



Hovde

Financial Institutions
Monthly Overview

Capital Markets
Economic Data Review
M&A Statistics

December 2007

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About Hovde

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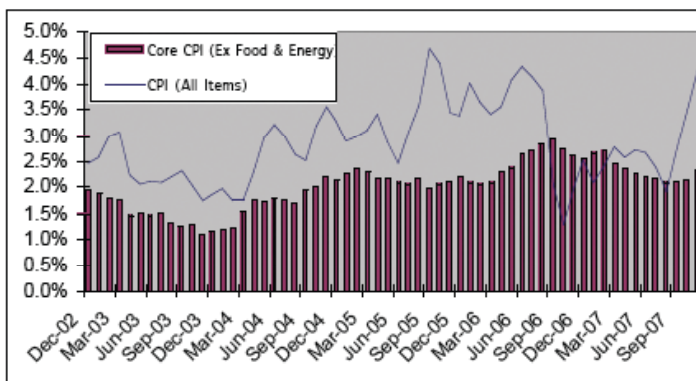
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It has been almost four months since the Federal Reserve stepped in with their first attempt to ease tensions in the credit markets with a 50 basis point cut to their target rate. Because of the turmoil in the credit markets, we originally felt that the Fed would be forced to cut an additional 100 basis points by June 2008. Since then, the Fed has cut rates twice more by 25 basis points—lowering the target rate to 4.25%—and Fed Funds Futures now indicate the market is expecting rates to be under 3.0% by June 2008. These aggressive expectations are clearly based on the continuing problems in the real estate and mortgage markets; slowing service and manufacturing activity; and, as seen with data from the beginning of January, weakening job growth and rising unemployment. While we also believe that the Fed is likely to continue cutting rates further in 2008, we do not feel that the Fed's decision will be as easy as some may currently think. More importantly, given the persistent inflationary pressures still facing our economy, the Fed's actions will also not come without significant, unintended consequences.

As such, many market participants may not fully appreciate the bind in which the Fed is in. On one hand, without significant rate cuts, the economy will almost certainly continue to weaken at an accelerated pace over the coming year. And, even then, further rate cuts may not be enough to keep us out of a recession. On the other hand, if the Fed does come in and aggressively cut rates to try to support the economy, they could worsen lingering inflationary problems and further depreciate an already slumping U.S. dollar. Not only does this create a dilemma for the Fed but it also leaves an important question for those of us in the banking industry: how do we best prepare for this environment in 2008?



With recent surges in the prices of oil, gold, and other commodities, the Fed may find it increasingly difficult to ease monetary policy to the levels that the futures market is predicting. A look at the Core (ex food and energy) Consumer Price Index (CPI)—the Fed's preferred index since it excludes volatile food and energy prices—suggests that inflationary pressures are by no means contained and that recent year-over-year increases in the Core CPI remain above the Fed's comfort zone of 1.5% to 2%. Moreover, when you look at headline inflation, which does

not factor out the every-day necessities of food and energy, the inflationary situation looks even more uncertain and precarious.

Further compounding the Fed's predicament has been the rapid depreciation of the U.S. dollar over the past year, as the combination of a 100 basis point reduction in interest rates and slowing economic growth has led to substantial declines in the value of the greenback. This situation could become even more unstable should any of the foreign governments who hold large U.S. dollar reserves choose to diversify away from the already weak and declining dollar. Unfortunately, as the dollar declines, imports become even more expensive. This was illustrated recently by the November Import Price Index which showed a disturbingly high 11.4% year-over-year increase in prices. Given the U.S.'s near-record trade deficit, this becomes even more important to the inflationary pressures facing the U.S. and make the Fed's future decisions regarding the direction of interest rates all the more difficult.

As such, with inflation already running higher than desired, the Fed risks adding more fuel to the fire and sparking a significant, unwanted further increase in inflation should they choose to dramatically lower interest rates from current levels. However, it is also important to understand the Fed's key objectives. Many people ascribe three key responsibilities and undertakings to the Fed: controlling inflation; protecting the economy; and, protecting the health of the banking system. The latter two are inherently linked, though taming inflation is not always associated with these objectives. Ultimately, we believe that the Fed will sacrifice the notion of controlling inflation and further cut rates given the deterioration taking place. Because an attempt to revitalize the economy is a slow moving process, future rate increases will take time following any turnaround the Fed hopes will occur due to its actions. Consequently, while we believe the Fed will ultimately err on the side of trying to prop up the economy at the expense of increased inflation, we do not believe that this decision will (or at least it shouldn't) come as easily as some may think for the reasons we cited above. This could mean either fewer rate cuts than currently anticipated or a rapid reversal of cuts should the economy eventually firm up or inflationary pressures get out of hand.

Unfortunately, the credit picture and outlook for banks and thrifts in 2008 appears even more uncertain than the direction of interest rates. Consequently, as the banking industry is forced to deal with escalating credit issues and a slowing economy likely headed towards a recession, we would caution any bank or thrift from compounding these problems by taking on undue interest rate risk. Instead, banks should focus on weathering the current economic storm by minimizing their interest rate risk, shoring up their balance sheets and being diligent in their deployment of capital. We firmly believe that banks that focus on these key issues, perhaps at the expense of near-term earnings, will eventually emerge in a much stronger position once the economy eventually recovers and the credit picture begins to brighten.

Federal Reserve Aggregate Bank Data

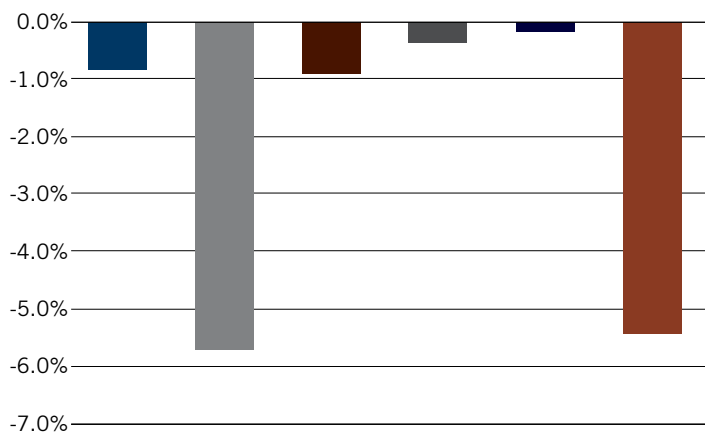
	11/2006	3/2007	4/2007	5/2007	6/2007	7/2007	8/2007	9/2007	10/2007	11/2007	MoM	YoY
ASSETS												
Securities												
Secs in Bank Credit	2,219	2,260	2,272	2,283	2,302	2,312	2,339	2,370	2,404	2,466	2.6%	11.1%
Treasury & Agency	1,206	1,209	1,186	1,175	1,179	1,184	1,183	1,170	1,136	1,119	-1.4%	-7.2%
Other	1,013	1,051	1,086	1,107	1,123	1,131	1,156	1,200	1,268	1,346	6.2%	32.9%
Loans and Leases												
C&I	1,180	1,211	1,218	1,242	1,259	1,278	1,312	1,358	1,397	1,412	1.1%	19.6%
Real Estate	3,301	3,316	3,373	3,395	3,413	3,422	3,447	3,476	3,549	3,569	0.6%	8.1%
Consumer	729	741	747	752	762	770	777	784	782	792	1.3%	8.7%
Other	513	525	540	542	574	585	629	651	669	664	-0.8%	29.5%
Other Assets	813	850	853	854	867	880	895	922	934	951	1.8%	17.0%
Total Assets	9,613	9,807	9,905	9,972	10,031	10,121	10,301	10,473	10,627	10,781	1.5%	12.1%
LIABILITIES												
Deposits												
Transaction	647	640	636	649	623	610	628	608	622	608	-2.2%	-5.9%
Nontransaction	5,596	5,763	5,836	5,703	5,655	5,692	5,745	5,823	5,943	6,032	1.5%	7.8%
Large time	1,726	1,778	1,818	1,803	1,779	1,774	1,822	1,872	1,972	2,032	3.0%	17.7%
Other	3,870	3,985	4,018	3,901	3,876	3,918	3,923	3,951	3,971	4,000	0.7%	3.7%
Borrowings	1,945	1,984	1,980	2,059	2,096	2,115	2,202	2,252	2,209	2,241	1.4%	15.2%
Other Liabilities	571	588	600	596	604	600	597	600	628	672	7.0%	17.7%
Total Liabilities	8,765	8,916	9,025	8,959	8,955	9,068	9,216	9,375	9,506	9,659	1.6%	10.2%
Residual (assets less liabilities)	848	891	880	1,012	1,075	1,053	1,085	1,098	1,121	1,122	0.1%	32.3%

all values in \$ billions

SOURCE: Federal Reserve Documents

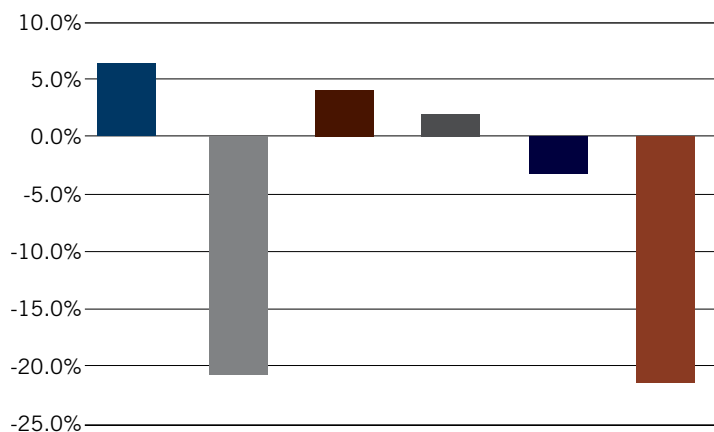
Major Market Index Performance

December 2007



SOURCE: Bloomberg, LLC

Last Twelve Months



SOURCE: Bloomberg, LLC

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

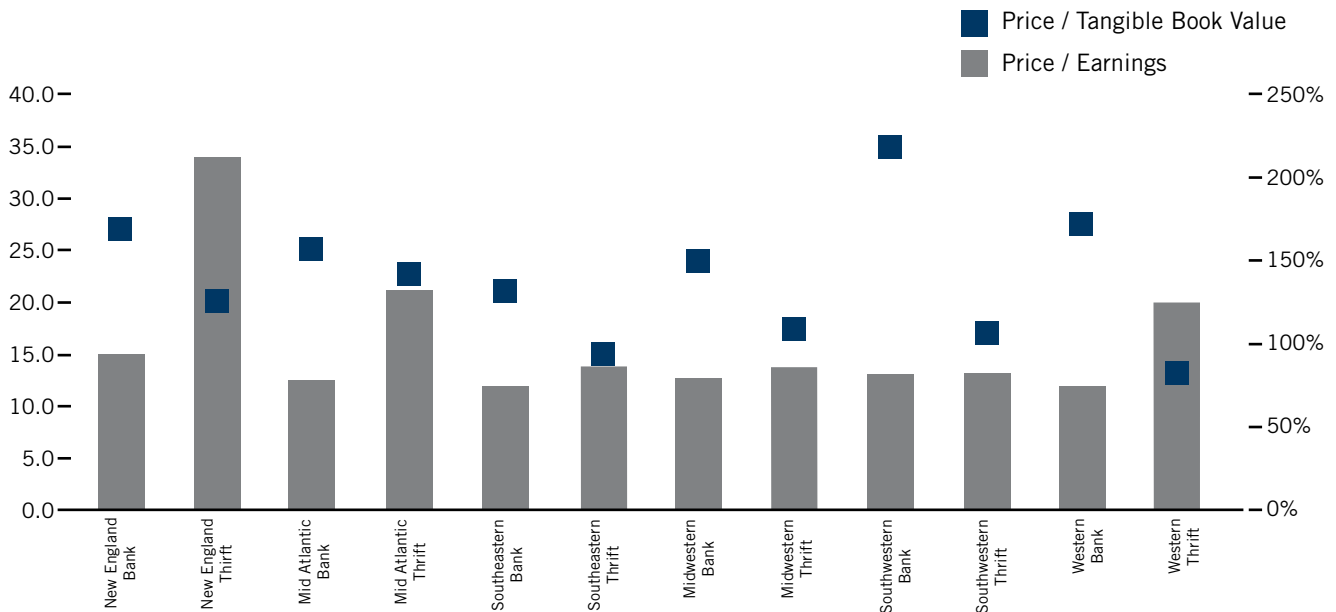
	1/2007	2/2007	3/2007	4/2007	5/2007	6/2007	7/2007	8/2007	9/2007	10/2007	11/2007	12/2007
Dow Jones	1.3%	-2.8%	0.7%	5.7%	4.3%	-1.6%	-1.5%	1.4%	3.7%	0.2%	-4.0%	-0.8%
S&P Financial	0.7%	-3.3%	-0.9%	4.0%	2.0%	-4.3%	-7.9%	1.3%	2.0%	-2.0%	-8.0%	-5.7%
S&P 500	1.4%	-2.2%	1.0%	4.3%	3.3%	-1.8%	-3.2%	1.3%	3.6%	1.5%	-4.4%	-0.9%
NASDAQ	2.0%	-1.9%	0.2%	4.3%	3.1%	0.0%	-2.2%	2.0%	4.0%	5.8%	-6.9%	-0.3%
Russell 2000	1.6%	-0.9%	0.9%	1.7%	4.0%	-1.6%	-6.9%	2.2%	1.6%	2.8%	-7.3%	-0.2%
NASDAQ Bank	-1.5%	-1.3%	-1.7%	-1.9%	1.8%	-3.4%	-7.9%	4.0%	0.1%	-2.9%	-3.9%	-5.4%

SOURCE: Bloomberg, LLC

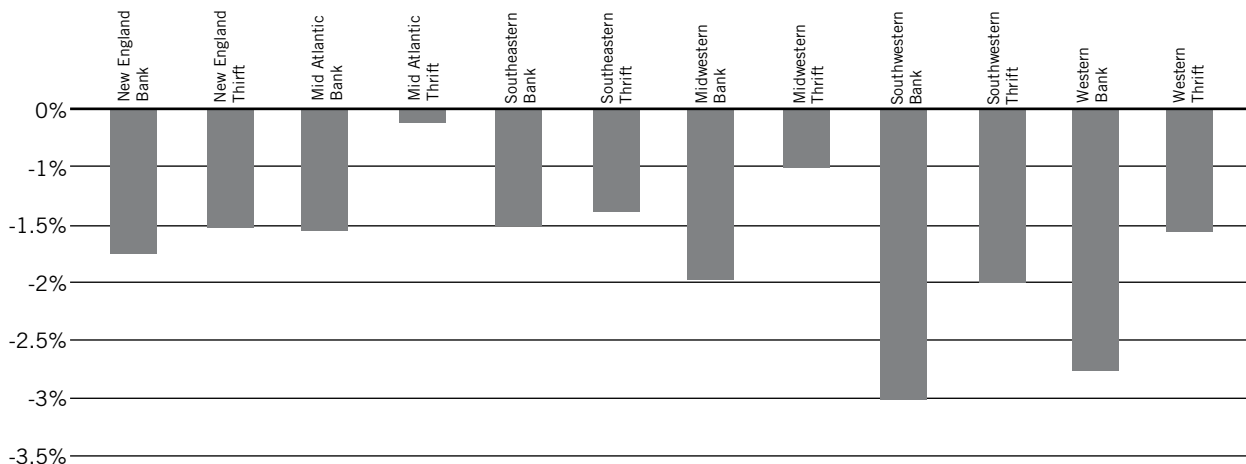
Bank and Thrift Index Valuations

		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	15.2	14.8	162%	140%	280%	166%	-5.1%	-1.3%	-12.4%	21
	Thrift	23.5	33.6	108%	109%	130%	128%	-3.0%	-1.0%	-18.1%	22
Mid Atlantic	Bank	14.0	13.6	135%	133%	178%	160%	-3.5%	-1.1%	-20.8%	90
	Thrift	19.5	21.4	133%	124%	203%	145%	-4.7%	-0.1%	-20.5%	56
Southeastern	Bank	11.1	12.3	114%	114%	203%	133%	-8.3%	-1.0%	-30.1%	137
	Thrift	18.2	14.7	83%	93%	103%	97%	-7.8%	-0.8%	-41.2%	13
Midwestern	Bank	11.3	12.7	173%	115%	260%	151%	-5.5%	-1.5%	-23.4%	90
	Thrift	14.9	14.6	154%	97%	161%	108%	-3.8%	-0.5%	-21.7%	47
Southwestern	Bank	12.9	13.1	151%	154%	239%	219%	-6.2%	-2.5%	-25.2%	19
	Thrift	17.0	13.5	184%	103%	204%	107%	-4.5%	-1.5%	-28.1%	6
Western	Bank	12.2	11.2	157%	136%	201%	164%	-7.4%	-2.3%	-34.4%	69
	Thrift	16.6	19.7	89%	85%	102%	86%	-11.2%	-1.1%	-36.9%	16

Index Valuations



YTD Price Performance



Economic Data Points - December 2007

Date	Event	Period	Survey	Actual	Prior	Date	Event	Period	Survey	Actual	Prior
12/3	ISM Manufacturing	NOV	50.8	50.8	50.9	12/14	CPI Core Index SA	NOV	--	212.633	212.05
12/3	ISM Prices Paid	NOV	65.5	67.5	63	12/14	Consumer Price Index NSA	NOV	209.8	210.177	208.936
12/3	Total Vehicle Sales	NOV	16.0M	16.2M	16.1M	12/14	Industrial Production	NOV	0.20%	0.30%	-0.50%
12/3	Domestic Vehicle Sales	NOV	12.2M	12.4M	12.2M	12/14	Capacity Utilization	NOV	81.70%	81.50%	81.70%
12/5	ISM Non-Manufacturing	NOV	55	54.1	55.8	12/17	Current Account Balance	3Q	-\$183.0B	-\$178.5B	-\$190.8B
12/6	Mortgage Delinquencies	3Q	--	5.59%	5.12%	12/17	Empire Manufacturing	DEC	20	10.3	27.4
12/6	ICSC Chain Store Sales YoY	NOV	2.40%	3.50%	1.60%	12/18	Housing Starts	NOV	1176K	1187K	1229K
12/7	Unemployment Rate	NOV	4.80%	4.70%	4.70%	12/18	Building Permits	NOV	1150K	1152K	1178K
12/7	Consumer Credit	OCT	\$5.0B	\$4.7B	\$3.7B	12/20	GDP Annualized	3Q F	4.90%	4.90%	4.90%
12/10	Pending Home Sales MoM	OCT	-1.00%	0.60%	0.20%	12/20	Personal Consumption	3Q F	2.80%	2.80%	2.70%
12/11	Wholesale Inventories	OCT	0.50%	0.00%	0.80%	12/20	GDP Price Index	3Q F	0.90%	1.00%	0.90%
12/11	FOMC Rate Decision	11-Dec	4.25%	4.25%	4.50%	12/20	Core PCE QoQ	3Q F	1.80%	2.00%	1.80%
12/12	Import Price Index (MoM)	NOV	2.00%	2.70%	1.80%	12/21	Personal Spending	NOV	0.70%	1.10%	0.20%
12/12	Import Price Index (YoY)	NOV	11.00%	11.40%	9.60%	12/21	PCE Deflator (YoY)	NOV	3.40%	3.60%	2.90%
12/13	Producer Price Index (MoM)	NOV	1.50%	3.20%	0.10%	12/21	PCE Core (MoM)	NOV	0.20%	0.20%	0.20%
12/13	PPI Ex Food & Energy (MoM)	NOV	0.20%	0.40%	0.00%	12/21	PCE Core (YoY)	NOV	2.00%	2.20%	1.90%
12/13	Producer Price Index (YoY)	NOV	6.00%	7.20%	6.10%	12/26	S&P/Case-Shiller Home Price Index	OCT	--	192.9	195.6
12/13	PPI Ex Food & Energy (YoY)	NOV	1.80%	2.00%	2.50%	12/26	S&P/CS Composite - 20 YoY	OCT	-5.70%	-6.10%	-4.90%
12/13	Advance Retail Sales	NOV	0.60%	1.20%	0.20%	12/27	Durable Goods Orders	NOV	2.00%	0.10%	-0.40%
12/13	Retail Sales Less Autos	NOV	0.60%	1.80%	0.20%	12/27	Durables Ex Transportation	NOV	0.50%	-0.70%	-0.70%
12/13	Business Inventories	OCT	0.30%	0.10%	0.40%	12/28	New Homes Sales	NOV	717K	647K	728K
12/14	Consumer Price Index (MoM)	NOV	0.60%	0.80%	0.30%	12/28	New Home Sales MoM	NOV	-1.60%	-9.00%	1.70%
12/14	CPI Ex Food & Energy (MoM)	NOV	0.20%	0.30%	0.20%	12/21	Help Wanted Index	NOV	23	21	3
12/14	Consumer Price Index (YoY)	NOV	4.10%	4.30%	3.50%	12/31	Existing Home Sales	NOV	4.97M	5.00M	4.97M
12/14	CPI Ex Food & Energy (YoY)	NOV	2.30%	2.30%	2.20%	12/31	Existing Home Sales MoM	NOV	0.00%	0.40%	-1.20%

SOURCE: Bloomberg, LLC

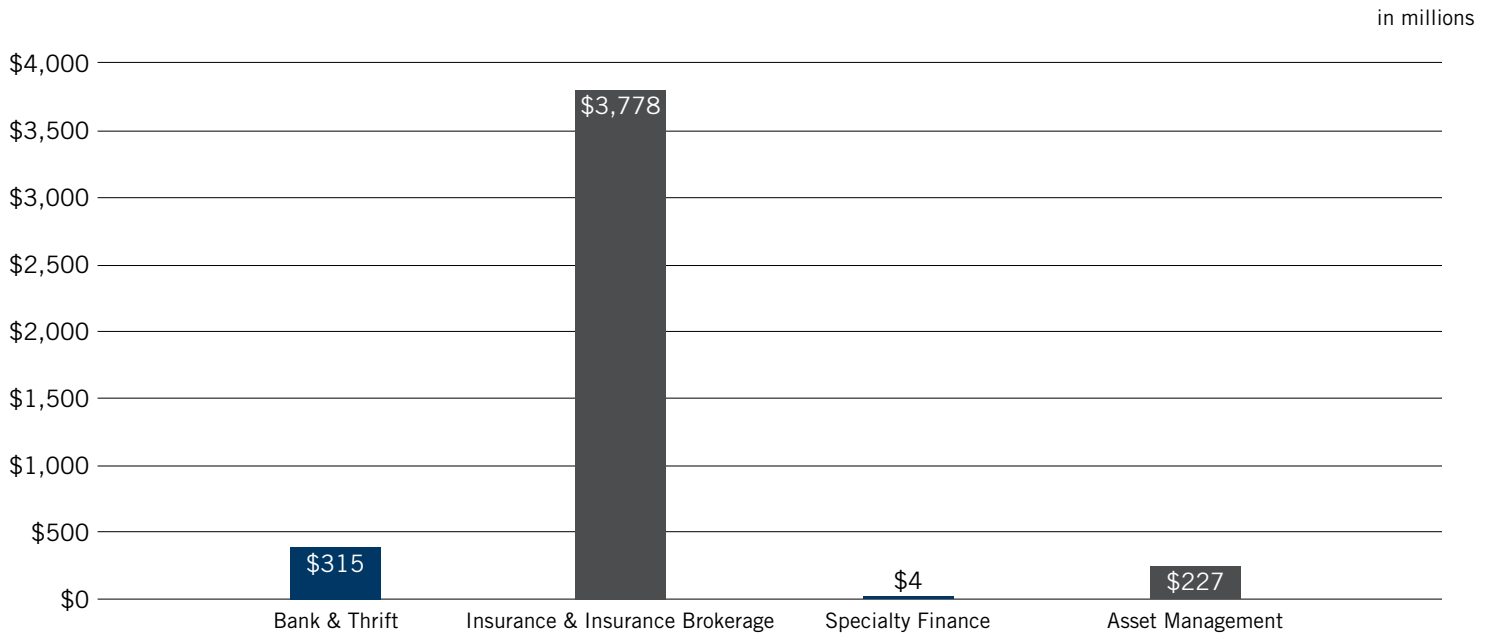
Economic Data Points - January 2008

Date	Event	Period	Survey	Actual	Prior	Date	Event	Period	Survey	Actual	Prior
1/2	ISM Manufacturing	DEC	50.5	--	50.8	1/16	CPI Ex Food & Energy (YoY)	DEC	--	--	2.30%
1/2	ISM Prices Paid	DEC	65	--	67.5	1/16	CPI Core Index SA	DEC	--	--	212.633
1/2	Construction Spending MoM	NOV	-0.40%	--	-0.80%	1/16	Consumer Price Index NSA	DEC	--	--	210.177
1/2	Minutes of Dec. 11 FOMC Meeting (Text)					1/16	Industrial Production	DEC	--	--	0.30%
1/3	Challenger Job Cuts YoY	DEC	--	--	-4.70%	1/16	Capacity Utilization	DEC	--	--	81.50%
1/3	Total Vehicle Sales	DEC	16.0M	--	16.2M	1/16	Fed's Beige Book				
1/3	Domestic Vehicle Sales	DEC	12.2M	--	12.4M	1/17	Housing Starts	DEC	--	--	1187K
1/4	Change in Nonfarm Payrolls	DEC	70K	--	94K	1/17	Building Permits	DEC	--	--	1152K
1/4	Unemployment Rate	DEC	4.80%	--	4.70%	1/24	Existing Home Sales	DEC	--	--	--
1/4	ISM Non-Manufacturing	DEC	53.6	--	54.1	1/24	Existing Home Sales MoM	DEC	--	--	0.40%
1/8	Pending Home Sales MoM	NOV	-0.50%	--	0.60%	1/28	New Home Sales	DEC	--	--	--
1/8	Consumer Credit	NOV	\$8.5B	--	\$4.7B	1/28	New Home Sales MoM	DEC	--	--	--
1/10	Wholesale Inventories	NOV	0.40%	--	0.00%	1/29	Durable Goods Orders	DEC	--	--	0.10%
1/10	ICSC Chain Store Sales YoY	DEC	--	--	3.50%	1/29	Durables Ex Transportation	DEC	--	--	-0.70%
1/11	Trade Balance	NOV	-\$59.3B	--	-\$57.8B	1/29	S&P/CS Composite-20 YoY	NOV	--	--	-6.10%
1/11	Import Price Index (MoM)	DEC	0.00%	--	2.70%	1/29	S&P/Case-Shiller Home Price Index	NOV	--	--	192.9
1/11	Import Price Index (YoY)	DEC	--	--	11.40%	1/29	Consumer Confidence	JAN	--	--	88.6
1/11	Monthly Budget Statement	DEC	\$49.1B	--	\$42.0B	1/29	U.S. Federal Reserve Open Market Committee Meeting				
1/15	Producer Price Index (MoM)	DEC	--	--	3.20%	1/30	GDP Annualized	4Q A	--	--	4.90%
1/15	PPI Ex Food & Energy (MoM)	DEC	--	--	0.40%	1/30	Personal Consumption	4Q A	--	--	2.80%
1/15	Producer Price Index (YoY)	DEC	--	--	7.20%	1/30	GDP Price Index	4Q A	--	--	1.00%
1/15	PPI Ex Food & Energy (YoY)	DEC	--	--	2.00%	1/30	Core PCE QoQ	4Q A	--	--	2.00%
1/15	Advance Retail Sales	DEC	--	--	1.20%	1/30	FOMC Rate Decision	30-Jan	4.00%	--	4.25%
1/15	Retail Sales Less Autos	DEC	--	--	1.80%	1/31	Personal Income	DEC	--	--	0.40%
1/15	Business Inventories	NOV	--	--	0.10%	1/31	PCE Deflator (YoY)	DEC	--	--	3.60%
1/16	Consumer Price Index (MoM)	DEC	--	--	0.80%	1/31	Personal Spending	DEC	--	--	1.10%
1/16	CPI Ex Food & Energy (MoM)	DEC	--	--	0.30%	1/31	PCE Core (MoM)	DEC	--	--	0.20%
1/16	Consumer Price Index (YoY)	DEC	--	--	4.30%	1/31	PCE Core (YoY)	DEC	--	--	2.20%

SOURCE: Bloomberg, LLC

M&A Transaction Update

Announced Transactions - December 2007



SOURCE: Highline Data, Bloomberg, Factiva

Deal Count - December 2007

Bank & Thrift	8
Insurance & Insurance Brokerage	30
Specialty Finance	2
Asset Management & Broker/Dealer	11

SOURCE: Highline Data, Bloomberg, Factiva

Deal Count - 2007

Bank & Thrift	272
Insurance & Insurance Brokerage	277
Specialty Finance	102
Asset Management & Broker/Dealer	89

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	26
3	Howe Barnes Hoefler & Arnett, Inc.	19
4	Hovde Financial	16
5	Sheshunoff & Co. Investment Banking LP	8
6	Stifel, Nicolaus & Company, Inc.	8
7	Austin Associates, Inc.	5
8	McAdams Wright Ragen, Inc.	5

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

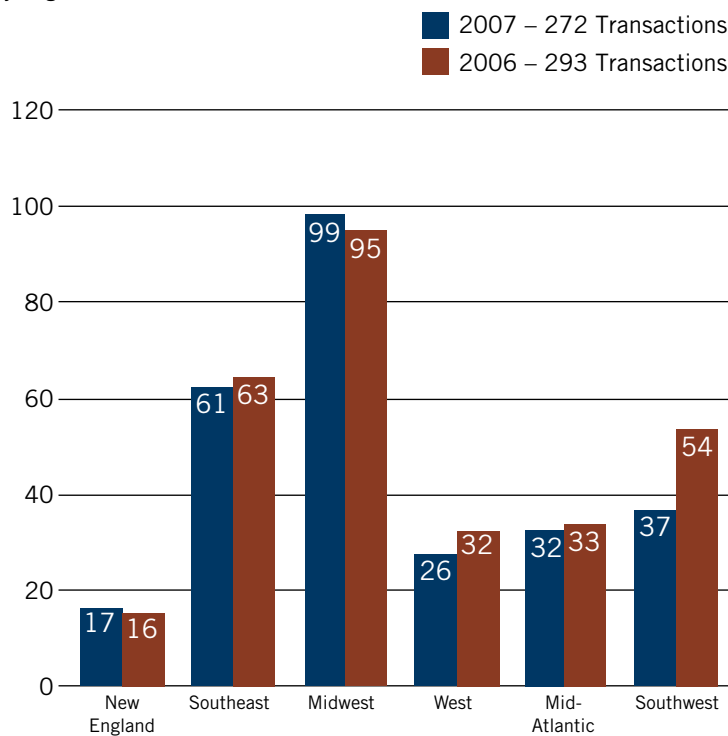
Bank & Thrift Transactions - December 2007

Buyer	Buyer State	Target	Target State	Announced	DV (\$MM)	P/LTM Ern	P/TBV (%)	Core Deposit Premium (%)
Community Bankers Acquisition Corp.	VA	BOE Financial Services of Virginia, Inc.	VA	12/13/2007	52.0	17.7	178.0	11.96
Eagle Bancorp, Inc.	MD	Fidelity & Trust Financial Corporation	MD	12/02/2007	48.8	NM	137.3	5.72
First Volunteer Corporation	TN	Benton Banking Company	TN	12/11/2007	NA	NA	NA	NA
Four Oaks Fincorp, Inc.	NC	Longleaf Community Bank	NC	12/10/2007	13.4	NM	163.3	15.82
Home Federal Bancorp, Inc. of Louisiana (MHC)	LA	First Louisiana Bancshares, Inc.	LA	12/11/2007	23.7	22.7	219.9	20.76
S&T Bancorp, Inc.	PA	IBT Bancorp, Inc.	PA	12/16/2007	173.7	22.4	273.2	22.52
Hancock Bancorp, Inc.	KY	Community First Bancorp, Inc.	KY	12/03/2007	3.6	NM	160.7	2.29
Walpole Co-operative Bank	MA	Norwood Co-operative Bank	MA	12/21/2007	NA	NA	NA	NA

SOURCE: Highline Data

Bank & Thrift Transactions

by Region: 2007 vs. 2006



SOURCE: Highline Data

Deal Pricing by Region - 2007

Region	Deal Value	Price/TBV	P/ LTM Ern	P/ Core Dep Prem
New England	\$6,805	261.9	22.3	21.5
Southeast	\$16,979	229.7	26.2	21.7
Midwest	\$27,663	218.7	27.0	14.9
West	\$5,251	260.5	26.0	22.4
Mid-Atlantic	\$14,993	254.1	30.2	17.6
Southwest	\$797	238.5	22.8	17.2
Average		235.6	26.3	18.4

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	\$11,604	207.1	24.1	13.4

SOURCE: Highline Data

Insurance and Insurance Brokerage Transactions - December 2007

Buyer	Target	Announced	DV (\$MM)
ACE Limited	Aon (Combined Insurance Company of America)	12/14/2007	2,400.0
ACE Limited	Atlantic Mutual (High-net-worth personal lines business)	12/20/2007	NA
Allied World Assurance Company Holdings, Ltd.	Converium Insurance (North America) Inc.	12/10/2007	NA
American Financial Group, Inc.	Marketform Group Limited	12/17/2007	75.0
Berkshire Hathaway Inc.	Nederlandse Reassurantie Groep N.V.	12/28/2007	437.1
Columbia Mutual Insurance Company	Regional P&C business unit	12/26/2007	NA
Midland Company	First Marine Insurance Company	12/06/2007	NA
Muenchener Rueckversicherungs-Gesellschaft AG	Sterling Life Insurance Company	12/14/2007	352.0
American Financial Group, Inc.	Strategic Comp Holdings, LLC	12/07/2007	NA
Arthur J. Gallagher & Co.	AVRECO	12/31/2007	NA
Arthur J. Gallagher & Co.	Intermountain Financial Benefits	12/13/2007	NA
Arthur J. Gallagher & Co.	Koster Insurance Agency, Inc.	12/19/2007	NA
Arthur J. Gallagher & Co.	Powell Insurance Agency, Inc.	12/07/2007	NA
Arthur J. Gallagher & Co.	Robert A. Schneider Agency, Inc.	12/10/2007	NA
BB&T Corporation	Ott & Company	12/13/2007	NA
Brown & Brown, Inc.	Curzi Insurance Agency, Inc.	12/01/2007	NA
Brown & Brown, Inc.	Dalton Insurance Agency, LLC	12/05/2007	NA
Brown & Brown, Inc.	Evergreen Re Incorporated	12/14/2007	NA
Brown & Brown, Inc.	McLain, Peeples & Strickland, Inc.	12/20/2007	NA
CoBiz Financial Inc.	BDA Insurance Services, Inc.	12/21/2007	NA
Enstar Group Limited	Reinsurance & insurance operations	12/10/2007	514.3
Euclid Insurance Services Inc.	Rodes-Roper-Love Insurance Agency	12/19/2007	NA
Goldman Sachs Group, Inc.	Bpma Llc	12/11/2007	NA
Hub International Limited	HKMB International Insurance Brokers	12/05/2007	NA
Management group	Commerce Insurance Services, Inc.	12/31/2007	NA
Northeast Bancorp	Hylar Agency, Inc.	12/12/2007	NA
Swett & Crawford Group Inc.	Risk Reducers, LLC	12/31/2007	NA
Wells Fargo & Company	Brehm Group (Employee benefits division)	12/19/2007	NA
Wells Fargo & Company	Richardson Group	12/19/2007	NA
Wells Fargo & Company	Technology Insurance Services, Inc.	12/19/2007	NA

SOURCE: Factiva, AM Best

Specialty Finance Transactions - December 2007

Buyer	Target	Announced	DV (\$MM)
Dollar Financial Corp.	Undisclosed Seller (7 financial services stores)	12/17/2007	3.5
Esprit Financial Group Inc.	Canden Financial Group Inc.	12/07/2007	NA

SOURCE: Factiva, Bloomberg, Reuters

Asset Management Transactions - December 2007

Buyer	Target	Announced	DV (\$MM)
Banco Sabadell SA	Private banking business	12/28/2007	NA
Boston Private Financial Holdings, Inc.	Davidson Capital Management	12/11/2007	NA
Deerfield Triarc Capital Corp.	Deerfield & Company LLC	12/17/2007	225
Prudential Financial, Inc.	Round Hill Capital Partners Kabushiki Kaisha	12/10/2007	NA
Stone Point Capital, LLC	Asset Allocation & Management Company, LLC	12/21/2007	NA
Texans Credit Union	OBS Financial Services, Inc.	12/20/2007	NA
TIB Financial Corp.	Naples Capital Advisors, Inc.	12/12/2007	1.8
FCStone Group, Inc.	Downes-O'Neill, LLC	12/17/2007	NA
Lehman Brothers Holdings Inc.	Van der Moolen Specialists USA, LLC	12/04/2007	NA
Montreal Exchange Inc.	Boston Options Exchange	12/21/2007	52.5
NYSE Euronext	Powernext Carbon	12/07/2007	NA

SOURCE: Factiva, Bloomberg