



Hovde

Financial Institutions
Monthly Overview

Capital Markets
Economic Data Review
M&A Statistics

April 2008

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About Hovde

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*“Capitalism without failure
is like Christianity without hell.”*
—Warren Buffett

In March, the Federal Reserve took unprecedented actions to provide a taxpayer bailout to Wall Street. The Fed did this through two decisive actions. First, it allowed the investment banks to fund themselves directly via the Fed’s own balance sheet through a newly created vehicle called the Term Securities Lending Facility (TSLF). This new facility is providing the investment banks with up to \$200 billion of direct access to borrow from the federal coffers at an amazingly low rate of approximately 2.5%—a rate at which the investment banks could never borrow in today’s public markets given their leverage and the credit risk that exists on their balance sheets. The second action the Fed took was to provide a bailout of Bear Stearns in its sale to J.P. Morgan. They did this through providing a commitment to assume the losses on \$29 billion of Bear’s most toxic securities in order to entice J.P. Morgan to acquire them and prevent its failure. Taxpayers, along with shareholders and the managements of commercial banks and thrifts, should be appalled at both the access the investment banks have been provided to the Fed’s balance sheet and how the Bear Stearns bailout was handled.

First, it is important to look back and understand that the Wall Street investment banks played a key role in creating both the Internet bubble of 2000 and the housing and credit bubble over the last four years. These bubbles have led to two major financial crises, with the Internet bubble costing investors over \$1 trillion, and the housing bubble now estimated to cost investors over \$1 trillion in losses and to result in a decline of over \$2 trillion in total home values. What is even more disturbing is that, as a result of their unscrupulous actions and the roles they played during these two crises, the investment banks were able to reap unfathomable rewards—such as paying out over \$60 billion in bonuses in 2007. That clearly begs the question: if Wall Street and the investment banks were some of the key players in contributing to these crises, why should the Fed be helping them out at this point by providing them with the TSLF and bailing out Bear Stearns?

In our view, the Fed’s concern about protecting the economy from a systemic collapse of some of our largest financial entities was justifiable given the profound repercussions that would be felt throughout the entire

U.S. and global economies. That said, what is extremely troubling about this situation is that the Fed and the Treasury took no actions to seriously regulate these entities beforehand when they were taking so much risk and causing so much damage to the investment public and financial system, nor are they using their regulatory authority today to force the necessary fundamental changes in these entities to reduce future systemic risk to the economy. Clearly, the Fed has handled these “bailouts” in a questionable manner and has easily been out-negotiated by Wall Street once again. Let us review both cases.

First, in providing the TSLF to the investment banks without attaching very stringent requirements in regard to the capital levels that they must maintain or the collateral that they can post to the Fed, it is fostering the wrong risk/reward dynamic for Wall Street and creating additional moral hazard in the system. Consequently, there is no issue that should trouble you more—as a bank executive and as a taxpayer—than the access the investment banks *now* have to the Fed’s balance sheet and the discounted cost at which they can obtain this funding.

The banking industry has to bear enormous regulatory oversight, regulatory costs, social responsibilities, and adhere to strict capital requirements in order to access the liquidity from the Fed’s balance sheet. In fact, it is the banking industry that provides much of the Fed’s own liquidity through the requirement of having to keep 10% of all transaction account balances with the Fed. The costs of all of this regulation and these responsibilities are enormous and difficult to calculate in their totality. However, it is estimated that just the cost of compliance for the banking industry in 2006 was 3.69% of total net income, which obviously does not include FDIC insurance, the loss of interest on deposits kept with the Fed, and a variety of other regulatory items such as the Community Reinvestment Act (CRA). Now, in one swift action and with little or no strings attached, the Fed has simply given all of these benefits to the investment banking community—the same group that played one of -- if not *the* key role in—creating this crisis as well as disintermediating the banking industry for the last three decades.

Importantly, the investment banks do not have to adhere to regulatory examinations as does the banking industry to verify the quality of their capital, assets, management,

earnings, and liquidity (i.e., the CAMEL rating system), which, on many of these measurements, the investment banks would fail miserably. As a prime example, the capital ratios for the investment banks currently range from just 1.7% to 3.5% of tangible capital to assets—well below what the commercial banks are required to maintain, particularly when you consider the vastly higher level of risky assets to which the investment banks have exposed themselves. Further, Wall Street has no social responsibility obligations or other requirements—such as the CRA and the Bank Secrecy Act (BSA)—nor do they have to help provide liquidity to the Fed. As a result, we believe that the manner in which the TSLF is currently constructed and the requirements to use it are both fundamentally wrong.

Consequently, the Fed's implementation of the TSLF is continuing to perpetuate the significant moral hazard issues that plague our financial system today and benefits Wall Street—whereby the investment banks gain in the good times and are able to pay out tens of billions of dollars of bonuses, yet, if a crisis occurs, the government is there to bail them out. So, how would we change the TSLF? Very simply. Any investment bank that draws upon its line would have to increase its tangible capital ratio to at least 5% of total assets over a set period of time. During that time, no bonuses could be paid out to executive management and dividends would need to be cut to a nominal level—conserving capital and liquidity. Further, the cost of the TSLF should be set at a rate higher than 2.5%, which is the rate at which the commercial banks have access. Lastly, meaningful regulation should be imposed on many of the investment banks' business lines in order to reduce the systemic risk to the overall economy, such as the amount of counterparty risk that these entities carry to the derivatives markets and, in particular, the credit default swap (CDS) market. For instance, Bear Stearns currently has total gross derivative exposure of over \$13 trillion and over \$12.5 billion on a net basis. Yet, Bear Stearns's total capital to cover this massive derivative exposure *and* to support their nearly \$400 billion in assets was only about \$12 billion. To say the least, if the Fed and Treasury do not begin to take action soon, it is only a matter of time before we could witness a collapse of another major financial company that would jeopardize the stability of our entire financial system and drag the U.S. economy into an unprecedented depression.

As it relates specifically to the Bear Stearns bailout, again, while we are in support of the Fed's attempts to stabilize a rapidly escalating financial crisis, the manner in which it was handled is very disconcerting. How could the bond holders of Bear Stearns remain whole and shareholders be allowed to receive even one penny when the federal government is assuming potential losses of billions of dollars? To make matters worse, the Fed allowed J.P. Morgan to raise their acquisition price from \$2 to \$10 per share in an effort to appease disgruntled shareholders. This allowed James Cayne (Bear Stearns's Chairman and former CEO) to sell his stock for more than \$61 million. Moreover, for allowing J.P. Morgan to pay a higher price to the shareholders, all the Fed was able to renegotiate with J.P. Morgan was having the Fed's commitment to absorb the losses on some of Bear's most toxic assets reduced from \$30 billion to \$29 billion. To say the least, the Fed should never have allowed any payments to the shareholders, much less at a renegotiated higher price, particularly with the federal government and taxpayers taking on such risk and providing such a large amount of financial assistance. By way of comparison, if a regional or community bank or thrift were to require a bailout by the federal government—which over 1,300 did in the late 1980s and early 1990s—the shareholders would be left with nothing and the executives would immediately be removed from their positions and potentially prosecuted. However, the Fed, which controls the power to dictate the fates of these investment banks, has not made anyone pay a price for their actions. As a result, through their actions, the Fed has just solidly perpetuated an enduring perception on Wall Street that the federal government will always be there to bail out the big investment banks from their excessive risk taking.

It is time for the Wall Street executives to finally pay for the consequences of their actions. As a bank executive, we would strongly urge you to discuss this issue with your trade associations and aggressively lobby Congress and the regulatory authorities as to why the investment banks are being treated so favorably and placing the banking industry at a competitive disadvantage. Further, if their aggressive risk taking causes a systemic collapse, the repercussions to your institution will be unimaginable.

Let us just hope—for the taxpayers' sake—that this group of academics at the Fed and the other regulatory agencies quickly learn the same bare-knuckled approach to business that the investment banks have always used.

Federal Reserve Aggregate Bank Data

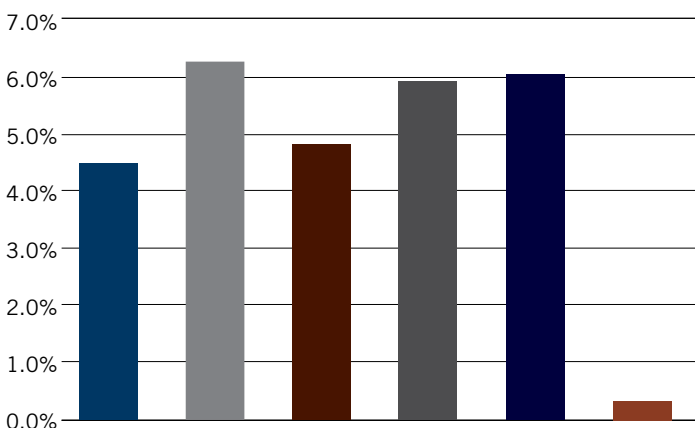
	3/2007	7/2007	8/2007	9/2007	10/2007	11/2007	12/2007	1/2008	2/2008	3/2008	MoM	YoY
ASSETS												
Securities												
Secs in Bank Credit	2,260	2,312	2,339	2,370	2,404	2,466	2,441	2,431	2,469	2,577	4.4%	14.0%
Treasury & Agency	1,209	1,184	1,183	1,170	1,136	1,119	1,111	1,103	1,108	1,128	1.8%	-6.7%
Other	1,051	1,131	1,156	1,200	1,268	1,346	1,330	1,328	1,361	1,449	6.5%	37.9%
Loans and Leases												
C&I	1,211	1,278	1,312	1,358	1,397	1,412	1,435	1,449	1,458	1,479	1.5%	22.2%
Real Estate	3,316	3,422	3,447	3,476	3,549	3,569	3,584	3,602	3,621	3,656	1.0%	10.2%
Consumer	741	770	777	784	782	792	805	815	813	815	0.3%	10.0%
Other	525	585	629	651	669	664	673	697	692	679	-1.9%	29.4%
Other Assets	850	880	895	922	934	951	961	982	971	1,020	5.0%	19.9%
Total Assets	9,807	10,121	10,301	10,473	10,627	10,781	10,853	10,929	10,994	11,182	1.7%	14.0%
LIABILITIES												
Deposits												
Transaction	640	610	628	608	622	608	593	615	617	614	-0.5%	-4.1%
Nontransaction	5,763	5,692	5,745	5,823	5,943	6,032	6,070	6,098	6,159	6,260	1.6%	8.6%
Large time	1,778	1,774	1,822	1,872	1,972	2,032	2,020	2,058	2,095	2,105	0.5%	18.4%
Other	3,985	3,918	3,923	3,951	3,971	4,000	4,050	4,040	4,063	4,155	2.3%	4.3%
Borrowings	1,984	2,115	2,202	2,252	2,209	2,241	2,324	2,268	2,278	2,303	1.1%	16.1%
Other Liabilities	588	600	597	600	628	672	660	701	710	788	10.9%	33.9%
Total Liabilities	8,916	9,068	9,216	9,375	9,506	9,659	9,758	9,794	9,839	10,027	1.9%	12.5%
Residual (assets less liabilities)	891	1,053	1,085	1,098	1,121	1,122	1,095	1,135	1,155	1,155	0.0%	29.7%

all values in \$ billions

SOURCE: Federal Reserve Documents

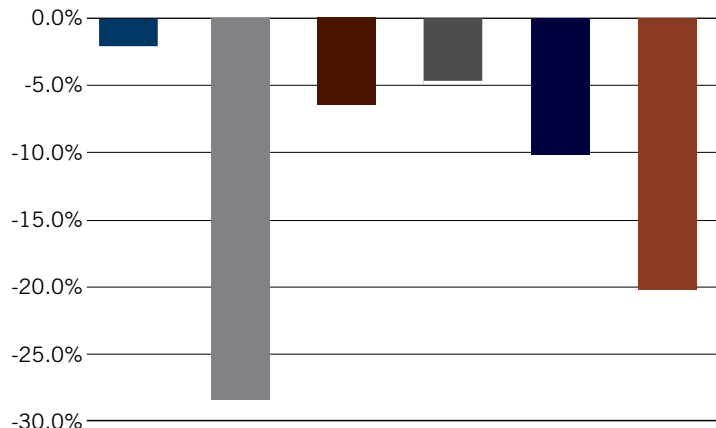
Major Market Index Performance

April 2008



SOURCE: Bloomberg, LLC

Last Twelve Months



SOURCE: Bloomberg, LLC

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

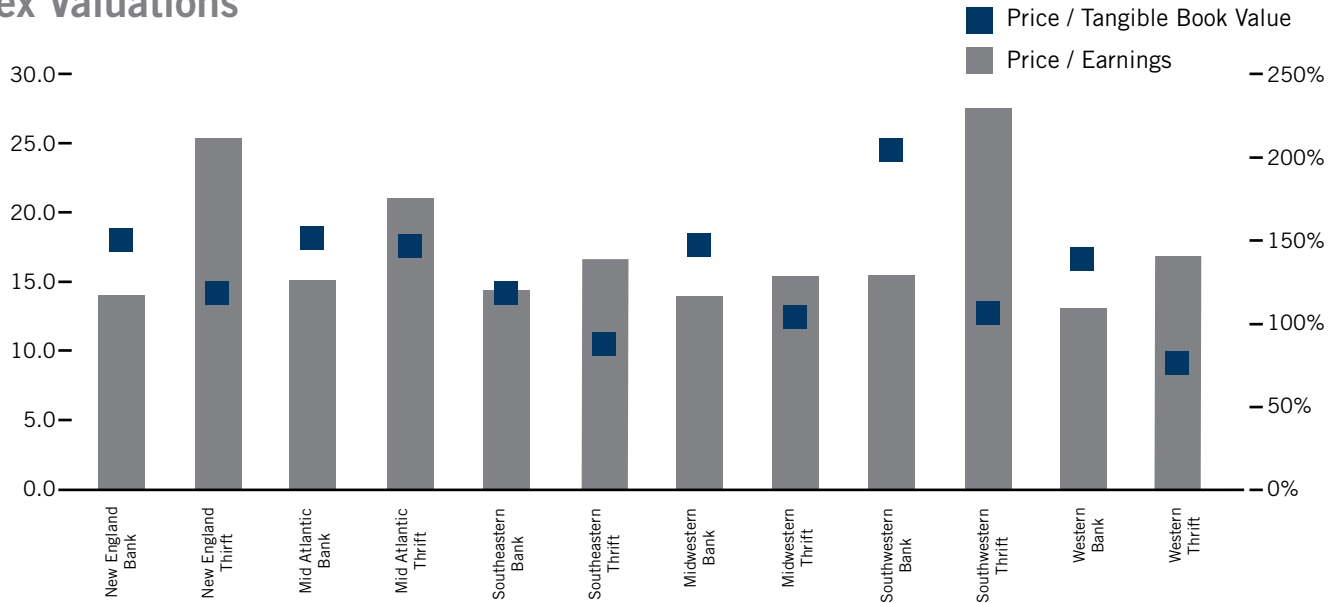
	5/2007	6/2007	7/2007	8/2007	9/2007	10/2007	11/2007	12/2007	1/2008	2/2008	3/2008	4/2008
Dow Jones	4.3%	-1.6%	-1.5%	1.4%	3.7%	0.2%	-4.0%	-0.8%	-4.6%	-3.0%	0.0%	4.5%
S&P Financial	2.0%	-4.3%	-7.9%	1.3%	2.0%	-2.0%	-8.0%	-5.7%	-0.6%	-7.7%	-3.1%	6.3%
S&P 500	3.3%	-1.8%	-3.2%	1.3%	3.6%	1.5%	-4.4%	-0.9%	-6.1%	-3.5%	-0.6%	4.8%
NASDAQ	3.1%	0.0%	-2.2%	2.0%	4.0%	5.8%	-6.9%	-0.3%	-9.9%	-5.0%	0.3%	5.9%
Russell 2000	4.0%	-1.6%	-6.9%	2.2%	1.6%	2.8%	-7.3%	-0.2%	-6.9%	-3.8%	0.3%	6.1%
NASDAQ Bank	1.8%	-3.4%	-7.9%	4.0%	0.1%	-2.9%	-3.9%	-5.4%	2.7%	-8.6%	2.0%	0.3%

SOURCE: Bloomberg, LLC

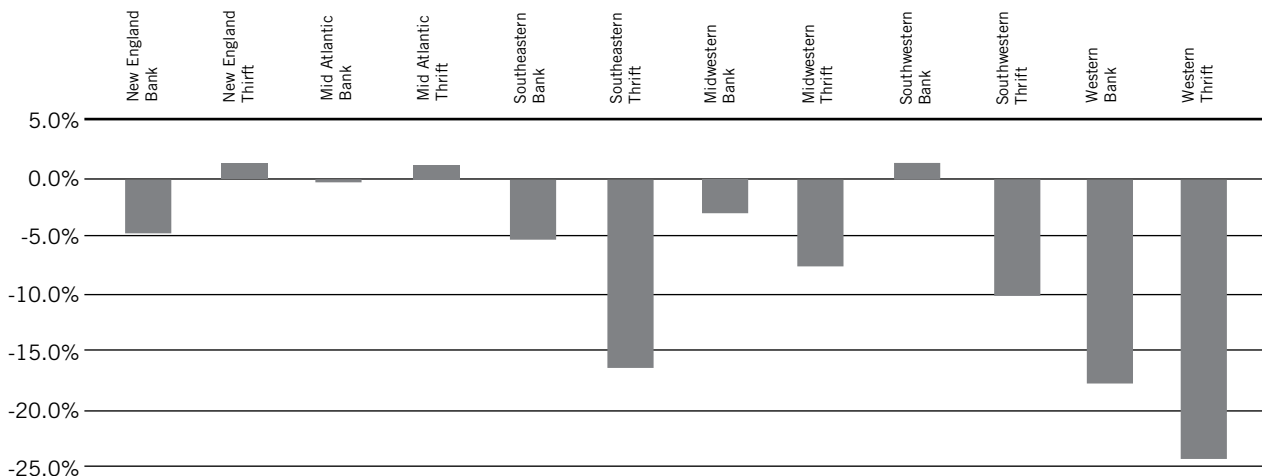
Bank and Thrift Index Valuations

		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	12.5	13.7	147%	130%	246%	149%	-3.1%	-4.9%	-14.6%	19
	Thrift	23.7	25.6	103%	101%	133%	120%	-0.5%	1.8%	-12.2%	22
Mid Atlantic	Bank	12.1	14.6	133%	129%	165%	148%	-0.7%	-0.2%	-17.3%	90
	Thrift	18.2	21.3	139%	131%	203%	140%	-1.0%	1.7%	-14.6%	56
Southeastern	Bank	16.7	14.6	103%	107%	134%	124%	-1.1%	-5.8%	-29.8%	135
	Thrift	NM	16.9	52%	82%	60%	82%	-6.2%	-16.8%	-47.7%	10
Midwestern	Bank	11.3	13.6	167%	112%	217%	145%	-3.3%	-3.9%	-20.7%	90
	Thrift	17.9	15.7	153%	89%	158%	101%	-3.9%	-7.8%	-25.4%	47
Southwestern	Bank	16.0	15.5	145%	136%	218%	203%	1.3%	1.8%	-15.6%	19
	Thrift	14.8	27.3	146%	108%	92%	96%	-7.7%	-10.1%	-27.6%	6
Western	Bank	14.6	13.8	144%	109%	125%	134%	-7.8%	-17.6%	-39.2%	69
	Thrift	15.2	16.1	64%	69%	80%	70%	-11.8%	-24.2%	-50.3%	15

Index Valuations



YTD Price Performance



SOURCE: SNL Financial and Bloomberg, LLC

Economic Data Points - April 2008

Date	Event	Period	Survey	Actual	Prior	Date	Event	Period	Survey	Actual	Prior
4/1	ISM Manufacturing	MAR	47.5	48.6	48.3	4/16	CPI Ex Food & Energy (MoM)	MAR	0.20%	0.20%	0.00%
4/1	ISM Price Paid	MAR	75	83.5	75.5	4/16	Consumer Price Index (YoY)	MAR	4.00%	4.00%	4.00%
4/1	Construction Spending MoM	FEB	-1.00%	-0.30%	-1.80%	4/16	CPI Ex Food & Energy (YoY)	MAR	2.40%	2.40%	2.30%
4/1	Total Vehicle Sales	MAR	15.2M	15.1M	15.3M	4/16	CPI Core Index SA	MAR	--	214.176	213.851
4/1	Domestic Vehicle Sales	MAR	11.6M	11.1M	11.7M	4/16	Consumer Price Index NSA	MAR	2113.39	213.528	211.693
4/2	Challenger Job Cuts YoY	MAR	--	9.40%	-14.20%	4/16	Housing Starts	MAR	1010K	947K	1065K
4/2	ADP Employment Change	MAR	-45K	8K	-23K	4/16	Building Permits	MAR	970K	927K	978K
4/2	Factory Orders	FEB	-0.80%	-1.30%	-2.50%	4/16	Industrial Production	MAR	-0.10%	0.30%	-0.50%
4/3	ISM Non-Manufact. Composite	MAR	48.5	49.6	49.3	4/16	Capacity Utilization	MAR	80.30%	80.50%	80.90%
4/4	Change in Nonfarm Payrolls	MAR	-50K	-80K	-63K	4/17	Leading Indicators	MAR	0.10%	0.10%	-0.30%
4/4	Unemployment Rate	MAR	5.00%	5.10%	4.80%	4/17	Philadelphia Fed.	APR	-15	-24.9	-17.4
4/4	Change in Manufact. Payrolls	MAR	-35K	-48K	-52K	4/22	Existing Home Sales	MAR	4.92M	4.93M	5.03M
4/7	Consumer Credit	FEB	\$5.9B	\$5.2B	\$6.9B	4/22	Existing Home Sales (MoM)	MAR	-2.30%	-2.00%	2.90%
4/8	Pending Home Sales MoM	FEB	-1.00%	-1.90%	0.00%	4/22	House Price Index MoM	FEB	-1.50%	0.60%	-1.10%
4/8	IBD/TIPP Economic Optimism	APR	41.5	39.2	42.5	4/22	Richmond Fed Manufact. Index	APR	-1	0	6
4/8	Minutes of March 18 FOMC Meeting (Text)					4/24	Durable Goods Orders	MAR	0.10%	-0.30%	-1.70%
4/9	Wholesale Inventories	FEB	0.50%	1.10%	0.80%	4/24	Durables Ex Transportation	MAR	0.50%	1.50%	-2.60%
4/10	Trade Balance	FEB	-\$57.5B	-\$62.3B	-\$58.2B	4/24	New Home Sales	MAR	580K	526K	590K
4/10	ICSC Chain Store Sales YoY	MAR	0.90%	-0.50%	1.90%	4/24	New Home Sales MoM	MAR	-1.70%	-8.50%	-1.80%
4/10	Monthly Budget Statement	MAR	-\$70.0B	-\$48.1B	-\$96.3B	4/25	U. of Michigan Confidence	APR F	63.2	62.6	63.2
4/11	Import Price Index (MoM)	MAR	2.00%	2.80%	0.20%	4/29	S&P/CS Composite-20 YoY	FEB	-12.00%	-12.70%	-10.70%
4/11	Import Price Index (YoY)	MAR	13.70%	14.80%	13.60%	4/29	S&P/CaseShiller Home Price Index	FEB	--	175.9	180.7
4/11	U. of Michigan Confidence	APR P	69	63.2	69.5	4/29	Consumer Confidence	APR	61	62.3	64.5
4/14	Advance Retail Sales	MAR	0.00%	0.20%	-0.60%	4/30	ADP Employment Change	APR	-60K	10K	8K
4/14	Retail Sales Less Autos	MAR	0.10%	0.10%	-0.20%	4/30	GDP QoQ (Annualized)	1Q A	0.50%	0.60%	0.60%
4/14	Business Inventories	FEB	0.60%	0.60%	0.80%	4/30	Personal Consumption	1Q A	0.70%	1.00%	2.30%
4/15	Producer Price Index (MoM)	MAR	0.60%	1.10%	0.30%	4/30	GDP Price Index	1Q A	3.00%	2.60%	2.40%
4/15	PPI Ex Food & Energy (MoM)	MAR	0.20%	0.20%	0.50%	4/30	Core PCE QoQ	1Q A	2.20%	2.20%	2.50%
4/15	Producer Price Index (YoY)	MAR	6.20%	6.90%	6.40%	4/30	Employment Cost Index	1Q	0.80%	0.70%	0.80%
4/15	PPI Ex Food & Energy (YoY)	MAR	2.80%	2.70%	2.40%	4/30	Chicago Purchasing Manager	APR	47.5	48.3	48/2
4/15	Empire Manufacturing	APR	-17	0.6	-22.2	4/30	FOMC Rate Decision	30-Apr	2.00%	2.00%	2.25%
4/16	Consumer Price Index (MoM)	MAR	0.30%	0.30%	0.00%	4/29-4/30	U.S. Federal Reserve Open Market Committee Meeting				

SOURCE: Bloomberg, LLC

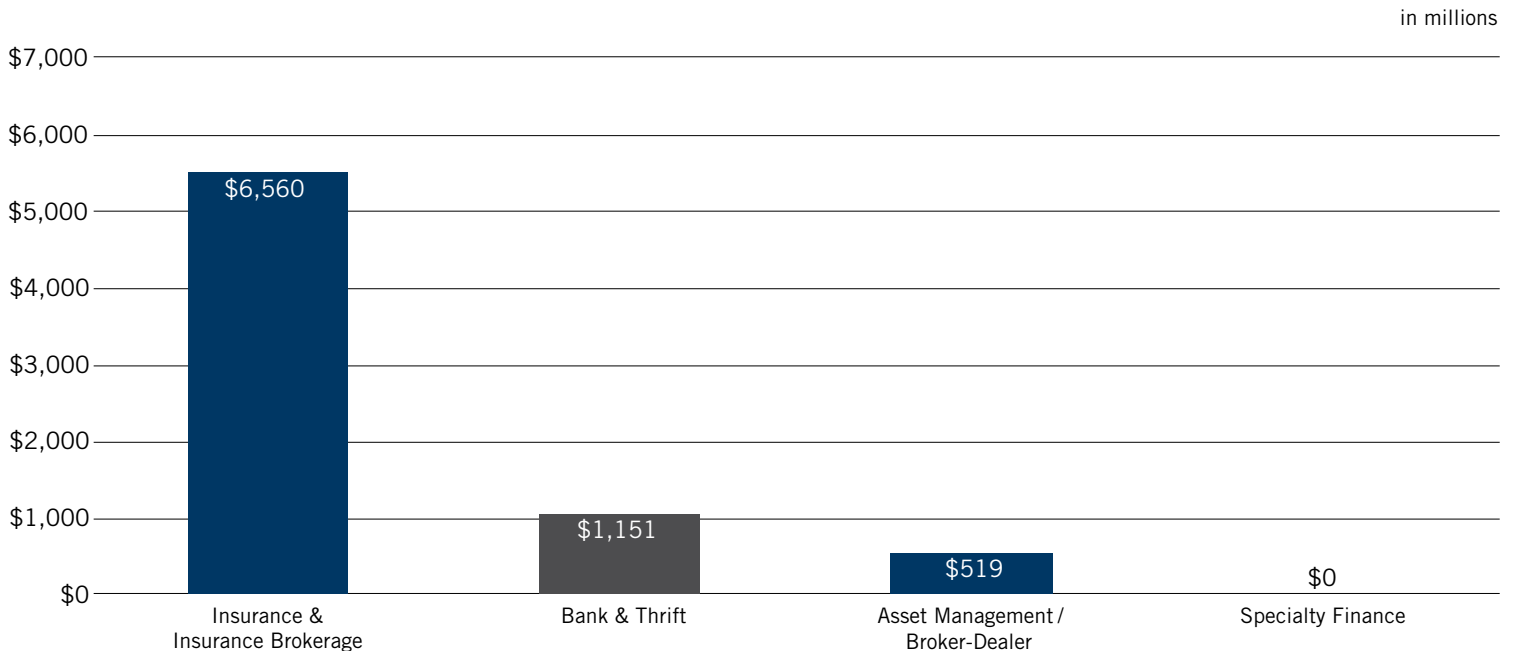
Economic Data Points - May 2008

Date	Event	Period	Survey	Actual	Prior	Date	Event	Period	Survey	Actual	Prior
5/1	Challenger Job Cuts YoY	APR	--	27.40%	9.40%	5/14	CPI Ex Food & Energy (YoY)	APR	--	--	2.40%
5/1	Personal Income	MAR	0.40%	0.30%	0.50%	5/14	CPI Core Index SA	APR	--	--	214.176
5/1	Personal Spending	MAR	0.20%	0.40%	0.10%	5/14	Consumer Price Index NSA	APR	--	--	213.528
5/1	PCE Deflator (YoY)	MAR	3.20%	3.20%	3.40%	5/15	Empire Manufacturing	MAY	--	--	0.6
5/1	PCE Core (MoM)	MAR	0.10%	0.20%	0.10%	5/15	Industrial Production	APR	--	--	0.30%
5/1	PCE Core (YoY)	MAR	2.00%	2.10%	2.00%	5/15	Capacity Utilization	APR	--	--	80.50%
5/1	ISM Manufacturing	APR	48	48.6	48.6	5/15	Philadelphia Fed.	MAY	--	--	-24.9
5/1	ISM Prices Paid	APR	83.5	84.5	83.5	5/16	Housing Starts	APR	--	--	947K
5/1	Construction Spending MoM	MAR	-0.70%	-1.10%	-0.30%	5/16	Building Permits	APR	--	--	927K
5/1	Total Vehicle Sales	APR	15.0M	--	15.1M	5/16	U. of Michigan Confidence	MAY P	--	--	62.6
5/1	Domestic Vehicle Sales	APR	11.4M	--	11.1M	5/20	Producer Price Index (MoM)	APR	--	--	1.10%
5/2	Change in Nonfarm Payrolls	APR	-75K	-20K	-80K	5/20	PPI Ex Food & Energy (MoM)	APR	--	--	0.20%
5/2	Unemployment Rate	APR	5.20%	5.00%	5.10%	5/20	Producer Price Index (YoY)	APR	--	--	6.90%
5/2	Change in Manufact. Payrolls	APR	-35K	-46K	-48K	5/20	PPI Ex Food & Energy (YoY)	APR	--	--	2.70%
5/2	Average Hourly Earnings MoM	APR	0.30%	0.10%	0.30%	5/21	Minutes of March 18 FOMC Meeting				
5/2	Average Hourly Earnings YoY	APR	3.60%	3.40%	3.60%	5/22	House Price Index MoM	MAR	--	--	0.60%
5/2	Factory Orders	MAR	0.20%	--	-1.30%	5/22	House Price Index QoQ	1Q	--	--	0.10%
5/5	ISM Non-Manufact. Composite	APR	49.5	--	49.6	5/23	Existing Home Sales	APR	--	--	4.93M
5/7	Nonfarm Productivity	1Q P	1.60%	--	1.90%	5/23	Existing Home Sales MoM	APR	--	--	-2.00%
5/7	Unit Labor Costs	1Q P	2.50%	--	2.60%	5/27	S&P/CS Composite-20 YoY	MAR	--	--	-12.70%
5/7	Pending Home Sales MoM	MAR	-1.00%	--	-1.90%	5/27	S&P/Case-Shiller US HPI YoY%	1Q	--	--	-8.90%
5/7	Consumer Credit	MAR	\$6.5B	--	\$5.2B	5/27	New Home Sales	APR	--	--	526K
5/8	Wholesale Inventories	MAR	0.50%	--	1.10%	5/27	New Home Sales MoM	APR	--	--	-8.50%
5/8	ICSC Chain Store Sales YoY	APR	--	--	-0.50%	5/28	Durable Goods Orders	APR	--	--	-0.30%
5/9	Trade Balance	MAR	-\$61.4B	--	-\$62.3B	5/28	Durables Ex Transportation	APR	--	--	1.50%
5/12	Monthly Budget Statement	APR	--	--	--	5/29	GDP QoQ (Annualized)	1Q P	--	--	0.60%
5/13	Import Price Index (MoM)	APR	--	--	2.80%	5/29	Personal Consumption	1Q P	--	--	1.00%
5/13	Import Price Index (YoY)	APR	--	--	14.80%	5/29	GDP Price Index	1Q P	--	--	2.60%
5/13	Advance Retail Sales	APR	--	--	0.20%	5/29	Core PCE QoQ	1Q P	--	--	2.20%
5/13	Retail Sales Less Autos	APR	--	--	0.10%	5/30	PCE Deflator (YoY)	APR	--	--	3.20%
5/14	Consumer Price Index (MoM)	APR	--	--	0.30%	5/30	Personal Spending	APR	--	--	0.40%
5/14	CPI Ex Food & Energy (MoM)	APR	--	--	0.20%	5/30	PCE Core (MoM)	APR	--	--	0.20%
5/14	Consumer Price Index (YoY)	APR	--	--	4.00%	5/30	PCE Core (YoY)	APR	--	--	2.10%

SOURCE: Bloomberg, LLC

M&A Transaction Update

Announced Transactions - April 2008



SOURCE: SNL Financial, Bloomberg, Factiva

Deal Count - April 2008

Bank & Thrift	9
Insurance & Insurance Brokerage	15
Specialty Finance	5
Asset Management & Broker/Dealer	12

SOURCE: SNL Financial, Bloomberg, Factiva

Deal Count - 2008 YTD

Bank & Thrift	42
Insurance & Insurance Brokerage	91
Specialty Finance	22
Asset Management & Broker/Dealer	59

SOURCE: SNL Financial, Bloomberg, Factiva

Top Financial Advisors in Bank and Thrift Transactions

Last Two Years, Sell-Side Advisory Transactions

Rank	Firm	# of Deals
1	Keefe, Bruyette & Woods, Inc.	51
2	Sandler O'Neill & Partners, LP	45
3	Hovde Financial	41
4	Howe Barnes Hoefer & Arnett, Inc.	29
5	Stifel, Nicolaus & Company, Inc.	24
6	Sheshunoff & Co. Investment Banking LP	16
7	McAdams Wright Ragen, Inc.	8
7	SAMCO Capital Markets, Inc.	8
9	Austin Associates, LLC	7
9	Burke Capital Group, LLC	7

SOURCE: SNL Financial (data from 4/30/2006 - 4/30/2008)

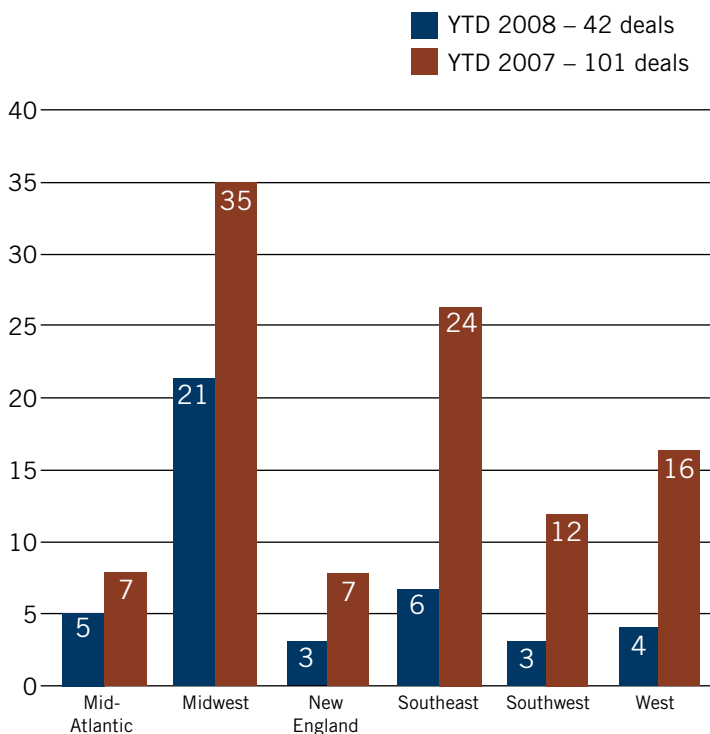
Bank & Thrift Transactions - April 2008

Buyer	Buyer State	Target	Target State	Announced	DV (\$MM)	P/LTM Ern	P/TBV (%)	Core Deposit Premium (%)
First Place Financial Corp.	OH	OC Financial, Inc.	OH	4/2/2008	7.5	NM	124.9	4.22
CapitalSource Inc.	MD	Fremont General retail deposits and assets	CA	4/13/2008	170.0	NA	NA	NA
Caja de Ahorros y Monte de Piedad de Madrid	Spain	City National Bancshares, Inc.	FL	4/14/2008	927.0	25.1	336.5	43.54
Equity Bancshares, Inc.	KS	Ellis State Bank	KS	4/17/2008	NA	NA	NA	NA
NOVA Financial Holdings, Inc.	PA	Pennsylvania Business Bank	PA	4/18/2008	11.1	NM	137.2	3.71
Charter Bankshares, Inc.	WI	Peregrine Corporation	MN	4/23/2008	NA	NA	NA	NA
Savings Bank of Maine	ME	Rivergreen Bank	ME	4/24/2008	13.0	NM	179.8	7.8
Central Bancompany, Inc.	MO	Greene County Bank	MO	4/30/2008	NA	NA	NA	NA
First Clover Leaf Financial Corp.	IL	Partners Financial Holdings Inc.	IL	4/30/2008	22.3	34.7	192.2	14.46

SOURCE: SNL Financial

Bank & Thrift Transactions

by Region



SOURCE: SNL Financial

Deal Pricing by Region - 2008 YTD

Region	Deal Value (MM)	Price/TBV (%)	P/ LTM Ern	P/ Core Dep Prem
Mid-Atlantic	\$266	213.0	21.1	16.0
Midwest	\$270	186.5	26.8	9.2
New England	\$185	168.5	22.5	9.6
Southeast	\$1,069	208.1	18.8	17.5
Southwest	\$84	242.3	17.9	22.0
West	\$4,315	32.1	NA	NA
Average		190.4	23.3	10.9

SOURCE: SNL Financial

Deal Pricing by Quarter

Quarter	Deal Value (MM)	Price/TBV (%)	P/ LTM Ern	P/ Core Dep Prem
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	\$11,604	207.1	24.1	13.4
1Q2008	\$1,874	32.1	NA	12.8
2Q2008	\$1,151	194.1	29.9	14.7

SOURCE: SNL Financial

Insurance and Insurance Brokerage Transactions - April 2008

Buyer	Target	Announced	DV (\$MM)
Haughn & Associates Inc.	G&G Insurance Agency	4/01/2008	NA
Markel Corporation	Specialized Insurance, Inc.	4/01/2008	NA
Wright Group Services	Redstone Benefit Systems, Inc.	4/01/2008	NA
Argo Group International Holdings, Ltd.	Heritage Underwriting Agency, Plc	4/02/2008	268.7
Medical Mutual of Ohio	Premier Health Systems Inc.	4/02/2008	NA
United Insurance Holdings, LC	FMG Acquisition Corp.	4/02/2008	NA
Arthur J. Gallagher & Co.	Life Insurance Strategies	4/02/2008	NA
Investory group	Western United Life Assurance Company	4/04/2008	NA
Brown & Brown, Inc.	Big Sky Underwriters, Inc.	4/04/2008	NA
First Financial Holdings, Inc.	Somers-Pardue Agency Inc.	4/10/2008	18.8
RenaissanceRe Holdings Ltd.	Agro National, LLC.	4/11/2008	NA
American Independence Corp.	Insurance Producers Group of America, Inc.	4/15/2008	1.6
BB&T Corporation	UnionBanc Insurance Services, Inc.	4/22/2008	NA
Liberty Mutual Holding Company Inc.	Safeco Corporation	4/23/2008	6,218.8
Münchener Rückversicherungs-Gesellschaft	Roanoke Companies, Inc.	4/30/2008	52.5

SOURCE: Factiva, AM Best

Asset Management/Broker-Dealer Transactions - April 2008

Buyer	Target	Announced	DV (\$MM)
CTC Consulting, Inc. employees	CTC Consulting, Inc.	4/01/2008	NA
National Investment Managers, Inc.	California Investment Annuity Sales Inc.	4/03/2008	2.4
Lovell Minnick Partners, LLC	MERCER Global Advisors Inc.	4/07/2008	NA
Investor group	American Beacon Advisors, Inc.	4/16/2008	480.0
MB Financial, Inc.	Cedar Hill Associates, Inc.	4/18/2008	NA
Old Mutual Plc	ING Ghent Asset Management, LLC	4/18/2008	NA
Sanders Morris Harris Group Inc.	Miller-Green Financial Services, Inc.	4/21/2008	NA
BMO Financial Group	Griffin, Kubik, Stephens & Thompson, Inc.	4/21/2008	NA
Massachusetts Mutual Life Insurance Company	Murray Capital Management, Inc.	4/22/2008	NA
Lehman Brothers Holdings Inc.	David J. Greene and Company, LLC	4/23/2008	NA
Bank of New York Mellon Corporation	BNY Trust Australia	4/28/2008	36.6
Infinex Investments, Inc.	Bankers Investments Group, LLC	4/29/2008	NA

SOURCE: Factiva, Bloomberg

Specialty Finance Transactions - April 2008

Buyer	Target	Announced	DV (\$MM)
MetLife, Inc.	EverBank Reverse Mortgage, LLC	4/03/2008	NA
MS Financial, Inc.	Studebaker Worthington Leasing Corp.	4/09/2008	NA
Ryder System, Inc.	Gator Leasing Inc.	4/11/2008	NA
General Electric Company	Most of CitiCapital	4/17/2008	NA
WSFS Financial Corporation	1st Reverse Financial Services, LLC	4/30/2008	NA

SOURCE: Factiva, Bloomberg, Reuters