 1.5% | 0.4% |
| | Thrift | 10.8 | 13.8 | 136% | 137% | 139% | 201% | -2.1% | -0.8% | 2.6% |

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 | 15.2 | 13.4 | 133% | 133% | 179% | 178% | -0.5% | 5.2% | 3.9% |
| Property & Casualty | 13.2 | 11.7 | 163% | 145% | 99% | 153% | 1.8% | 8.1% | 11.5% |
| Multiline | 15.6 | 12.1 | 159% | 154% | 154% | 157% | 5.0% | 18.5% | 18.0% |
| Title | 15.0 | 15.2 | 125% | 126% | 215% | 235% | 5.5% | 19.0% | 9.4% |
| Managed Care | 18.1 | 17.6 | 258% | 250% | 437% | 500% | 2.8% | 13.0% | 13.7% |



Economic Data Points - March 2007

| Date | Event | | Period | Survey | Actual | Prior | Date | Event | | Period | Survey | Actual | Prior |
|------|----------------------------|-------|--------|-----------|-----------|-----------|------|-----------------------------|-------|--------|--------|---------|---------|
| 3/1 | PCE Core | (MoM) | JAN | 0.20% | 0.30% | 0.10% | 3/16 | Consumer Price Index NSA | | FEB | 203.4 | 203.499 | 202.416 |
| 3/1 | PCE Core | (YoY) | JAN | 2.30% | 2.30% | 2.20% | 3/16 | Industrial Production | | FEB | 0.30% | 1.00% | -0.50% |
| 3/1 | PCE Deflator | (YoY) | JAN | 2.30% | 2.00% | 2.00% | 3/16 | Capacity Utilization | | FEB | 81.30% | 82.00% | 81.20% |
| 3/1 | Construction Spending MoM | | JAN | -0.50% | -0.80% | -0.40% | 3/20 | Housing Starts | | FEB | 1450K | 1525K | 1408K |
| 3/6 | Nonfarm Productivity | | 4Q F | 1.50% | 1.60% | 3.00% | 3/20 | Building Permits | | FEB | 1550K | 1532K | 1568K |
| 3/6 | Pending Home Sales MoM | | JAN | -1.20% | -4.10% | 4.90% | 3/21 | FOMC Rate Decision Expected | | 21-Mar | 5.25% | 5.25% | 5.25% |
| 3/7 | Consumer Credit | | JAN | \$7.0B | \$6.4B | %6.0B | 3/22 | Initial Jobless Claims | | 17-Mar | 323K | 316K | 318K |
| 3/9 | Trade Balance | | JAN | -\$59.8B | -\$59.1B | -\$61.2B | 3/22 | Continuing Claims | | 10-Mar | 2550K | 2501K | 2576K |
| 3/9 | Change in Nonfarm Payrolls | | FEB | 95K | 97K | 111K | 3/23 | Existing Home Sales | | FEB | 6.30M | 6.69M | 6.46M |
| 3/9 | Unemployment Rate | | FEB | 4.60% | 4.50% | 4.60% | 3/23 | Existing Home Sales MoM | | FEB | -2.50% | 3.90% | 3.00% |
| 3/9 | Wholesale Inventories | | JAN | 0.10% | 0.70% | -0.50% | 3/26 | New Home Sales | | FEB | 985K | 848K | 937K |
| 3/12 | Monthly Budget Statement | | FEB | -\$123.0B | -\$120.0B | -\$119.2B | 3/26 | New Home Sales MoM | | FEB | 5.40% | -3.90% | -16.60% |
| 3/13 | Advance Retail Sales | | FEB | 0.30% | 0.10% | 0.00% | 3/27 | ABC Consumer Confidence | | 25-Mar | -- | -2 | -5 |
| 3/13 | Retail Sales Less Autos | | FEB | 0.30% | -0.10% | 0.30% | 3/28 | MBA Mortgage Applications | | 23-Mar | -- | -0.20% | -2.70% |
| 3/14 | Import Price Index | (MoM) | FEB | 0.80% | 0.20% | -1.20% | 3/29 | GDP Annualized | | 4Q F | 2.20% | 2.50% | 2.20% |
| 3/14 | Import Price Index | (YoY) | FEB | 1.40% | 1.30% | 0.10% | 3/29 | Personal Consumption | | 4Q F | 4.20% | 4.20% | 4.20% |
| 3/15 | Import Price Index | (MoM) | FEB | 0.50% | 1.30% | -0.60% | 3/29 | GDP Price Index | | 4Q F | 1.70% | 1.70% | 1.70% |
| 3/15 | Import Price Index | (YoY) | FEB | 0.20% | 0.40% | 0.20% | 3/29 | Core PCE QoQ | | 4Q F | 1.90% | 1.80% | 1.90% |
| 3/15 | Producer Price Index | (YoY) | FEB | 1.90% | 2.50% | 0.20% | 3/29 | Initial Jobless Claims | | 24-Mar | 320K | 308K | 316K |
| 3/15 | PPI Ex Food & Energy | (YoY) | FEB | 1.70% | 1.80% | 1.80% | 3/29 | Continuing Claims | | 17-Mar | 2518K | 2527K | 2501K |
| 3/16 | Consumer Price Index | (MoM) | FEB | 0.30% | 0.40% | 0.20% | 3/30 | PCE Deflator | (YoY) | FEB | 2.20% | 2.30% | 2.00% |
| 3/16 | CPI Ex Food & Energy | (MoM) | FEB | 0.20% | 0.20% | 0.30% | 3/30 | PCE Core | (MoM) | FEB | 0.20% | 0.30% | 0.30% |
| 3/16 | Consumer Price Index | (YoY) | FEB | 2.30% | 2.40% | 2.10% | 3/30 | PCE Core | (YoY) | FEB | 2.40% | 2.40% | 2/30% |
| 3/16 | CPI Ex Food & Energy | (YoY) | FEB | 2.70% | 2.70% | 2.70% | 3/30 | Construction Spending MoM | | FEB | -0.40% | 0.30% | -0.80% |
| 3/16 | CPI Core Index SA | | FEB | -- | 209.135 | 208.632 | 3/30 | U. of Michigan Confidence | | MAR F | 88.5 | 88.4 | 88.8 |

SOURCE: Bloomberg, LLC

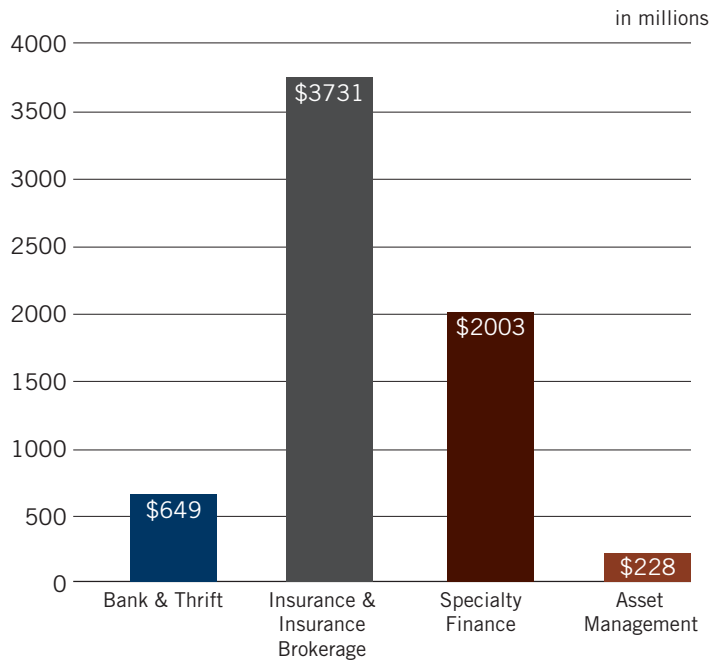
Economic Data Points - April 2007

| Date | Event | | Period | Survey | Actual | Prior | Date | Event | | Period | Survey | Actual | Prior |
|------|-------------------------------|-------|--------|----------|--------|-----------|------|---------------------------|-------|--------|--------|--------|---------|
| 4/3 | Pending Home Sales MoM | | FEB | -0.50% | -- | -4.10% | 4/17 | CPI Ex Food & Energy | (YoY) | MAR | -- | -- | 2.70% |
| 4/3 | Total Vehicle Sales | | MAR | 16.5M | -- | 16.6M | 4/17 | Housing Starts | | MAR | -- | -- | 1525K |
| 4/3 | Domestic Vehicle Sales | | MAR | 12.7M | -- | 12.8M | 4/17 | CPI Core Index SA | | MAR | -- | -- | 209.135 |
| 4/4 | ISM Non-Manufacturing | | MAR | 55 | -- | 54.3 | 4/17 | Building Permits | | MAR | -- | -- | 1532K |
| 4/6 | Change in Nonfarm Payrolls | | MAR | 133K | -- | 97K | 4/17 | Consumer Price Index NSA | | MAR | -- | -- | -- |
| 4/6 | Unemployment Rate | | MAR | 4.60% | -- | 4.50% | 4/17 | Industrial Production | | MAR | -- | -- | 1.00% |
| 4/6 | Change in Manufact. Payrolls | | MAR | -10K | -- | -14K | 4/17 | Capacity Utilization | | MAR | -- | -- | 82.00% |
| 4/6 | Consumer Credit | | FEB | \$5.8B | -- | \$6.4B | 4/24 | Consumer Confidence | | APR | -- | -- | 107.2 |
| 4/11 | Mins of March 21 FOMC Meeting | | | | | | 4/24 | Existing Home Sales | | MAR | -- | -- | -- |
| 4/11 | Monthly Budget Statement | | MAR | -\$85.0B | | -\$120.0B | 4/24 | Existing Home Sales MoM | | MAR | -- | -- | -- |
| 4/12 | Import Price Index | (MoM) | MAR | 0.80% | -- | 0.20% | 4/24 | ABC Consumer Confidence | | 22-Apr | -- | -- | -- |
| 4/12 | Import Price Index | (YoY) | MAR | -- | -- | 1.30% | 4/25 | MBA Mortgage Applications | | 20-Apr | -- | -- | -- |
| 4/12 | ICSC Chain Store Sales YoY | | MAR | -- | -- | 2.50% | 4/25 | New Home Sales | | MAR | -- | -- | 848K |
| 4/13 | Trade Balance | | FEB | -\$60.3B | -- | -\$59.1B | 4/25 | New Home Sales MoM | | MAR | -- | -- | -3.90% |
| 4/13 | Producer Price Index | (MoM) | MAR | 0.60% | -- | 1.30% | 4/26 | Initial Jobless Claims | | 21-Apr | -- | -- | -- |
| 4/13 | PPI Ex Food & Energy | (MoM) | MAR | 0.20% | -- | 0.40% | 4/26 | Continuing Claims | | 14-Apr | -- | -- | -- |
| 4/13 | Producer Price Index | (YoY) | MAR | -- | -- | 2.50% | 4/27 | GDP Annualized | | 1Q A | -- | -- | 2.50% |
| 4/13 | PPI Ex Food & Energy | (YoY) | MAR | -- | -- | 1.80% | 4/27 | Employment Cost Index | | 1Q | -- | -- | 0.80% |
| 4/16 | Advance Retail Sales | | MAR | -- | -- | 0.10% | 4/27 | GDP Price Index | | 1Q A | -- | -- | 1.70% |
| 4/16 | Retail Sales Less Autos | | MAR | -- | -- | -0.10% | 4/27 | U. of Michigan Confidence | | APR F | -- | -- | -- |
| 4/16 | Business Inventories | | FEB | -- | -- | 0.20% | 4/30 | PCE Deflator | (YoY) | MAR | -- | -- | 2.30% |
| 4/17 | Consumer Price Index NSA | | MAR | -- | -- | 203.5 | 4/30 | PCE Core | (MoM) | MAR | -- | -- | 0.30% |
| 4/17 | Consumer Price Index | (MoM) | MAR | -- | -- | 0.40% | 4/30 | PCE Core | (YoY) | MAR | -- | -- | 2.40% |
| 4/17 | CPI Ex Food & Energy | (MoM) | MAR | -- | -- | 0.20% | 4/30 | Construction Spending MoM | | MAR | -- | -- | 0.30% |
| 4/17 | Consumer Price Index | (YoY) | MAR | -- | -- | 2.40% | | | | | | | |

SOURCE: Bloomberg, LLC

M&A Transaction Update

Announced Transactions - March 2007



SOURCE: SNL Financial

Deal Count - March 2007

| | |
|----------------------------------|----|
| Bank & Thrift | 21 |
| Insurance & Insurance Brokerage | 22 |
| Specialty Finance | 11 |
| Asset Management & Broker/Dealer | 11 |

SOURCE: SNL Financial

Deal Count - 1Q2007

| | |
|----------------------------------|----|
| Bank & Thrift | 75 |
| Insurance & Insurance Brokerage | 83 |
| Specialty Finance | 29 |
| Asset Management & Broker/Dealer | 34 |

SOURCE: SNL Financial

Hovde Financial Deal Alert

Northwest Suburban Bancorp, Inc. Agrees to Merge with Midwest Banc Holdings, Inc. (MBHI) for \$140 Million

Hovde Financial is pleased to announce the terms of the signing of a merger agreement between our client, \$535 million asset size Mount Prospect, Illinois-based Northwest Suburban Bancorp, Inc. ("Northwest Suburban") and \$2.9 billion asset size Melrose Park, Illinois-based Midwest Banc Holdings, Inc. (NASDAQ: MBHI). Hovde both initiated this transaction and served as Northwest Suburban's exclusive financial advisor. Using December 31, 2006 financial data, the \$140.5 million deal value equates to 26.3x Northwest Suburban's trailing 12-month earnings, 2.92x tangible book value, a 37.1% premium to core deposits, and 26.2% of Northwest Suburban's total assets. This deal results in the highest premium-to-core deposits ratio ever paid in the Chicago MSA, and the 2nd highest price-to-assets multiple.

Top Financial Advisors in Bank and Thrift Transactions

Trailing 12 Months, Sell Side Advisory Transactions

| Rank | Firm | # of Deals |
|------|--|------------|
| 1 | Hovde Financial | 35 |
| 2 | Keefe, Bruyette & Woods, Inc. | 28 |
| 3 | Sandler O'Neill & Partners, LP | 25 |
| 4 | Howe Barnes Hoefler & Arnett, Inc. | 16 |
| 5 | Stifel, Nicolaus & Company, Inc. | 14 |
| 6 | Sheshunoff & Co. Investment Banking LP | 8 |
| 7 | Burke Capital Group, LLC | 7 |
| 8 | SAMCO Capital Markets, Inc. | 6 |
| 9 | Austin Associates, LLC | 5 |

SOURCE: SNL Financial (data from 03/31/2006 - 03/31/2007)

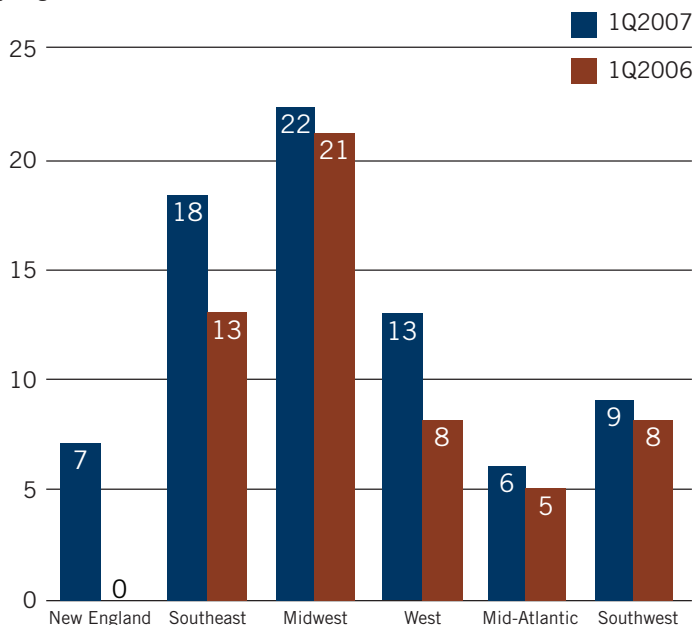
Bank & Thrift Transactions - March 2007

| Buyer | Target | Announced | DV (\$MM) | P/LTM Ern | P/TBV (%) | Core Deposit |
|---|---|------------------|--------------|-------------|--------------|--------------|
| Buckhead Community Bancorp, Inc. | Allied Bancshares, Inc. | 3/01/2007 | 53.6 | 23.6 | 277.7 | 45.39 |
| Citizens National Corporation | Spalding City Corporation | 3/01/2007 | NA | NA | NA | NA |
| First Covenant Bank | NBank, National Association | 3/01/2007 | NA | NA | NA | NA |
| PCBA Acquisition, LLC | Premier Commercial Bank Arizona, NA | 3/01/2007 | 11.0 | NM | 125.5 | NA |
| Boston Private Financial Holdings, | Charter Financial Corporation | 3/03/2007 | 73.0 | 24.3 | 356.4 | 26.55 |
| Cooperative Bankshares, Inc. | Bank of Jefferson | 3/06/2007 | NA | NA | NA | NA |
| La Porte Bancorp, Inc. | City Savings Financial Corp. | 3/08/2007 | 19.8 | 50.0 | 151.5 | NA |
| BOK Financial Corporation | Worth Bancorporation, Inc. | 3/09/2007 | 127.1 | 24.0 | 409.8 | 31.42 |
| Citizens National Corporation | Kentucky National Bank of Pikeville | 3/12/2007 | NA | NA | NA | NA |
| Standard Bancshares, Inc. | Community Bank of Lemont | 3/13/2007 | NA | NA | NA | NA |
| North Cascades Bancshares, Inc. | Mid State Bancorp | 3/14/2007 | 6.8 | 16.9 | 186.8 | 11.35 |
| Liberty First Bancshares, Inc. | Park Bank | 3/15/2007 | NA | NA | NA | NA |
| Heartland Bancorp, Inc. | BankPlus, FSB | 3/16/2007 | 33.6 | 22.4 | 144.2 | 5.02 |
| Bradford Bancorp, Inc. | Patapsco Bancorp, Inc. | 3/19/2007 | 45.3 | 30.3 | 277.8 | 17.95 |
| First Texas BHC, Inc. | SWB Bancshares, Incorporated | 3/21/2007 | NA | NA | NA | NA |
| Industry Bancshares, Inc. | Community Bancorporation, Inc. | 3/21/2007 | 33.0 | 16.9 | 328.9 | 25.72 |
| Midwest Banc Holdings, Inc. | Northwest Suburban Bancorp, Inc. | 3/22/2007 | 140.6 | 26.4 | 292.5 | 37.15 |
| Pinnacle Financial Corporation | Georgia Central Bancshares, Inc. | 3/23/2007 | NA | NA | NA | NA |
| State Bank of Wiley | Cheyenne Mountain Bank | 3/27/2007 | NA | NA | NA | NA |
| Columbia Banking System, Inc. | Mountain Bank Holding Company | 3/28/2007 | 59.9 | 27.5 | 258.8 | 24.43 |
| Columbia Banking System, Inc. | Town Center Bancorp | 3/28/2007 | 45.2 | 21.2 | 326.6 | 54.65 |

* deals in bold represent Hovde Financial sell-side advisory transactions

SOURCE: SNL Financial

Bank & Thrift Transactions by Region



SOURCE: SNL Financial

Deal Pricing by Region - 1Q2007

| Region | Deal Value | Price/TBV | P/ LTM Ern | P/ Core Dep Prem |
|--------------|------------|-----------|------------|------------------|
| New England | \$4,603 | 394.1 | 23.1 | 64.6 |
| Southeast | \$11,785 | 319.3 | 24.2 | 29.6 |
| Midwest | \$372 | 218.3 | 25.1 | 16.8 |
| West | \$2,790 | 301.2 | 30.8 | 21.6 |
| Mid-Atlantic | \$119 | 218.3 | 25.1 | 16.8 |
| Southwest | \$65 | 229.7 | 36.5 | 19.3 |
| Average | | 280.2 | 27.5 | 28.1 |

SOURCE: SNL Financial

Deal Pricing by Quarter

| Quarter | Deal Value | Price/TBV | P/ LTM Ern | P/ Core Dep Prem |
|---------|------------|-----------|------------|------------------|
| 4Q2004 | \$2,785 | 218.1 | 23.9 | 15.3 |
| 1Q2005 | \$6,669 | 229.8 | 27.2 | 15.4 |
| 2Q2005 | \$3,488 | 221.9 | 25.7 | 16.1 |
| 3Q2005 | \$9,887 | 241.2 | 27.3 | 16.0 |
| 4Q2005 | \$4,701 | 226.0 | 23.3 | 18.6 |
| 1Q2006 | \$17,446 | 240.6 | 25.0 | 18.1 |
| 2Q2006 | \$47,289 | 241.6 | 26.4 | 19.9 |
| 3Q2006 | \$6,438 | 265.8 | 27.0 | 18.3 |
| 4Q2006 | \$37,247 | 259.0 | 25.3 | 19.9 |
| 1Q2007 | \$20,682 | 278.3 | 25.5 | 21.9 |

SOURCE: SNL Financial

Insurance and Insurance Brokerage Transactions - March 2007

| Buyer | Target | Announced | DV (\$MM) |
|------------------------------------|--|-----------|-----------|
| Fortis SA/NV | Pacific Century Insurance Holdings Limited | 3/01/2007 | 448.0 |
| Zurich Financial Services AG | Bristol West Holdings, Inc. | 3/01/2007 | 695.1 |
| HDH Group, Inc. | Byerly Incorporated | 3/01/2007 | NA |
| Rush Enterprises, Inc. | Advanced Transportation Insurance Services, Inc. | 3/01/2007 | 2.0 |
| SelbertKeck Insurance | Best Hoovler McTeague Insurance Services | 3/01/2007 | NA |
| Unitrin, Inc. | Merastar Insurance Company | 3/02/2007 | 45.0 |
| Artemis Group | Continental Management Services Limited | 3/05/2007 | NA |
| UnitedHealth Group Incorporated | Medical stop loss insurance business | 3/05/2007 | NA |
| Market Corporation | Social services program business | 3/07/2007 | NA |
| LTC Global Solutions, Inc. | Senior Wealth Care Insurance Services | 3/09/2007 | NA |
| UnitedHealth Group Incorporated | Sierra Health Services, Inc. | 3/11/2007 | 2503.8 |
| Argonaut Group, Inc. | PXRE Group Ltd. | 3/14/2007 | NA |
| Arthur J. Gallagher & Co. | Producer's Choice, Inc. | 3/14/2007 | NA |
| Hub International Limited | BNC Insurance Services, Inc. | 3/14/2007 | 37.3 |
| Northstar Financial Services, Ltd. | MetLife International Insurance Ltd. | 3/20/2007 | NA |
| Arthur J. Gallagher & Co. | ISG International, Inc. | 3/20/2007 | NA |
| Aon Corporation | FörsäkringsUtveckling AB | 3/23/2007 | NA |
| Alliance Bankshares Corporation | Thomas Agency Inc. | 3/26/2007 | NA |
| Brown & Brown, Inc. | Grinspec, Inc. | 3/26/2007 | NA |
| Highmark Inc. | Independent Blue Cross | 3/28/2007 | NA |
| AXIS Capital Holdings Limited | Media/Professional Insurance Inc. | 3/28/2007 | NA |
| Northeast Bancorp | Southern Maine Insurance Agency Inc. | 3/30/2007 | NA |

SOURCE: SNL Financial

Specialty Finance Transactions - March 2007

| Buyer | Target | Announced | DV (\$MM) |
|---------------------------------------|--|-----------|-----------|
| EverBank Financial Corp. | Apartment Lending Group | 3/01/2007 | NA |
| Citadel Investment Group, L.L.C. | ResMAE Mortgage Corporation | 3/05/2007 | 182.4 |
| Investor group | Stone Street Capital | 3/07/2007 | NA |
| Imperial Systems, Inc. | Assets of Springfield Coach Industries Group | 3/09/2007 | 2.5 |
| Williams Scotsman International, Inc. | Hawaii Modular Space Inc. | 3/09/2007 | 45.5 |
| Blackstone Group, LP | PPH Mortgage | 3/15/2007 | NA |
| General Electric Company | PPH Corporation | 3/15/2007 | 1772.4 |
| American International Group, Inc. | Weizmann Homes Ltd. | 3/20/2007 | NA |
| Golden Gate Capital | Fast Cash Inc. | 3/20/2007 | NA |

SOURCE: SNL Financial