



Hovde

Financial Institutions
Monthly Overview

Capital Markets
Economic Data Review
M&A Statistics

May 2007

www.hovde.com

WASHINGTON DC
1826 Jefferson Place, NW
Washington, DC 20036
202.775.8109

CHICAGO
1629 Colonial Parkway
Inverness, IL 60067
847.991.6622

LOS ANGELES
222 N. Sepulveda Blvd. #1306
El Segundo, CA 90245
310.535.9200

PALM BEACH
3908 South Ocean Blvd. #M122
Highland Beach, FL 33487
561.279.7199

AUSTIN
2107 W. 10th Street
Austin, TX 78703
512.478.7575

May 2007 - Hovde Monthly Overview

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About Hovde

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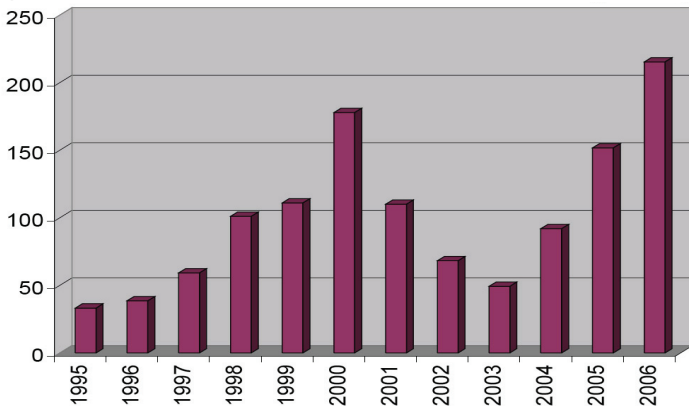
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The month of May was characterized by daily record setting highs from the Dow Jones Industrial Average as well as NASDAQ and S&P 500 levels not seen since 2001. Historically, stock returns in November through April have typically been stronger than in May through October. This phenomenon is summed up using the old Wall Street adage “Sell in May and go away,” in which stocks are sold at the start of May and the proceeds moved into safer fixed income securities — leading to substantial out-performance compared to buy-hold strategies. However, as we look into the trends that have emerged over this past month, it has become unquestionably clear that corporations and private equity firms have all but thrown this notion out the window. Recent highs set by the major market indices have had less to do with fundamentals and earnings growth and more to do with record merger and acquisition volumes — becoming a highlight for the markets on Monday mornings as another company is taken private or acquired and the markets rise as investors speculate about the next pending bid. With that in mind, the month of May has shown us two things: that the recent surge in M&A likely has much longer to go before it finally ends and that the financial services industry is now fair game.

It is no secret that the flood of companies being acquired or taken private has been the direct result of low-cost debt, global liquidity, investor demand for high yield investments, and historically low default rates. High yield spreads ended May at 267 basis points above Treasuries — compared to an average spread of 370 basis points since 2004. Given such historically tight spreads and the rise in so-called “covenant light” financing agreements, private equity firms have recently found it easier to enhance their leverage and increase their overall purchasing power. After factoring in this increased leverage potential, private equity firms have an astounding \$2 trillion worth of estimated purchasing power based on funds recently raised.

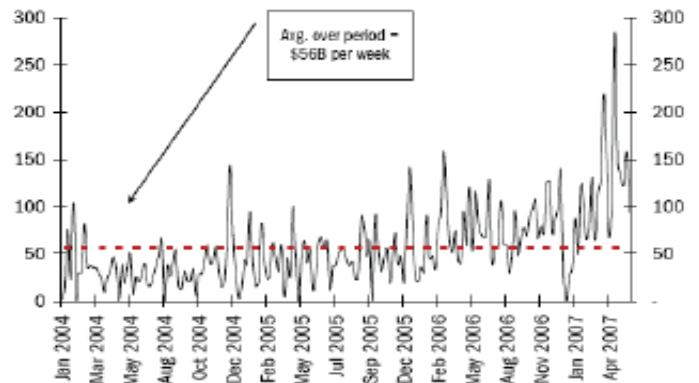
Funds Committed to Private Equity (\$ Billions)



As can be seen from the chart in the next column, the level of weekly-announced global M&A volumes has increased substantially since its January lows. According to preliminary statistics compiled by Thompson Financial, at least \$191 billion in deals were announced in the U.S. for the month of May — putting it on track to be one of the heaviest months ever recorded. At this current rate, we are on pace to surpass previous records set in the bubble days of 2000. Recent private equity transactions accounted for nearly half of total M&A volume in May. Deal sizes have also seemed to only increase in size as competition becomes fiercer and egos become larger — with eight of the 10 largest buyouts in U.S. history being announced in the last year.

Characteristics of acquired companies have included: adequate and sustainable cash flows, balance sheets that can endure increased leverage, businesses that stand to benefit from synergistic opportunities via consolidation, and companies that may benefit

Weekly Global Announced M&A Volume (2004-2007 YTD)



from divestible assets. Moving ahead, we expect private equity to continue to scan the markets for distressed companies that can be more efficiently run or stand to gain from consolidation with similar firms or a larger parent.

Despite the large run-up in deal volumes recently, any immediate slowdown appears remote, assuming that the credit markets remain benign. That said, the leading threats right now to this increased private equity activity are a rise in interest rates — making it more difficult to leverage companies and service debt — or a turn in the economy.

Interestingly, most of the financial services industry has, historically, been disregarded by private equity firms due to the heightened regulatory environment and inability to further leverage the majority of companies in the space either due to regulatory guidelines or the need to retain certain minimum credit ratings. However, with the acquisitions of names such as GMAC, Sallie Mae, and Accredited Home Lenders, private equity funds are now seemingly finding value potential in a number of different types of financial companies through the application of improved operating strategies and better management of distressed entities.

Nevertheless, as it relates to the bank and thrift sector, private equity plays a vastly less significant role due to already levered balance sheets and the much stricter regulatory compliance. Additionally, private equity firms have to compete with other larger bank and thrifts that are strategic buyers and can more easily realize greater cost savings and synergies in a transaction — making pricing much more competitive. That said, despite the absence of significant private equity involvement to date, overall M&A activity within the bank and thrift industry has been robust so far this year — up roughly 10% year-to-date from 2006 levels. At the same time, many would be sellers have continued to delay any strategic actions hoping that future rate cuts will alleviate current margin pressures and stimulate loan and earnings growth. Consequently, we expect the pace of M&A activity to increase even further in the future as banks continue to deal with difficult conditions and are forced to look for alternative ways to enhance shareholder value. Ultimately, a growing number of banks may decide to sell in hopes of finding a buyer that will offer attractive pricing and a favorable exit strategy. Conversely, larger banks that are facing the same challenging operating environment and earnings pressures may look to economies of scale to combat their sluggish earnings growth — hoping to enhance their value and earnings through acquisition-related synergies and cost savings.

As a top advisor to the bank and thrift industry for almost 20 years, Howde Financial has helped its many clients navigate through difficult environments such as this — providing advice on strategic solutions and obtaining attractive premiums for our clients opting to partner with a larger competitor. Please feel free to contact us should you have any inquiries as to what options or solutions exist as you look to maximize your value.

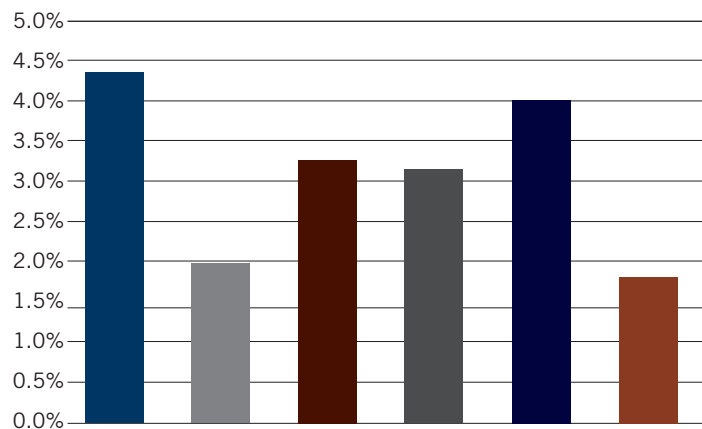
Federal Reserve Aggregate Bank Data

	4/2006	8/2006	9/2006	10/2006	11/2006	12/2006	1/2007	2/2007	3/2007	4/2007	MoM	YoY
ASSETS												
Securities												
Secs in Bank Credit	2,171	2,206	2,191	2,206	2,219	2,221	2,213	2,230	2,260	2,272	0.5%	4.6%
Treasury & Agency	1,197	1,222	1,210	1,210	1,206	1,192	1,195	1,200	1,209	1,186	-1.9%	-0.9%
Other	974	985	981	996	1,013	1,029	1,018	1,030	1,051	1,086	3.3%	11.5%
Loans and Leases												
C&I	1,090	1,160	1,165	1,176	1,180	1,190	1,193	1,202	1,211	1,218	0.6%	11.8%
Real Estate	3,022	3,128	3,150	3,296	3,301	3,324	3,345	3,372	3,316	3,373	1.7%	11.6%
Consumer	727	729	727	724	729	736	744	744	741	747	0.8%	2.7%
Other	538	553	550	512	513	518	518	523	525	540	2.9%	0.4%
Other Assets	756	795	789	821	813	831	842	852	850	853	0.3%	12.8%
Total Assets	9,107	9,354	9,400	9,571	9,613	9,701	9,751	9,828	9,807	9,905	1.0%	8.8%
LIABILITIES												
Deposits												
Transaction	661	662	636	636	647	631	646	634	640	636	-0.6%	-3.8%
Nontransaction	5,298	5,403	5,469	5,568	5,596	5,674	5,695	5,706	5,763	5,836	1.3%	10.2%
Large time	1,549	1,655	1,695	1,714	1,726	1,726	1,730	1,748	1,778	1,818	2.2%	17.3%
Other	3,749	3,748	3,774	3,854	3,870	3,948	3,965	3,959	3,985	4,018	0.8%	7.2%
Borrowings	1,780	1,804	1,854	1,910	1,945	1,957	1,958	1,972	1,984	1,980	-0.2%	11.2%
Other Liabilities	544	560	554	570	571	577	572	578	588	600	2.1%	10.4%
Total Liabilities	8,332	8,544	8,569	8,707	8,765	8,870	8,889	8,910	8,916	9,025	1.2%	8.3%
Residual (assets less liabilities)	775	810	830	864	848	831	862	917	891	880	-1.2%	13.6%

SOURCE: Federal Reserve Documents

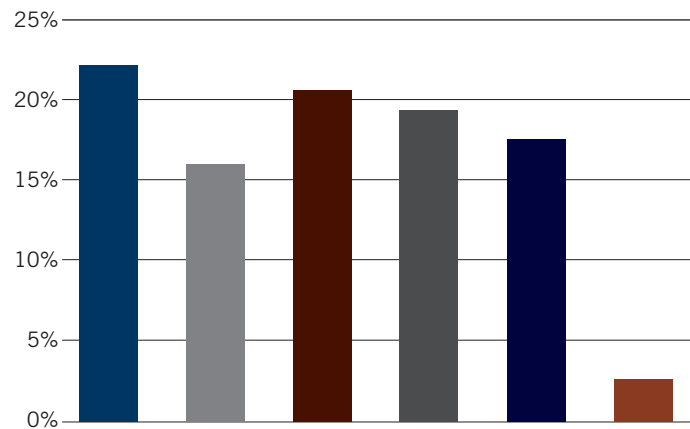
Major Market Index Performance

May 2007

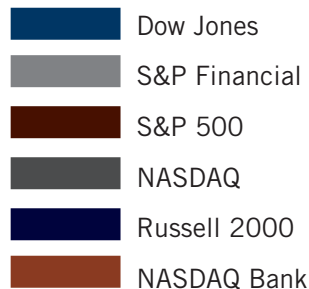


SOURCE: Bloomberg, LLC

Last Twelve Months



SOURCE: Bloomberg, LLC



	6/2006	7/2006	8/2006	9/2006	10/2006	11/2006	12/2006	1/2007	2/2007	3/2007	4/2007	5/2007
Dow Jones	-0.2%	0.3%	1.7%	2.8%	3.4%	1.2%	2.0%	1.3%	-2.8%	0.7%	5.7%	4.3%
S&P Financial	-0.7%	2.3%	0.8%	4.1%	2.3%	0.2%	3.7%	0.7%	-3.3%	-0.9%	4.0%	2.0%
S&P 500	0.0%	0.5%	2.1%	2.5%	3.2%	1.6%	1.3%	1.4%	-2.2%	1.0%	4.3%	3.3%
NASDAQ	-0.3%	-3.7%	4.4%	3.4%	4.8%	2.7%	-0.7%	2.0%	-1.9%	0.2%	4.3%	3.1%
Russell 2000	0.5%	-3.3%	2.9%	0.7%	5.7%	2.5%	0.2%	1.6%	-0.9%	0.9%	1.7%	4.0%
NASDAQ Bank	-0.1%	1.2%	0.8%	0.4%	1.7%	0.6%	2.0%	-1.5%	-1.3%	-1.7%	-1.9%	1.8%

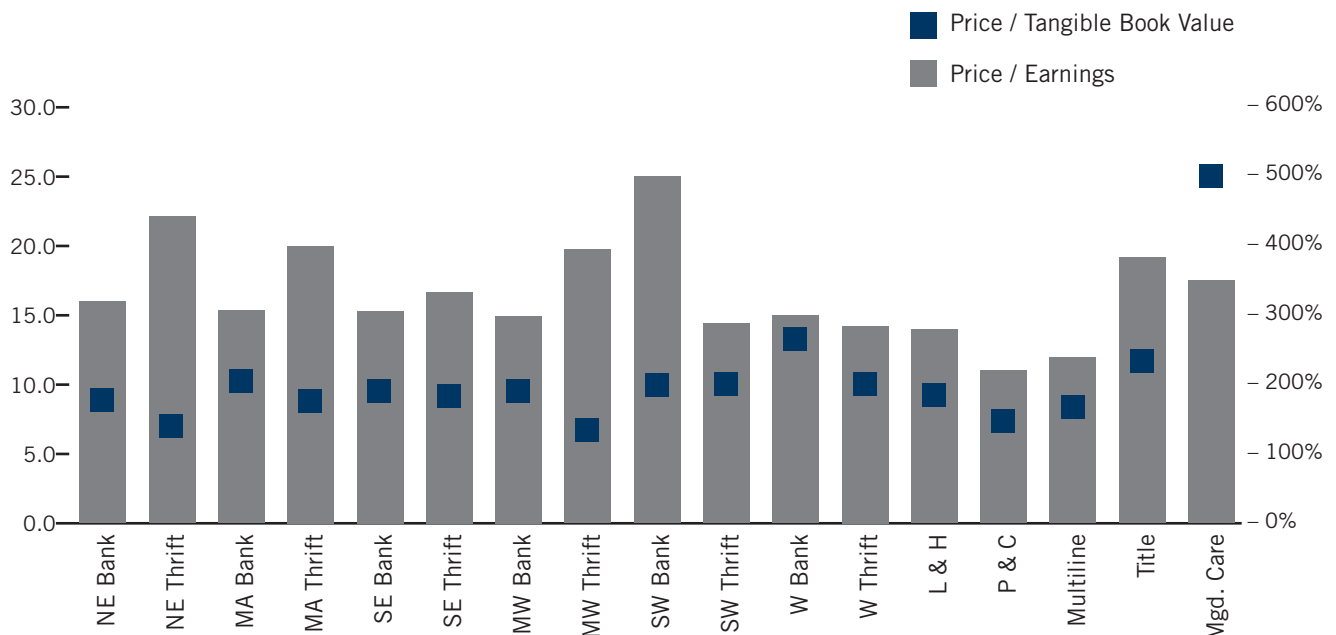
SOURCE: Bloomberg, LLC

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	17.1	16.0	203%	156%	259%	184%	-1.9%	-1.1%	-0.8%
	Thrift	15.5	21.6	179%	126%	205%	135%	-0.1%	-4.7%	-0.6%
Mid Atlantic	Bank	14.0	15.6	175%	159%	287%	208%	-1.8%	-5.5%	-3.9%
	Thrift	22.4	20.2	150%	149%	227%	177%	-1.5%	-5.4%	-0.7%
Southeastern	Bank	13.8	15.7	166%	158%	280%	198%	-2.5%	-5.3%	-1.8%
	Thrift	14.7	16.7	193%	132%	188%	192%	-2.6%	-8.1%	-4.7%
Midwestern	Bank	14.4	15.0	214%	150%	323%	195%	-1.7%	-7.4%	-5.3%
	Thrift	14.7	19.5	179%	115%	136%	132%	0.5%	-2.5%	-0.7%
Southwestern	Bank	14.4	25.0	125%	105%	222%	201%	0.4%	-5.2%	-4.1%
	Thrift	18.5	14.44	128%	148%	192%	203%	-1.0%	0.3%	-0.1%
Western	Bank	14.3	15.1	204%	202%	253%	265%	-1.1%	-6.4%	-3.8%
	Thrift	11.7	14.3	140%	137%	130%	202%	1.2%	-5.7%	1.8%

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	13.6	137%	136%	182%	182%	0.6%	4.1%	11.1%
Property & Casualty	13.5	11.4	159%	142%	177%	153%	-1.3%	2.3%	15.2%
Multiline	16.3	12.4	166%	161%	162%	170%	0.5%	20.1%	31.7%
Title	18.7	19.1	140%	147%	215%	235%	10.1%	31.1%	33.9%
Managed Care	17.5	17.2	250%	241%	437%	500%	0.3%	6.1%	12.4%



Economic Data Points - May 2007

Date	Event	Period	Survey	Actual	Prior	Date	Event	Period	Survey	Actual	Prior
5/1	Pending Home Sales MoM	MAR	0.10%	-4.90%	0.70%	5/16	Building Permits	APR	1520K	1429K	1544K
5/1	ISM Manufacturing	APR	51	54.7	50.9	5/16	Industrial Production	APR	0.30%	0.70%	-0.20%
5/1	ISM Prices Paid	APR	67.8	73	65.5	5/16	Capacity Utilization	APR	81.50%	81.60%	81.40%
5/4	Change in Nonfarm Payrolls	APR	100K	88K	180K	5/17	Leading Indicators	APR	0.00%	-0.50%	0.10%
5/4	Unemployment Rate	APR	4.50%	4.50%	4.40%	5/24	Initial Jobless Claims	19-May	305K	311K	293K
5/7	Consumer Credit	MAR	\$4.0B	\$13.5B	\$3.0B	5/24	Continuing Claims	12-May	2495K	2529K	2473K
5/8	Wholesale Inventories	MAR	0.40%	0.30%	0.50%	5/24	New Home Sales	APR	860K	981K	858K
5/9	FOMC Rate Decision Expected	9-May	5.25%	5.25%	5.25%	5/24	New Home Sales MoM	APR	0.20%	16.20%	2.60%
5/10	Trade Balance	MAR	-\$60.0B	-\$63.9B	-\$58.4B	5/25	Existing Home Sales	APR	6.12M	5.99M	6.12M
5/10	Import Price Index (MoM)	APR	1.00%	1.30%	1.70%	5/25	Existing Home Sales MoM	APR	-0.10%	-2.60%	-8.40%
5/10	Import Price Index (YoY)	APR	--	1.90%	2.80%	5/29	S&P/CS Composite-20 YoY	MAR	--	-1.40%	-1.00%
5/10	ICSC Chain Store Sales YoY	APR	--	-2.40%	5.90%	5/29	S&P/CS Composite-20 HPI	MAR	--	200.9	201.2
5/10	Monthly Budget Statement	APR	\$145.0B	\$177.7B	\$118.8B	5/29	S&P/Case-Shiller US HPI	1Q	--	186	187.7
5/11	Producer Price Index (MoM)	APR	0.60%	0.70%	1.00%	5/29	S&P/Case-Shiller US HPI YoY%	1Q	--	-1.40%	0.40%
5/11	PPI Ex Food & Energy (MoM)	APR	0.20%	0.00%	0.00%	5/29	Consumer Confidence	MAY	105	108	104
5/11	Producer Price Index (YoY)	APR	3.10%	3.20%	3.20%	5/29	ABC Consumer Confidence	27-May	--	-13	-9
5/11	PPI Ex Food & Energy (YoY)	APR	1.80%	1.50%	1.70%	5/30	MBA Mortgage Applications	25-May	--	-7.30%	1.60%
5/11	Business Inventories	MAR	0.30%	-0.10%	0.30%	5/30	Mins. of May 9 FOMC Meeting				
5/15	Consumer Price Index (MoM)	APR	0.50%	0.40%	0.60%	5/31	GDP Annualized	1Q P	0.80%	0.60%	1.30%
5/15	CPI Ex Food & Energy (MoM)	APR	0.20%	0.20%	0.10%	5/31	Personal Consumption	1Q P	4.10%	4.40%	3.80%
5/15	Consumer Price Index (YoY)	APR	2.60%	2.60%	2.80%	5/31	GDP Price Index	1Q P	4.00%	4.00%	4.00%
5/15	CPI Ex Food & Energy (YoY)	APR	2.40%	2.30%	2.50%	5/31	Core PCE QoQ	1Q P	2.20%	2.20%	2.20%
5/15	CPI Core Index SA	APR	--	209.634	209.263	5/31	Initial Jobless Claims	26-May	314K	310K	311K
5/15	Consumer Price Index NSA	APR	206.85	206.686	205.352	5/31	Continuing Claims	19-May	2500K	2472K	2529K
5/16	Housing Starts	APR	1480K	1528K	1518K	5/31	House Price Index QoQ	1Q	0.00%	0.50%	1.10%

SOURCE: Bloomberg, LLC

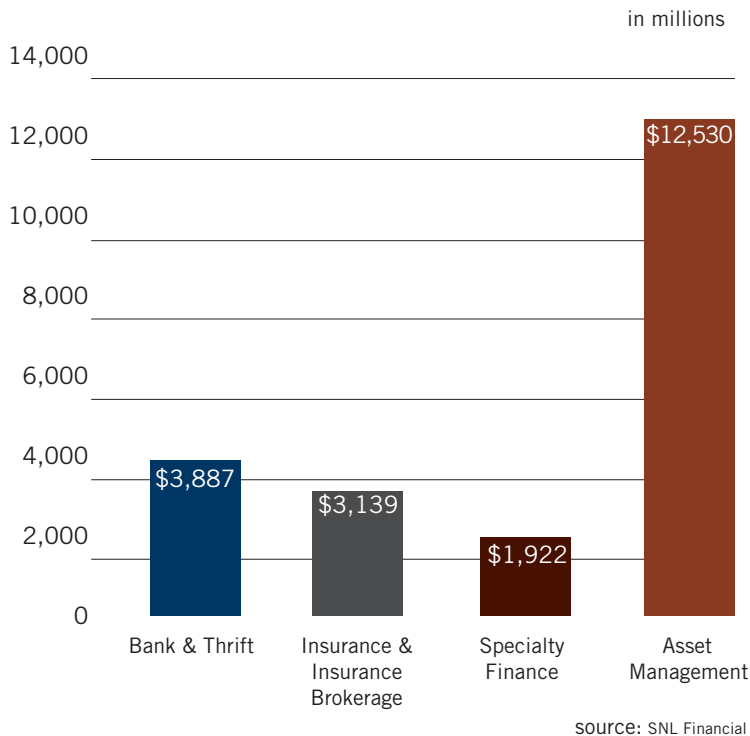
Economic Data Points - June 2007

Date	Event	Period	Survey	Actual	Prior	Date	Event	Period	Survey	Actual	Prior
6/1	Personal Income	APR	0.30%	--	0.70%	6/15	Consumer Price Index (MoM)	MAY	0.60%	--	0.40%
6/1	Personal Spending	APR	0.40%	--	0.30%	6/15	CPI Ex Food & Energy (MoM)	MAY	0.20%	--	0.20%
6/1	PCE Deflator (YoY)	APR	2.20%	--	2.50%	6/15	Consumer Price Index (YoY)	MAY	--	--	2.60%
6/1	PCE Core (MoM)	APR	0.20%	--	0.00%	6/15	CPI Ex Food & Energy (YoY)	MAY	--	--	2.30%
6/1	PCE Core (YoY)	APR	2.10%	--	2.10%	6/15	CPI Core Index SA	MAY	--	--	209.634
6/1	Change in Nonfarm Payrolls	MAY	132K	88K		6/15	Consumer Price Index NSA	MAY	--	--	206.686
6/1	Unemployment Rate	MAY	4.50%	--	4.50%	6/15	Current Account Balance	1Q	--	--	-\$195.8B
6/1	Change in Manufact. Payrolls	MAY	-15K	--	-19K	6/15	Industrial Production	MAY	0.00%	--	0.70%
6/1	Average Hourly Earnings MoM	MAY	0.30%	--	0.20%	6/15	Capacity Utilization	JUN	81.50%	--	81.60%
6/1	Average Hourly Earnings YoY	MAY	--	--	3.70%	6/18	NAHB Housing Market Index	JUN	--	--	30
6/1	Average Weekly Hours	MAY	33.8	--	33.8	6/19	Housing Starts	MAY	--	--	1528K
6/1	Pending Home Sales MoM	APR	0.30%	--	-4.90%	6/19	Building Permits	MAY	--	--	1429K
6/1	ISM Manufacturing	MAY	54	--	54.7	6/21	Leading Indicators	MAY	--	--	-0.50%
6/1	ISM Prices Paid	MAY	73	--	73	6/25	Existing Home Sales	MAY	--	--	5.99M
6/4	Factory Orders	APR	0.60%	--	3.50%	6/25	Existing Home Sales MoM	MAY	--	--	-2.60%
6/5	ISM Non-Manufacturing	MAY	55.4	--	56	6/26	S&P/CS Composite-20 YoY	APR	--	--	-1.40%
6/6	Challenger Job Cuts YoY	MAY	--	--	18.40%	6/26	S&P/CS Composite-20 Home Price	APR	--	--	200.9
6/6	Nonfarm Productivity	1Q F	1.20%	--	1.70%	6/26	New Home Sales	MAY	--	--	981K
6/6	Unit Labor Costs	1Q F	1.10%	--	0.60%	6/26	Consumer Confidence	JUN	--	--	108
6/7	Initial Jobless Claims	2-Jun	311K	--	310K	6/26	New Home Sales MoM	MAY	--	--	16.20%
6/7	Wholesale Inventories	APR	0.30%	--	0.30%	6/27	Durable Goods Orders	MAY	--	--	0.60%
6/7	Consumer Credit	APR	\$5.0B	--	\$13.5B	6/27	Durable Ex Transportation	MAY	--	--	1.50%
6/8	Trade Balance	APR	-\$63.5B	--	-\$63.9B	6/28	GDP Annualized	1Q F	--	--	0.60%
6/15	Mortgage Delinquencies	1Q	--	--	4.95%	6/28	Personal Consumption	1Q F	--	--	4.40%
6/13	Import Price Index (MoM)	MAY	--	--	1.30%	6/28	GDP Price Index	1Q F	--	--	4.00%
6/13	Import Price Index (YoY)	MAY	--	--	1.90%	6/28	Core PCE QoQ	1Q F	--	--	2.20%
6/13	Business Inventories	APR	0.30%	--	-0.10%	6/28	FOMC Rate Decision Expected	28-Jun	5.25%	--	5.25%
6/13	Fed's Beige Book					6/29	Personal Income	MAY	--	--	--
6/14	Producer Price Index (MoM)	MAY	0.60%	--	0.70%	6/29	PCE Deflator (YoY)	MAY	--	--	--
6/14	PPI Ex Food & Energy (MoM)	MAY	0.20%	--	0.00%	6/29	PCE Core (MoM)	MAY	--	--	0.10%
6/14	Producer Price Index (YoY)	MAY	--	--	3.20%	6/29	PCE Core (YoY)	MAY	--	--	2.00%
6/14	PPI Ex Food & Energy (YoY)	MAY	--	--	1.50%	6/29	Construction Spending MoM	MAY	--	--	0.10%

SOURCE: Bloomberg, LLC

M&A Transaction Update

Announced Transactions - May 2007



Deal Count - May 2007

Bank & Thrift	27
Insurance & Insurance Brokerage	18
Specialty Finance	12
Asset Management & Broker/Dealer	19

SOURCE: SNL Financial

Deal Count - 2007

Bank & Thrift	128
Insurance & Insurance Brokerage	121
Specialty Finance	50
Asset Management & Broker/Dealer	65

SOURCE: SNL Financial

Hovde Financial Deal Alerts

Fort Worth Bancshares Receives 42.6% Core Deposit Premium

Hovde is pleased to announce the signing of a definitive agreement to merge Fort Worth, Texas-based Fort Worth Bancshares, Inc. into Southside Bancshares, Inc. (Tyler, Texas). Hovde both initiated this transaction and served as Fort Worth's exclusive financial advisor. At March 31, 2007, Fort Worth had approximately \$127 million in assets between three facilities in Fort Worth and Arlington. Fort Worth shareholders will receive approximately \$35.7 million in consideration which equates to 314% of Fort Worth's tangible book value, 374% of core book value, and a 42.7% core deposit premium.

Metcalf Bancshares Receives the Highest Multiples on Book Value in Kansas in Recent History

Hovde Financial is pleased to announce the terms of the signing of a definitive agreement between our client, Overland Park, Kansas-based Metcalf Bancshares, Inc. with \$267 million in assets, and Jefferson City, Missouri-based Central Bancompany, Inc. with \$7.2 billion in assets. Metcalf's shareholders will receive \$75.0 million in a 100% cash transaction. In addition, Central will pay for Metcalf's obligations related to the built-in-gains and the Kansas franchise taxes. Using December 31, 2006 financial data, the \$75.0 million deal value equates to 45.2x Metcalf's trailing 12-month earnings, 3.60x Metcalf's tangible book value, 3.42x Metcalf's book value, and a 23.5% premium to core deposits. Moreover, Metcalf's offer represents 4.05x core book value, assuming a 6.5% core equity-to-assets ratio. The multiples on book value achieved represent the highest-priced Kansas transaction in recent history.

Note: Hovde data used in these calculations is more current than SNL Financial data used in "Bank and Thrift Transactions."

Top Financial Advisors in Bank and Thrift Transactions

Trailing 12 Months, Sell-Side Advisory Transactions

Rank	Firm	# of Deals
1	Hovde Financial	33
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.	13
6	Sheshunoff & Co. Investment Banking LP	8
7	Burke Capital Group, LLC	7
8	SAMCO Capital Markets, Inc.	6
9	Austin Associates, LLC	5
9	McAdams Wright Ragen, Inc.	5

SOURCE: SNL Financial (data from 04/30/2006 - 05/31/2007)

Bank & Thrift Transactions - May 2007

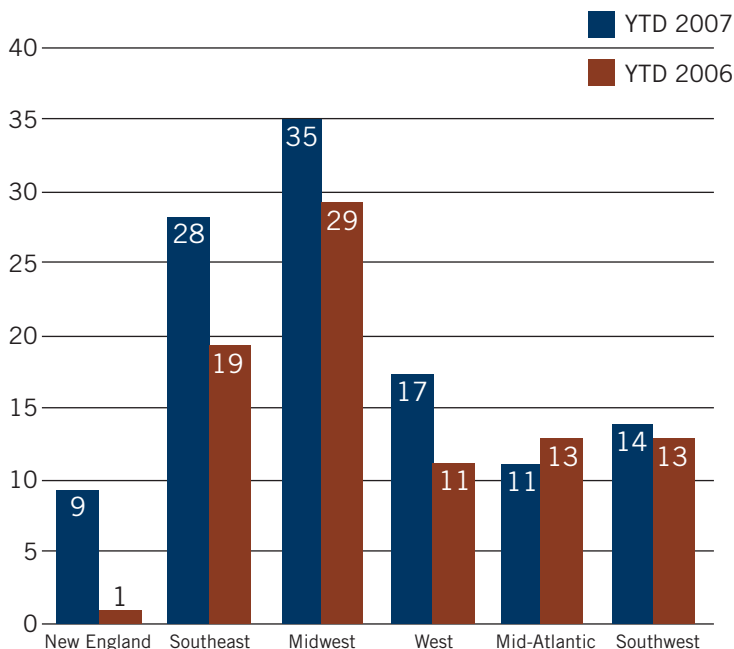
Buyer	Target	Announced	DV (\$MM)	P/LTM Ern	P/TBV (%)	Core Deposit Premium (%)
Prosperity Bancshares, Inc.	Bank of Navasota, National Association	05/01/2007	17.3	15.3	198.6	16.6
Wells Fargo & Company	Greater Bay Bancorp	05/04/2007	1,474.9	19.9	315.9	20.7
Omaha Financial Holdings, Inc.	Peak National Bank	05/09/2007	NA	NA	NA	NA
Mesaba Bancshares	Evergreen Bancshares	05/10/2007	10.0	47.05	323.62	11.0
First Keystone Corporation	Pocono Community Bank	05/10/2007	33.3	37.0	228.2	21.9
New York Community Bancorp, Inc.	Synergy Financial Group, Inc.	05/13/2007	168.4	39.4	163.1	NA
Berkshire Hills Bancorp, Inc.	Factory Point Bancorp, Inc.	05/14/2007	81.5	17.7	288.7	21.8
Delaware Bancshares, Inc.	Stamford Bank Corporation	05/15/2007	21.7	31.4	150.8	8.7
Harleysville National Corporation	East Penn Financial Corporation	05/15/2007	92.7	25.4	359.8	19.8
Investor group	Marco Community Bancorp, Inc.	05/15/2007	23.2	21.4	190.6	NA
Doral Holdings	Doral Financial Corporation	05/16/2007	610.0	NM	NM	NA
Southside Bancshares, Inc.	Fort Worth Bancshares, Inc.	05/17/2007	36.5	17.1	340.5	45.3
CapitalSource Inc.	TierOne Corporation	05/17/2007	654.2	14.2	197.0	18.3
First State Bancshares, Inc.	Progress Bancshares, Incorporated	05/18/2007	NA	NA	NA	NA
Hometown Bancshares, Inc.	First National Bancorp, Incorporated	05/18/2007	6.2	22.4	171.4	8.7
EverBank Financial Corp.	NetBank Businesses	05/18/2007	NA	NA	NA	NA
Fifth Third Bancorp	R-G CrownBank	05/20/2007	338.0	NM	150.2	NA
BancTrust Financial Group, Inc.	Peoples BancTrust Company Inc.	05/21/2007	153.3	19.5	184.1	12.2
Florida Bank Group, Inc.	Cygnit Financial Corporation	05/21/2007	NA	NA	NA	NA
Merchants Financial Group, Inc.	First National Bank in Cannon Falls	05/21/2007	NA	NA	NA	NA
National Bancorp, Inc.	Antioch Bancshares, Inc.	05/21/2007	NA	NA	NA	NA
BOK Financial Corporation	United Banks of Colorado Inc.	05/23/2007	43.0	NM	229.7	20.3
Omaha Financial Holdings, Inc.	Security Federal Savings	05/23/2007	NA	NA	NA	NA
Central Banccompany	Metcalf Bancshares, Inc.	05/24/2007	75.0	45.2	341.9	23.5
Liberty Bancshares, Inc.	First Bank and Trust	05/24/2007	NA	NA	NA	NA
Heritage Oaks Bancorp	Business First National Bank	05/29/2007	20.8	66.5	172.3	9.1
Community Trust Bancorp, Inc.	Eagle Fidelity, Inc.	05/31/2007	37.0	22.0	178.8	14.7

* 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	\$4,714	290.2	20.7	27.4
Southeast	\$12,489	280.8	27.0	27.2
Midwest	\$22,627	217.5	26.2	17.4
West	\$4,824	277.7	28.9	22.7
Mid-Atlantic	\$1,272	239.6	31.0	19.3
Southwest	\$352	287.8	23.4	25.9
Average		260.2	26.5	22.7

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	259.0	25.5	21.9
1Q2007	\$17,590	256.9	27.3	25.2
2Q2007	\$25,478	264.3	26.6	22.4

SOURCE: SNL Financial

Insurance and Insurance Brokerage Transactions - May 2007

Buyer	Target	Announced	DV (\$MM)
FinCor Holdings Inc.	Michigan Health & Hospital Insurance Services	5/01/2007	NA
Goldman Sachs Group, Inc.	Steven E. Goldin Insurance, Inc.	5/01/2007	NA
Hilb Rogal & Hobbs Company	Global Special Risks, LLC	5/01/2007	NA
J. C. Flowers & Co. LLC	BISYS Insurance Services	5/02/2007	NA
National Financial Partners Corp.	3 benefits firms	5/02/2007	15.9
Liberty Mutual Holding Company Inc.	Ohio Casualty Corporation	5/06/2007	2,744.0
UNIFI Mutual Holding Company	LifeRe Insurance Company	5/07/2007	NA
Medical Mutual of Ohio	Carolina Care Plan Inc.	5/08/2007	NA
Cerberus Capital Management, LP	Provident Insurance Plc	5/09/2007	338.3
Arthur J. Gallagher & Co.	Tropp & Company, Inc.	5/09/2007	NA
Muenchener Rueckversicherungs-Gesellschaft AG	Bell & Clements Group	5/09/2007	NA
North Pointe Holdings Corporation	Capital City Holding Company, Inc.	5/11/2007	41.0
Parthenon Capital, LLC	American Equity Underwriters Inc.	5/14/2007	NA
Validus Holdings, Ltd.	Talbot Holdings Ltd.	5/15/2007	NA
Hilb Rogal & Hobbs Company	Urman Company	5/22/2007	NA
First American Corporation	Harrison Title Agency Ltd.	5/29/2007	NA
BB&T Corporation	Reese Insurance Associates, Inc.	5/30/2007	NA
Arthur J. Gallagher & Co.	Woods & Grooms, Inc.	5/31/2007	NA

SOURCE: SNL Financial

Specialty Finance Transactions - May 2007

Buyer	Target	Announced	DV (\$MM)
EMG Acquisition Company, LLC	5 payday loan stores	5/03/2007	NA
PACCAR Inc.	Truck Center Hauser GmbH	5/04/2007	NA
Prospect Mortgage Company, LLC	Opteum Retail mortgage platform	5/07/2007	5.0
First Horizon National Corporation	Republic Mortgage, LLC	5/09/2007	NA
PNC Financial Services Group, Inc.	ARCS Commercial Mortgage Co., L.P.	5/09/2007	NA
Mobile Mini, Inc.	Site Storage and Equipment Inc. and Ace Container & Equipment Sales Inc.	5/18/2007	3.8
Impac Mortgage Holdings, Inc.	Pinnacle Financial Corporation	5/21/2007	NA
iStar Financial Inc.	Fremont Commercial Lending Business	5/21/2007	1,900.0
Massachusetts Mutual Life Insurance Company	Winmark Equipment Finance	5/29/2007	NA

SOURCE: SNL Financial

Asset Management Transactions - May 2007

Buyer	Target	Announced	DV (\$MM)
Morgan Stanley	Affinity Investment Advisors, LLC	5/01/2007	NA
Sterling Bancshares, Inc.	MBM Advisors, Inc.	5/03/2007	16.0
Regions Financial Corporation	Shattuck Hammond Partners, LLC	5/03/2007	NA
Wilmington Trust Corporation	Bingham Legg Advisers LLC	5/04/2007	NA
Goldman Sachs Group, Inc.	Macquarie-IMM Investment Management Co. Ltd.	5/07/2007	NA
UBS AG	Daehan Investment Trust Management Co., Ltd.	5/11/2007	195.1
Bear Stearns Companies Inc.	Remaining interest in Bear Wagner Specialists, LLC	5/14/2007	NA
MatlinPatterson Global Opportunities Partners L.P.	First Albany Companies Inc.	5/14/2007	NA
Security Benefit Mutual Holding Company	Avera Global Partners, LP	5/17/2007	NA
Collins Stewart Tullett plc	C. E. Unterberg Towbin Advisors, LLC	5/21/2007	31.7
Peter Q. Thompson	Chicago Asset Management Company	5/21/2007	NA
Investor group	R. J. O'Brien and Associates Inc.	5/21/2007	NA
ORIX Corporation	Baxter Energy Partners LLC	5/22/2007	NA
J. C. Flowers & Co. LLC	Cochran Caronia Waller LLC	5/23/2007	NA
TD Ameritrade Holding Corporation	Fiserv Trust Co.	5/24/2007	325.0
Nasdaq Stock Market, Inc.	OMX AB	5/25/2007	3,720.8
Cantor Fitzgerald LP	eSpeed, Inc.	5/29/2007	1,305.1
Wachovia Corporation	A. G. Edwards, Inc.	5/30/2007	6,936.3
Jefferies Group, Inc.	LongAcre Partners	5/31/2007	NA

SOURCE: SNL Financial