

TRANSACTION PROFILE: KISLAK/POPULAR

Hovde Financial is pleased to announce its 6th Florida community bank sale in the last six months (and 9th in the last 18 months) with the announced signing of a merger agreement between Popular of San Juan, Puerto Rico and Kislak Financial Corporation, and its wholly-owned subsidiary, Kislak National Bank of Miami Lakes, Florida. Hovde represented Kislak Financial as its exclusive financial advisor and brought Popular to the table by convincing Popular to expand in South Florida.

This transaction represents: i.) Popular's first major Florida bank acquisition; ii.) the largest community bank deal in South Florida since 1999; and iii.) the largest all-cash acquisition of a community bank in the entire state of Florida since 1999. Popular agreed to pay \$158.0 million in cash for Kislak Financial, which equates to 26.9x twelve months trailing C-Corp. core earnings and over 240% of tangible book value. Kislak Financial has approximately \$1.0 billion in assets and operates eight branches in three South Florida counties (Miami-Dade County – 5 branches; Broward County – 2 branches; Palm Beach County – 1 new branch). Kislak Financial is a nationwide leader in condo association lending (45% of total loans) and federal and municipal lease finance (21% of total loans).

As mentioned above, this is Hovde Financial's 9th Florida community bank sale since January 1, 2003; it is important to note that Hovde has sold these nine community banks to eight different aggressive Florida acquirors. In 2004 alone, Hovde has been fortunate to bring three new buyers into Florida -- Hovde co-advised First National Bankshares of Florida in its sale to Fifth Third Bancorp two weeks ago (625% of book); represented Madison Bancshares in its sale to Whitney Holdings Corporation in March (394% of book); and now represents Kislak Financial in its sale to Popular.

Florida is by far the "hottest" state in the country for community bank sales and, more importantly, for the premiums paid. In Hovde's nine Florida transactions, our clients, on average, have received over 375% of tangible book value, over 30x LTM earnings, and over 23x forward earnings. That said, the buyer landscape in Florida is drastically changing -- First National Bankshares of Florida, the 2nd most active buyer, just sold; SouthTrust announced its sale to Wachovia; BB&T is out of the acquisition game; and Royal Bank of Canada, which has recently become more measured in its approach to acquisitions, will only look at banks with a minimum of \$750 million in assets. While new buyers will always emerge and express a desire to expand into Florida, there are only a handful that have the willingness and horsepower to pay the current "high flying" premiums being received in Florida.

About Hovde Financial LLC

Hovde Financial LLC is a nationwide investment bank focused exclusively on the financial services industry, specializing in providing a variety of investment banking and financial advisory services to community banks and thrifts. Founded in 1987, the firm has been a financial advisor in 200 merger and acquisition transactions for an aggregate deal value of over \$14 billion. In addition, Hovde has advised on approximately \$5.5 billion in branch transactions. Client-driven and results-oriented, the firm's experienced principals and bankers are committed to providing superior, value-added advice.

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HOVDE FINANCIAL LLC IS PLEASED TO ANNOUNCE

Kislak Financial Corporation - Miami Lakes, FL

has agreed to merge with

Popular, Inc. - San Juan, PR

Hovde Financial both initiated this transaction and served as exclusive financial advisor to Kislak Financial Corporation

Overview of the Deal

- San Juan, PR-based Popular, Inc. ("BPOP") has expanded into South Florida with the announced signing of a definitive agreement to acquire Miami Lakes, FL-based Kislak Financial Corporation in an all-cash transaction valued at \$158 million.
- Based on the total deal value of \$158.0 million, this price represents approximately 23.2x Kislak's trailing twelve months earnings and 2.4x tangible book value.
- This transaction represents the sixth Florida transaction Hovde has announced in the last six months and the ninth since 2003. Furthermore, Hovde has now brought three new acquirors into Florida in 2004 (Popular-PR, Fifth Third-OH, Whitney-LA)

Pro Forma Branch Map



Transaction Pricing

Aggregate Deal Price (\$million)	\$158.0
Announced Date	8/17/2004
Anticipated Closing Date	TBD
Form of Consideration	100% Cash
Price-to-Tangible Book Value	240.2%
Price-to-Book Value	240.2%
Price-to-12 Months Trailing Earnings	23.2x
Premium-to-Core Deposits	24.6%
Price-to-Total Assets	18.0%

Pro Forma - Market Share - Miami-Dade County

Rank	Institution	Branch Count	Deposits in Market (\$000)	Market Share (%)
1	Bank of America Corp.	142	9,290,736	16.6
2	Wachovia Corp.	103	7,649,542	13.7
3	Citigroup Inc.	20	4,349,196	7.8
4	SunTrust Banks Inc.	29	3,902,100	7.0
5	Ocean Bankshares Inc.	18	3,655,375	6.5
6	Washington Mutual Inc.	48	3,531,629	6.3
7	Regions Financial Corp.	69	3,455,249	6.2
8	Mercantil Servicios	11	2,444,568	4.4
9	City National Bancshares Inc.	13	1,478,738	2.7
10	Northern Trust Corp.	6	1,351,063	2.4
11	BankUnited Financial Corp.	18	1,178,596	2.1
12	Colonial BancGroup Inc.	15	1,118,636	2.0
13	Mellon Financial Corp.	11	882,348	1.6
14	Ohio Savings Financial Corp.	3	625,035	1.1
15	HSBC Holdings plc	6	620,108	1.1
16	Gibraltar Financial Corp.	4	514,693	0.9
17	Commercial Bankshares Inc.	10	474,133	0.9
18	Sas Rue La Boetie	1	461,408	0.8
19	Granvalor Holdings Limited	3	459,639	0.8
20	Popular/Kislak Pro Forma	5	444,617	0.8
21	BAC Florida Bank	2	429,656	0.8
22	Totalbank	20	409,372	0.7
23	BankAtlantic Bancorp Inc.	18	370,231	0.7
24	TransAtlantic Bank	6	330,994	0.6
25	PineBank National Associatio	1	288,295	0.5

Buyer and Seller Financial Information (as of 6/30/04)

	<u>Popular</u>	<u>Kislak</u>
Headquarters	San Juan, PR	Miami Lakes, FL
Ticker	BPOP	NA
States of Operation	PR(195),NY(34),IL(20),CA(17),NJ(13), FL(11),VI(9),TX(6)	FL(8)
Total Branches	305	8
Total Assets (\$000)	39,556,239	962,115
Total Deposits (\$000)	19,227,576	652,237
Core Deposits (\$000)	15,609,873	394,149
Total Equity (\$000)	2,783,720	73,167
Tangible Equity (\$000)	2,380,883	73,167
LTM Net Income (\$000)	483,522	6,806
LTM ROAA (%)	1.32	0.83
LTM ROAE (%)	17.63	10.99
Efficiency Ratio (%)	56.62	55.20
Non-Interest Income /AA (%)	1.44	0.32
Non-Current Loans / Loans (%)	2.36	0.03
NCOs / Average Loans	0.64	0.00