



Hovde

Financial Institutions
Monthly Overview

Capital Markets
Economic Data Review
M&A Statistics

November 2007

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About Hovde

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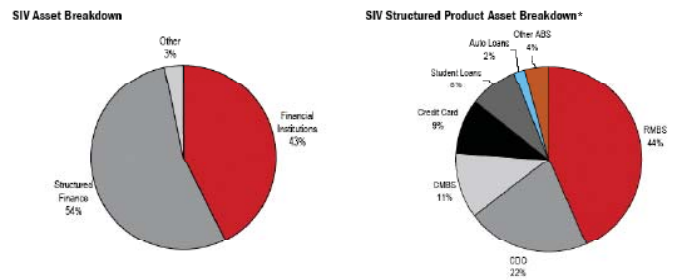
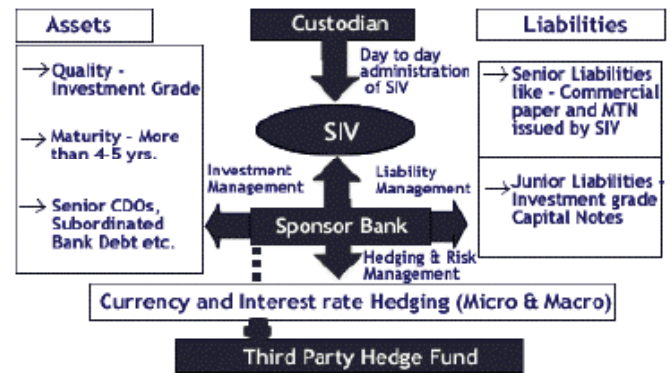
As the tumultuous year of 2007 comes to an end, the world has become well versed in the language of three-letter financial acronyms — many of which have now become “four-letter” words to Wall Street’s investors in products. Those “innovative” financial instruments, which proved to be the backbone for the off-balance sheet financial system that drove much of the excess liquidity enjoyed in the housing and credit markets over the last few years, are now being held directly responsible for much of their undoing. Whether it be ABS, MBS, CDO, or CLO, it has become increasingly clear that many of those financial instruments lie at the heart of the current turmoil in the credit markets and greatly contributed to the increased opaqueness, complexity, and leverage that plagues our financial system today.

Since July, we have witnessed that many areas of the credit markets have almost completely seized up, as buyers and sellers of those complex financial instruments have found it virtually impossible to reconcile the true value of their holdings — leading to what many are now calling the breakdown of our modern-day financial system. At the forefront of this issue recently has been one of the newest financial acronyms to enter our vernacular — the “SIV” or Structured Investment Vehicle — which has unleashed the latest episode of turmoil on Wall Street as well as the world of municipal finance.

To understand where things have gone wrong recently with these financial vehicles and what impact they are having on the short-term money markets and the banking industry, it is worthwhile to first spend some time understanding the basics behind these complex structures.

First pioneered by Citigroup in the 1980s, a structured investment vehicle, or SIV, is an off-balance sheet, special-purpose entity created to generate spread income by selling a combination of shorter-term asset-backed commercial paper, medium-term notes, and capital notes, and investing those proceeds in a portfolio of longer-term higher-yielding securities (usually the debt securities of financial institutions and structured finance products). In recent years, the short-term debt issued by SIVs has become a favorite asset for many money-market and so called “enhanced cash” funds due to their attractive yields, high credit ratings and diversified asset base.

In theory, SIVs were the perfect vehicles for financial institutions to finance longer-term, less-liquid assets in a very capital-efficient manner (i.e., off balance sheet) while still generating healthy management fees and spread income. Unfortunately, just as the overall mortgage market became



Source: Moody's and Banc of America Securities LLC.

*This graph represents the “Structured Finance” component of the graph at left.

infected by the subprime mortgage contagion, so too did the world of SIVs. It has recently become evident that the supposedly higher-rated, diversified asset bases that made up many of the SIVs formed over the past few years, which had garnered investment grade credit ratings from the rating agencies, actually contained significant exposure to lower-quality residential MBS, CDOs and other structured finance vehicles (many of which were collateralized by subprime and other toxic mortgage products, e.g., Alt-A).

As a result, as S&P and Moody's have been frantically cutting their ratings for many of the MBS and CDOs issued over the last couple of years — even up to the previously AAA-rated tranches that many of the SIVs hold — investors (most notably money market funds) have become extremely leery of purchasing the short-term asset-backed commercial paper that is the funding and lifeblood of any SIV. Consequently, given their reliance on continuous access to the short-term funding markets, SIVs are now facing the prospect of being unable to roll over their maturing debt. Moreover, as a result of this liquidity crunch, SIVs have been forced to sell lower-quality assets at distressed prices in order to raise cash to pay off nervous investors demanding redemptions — exacerbating losses and further impacting liquidity.

Thus, these seemingly perfect off-balance sheet financial

vehicles have now become major headaches for the banks and other financial institutions that sponsored them. At the heart of the problem for these institutions lies the “liquidity puts” that were issued by the sponsors when these structures were created. Basically, as a way of enhancing the liquidity and credibility of these vehicles in the eyes of investors, the institutions sponsoring them essentially agreed to act as liquidity backstops should their SIVs be unable to rollover their short-term debt. As a result, in order to salvage these vehicles without liquidating assets at severely distressed levels, many of those institutions are now facing the prospect of being forced to consolidate the SIV assets on to their own balance sheets — a move that could significantly impact the sponsoring entities’ balance sheets and capital ratios. In response, the U.S. Treasury and many of Wall Street’s largest investment banks have recently joined forces in an attempt to create what has been labeled the “Super SIV” — essentially creating a bailout fund designed to provide liquidity to the sponsors’ SIVs by purchasing some of their assets and reducing the likelihood of further distressed asset sales.

The question that now arises for the banking industry is how this massive failure in SIVs alters the credit and liquidity landscape going forward — not only just for the larger banks participating in the world of SIVs, but also for those smaller banks who are merely bystanders to what is currently transpiring. Should the larger banks be forced to bail out their SIVs and bring the assets back on to their balance sheets, they could face a substantial increase in their exposures to problematic assets, which could lead to deterioration in closely watched Tier 1 capital ratios and further exacerbate liquidity issues in parts of the banking and financial system. For example, HSBC recently decided that it was necessary to backstop \$45 billion worth of their sponsored SIVs in order to prevent a disorderly “liquidation of high quality assets” due to asset-value triggers that were hit from ratings downgrades. However, if banks are unable or unwilling to backstop their SIVs, or the Super SIV is unable to attract enough investors, we will likely see increased levels of distressed asset sales, which will lead to further credit market stress and put additional pressure on these SIV structures — the impact of which will likely be widespread throughout the banking industry.

Specifically, because SIVs typically invest over 40% of their assets in the debt of financial institutions, any disruption in the SIV market or forced asset sales will likely lead to wider credit spreads and increased funding costs for much of the financial industry (even for smaller banks in the form of wider spreads for newly-issued trust preferred securities). On the positive side for some in the industry, asset yields for certain products will return to more favorable levels with the removal of a large source of capital bidding up prices, providing some degree of margin support to many balance sheet lenders. Additionally (and perhaps the most significant positive impact for many traditional banks), retail depositors and investors may begin to increasingly seek the safe haven of FDIC-insured money market funds, fearing what potential problems may lay in wait at non-insured funds with exposure to SIV-related assets. This will hopefully provide some much needed funding relief to both small and larger banks as their money market products become a much more competitive place for depositors and investors to park their shorter-term money.

In conclusion, we find ourselves in an ever complex world these days with a financial system that is layered with heavily leveraged, opaque financial instruments, which are increasingly difficult to analyze and require intricate models in order to even attempt to determine their fair values. As a result, large parts of the credit markets remain paralyzed as financial institutions are uncertain of the value of their own assets, much less those of other financial institutions, and many investors are apprehensive in light of declining asset values and lack of transparency into many structured finance assets. This credit correction was foreseen by many, but even we admit that the speed and ferocity have exceeded our original expectations. In the end, these three-letter vehicles that provided new sources of liquidity and seemingly “low-risk” outsized returns will leave many lenders and investors with nothing but an IOU. It just goes to show you that in life, and especially the financial world, if something seems too good to be true, then it probably is.



Federal Reserve Aggregate Bank Data

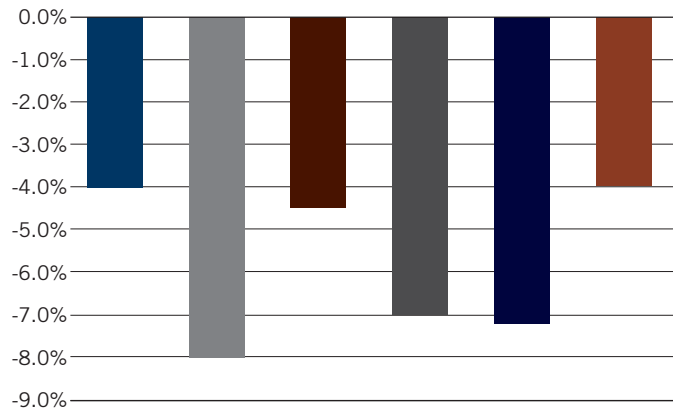
	10/2006	2/2007	3/2007	4/2007	5/2007	6/2007	7/2007	8/2007	9/2007	10/2007	MoM	YoY
ASSETS												
Securities												
Secs in Bank Credit	2,206	2,230	2,260	2,272	2,283	2,302	2,312	2,339	2,370	2,404	1.4%	8.9%
Treasury & Agency	1,210	1,200	1,209	1,186	1,175	1,179	1,184	1,183	1,170	1,136	-2.9%	-6.2%
Other	996	1,030	1,051	1,086	1,107	1,123	1,131	1,156	1,200	1,268	5.6%	27.3%
Loans and Leases												
C&I	1,176	1,202	1,211	1,218	1,242	1,259	1,278	1,312	1,358	1,397	2.8%	18.8%
Real Estate	3,296	3,372	3,316	3,373	3,395	3,413	3,422	3,447	3,476	3,549	2.1%	7.7%
Consumer	724	744	741	747	752	762	770	777	784	782	-0.3%	8.0%
Other	512	523	525	540	542	574	585	629	651	669	2.7%	30.8%
Other Assets	821	852	850	853	854	867	880	895	922	934	1.2%	13.7%
Total Assets	9,571	9,828	9,807	9,905	9,972	10,031	10,121	10,301	10,473	10,627	1.5%	11.0%
LIABILITIES												
Deposits												
Transaction	636	634	640	636	649	623	610	628	608	622	2.4%	-2.1%
Nontransaction	5,568	5,706	5,763	5,836	5,703	5,655	5,692	5,745	5,823	5,943	2.1%	6.7%
Large time	1,714	1,748	1,778	1,818	1,803	1,779	1,774	1,822	1,872	1,972	5.3%	15.1%
Other	3,854	3,959	3,985	4,018	3,901	3,876	3,918	3,923	3,951	3,971	0.5%	3.0%
Borrowings	1,910	1,972	1,984	1,980	2,059	2,096	2,115	2,202	2,252	2,209	-1.9%	15.7%
Other Liabilities	570	578	588	600	596	604	600	597	600	628	4.6%	10.3%
Total Liabilities	8,707	8,910	8,916	9,025	8,959	8,955	9,068	9,216	9,375	9,506	1.4%	9.2%
Residual (assets less liabilities)	864	917	891	880	1,012	1,075	1,053	1,085	1,098	1,121	2.1%	29.8%

all values in \$ billions

SOURCE: Federal Reserve Documents

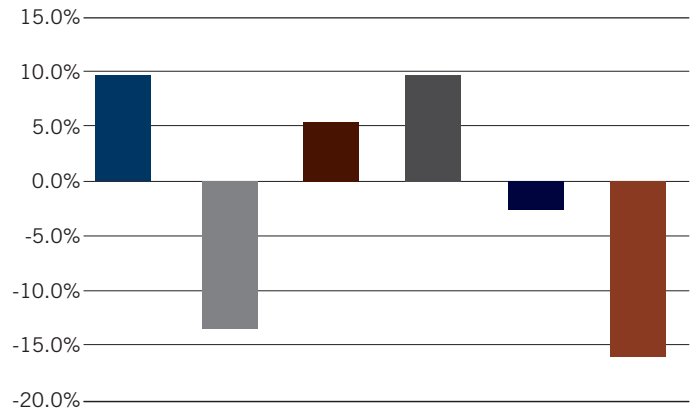
Major Market Index Performance

November 2007



SOURCE: Bloomberg, LLC

Last Twelve Months



SOURCE: Bloomberg, LLC

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

	12/2006	1/2007	2/2007	3/2007	4/2007	5/2007	6/2007	7/2007	8/2007	9/2007	10/2007	11/2007
Dow Jones	2.0%	1.3%	-2.8%	0.7%	5.7%	4.3%	-1.6%	-1.5%	1.4%	3.7%	0.2%	-4.0%
S&P Financial	3.7%	0.7%	-3.3%	-0.9%	4.0%	2.0%	-4.3%	-7.9%	1.3%	2.0%	-2.0%	-8.0%
S&P 500	1.3%	1.4%	-2.2%	1.0%	4.3%	3.3%	-1.8%	-3.2%	1.3%	3.6%	1.5%	-4.4%
NASDAQ	-0.7%	2.0%	-1.9%	0.2%	4.3%	3.1%	0.0%	-2.2%	2.0%	4.0%	5.8%	-6.9%
Russell 2000	0.2%	1.6%	-0.9%	0.9%	1.7%	4.0%	-1.6%	-6.9%	2.2%	1.6%	2.8%	-7.3%
NASDAQ Bank	2.0%	-1.5%	-1.3%	-1.7%	-1.9%	1.8%	-3.4%	-7.9%	4.0%	0.1%	-2.9%	-3.9%

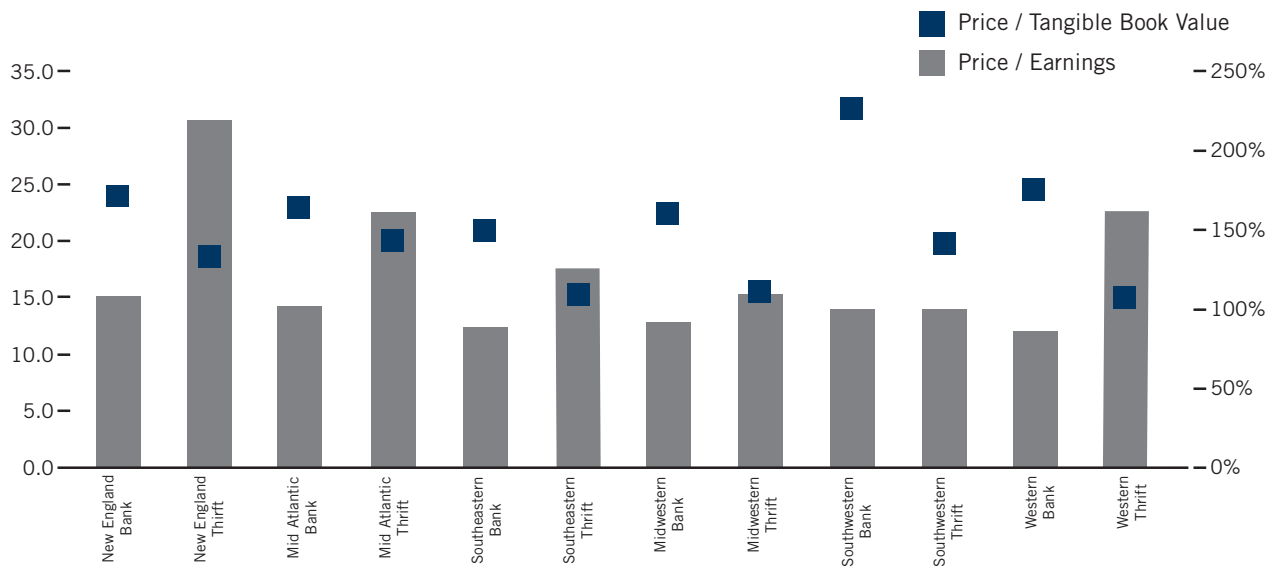
SOURCE: Bloomberg, LLC



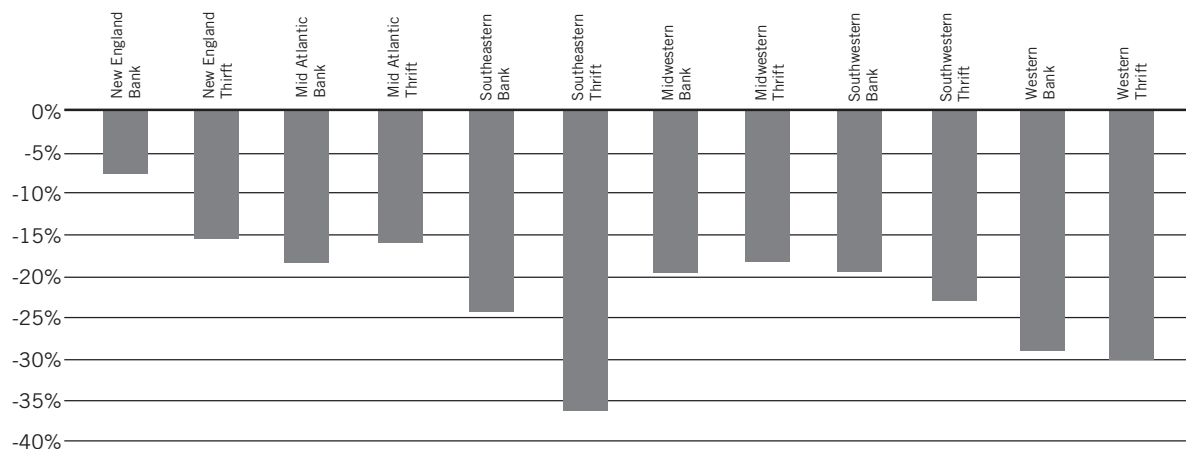
Bank and Thrift Index Valuations

		Price / Earnings		Price / Book Value		Price / TBV		Price Performance			Component Companies
		Weighted Avg	Median	Weighted Avg	Median	Weighted Avg	Median	1 Mo	YTD	12 Mo	
New England	Bank	15.6	15.5	170%	148%	297%	174%	-1.1%	-6.9%	-5.4%	23
	Thrift	32.8	31.1	112%	109%	135%	132%	-6.1%	-15.7%	-15.1%	22
Mid Atlantic	Bank	14.9	14.6	143%	138%	192%	165%	-4.8%	-18.0%	-17.0%	94
	Thrift	20.1	22.1	136%	124%	210%	137%	-4.3%	-16.2%	-16.0%	58
Southeastern	Bank	12.3	13.5	127%	119%	229%	150%	-6.2%	-24.2%	-23.5%	140
	Thrift	19.6	17.3	88%	100%	109%	106%	-9.5%	-36.4%	-36.3%	13
Midwestern	Bank	12.1	13.5	190%	121%	286%	164%	-3.6%	-19.3%	-18.9%	93
	Thrift	8.8	15.3	163%	96%	170%	112%	-6.2%	-18.9%	-18.2%	46
Southwestern	Bank	14.0	14.3	166%	166%	262%	225%	-2.5%	-19.6%	-18.5%	19
	Thrift	29.9	14.5	200%	131%	221%	137%	-11.2%	-23.2%	-23.2%	5
Western	Bank	12.8	12.4	165%	151%	213%	175%	-7.4%	-28.8%	-27.8%	72
	Thrift	17.4	22.3	105%	101%	120%	106%	-9.5%	-30.0%	-30.1%	17

Index Valuations



YTD Price Performance



SOURCE: Highline Data and Bloomberg, LLC



Economic Data Points - November 2007

Date	Event	Period	Survey	Actual	Prior	Date	Event	Period	Survey	Actual	Prior
11/1	Personal Income	SEP	0.40%	0.40%	0.30%	11/15	Consumer Price Index NSA	OCT	208.9	208.936	208.49
11/1	Personal Spending	SEP	0.40%	0.30%	0.60%	11/15	Empire Manufacturing	NOV	19	27.4	28.8
11/1	PCE Deflator (YoY)	SEP	2.40%	2.40%	1.80%	11/16	Industrial Production	OCT	0.10%	-0.50%	0.10%
11/1	PCE Core (MoM)	SEP	0.20%	0.20%	0.10%	11/16	Capacity Utilization	OCT	82.00%	81.70%	82.10%
11/1	PCE Core (YoY)	SEP	1.80%	1.80%	1.80%	11/20	Housing Starts	OCT	1170K	1229K	1191K
11/1	ISM Manufacturing	OCT	51.5	50.9	52	11/20	Building Permits	OCT	1200K	1178K	1226K
11/1	ISM Prices Paid	OCT	63	63	59	11/20	Mins of October 31 FOMC Meeting				
11/1	Total Vehicle Sales	OCT	16.0M	16.1M	16.2M	11/27	S&P/CS Composite - 20 YoY	SEP	-4.90%	-4.90%	-4.40%
11/1	Domestic Vehicle Sales	OCT	12.2M	12.2M	12.5M	11/27	S&P/Case-Shiller Home Price Index	SEP	--	195.6	197.2
11/2	Unemployment Rate	OCT	4.70%	4.70%	4.70%	11/27	S&P/Case-Shiller US HPI	3Q	--	180.5	183.9
11/7	Wholesale Inventories	SEP	0.20%	0.80%	0.10%	11/27	S&P/Case-Shiller US HPI YoY %	3Q	-4.10%	-4.50%	-3.20%
11/7	Consumer Credit	SEP	\$9.0B	\$3.7B	\$12.2B	11/28	Existing Home Sales	OCT	5.00M	4.97M	5.04M
11/8	ICSC Chain Store Sales YoY	OCT	2.00%	1.60%	1.70%	11/28	Existing Home Sales MoM	OCT	-0.80%	-1.20%	-8.00%
11/9	Import Price Index (MoM)	OCT	1.20%	1.80%	1.00%	11/28	Fed's Beige Book				
11/9	Import Price Index (YoY)	OCT	9.00%	9.60%	5.20%	11/29	GDP Annualized	3Q P	4.90%	4.90%	3.90%
11/13	Pending Home Sales MoM	SEP	-2.00%	0.20%	-6.50%	11/29	Personal Consumption	3Q P	2.90%	2.70%	3.00%
11/14	Producer Price Index (MoM)	OCT	0.30%	0.10%	1.10%	11/29	GDP Price Index	3Q P	0.80%	0.90%	0.80%
11/14	PPI Ex Food & Energy (MoM)	OCT	0.20%	0.00%	0.10%	11/29	Core PCE QoQ	3Q P	1.80%	1.80%	1.80%
11/14	Producer Price Index (YoY)	OCT	6.40%	6.10%	4.40%	11/29	New Homes Sales	OCT	750K	728K	770K
11/14	PPI Ex Food & Energy (YoY)	OCT	2.60%	2.50%	2.00%	11/29	New Home Sales MoM	OCT	-2.60%	1.70%	4.80%
11/14	Advance Retail Sales	OCT	0.10%	0.20%	0.60%	11/29	House Price Index QoQ	3Q	-0.50%	-0.40%	0.10%
11/14	Retail Sales Less Autos	OCT	0.20%	0.20%	0.40%	11/30	Personal Income	OCT	0.40%	0.20%	0.40%
11/14	Business Inventories	SEP	0.40%	0.40%	0.10%	11/30	Personal Spending	OCT	0.30%	0.20%	0.30%
11/15	Consumer Price Index (MoM)	OCT	0.30%	0.30%	0.30%	11/30	PCE Deflator (YoY)	OCT	2.80%	2.90%	2.40%
11/15	CPI Ex Food & Energy (MoM)	OCT	0.20%	0.20%	0.20%	11/30	PCE Core (MoM)	OCT	0.20%	0.20%	0.20%
11/15	Consumer Price Index (YoY)	OCT	3.50%	3.50%	2.80%	11/30	PCE Core (YoY)	OCT	1.80%	1.90%	1.80%
11/15	CPI Ex Food & Energy (YoY)	OCT	2.20%	2.20%	2.10%	11/30	Chicago Purchasing Manager	NOV	50.5	52.9	49.7
11/15	CPI Core Index SA	OCT	--	212.05	211.714	11/30	Construction Spending MoM	OCT	-0.30%	-0.80%	0.30%

SOURCE: Bloomberg, LLC

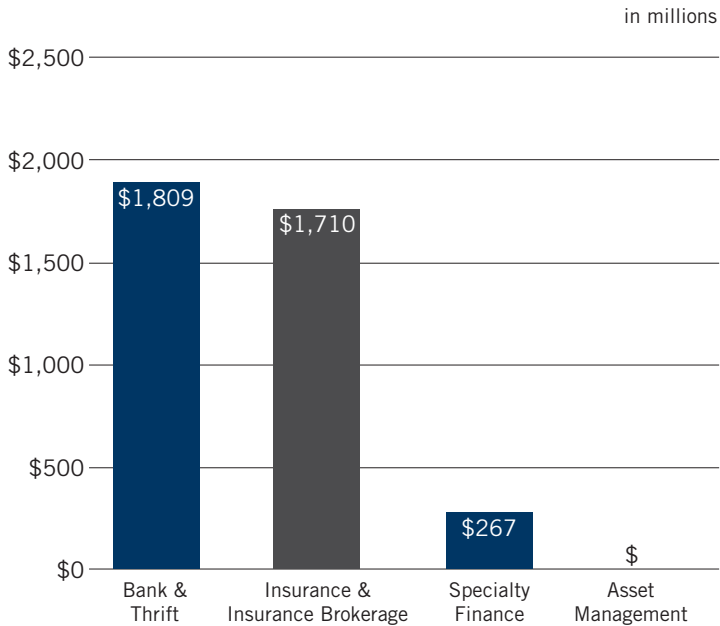
Economic Data Points - December 2007

Date	Event	Period	Survey	Actual	Prior	Date	Event	Period	Survey	Actual	Prior
12/3	ISM Manufacturing	NOV	50.8	--	50.9	12/14	CPI Ex Food & Energy (YoY)	NOV	2.30%	--	2.20%
12/3	ISM Prices Paid	NOV	65.5	--	63	12/14	CPI Core Index SA	NOV	--	--	212.05
12/3	Total Vehicle Sales	NOV	16.0M	--	16.1M	12/14	Consumer Price Index NSA	NOV	209.777	--	208.936
12/3	Domestic Vehicle Sales	NOV	12.2M	--	12.2M	12/14	Industrial Production	NOV	0.10%	--	-0.50%
12/5	Nonfarm Productivity	3Q F	5.80%	--	4.90%	12/14	Capacity Utilization	NOV	81.70%	--	81.70%
12/5	ISM Non-Manufacturing	NOV	55	--	55.8	12/18	Housing Starts	NOV	--	--	1229K
12/6	Mortgage Delinquencies	3Q	--	--	5.12%	12/18	Building Permits	NOV	--	--	1178K
12/6	ICSC Chain Store Sales YoY	NOV	--	--	1.60%	12/20	GDP Annualized	3Q F	--	--	4.90%
12/7	Unemployment Rate	NOV	4.80%	--	4.70%	12/20	Personal Consumption	3Q F	--	--	2.70%
12/7	Consumer Credit	OCT	\$5.3B	--	\$3.7B	12/20	GDP Price Index	3Q F	--	--	0.90%
12/10	Pending Home Sales MoM	OCT	-0.90%	--	0.20%	12/20	Core PCE QoQ	3Q F	--	--	1.80%
12/11	Wholesale Inventories	OCT	0.50%	--	0.80%	12/21	PCE Deflator (YoY)	NOV	--	--	2.90%
12/11	FOMC Rate Decision Expected	11-Dec	4.25%	--	4.50%	12/21	Personal Income	NOV	--	--	0.20%
12/12	Import Price Index (MoM)	NOV	2.00%	--	1.80%	12/21	Personal Spending	NOV	--	--	0.20%
12/12	Import Price Index (YoY)	NOV	--	--	9.60%	12/21	PCE Core (MoM)	NOV	--	--	0.20%
12/13	Producer Price Index (MoM)	NOV	1.50%	--	0.10%	12/21	PCE Core (YoY)	NOV	--	--	1.90%
12/13	PPI Ex Food & Energy (MoM)	NOV	0.20%	--	0.00%	12/26	S&P/CS Composite-20 YoY	OCT	--	--	-4.90%
12/13	Producer Price Index (YoY)	NOV	6.40%	--	6.10%	12/26	S&P/Case-Shiller Home Price Index	OCT	--	--	195.6
12/13	PPI Ex Food & Energy (YoY)	NOV	1.80%	--	2.50%	12/27	Durable Goods Orders	NOV	--	--	-0.40%
12/13	Advance Retail Sales	NOV	0.50%	--	0.20%	12/27	Durables Ex Transportation	NOV	--	--	-0.70%
12/13	Retail Sales Less Autos	NOV	0.60%	--	0.20%	12/28	New Home Sales	NOV	--	--	728K
12/13	Business Inventories	OCT	0.30%	--	--	12/28	New Home Sales MoM	NOV	--	--	1.70%
12/14	Consumer Price Index (MoM)	NOV	0.60%	--	0.30%	12/31	Existing Home Sales	NOV	--	--	--
12/14	CPI Ex Food & Energy (MoM)	NOV	0.20%	--	0.20%	12/31	Existing Home Sales MoM	NOV	--	--	-1.20%
12/14	Consumer Price Index (YoY)	NOV	4.00%	--	3.50%						

SOURCE: Bloomberg, LLC

M&A Transaction Update

Announced Transactions - November 2007



SOURCE: Highline Data, Bloomberg, Factiva

Hovde Financial Deal Alert

Hovde Financial is pleased to announce that its client, Century Capital Financial, Inc., headquartered in Kilgore, Texas, and its wholly-owned subsidiary, City National Bank, have signed a definitive agreement to merge with Austin BanCorp, Inc. of Jacksonville, Texas (“Austin Bank”) in a 100% cash transaction.

As of September 30, 2007, Century Capital Financial, Inc. had \$152 million in deposits in five branches in Gregg County, Texas. This transaction increases Austin’s deposit market share in Gregg County to more than \$220 million, which will represent its largest single market in Texas. Austin’s market share ranking will increase from 10th to 4th in Gregg County. Austin Bank is a community bank located throughout the East Texas area. Austin Bank has 23 branches with 309 employees and has over \$800 million in assets.

Deal Count - November 2007

Bank & Thrift	20
Insurance & Insurance Brokerage	22
Specialty Finance	4
Asset Management & Broker/Dealer	10

SOURCE: Highline Data, Bloomberg, Factiva

Deal Count - 2007 YTD

Bank & Thrift	256
Insurance & Insurance Brokerage	247
Specialty Finance	100
Asset Management & Broker/Dealer	78

SOURCE: Highline Data, Bloomberg, Factiva

Top Financial Advisors in Bank and Thrift Transactions

Trailing 12 Months, Sell-Side Advisory Transactions

Rank	Firm	# of Deals
1	Keefe, Bruyette & Woods, Inc.	35
2	Sandler O’Neill & Partners, LP	28
3	Hovde Financial	19
4	Howe Barnes Hoefer & Arnett, Inc.	18
5	Stifel, Nicolaus & Company, Inc.	10
6	Sheshunoff & Co. Investment Banking LP	9
7	McAdams Wright Ragen, Inc.	7
7	Austin Associates, Inc.	5
9	SAMCO Capital Markets, Inc.	5

SOURCE: Highline Data (data from 11/30/2006 - 12/1/2007)

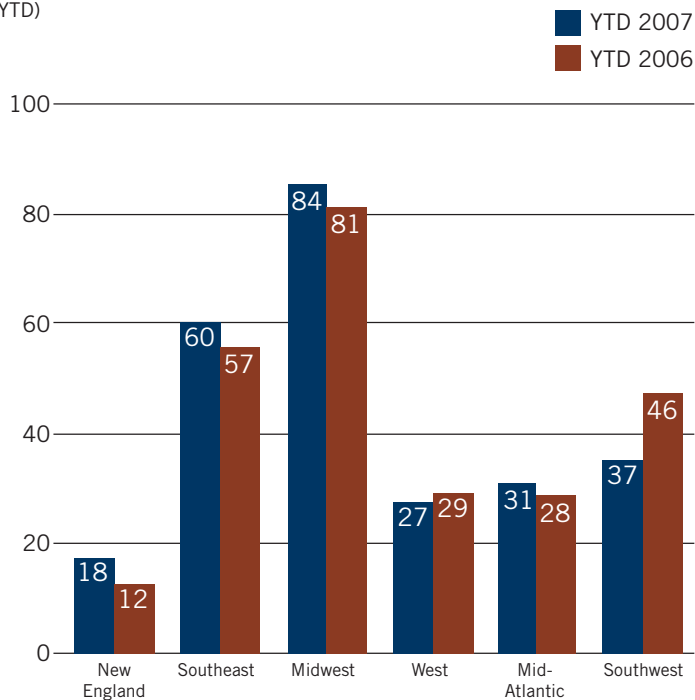
Bank & Thrift Transactions - November 2007

Buyer	Buyer State	Target	Target State	Announced	DV (\$MM)	P/LTM Ern	P/TBV (%)	Core Deposit Premium (%)
First Guaranty Bancshares, Inc.	LA	First Community Holding Co.	LA	11/02/2007	19.0	14.2	274.6	14.7
SunTrust Banks, Inc.	GA	GB&T Bancshares, Inc.	GA	11/02/2007	153.7	16.9	106.3	0.88
Carroll Financial Services, Inc.	TN	Bradford Bancshares, Inc.	TN	11/05/2007	8.4	22.6	132.6	8.7
Old Second Bancorp, Inc.	IL	HeritageBanc, Inc.	IL	11/05/2007	86.0	24.6	302.9	23.52
Osage Bancshares, Inc.	OK	Barnsdall State Bank	OK	11/05/2007	NA	NA	NA	NA
F.N.B. Corporation	PA	Omega Financial Corporation	PA	11/08/2007	378.0	18.3	228.3	NA
First Community Bancshares, Inc.	KS	NKC Bancshares, Inc.	MO	11/09/2007	4.1	NM	171.9	6.74
Tompkins Financial Corporation	NY	Sleepy Hollow Bancorp, Inc.	NY	11/09/2007	30.2	46.5	276.5	10.2
Oritani Financial Cor. (MHC)	NJ	Greater Community Bancorp	NJ	11/13/2007	187.5	34.5	312.2	18.77
JSA Family Limited Partnership	TX	Century Capital Financial, Inc.	TX	11/14/2007	NA	NA	NA	NA
Farmers & Merchants Bancshares, Inc.	AR	Perry County Bancshares, Inc.	AR	11/15/2007	NA	NA	NA	NA
Merchants Bancorp of Pennsylvania, Inc.	PA	F & A Financial Corporation	PA	11/15/2007	NA	NA	NA	NA
First NBC Bank Holding Company	LA	Dryades Bancorp, Inc.	LA	11/20/2007	2.9	58.9	45.3	NM
Summit Financial Group, Inc.	WV	Commonwealth Savingsshares Corporation	AL	11/21/2007	52.5	NM	157.0	11.1
BancMidwest Corporation	MN	Hiawatha Bancshares, Inc.	WI	11/27/2007	NA	NA	NA	NA
Century Commercial Bancorp, Inc.	OH	Liberty Bank National Association	OH	11/27/2007	35.9	21.4	178.0	8.45
Premier Financial Bancorp, Inc.	WV	Traders Bankshares, Inc.	WV	11/27/2007	18.1	26.0	153.0	7.56
Anita Bancorporation	IA	MetaBank West Central	IA	11/29/2007	8.3	NM	221.3	19.24
CCFNB Bancorp, Inc.	PA	Columbia Financial Corporation	PA	11/29/2007	26.2	NM	NM	NM
National Australia Bank, Limited		Great Western Bancorporation, Inc.	NE	11/29/2007	798.0	24.3	532.1	28.58

SOURCE: Highline Data

Bank & Thrift Transactions

by Region (YTD)



SOURCE: Highline Data

Deal Pricing by Region - 4Q2007

Region	Deal Value	Price/TBV	P/ LTM Ern	P/ Core Dep Prem
New England	\$105	211.4	28.0	15.6
Southeast	\$300	962.7	104.5	66.9
Midwest	\$1,002	1,735.0	117.1	110.5
West	\$89	245.8	15.3	30.3
Mid-Atlantic	\$9,788	1,123.6	127.2	44.5
Southwest	\$31	510.8	89.0	28.9
Average		217.7	25.3	14.8

SOURCE: Highline Data

Deal Pricing by Quarter

Quarter	Deal Value	Price/TBV	P/ LTM Ern	P/ Core Dep Prem
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	\$21,258	280.4	27.0	23.5
2Q2007	\$30,955	227.5	26.5	16.9
3Q2007	\$9,187	226.9	26.2	17.9
4Q2007	\$11,262	217.7	25.3	14.8

SOURCE: Highline Data

Insurance and Insurance Brokerage Transactions - November 2007

Buyer	Target	Announced	DV (\$MM)
Farmers Home Holding Company	United Home Insurance Company	11/02/2007	NA
Ironshore Inc.	Stockbridge Insurance Company	11/02/2007	NA
Hub International Limited	JM Associates, Ltd.	11/02/2007	NA
Tawa plc	PXRE Reinsurance Company	11/05/2007	114.0
Alliance HealthCard Inc.	Supplemental Benefits Business Unit	11/05/2007	NA
Hub International Limited	Rome Insurance Agency, Inc.	11/05/2007	NA
National Financial Partners Corp.	Undisclosed benefits company	11/07/2007	NA
Brown & Brown, Inc.	McFall General Agency, inc.	11/09/2007	NA
Brown & Brown, Inc.	Wittner National Group, Inc.	11/09/2007	NA
National Insurance Programs Group, Inc.	Lucas and Dake Co., Inc.	11/09/2007	NA
Unitrin, Inc.	Primesco, Inc.	11/12/2007	96.0
Wells Fargo & Company	Rogers & Belding Insurance Agency, Inc.	11/12/2007	NA
Arthur J. Gallagher & Co.	C&B Consulting Group, Inc.	11/13/2007	NA
AssuranceAmerica Corporation	Bush Insurance Agency	11/13/2007	NA
Northeast Bancorp	Spence & Mathews Insurance	11/14/2007	NA
Hub International Limited	E.J. Phelps Financial & Insurance Services, Inc.	11/15/2007	NA
Blue Cross and Blue Shield of South Carolina	Montgomery Management Corporation	11/19/2007	NA
Britt Paulk Insurance Agency Inc.	Mitchell, York & Cooper, LLC	11/20/2007	NA
Goldman Sachs Group, Inc.	Treadwell & Harry Insurance, LLC	11/20/2007	NA
CIGNA Corporation	Great-West Healthcare Holdings Inc.	11/26/2007	1,500.0
Darwin Professional Underwriters Inc.	Agency Marketing Services, Inc.	11/28/2007	NA
Cullen/Frost Bankers, Inc.	Prime Benefits, Inc.	11/30/2007	NA

SOURCE: Factiva, AM Best

Specialty Finance Transactions - November 2007

Buyer	Target	Announced	DV (\$MM)
Resource Management Partners, Inc.	Carrier Finance, LLC	11/05/2007	NA
Angelo, Gordon & Company, LP	Delta Financial Corporation	11/15/2007	100.0
Resource America, Inc.	Assets of Dolphin Capital Corp.	11/19/2007	167.0
Macquarie Group Limited	CIT Equipment Leasing	11/20/2007	NA

SOURCE: Factiva, Bloomberg, Reuters

Asset Management Transactions - November 2007

Buyer	Target	Announced	DV (\$MM)
WealthTrust, LLC	Fairport Asset Management, LLC	11/02/2007	NA
Willow Financial Bancorp, Inc.	Carnegie Wealth Advisors, LLC	11/05/2007	NA
Kochis Fitz	Quintile Wealth Management, LLC	11/12/2007	NA
Bank of New York Mellon Corporation	ARX Capital Management	11/13/2007	NA
CoBiz Financial Inc.	Wagner Investment Management, Inc.	11/13/2007	NA
National Life Group	Citizens Advisers, Inc.	11/13/2007	NA
Arthur J. Gallagher & Co.	Yanni Partners, Inc.	11/16/2007	NA
Brookfield Asset Management, Inc.	KG Redding, LLC	11/19/2007	NA
MetLife, Inc.	AFORE Actinver, S.A. de C.V.	11/22/2007	NA
Thomas Lloyd-Butler Capital Management, LLC	Morrison & Frazier, LLC	11/26/2007	NA

SOURCE: Factiva, Bloomberg