



## *Appraisal Services in Insurance Company Demutualization Transactions*

*Prepared by:*

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**RP® Financial, LC.  
Relevant Background**



# Firm Qualification Statement

RP® Financial provides financial and management consulting, merger advisory and valuation services to the financial services industry nationwide. We offer a broad array of services, high quality and prompt service, hands-on involvement by principals and senior staff, careful structuring of strategic initiatives and sophisticated valuation and other analyses consistent with industry practices and regulatory requirements. Our staff maintains extensive background in financial and management consulting, valuation and investment banking. Our clients include commercial banks, thrifts, credit unions, mortgage companies and other financial services companies.

## **STRATEGIC PLANNING SERVICES**

RP® Financial's strategic planning services are designed to provide effective feasible plans with quantifiable results. We analyze strategic options to enhance shareholder value, achieve regulatory approval or realize other objectives. Such services involve conducting situation analyses; establishing mission/vision statements, strategic goals and objectives; and identifying strategies to enhance franchise and/or market value, capital management, earnings enhancement, operational matters and organizational issues. Strategic recommendations typically focus on: capital formation and management, asset/liability targets, profitability, return on equity and stock pricing. Our proprietary financial simulation models provide the basis for evaluating the impact of various strategies and assessing their feasibility and compatibility with regulations.

## **MERGER ADVISORY SERVICES**

RP® Financial's merger advisory services include targeting potential buyers and sellers, assessing acquisition merit, conducting due diligence, negotiating and structuring merger transactions, preparing merger business plans and financial simulations, rendering fairness opinions, preparing market-to-market analyses and supporting the implementation of post-acquisition strategies. Through financial simulations, comprehensive data bases, valuation proficiency and regulatory familiarity, RP® Financial's merger advisory services center on enhancing shareholder returns.

## **VALUATION SERVICES**

RP® Financial's extensive valuation practice includes bank and thrift mergers, thrift mutual-to-stock conversions, insurance company demutualizations, ESOPs, subsidiary companies, purchase accounting and other purposes. We are highly experienced in performing appraisals which conform to regulatory guidelines and appraisal standards. RP® Financial is the nation's leading valuation firm for thrift mutual-to-stock conversions, with appraised values ranging up to \$4 billion.

## **OTHER CONSULTING SERVICES**

RP® Financial offers other consulting services including branching and diversification strategies, feasibility studies and special research. We assist banks/thrifts in preparing CRA plans and evaluating wealth management activities on a de novo or merger basis. Our other consulting services are aided by proprietary valuation and financial simulation models.





# Ronald S. Riggins

**Ronald (Ron) S. Riggins, President and Managing Director of RP® Financial, LC.**, has been an advisor, strategist and financial analyst to the banking and financial services industries since 1980. He has been helping banking institutions and other financial service firms successfully address difficult strategic issues and transactions and develop techniques to enhance shareholder value, including mergers/acquisitions, initial and secondary equity offerings and branch sales/purchases and perform a wide variety of corporate valuation matters. His clientele and their subsidiaries have included financial institutions (commercial banks, thrift institutions, credit unions, insurance companies and agencies, and mortgage banks), regulators and the investment community.

Mr. Riggins has extensive capital markets experience, including initial and secondary offerings of debt and equity issues. He has served as financial advisor in hundreds of capital market transactions, ranging in offering size up to \$4 billion, including the largest deals ranking among the largest financial institution stock offerings in U.S. history. In capital markets transactions, Mr. Riggins has provided various corporate valuations, due diligence and strategic planning services. Under the direction of Mr. Riggins, RP® Financial has become a national leader in merger advisory services for insured financial institutions. In addition, he has served as a liaison with attorneys, other investment bankers, accountants and regulatory officials in a variety of corporate transactions and other matters.

Prior to forming RP® Financial, Mr. Riggins spent nine years as a financial advisor, securities analyst and senior consultant at other leading banking and financial services consulting firms. Prior to RP® Financial, he was the Executive Vice President with Financial Strategy Group (now Capital Resources), where he directed much of the firm's corporate valuation, merger advisory, strategic planning and consulting practice. His previous affiliations include Riviere Securities Corporation and Kaplan, Smith & Associates, formerly the pre-eminent thrift and bank consulting firm during the 1980s and early 1990s.

Mr. Riggins currently resides in Virginia and earned his undergraduate degree from the College of William and Mary. Mr. Riggins has spoken to groups within the financial services industry on numerous occasions and has been quoted in a variety of national, regional and trade publications. Mr. Riggins has served as a valuation and merger advisory expert in various litigation matters, including cases involving dissenters rights, supervisory goodwill and stock conversion valuations and methodology.





# William E. Pommerening

**William (Bill) E. Pommerening, Chief Executive Officer and Managing Director of RP® Financial, LC.,** has provided consulting, valuation, merger and acquisition advisory and planning services to the financial services industry since 1983. Mr. Pommerening, a co-founder of RP® Financial, has led hundreds of valuation engagements on behalf of the firm, including valuation analyses in conjunction with initial public, secondary and rights offerings of banks, thrifts, insurance companies and other financial services firms, as well as securities held by ESOPs, profit sharing plans, estates and trusts. In addition, he leads the firm's valuation practice in the areas of purchase accounting, mark-to-market valuation, core deposit valuation valuing mortgage servicing rights. This valuation work has entailed detailed on-site due diligence, including interviews with management and records inspections, application of standard valuation techniques and formal presentation of the results. Under the direction of Mr. Pommerening, RP® Financial has become a national leader in providing valuations for companies pursuing demutualization as well as merger advisory services for financial services companies and their subsidiaries.

Prior to forming RP® Financial, Mr. Pommerening spent four years as financial advisor and consultant to the financial services industry. Prior to RP® Financial, he was a Vice President of Financial Strategy Group (now Capital Resources), where he led a variety of engagements in the areas of corporate valuation, merger advisory, strategic planning and general consulting. Mr. Pommerening assisted in the development of a mortgage servicing valuation model for the Tax Department of the Federal Home Loan Mortgage Corporation (Freddie Mac) in conjunction with their transition to public ownership. Prior to his work in the financial services industry, Mr. Pommerening was a systems analyst with the Marriott Corporation, Bethesda, Maryland.

Mr. Pommerening currently resides in Virginia and earned his undergraduate degree from the College of William and Mary and a Masters of Business Administration from the Colgate Darden Graduate School of Business Administration at the University of Virginia. Mr. Pommerening has spoken to various groups within the financial services industry on numerous occasions and has been quoted in a variety of national, regional and trade publications. Mr. Pommerening has served as a valuation and merger advisory expert in various litigation matters.





# James P. Hennessey

**James (Jim) P. Hennessey, Director of RP® Financial, LC.**, has served as an advisor to the financial services industry since 1985. His work covers the full range of services offered by RP® Financial, including the preparation of valuation analyses for several of the largest initial public offerings by financial institutions in U.S. history and assisting RP® Financial clients in formulating strategies and evaluating specific mergers and acquisitions, branch purchase/sale transactions and equity/debt offerings.

His valuation work includes valuation analyses in conjunction with initial public, secondary and rights offerings of banks, thrifts, insurance companies and other financial services firms, as well as securities held by ESOPs, profit sharing plans, estates and trusts. He has also led many of the firm's valuation and advisory engagements in "going private" transactions and reorganizations from Subchapter S to Subchapter C corporations, including advising clients on the transaction structure and pricing to reduce the number of shareholders in such transactions.

Mr. Hennessey has led many of RP® Financial's de novo bank and thrift engagements, including preparation of the business plans, financial projections, CRA plans and related portions of the regulatory applications. He has also worked extensively with a wide range of clients to formulate their business plan strategies through comprehensive financial modeling, discounted cash flow analyses and by performing "what if" simulations. Mr. Hennessey has also assisted credit unions with strategic planning in connection with their charter conversions.

Prior to joining RP® Financial at its inception in 1988, Mr. Hennessey spent three years as financial analyst and consultant with Financial Strategy Group (now Capital Resources), where he was a consultant actively involved in the firm's valuation and planning engagements.

Mr. Hennessey currently resides in Virginia and earned his undergraduate degree from Holy Cross College, Worcester, Massachusetts.





# RP Financial Valuation Services: Insurance Company Demutualization Transactions

<u>Company</u>	<u>Location</u>	<u>Date</u>	<u>Gross Proceeds(1)</u> (\$Mil.)	<u>Primary Regulator</u>
NCRIC Group, Inc.	Washington, DC	07/29/99	\$10.4 (2)	Department of Insurance and Securities Regulation of the District of Columbia
AP Capital, Inc.	East Lansing, MI	12/08/00	\$154.6	Michigan Insurance Department
MLM Holdings, Inc.	Grand Rapids, MI	07/03/01	\$3.3	Michigan Insurance Department
NCRIC Group, Inc.	Washington, DC	06/25/03	\$41.4 (3)	Department of Insurance and Securities Regulation of the District of Columbia
Fremont Michigan InsuraCorp, Inc.	Fremont, MI	10/15/04	\$8.6	Michigan Insurance Department
Life & Health Insurer	Ohio	Pending	TBA	Being redomiciled

(1) Reflects gross proceeds resulting from subscription to policyholders and public offering.

(2) Reflects the minority stock offering of a mutual holding company.

(3) Reflects second step offering of a mutual holding company.





## RP Financial's Role as Appraiser



# RP Financial's Role as Appraiser General

- One of key participants in the demutualization process, which includes –
  - Issuer's counsel
  - Investment banker (underwriter)
  - Underwriter's counsel
  - Outside accountant
  - Printer
  - Independent appraisal firm
- RP Financial has prepared appraisal for all major demutualization structures
  - Standard demutualization transactions
  - Minority stock offerings by mutual insurance holding companies
  - "Second step" conversions of mutual insurance holding companies
- Appraisal firm must be independent of all participants, and have no other conflicts in providing appraisal services





# RP Financial's Role as Appraiser Specific

- Prepare market based valuation appraisal consistent with regulatory valuation guidelines for demutualization transactions
  - Original valuation – sets forth range of value and offering range
  - Interim valuation updates – confirms established range or adjusts range of value (based on changes in markets and financial data, offering results)
    - Prior to commencement of subscription offering
    - Prior to issuance of shares at closing
- Work with appraisal review staff at applicable regulatory agencies to ensure the valuation is consistent with guidelines
  - Regulatory approval must be received before the offering can commence
  - Final valuation update must receive approval before offering closes
- Review prospectus disclosure of valuation appraisal and updates for consistency
- Assist in preparation of pro forma schedules for prospectus generally conforming with appraisal report



# RP Financial's Role as Appraiser

## Key Tasks

- All valuation work and required approvals must be received prior to a “stale date,” usually 135 days after the date of financial information
- Key tasks to be accomplished by the independent appraiser (illustration assumes 12/31/07 financial data):
  - January 2008 – Collect data and begin “desk work” for due diligence
  - February 2008 – Conduct on-site due diligence, prepare valuation analysis, draft valuation report
  - March 2008 (early) – Meet with Board of Directors to review appraisal
  - March 2008 (middle) – Filing deadline for original appraisal and application to allow approximately 8 weeks for regulatory review and approvals
  - April 2008 (late) – Appraiser reviews “recent developments” through March 31, 2008 to evaluate if a valuation update is required
  - May 15, 2008 – Stale date at which time all approvals must be received
  - May/June 2008 – Offering conducted
  - June 2008 (late) – File closing update at the end of the offering, approval must be received before the conversion can close





# RP Financial's Role as Appraiser Data and Models Required

- Data bases required:
  - Public company financial information on a quarterly basis
  - Stock price information weekly/daily
  - Merger activity in the regional market area
  - Economic and demographic information
  - Industry stock price indexes
  - Historical demutualization activity, pricing and aftermarket trading
- Other required resources:
  - Valuation models
  - Knowledge of demutualization market and historical pricing trends
- Sources of data:
  - SNL Securities
  - Public company filings (10-Q, 10-K, proxys, press releases, etc.)
  - Bureau of Labor Statistics
  - U.S. Census data and annual updates
  - Insurance industry data (A.M. Best Company, Insurance Information Institute, etc.)





## Appraisal Process and Key Considerations



# Appraisal Methodology

- Conforms with applicable regulatory guidelines and industry standards
- Market value approach, i.e., based on market pricing characteristics of similar publicly-traded insurance companies
- Discounted earnings or dividend approach, while academically appealing, has limited practical application in demutualization transactions
- Value prepared on a pro forma basis, incorporating the short-term reinvestment impact
- Appraisal incorporates transaction characteristics set forth in prospectus:
  - offering expenses;
  - stock plans - ESOP, stock benefit plans;
  - marginal tax rate;
  - reinvestment rate (use of proceeds); and
  - other key transaction characteristics
- Initial appraisal filed with application materials
- Interim updates prepared as necessary, and final update required at closing of the offering, to reflect changes in key valuation factors and results of offering





# Key Appraisal Topics

- Original Appraisal
  - Overview and Financial Analysis - based on review of financial statements, prospectus, internal documents and management interviews (“due diligence”);
  - Market Area - based on data provided by federal, state and local governments, chamber of commerce, industry analyses and management interviews;
  - Peer Group Analysis - selection and comparative analyses relative to Peer Group of publicly-traded insurance companies; and
  - Valuation Analysis - establishes basis for estimated pro forma market value, based on Peer Group’s pricing ratios, with adjustments to take into account key differences between the Company and the Peer Group.
- Updated Appraisals
  - Reflects changes since Original Appraisal - changes in financials for subject company and/or Peer Group, changes in market conditions, changes in market area/economic conditions.



# Peer Group Selection Process Key Selection Criteria

- Publicly-Traded Insurance Companies (NASDAQ, NYSE, AMEX)
- Relatively Comparable Characteristics (if applicable)
  - Business lines
  - Region/market area
  - Size and resources (i.e., total revenues, assets)
  - Market capitalization and liquidity
  - Capital level and composition
  - Profitability
  - Pricing characteristics
- Excludes:
  - Companies subject to announced/rumored acquisition speculation
  - Companies subject to unusual characteristics



# Typical Valuation Adjustments

	Typical Adjustments	Key Areas Analyzed
Financial Condition and Growth	Slight or Moderate Upward, No Adjustment, Slight or Moderate Downward	Pro forma capitalization Risk profile/Asset quality Asset/Liability composition
Profitability, Growth & Viability of Earnings	Slight or Moderate Upward, No Adjustment, Slight or Moderate Downward	Profitability level and trends Stability/Risk of earnings Loss, expense and combined ratios Operating and profit margin Return on equity Business plan
Risk Assessment	Slight or Moderate Upward, No Adjustment, Slight or Moderate Downward	Policy reserve coverage Loss ratio Risks inherent in business
Primary Market	Slight or Moderate Upward, No Adjustment, Slight or Moderate Downward	Demographics of markets served Characteristics and qualities of markets served Special considerations based on business lines
Dividends Payable to Shareholders	Slight or Moderate Upward, No Adjustment, Slight or Moderate Downward	Stated dividend policy Capacity to pay dividends Source of potential dividends
Liquidity of the Shares	Slight or Moderate Upward, No Adjustment, Slight or Moderate Downward	Exchange or NASDAQ listing vs. pink sheet Expected trading market
Marketing of Issue	Slight or Moderate Upward, No Adjustment, Slight or Moderate Downward	General stock market conditions Existing market conditions for insurance stocks New issue market conditions M&A market conditions
Management	Slight or Moderate Upward, No Adjustment, Slight or Moderate Downward	Depth of management Quality of management Management succession
Effect of Government Regulations and Regulatory Reform	Slight or Moderate Upward, No Adjustment, Slight or Moderate Downward	Agreements with regulators Operating restrictions or sanctions Differences in regulation

Note: Other factors impacting value will be assessed and adjustments made as appropriate.



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# EXHIBITS



# Conversion/Demutualization Valuation Services: Initial and Secondary Offerings

Institution	Value (\$Mil)	Institution	Value (\$Mil)	Institution	Value (\$Mil)	Institution	Value (\$Mil)	Institution	Value (\$Mil)
Abington Bancorp, Inc., PA	\$139.7	Custer FS&LA, NE	\$ 1.7	GP Financial Corp., NY	\$ 804.8	MFS Financial, Inc., IN	\$ 56.0	PSB Holdings, Inc., CT	\$ 30.9
Abington Comm. Bancorp, PA	71.4	Damen Financial Corp., IL	39.7	Great Financial Corp., KY	165.3	Mid-Central Financial Corp., MN	2.6	Pulaski Bank, MHC, MO	6.0
Acadiana Bancshares, LA	32.8	Danvers Bancorp, Inc., MA	171.9	GS Financial, LA	34.4	Mid-Continent Bancshares, KS	22.5	Pulaski Financial Corp., MO	29.1
Adirondack Fin. Services, NY	6.6	Dearborn SA, MHC, IN	2.9	Guaranty Bank, MHC, WI	7.9	Midwest Fed. Fin. Corp., WI	6.9	PVF Capital Corp., OH	8.5
Alamogordo Fin. Corp., NM	3.6	Dime Community Bancorp, NY	145.5	Guaranty Fed. Bancshares, MO	43.6	Midwest Savings Bank, IL	1.9	Quaint Oak Bancorp, Inc., PA	13.9
Alaska Pacific Bancshares, AK	6.6	Eagle BancGroup, IL	13.0	Guaranty FS&LA, MHC, MO	7.8	Minden Bancorp, Inc., LA	6.5	Queens County Bancorp, NY	109.2
Albion Banc Corp., NY	2.6	Equality S&LA, MHC, OH	4.0	Guthrie Savings, Inc., OK	5.2	MLM Holdings, Grand Rapids, MI	3.3	Rainier Pacific Fin. Group, WA	79.4
Allied First Bancorp, Inc., IL	6.1	Equality Bancorp, Inc., MO	13.2	Hamilton Bancorp, NY	43.5	MNB Bancshares, KS	4.6	RedFed Bancorp, CA	35.0
Ambanc Holding Co., NY	54.2	ESSA Bancorp, Inc., PA	158.7	Hampden Bancorp, Inc., MA	75.7	Monadnock Comm. Bancorp, NH	3.4	Reliable Bancorp, PA	14.5
Ambassador Bank, PA	4.6	EverTrust Financial Group, WA	86.0	Harbor FSB, MHC, FL	21.4	Monarch Comm. Bancorp, Inc., MI	23.1	Reliance Bancorp, NY	107.6
American Bancorp of NJ, NJ	99.2	Family FSB, KY	1.8	Harbor Florida Bancshares, FL	165.9	Monterey Bay Bancorp, CA	28.8	Reliance Bancshares, WI	20.5
American Equity Bancorp, WI	4.0	Farmers & Mechanics Bank, CT	16.5	Harbor Investment Corp., MD	0.9	Morton FSB, IL	6.0	Reliance Financial Inc, MO	4.3
American FS&LA, MO	1.5	FCB Financial Corp., WI	29.1	Harris SB, MHC, PA	23.0	MSB Financial Corp., NJ	25.3	RFS Bancorp, Inc., MHC, MA	4.4
American National Bancorp, MD	21.8	Fed One Bancorp, WV	16.1	Harrodsburg First Fin Bncrp, KY	21.8	Mutual Federal Bancorp, Inc., IL	10.9	Riverview Bancorp, WA	35.7
American National SA, MHC, MD	9.0	Fed One SB, MHC, WV	5.3	Heritage Bancorp, Inc., SC	69.4	Mutual SB, MI	12.6	Riverview SB, MHC, WA	6.9
AP Capital, Inc., E. Lansing, MI	154.6	FedFirst Financial Corp., PA	29.8	Heritage Financial Corp., WA	66.1	Mystic Financial, Inc., MA	27.1	Rome Bancorp, Inc., NY	59.0
Atlantic Coast Fed. Corp., GA	58.2	FFLC Bancorp, FL	27.6	HF Bancorp, CA	52.9	NCRC Group, Inc.	41.4	Rome Bancorp, Inc., NY	11.2
Avondale Financial Corp., IL	42.3	FFVA Financial Corp., VA	63.0	HFNC Financial Corp., NC	171.9	NCRC Group, Inc.	10.4	Royal Financial, Inc., IL	26.0
Bank Mutual Corp., WI	61.4	FFY Fin. Corp., OH	66.3	Hinsdale Financial Corp., IL	19.0	NEBS Bancshares, Inc. of CT, CT	30.8	Scotland Bancorp, NC	18.4
Bank Mutual Corp., WI	410.6	Fidelity Bankshares, Inc., FL	87.0	Home Bancorp, IN	33.0	NewAlliance Bancshares, RI	1,024.9	Seacoast Financial Services, MA	140.0
BankFinancial Corp., IL	244.7	Fidelity Financial of OH, OH	22.8	Home Bancorp, IL	70.0	Newport Bancorp, Inc., NJ	45.2	Security Capital Corp., WI	270.3
Bay Ridge Bancorp, NY	59.5	Fidelity FS&LA, MHC, OH	5.0	Home Federal Bancorp, ID	60.8	Niagara Bancorp, NY	135.0	Security Federal Bancorp, AL	6.7
BCSB BankCorp, MD	22.9	Fidelity FSB, MHC, FL	28.7	Home Federal Bancorp, Inc., ID	102.0	North Bancshares, IL	13.9	Service Bancorp, MHC, MA	8.0
Beacon Federal Bancorp, NY	74.1	Financial Bancorp, NY	21.8	Home Federal Bancorp, LA	14.7	North Penn Bancorp, Inc., PA	8.5	SGV Bancorp, CA	21.8
Ben Franklin Financial, Inc., IL	8.9	Financial Security Corp., IL	17.2	Home Federal Bancorp., FL	175.6	Northeast Community Bncrp, NY	59.5	SIS Bank, MA	44.5
Beneficial Mutual Bancorp, PA	236.1	First Bancshares, MO	15.5	Home FSB, AL	4.3	Northeast Indiana Bancorp, IN	21.8	Sound Financial, Inc., WA	13.0
Benjamin Franklin Bancorp, MA	55.9	First Bell Bancorp, PA	86.0	Home SB, MHC, FL	23.0	Northwest Equity Corp., WI	8.3	SouthBanc Shares, Inc., SC	45.6
BNH Bancshares, Inc., CT	13.0	First Carolina FSB, NC	1.2	Homestead Financial, Inc., LA	11.2	Northwest FS&LA, PA	69.0	Southern MO Bancorp, MO	17.9
Boone National S&LA, MO	1.2	First Colorado Bancorp, CO	134.1	Hudson City Bancorp, Inc., NJ	3,929.8	NS&L Bancorp, MO	8.6	SouthFirst Bancshares, AL	8.3
BostonFed Bancorp, MA	66.1	First Delfance Fin. Corp., OH	64.8	Hudson City Bancorp, Inc., NJ	543.5	OC Financial, Inc., OH	5.6	St. Francis Capital Corp., WI	72.9
Bridge Street Financial, Inc., NY	15.1	First Federal Bancshares, IL	22.4	Hudson River Bancorp, NY	173.3	Ocean Financial Corp., NJ	167.8	Staten Island Bancorp, Inc., NY	515.8
Broadway Financial Corp., CA	8.9	First Federal Bankshares, IA	26.4	IBS Financial Corp., NJ	116.1	Ocean Shore Holding Co., NJ	38.4	Suburban Bancorp, OH	15.8
Brookline Bancorp, Inc., MA	337.2	First Federal of NM Bancorp, MI	17.0	Illinois Guarantee SB, IL	5.0	Ohio State Financial Services, OH	6.3	Suburban Bancshares, MD	5.6
Brooklyn Federal Bancorp, NY	39.7	First Fed. of Olathe Bancorp, KS	5.6	Independence Community, NY	704.1	OSB Financial Corp., MHC, WI	17.3	Sugar Creek Financial Corp., IL	4.1
Calumet Bancorp, IL	35.4	First Financial Bancorp, IL	3.9	Iowa Bancorp, IA	3.6	Oswego County Bancorp, Inc., NY	4.0	SWVA Bancshares, Inc., VA	5.7
Cameron Financial Corp., MO	30.5	First Financial Northwest, WA	211.6	ISB Financial Corp., LA	74.0	Partners Trust Fin. Group, NY	148.8	Tappan Zee Financial, NY	16.2
Cape Bancorp, Inc., NJ	78.2	First FS&L, MHC, OH	20.8	Jacksonville SB, MHC, IL	5.6	Partners Trust Fin. Group, NY	64.0	Timberland Bancorp, WA	66.1
Capitol Federal Financial, KS	378.1	First FS&LA of Alpena, MHC, MI	6.9	Jade Financial Corporation, PA	14.5	Pathfinder Bancorp, NY	6.6	Tri-County Bancorp, WY	7.5
Cascade SB, FSB, WA	5.0	First FS&LA, CA	3.3	Jefferson Bancorp, LA	16.1	Patriot Bank Corp., PA	37.7	Troy Hill Bancorp, PA	11.2
CBES Bancorp, MO	10.5	First FS&LA, MHC, IA	6.3	Jefferson Bancshares, TN	66.1	Pekin S&LA, IL	1.7	Twin City Bancorp, TN	8.9
CFS Bancorp, IN	178.5	First FS&LA, MHC, IN	2.0	Jefferson FSB, MHC, LA	2.0	Pennsylvania SB, MHC, PA	5.3	Union Community Bancorp, IN	30.4
Charter Bank, SB, MHC, IL	9.6	First FS&LA, MT	2.0	Jefferson S&LA, MHC, TN	3.0	Pennwood SB, PA	6.1	United Financial Bancorp, MA	76.7
Charter Financial, IL	29.2	First FS&LA, SC	3.0	Jessamine First FS&LA, KY	0.9	People's United Financial, Inc., CT	3,444.5	United Financial Bancorp, MA	95.6
Charter Fin. Corp., MHC, GA	39.6	First FSB of CO, MHC, CO	13.9	Joachim Bancorp, MO	7.6	Peoples Community Bncrp., OH	11.9	United Tennessee Bncshrs., TN	14.5
Chester Bancorp, IL	21.8	First FSB, KY	1.7	Kearny Financial Corp., NJ	218.2	Peoples FS&LA of Chicago, IL	3.0	Vermilion Bancorp, IL	4.0
Cheviot Financial Corp., OH	43.9	First FSB, MHC, IA	12.8	K-Fed Bancorp, CA	56.9	Peoples Home SB, MHC, PA	12.4	Washington FSB, VA	15.3
Chicopee Bancorp, Inc., MA	68.9	First Keystone Financial, PA	13.6	Kentucky Enterprise Bncrp., KY	27.5	Peoples Thrift SB, PA	0.7	Wauwatosa Holdings, Inc., WI	101.2
Citizens Community Bancorp, WI	52.9	First Lancaster Bancshares, KY	9.6	Kentucky First Bancorp, KY	13.9	Perpetual Bank, MHC, SC	1.2	Wayne Savings Bancshares, OH	20.4
Citizens Community Bancorp, WI	3.8	First Missouri Bancshares, MO	3.1	Kenwood Bancorp, OH	1.6	Perpetual Midwest Fin. Corp., IA	20.7	The Wayne S&L Co., MHC, OH	6.0
Citizens South Bank, Corp, NC	52.6	First Mutual Bancorp, IL	47.0	Kenwood S&LA, MHC, OH	0.7	Perpetual SB, FSB, SC	11.3	Waypoint Financial Corp., PA	195.5
CKF Bancorp, KY	10.0	First Niagara Fin. Group, NY	410.0	Klamath First Bancorp, OR	122.3	PFF Bancorp, Inc., CA	198.4	Webster City FSB, MHC, IA	9.5
CNS Bancorp, MO	16.5	First PacTrust Bancorp, Inc., CA	63.5	KNBT Bancorp, Inc., PA	202.0	PFS Bancorp, Inc., IN	15.2	West Town Bancorp, IL	2.2
CNY Financial, NY	52.5	First Savings Bancorp, WA	109.1	KSB Bancorp, ME	3.7	PFS Bancorp, MO	5.6	Westborough Fin. Services, MA	5.5
Cohoes Bancorp, NY	92.6	First SB, MHC, NJ	10.0	Lake Shore Bancorp, Inc., NY	29.8	PHSB Financial Corp., PA	22.0	Westco Bancorp, IL	23.0
Colonial Bancshares, Inc., NJ	20.8	First Shenango Bancorp, PA	23.4	Lakeview SB, NJ	22.0	Pittsburgh Home Fin. Corp., PA	21.8	Westfield Financial, Inc., MA	184.0
Commonwealth Bancorp, PA	98.7	FirstBank Corp., ID	19.8	LCS Bancorp, IL	1.0	Pocahontas FS&LA, MHC, AR	7.5	Westfield Financial, Inc., MA	49.7
Commonwealth FSB, MHC, PA	37.0	FirstFed Bancorp, AL	6.9	Leeds FSB, MHC, MD	12.0	Pocahontas Bancorp, AR	35.7	Westwood Homestead Fin., OH	28.4
Community Bank Shares, IN	10.1	FirstRock Bancorp, IL	23.1	Lenox Bancorp, OH	4.3	Ponchatoula Hmstd Assn, MHC, LA	1.4	WFS Bancorp, KS	16.0
Community Fin. Systems, SD	3.0	FirstSpartan Fin. Corp., SC	88.6	Lexington B&L Fin. Corp., MO	12.7	Port Financial Corp., MA	74.4	William Penn Bancorp, Inc., PA	10.3
Community Savings, MHC, FL	34.5	Flatbusch Federal Bancorp, NY	8.7	Lincoln Park Bancorp, Inc., NJ	8.5	Provident Bancorp, Inc., NY	195.7	Willow Grove Bancorp, PA	64.1
Community SB, MHC, IN	2.5	Fremont Michigan InsuraCp, MI	8.6	Long Island Bancorp, NY	297.6	Provident Bancorp, MHC, NY	38.6	Willow Grove Bancorp, MHC, PA	22.4
Conestoga Bancorp, NY	46.3	FSB Community Bancshares, NY	8.4	MainStreet Financial Corp., MI	3.6	Provident Fin. Holdings, CA	51.3	WSB Bancorp, MO	11.0
Connecticut Bancshares, CT	104.0	Fulton Bancorp, MO	17.2	Marquette SB, WI	8.5	Provident Fin. Services, NJ	596.2	Yonkers Financial Corp., NY	35.7
Crazy Woman Creek Bncrp., WY	10.6	Georgetown Bancorp, Inc., MA	12.5	MCM Savings Bank, MO	1.8	Prudential Bancorp, Inc., PA	56.5		
Cumberland Mtn. Bncshrs., KY	4.4	Gilmer Financial Services, TX	2.0	Metro SB, FSB, IL	1.7	PSB Bancorp, PA	16.1		



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# Recent Financial Advisor Engagements: Financial Services Industry Only

Announce Date	Completion Date	Buyer/Target	Deal Value (\$Mill.)	Buyer Financial Advisor	Seller Financial Advisor
04/30/2008	Pending	Partners Fin. Holdings-I/First Clover Leaf Fin. Corp-IL	\$ 22.3	RPB Financial, L.C.	Stifel, Nicolaus & Co. Inc.
04/24/2008	Pending	Rivergreen Bank-ME/Savings Bank of Maine-ME	13.0	RPB Financial, L.C.	Sandler O'Neill & Partners LP
03/08/2007	10/12/2007	La Porte Bancorp-NC/City Savings Financial Corp-IN	19.8	RPB Financial, L.C.	Keefe, Bruyette & Woods Inc.
03/14/2007	7/14/2007	North Cascades Bancshares-W/Mid State Bancorp-WA	6.8	RPB Financial, L.C.	McAdams Wright Ragen Inc.
07/26/2006	02/01/2007	IBERIABANK Corp-LA/Pocahontas Bancorp-AR	79.0	Howe Barnes Hofer & Arnett	RPB Financial, L.C.
06/04/2006	12/01/2006	Sterling Financial Corporation-WA/FirstBank NW Corp.-WA	169.6	Sandler O'Neill & Partners	RPB Financial, L.C.
05/13/2006	09/15/2006	WashingtonFirst Bank DC/First Liberty Bancorp-DC	10.1	RPB Financial, L.C.	Danielson Associates
04/20/2006	08/11/2006	Community Bank System-NY/ESL Bancorp-NY	39.5	Janney Montgomery Scott	RPB Financial, L.C.
02/03/2006	07/10/2006	First Fed. Fin. Serv. (MHC)-HL/Clover Leaf Fin. Corp.-IL	21.9	Keefe, Bruyette & Woods Inc.	RPB Financial, L.C.
09/22/2005	06/01/2006	Tower Bancorp, Inc.-PA/FNB Financial Corp.-PA	31.2	Cedar Hill Advisors	RPB Financial, L.C.
08/09/2005	12/09/2005	Hometown Community Bncpr-IL/Progressive Bncpr-IL	11.4	NA	RPB Financial, L.C.
01/06/2005	07/01/2005	Citizens Community MHC-WI/Community Plus SB-WI	NA	Keefe, Bruyette & Woods Inc.	RPB Financial, L.C.
10/12/2004	04/01/2005	Oak Hill Financial-OH/Lawrence Financial Holdings-OH	16.0	RPB Financial, L.C.	Keefe, Bruyette & Woods Inc.
03/16/2004	10/01/2004	Provident Bancorp-NY/Warwick Community Bancorp-NY	154.3	RPB Financial, L.C.	Sandler O'Neill & Partners LP
10/31/2003	06/01/2004	Wayne Savings Bancshares-OH/Stebbins Bancshares-OH	5.2	RPB Financial, L.C.	Austin Associates LLC.
09/02/2003	04/15/2004	Monarch Community Bancorp-MI/MSB Financial-MI	24.9	RPB Financial, L.C.	Keefe, Bruyette & Woods Inc.
11/12/2003	04/01/2004	Shore Bancshares, Inc.-MD/Midstate Bancorp, Inc.-DE	63.3	NA	RPB Financial, L.C.
07/24/2003	02/27/2004	Southern Fin. Bancorp.-VA/Essex Bancorp.-VA	41.5	Hovde Financial	RPB Financial, L.C.
07/01/2003	01/14/2004	Provident Bancorp-NY/E.N.B. Holding Company-NY	73.5	RPB Financial, L.C.	The Endicott Group
09/30/2003	12/31/2003	MI Fidelity Acceptance Corp-MI/Approved Fin. Corp.-VA	2.4	RPB Financial, L.C.	NA
01/22/2003	12/22/2003	New England Bncshrs-CT/Windsor Locks Comm. Bank-CT	3.4	FinPro, Inc.	RPB Financial, L.C.
05/23/2003	10/09/2003	NS&L Acquisition Corp.-MO/NS&L Bancorp, Inc.-MO	10.8	NA	RPB Financial, L.C.
09/12/2002	03/28/2003	Laurel Capital Group, Inc.-PA/SFSB Holding Co.-PA	9.9	NA	RPB Financial, L.C.
06/19/2002	03/03/2003	Shay Investment Services-FL/IBL Bancorp, Inc.-LA	5.3	RPB Financial, L.C.	Trident Securities
05/30/2002	02/28/2003	Citizens Bancshares-GA/CFS Bancshares-AL	9.5	Professional Bank Services	RPB Financial, L.C.
09/10/2002	02/21/2003	Charter Fin. Corp.-GA/EB&B Bancshares-AL	8.4	RPB Financial, L.C.	NA
08/16/2001	01/24/2003	Northwest Bancorp-PA/Lands Federal Bncshrs.-MD	43.0	NA	RPB Financial, L.C.
06/04/2002	11/22/2002	First Federal Bancshares-IL/FPS Bancshares-MO	9.2	Sandler O'Neill & Partners	RPB Financial, L.C.
02/27/2002	07/24/2002	BCSB Bancorp, Inc.-MD/WHG Bancshares Corp.-MD	19.5	RPB Financial, L.C.	Finpro, Inc.
11/20/2001	06/18/2002	Pocahontas Bncpr, Inc.-AR/N. Arkansas Bncshrs-AR	4.5	RPB Financial, L.C.	NA
09/16/2002	06/21/2002	Pocahontas Bncpr, Inc.-AR/Southern Bank-AR	8.0	RPB Financial, L.C.	DB&F Consulting
11/02/2001	04/23/2002	Provident Bancorp-NY/National Bank of Florida-NY	28.1	RPB Financial, L.C.	RBC Capital Markets
09/25/2001	01/01/2002	Banner Corporation-WA/Oregon Business Bank-OR	10.0	RPB Financial, L.C.	NA
07/16/2001	12/31/2001	Gaston Federal Bncpr.-NC/Nines Street Financial-NC	37.9	RPB Financial, L.C.	Trident Securities
02/01/2001	08/31/2001	Essex Bancorp.-VA/Going Private Merger	1.5	RPB Financial, L.C.	NA
12/08/2000	07/01/2001	United Comm. Fin. Corp.-OH/Industrial Bncp, Inc.-OH	91.8	RPB Financial, L.C.	Trident Securities
12/15/2000	06/01/2001	CKF Bancorp, Inc.-KY/Fst Lancaster Bncshrs, Inc.-KY	13.7	RPB Financial, L.C.	Trident Securities
01/04/2001	06/15/2001	Pocahontas Bncpr, Inc.-AR/Walden-Smith Fin. Grp-AR	27.4	RPB Financial, L.C.	NA
08/08/2000	05/01/2001	FNB Corp.-VA/SWVA Bancshares, Inc.-VA	8.8	RPB Financial, L.C.	RPB Financial, L.C.
06/08/2000	12/08/2000	MutualFirst Financial-IN/Marion Capital Holdings-IN	27.5	RPB Financial, L.C.	David A. Noyes & Co.
07/26/2000	11/15/2000	Allegiant Bancorp, Inc.-MO/Equality Bancorp, Inc.-MO	23.7	Howe Barnes	RPB Financial, L.C.
03/27/2000	11/6/2000	Niagara Bancorp Inc.-NY/Troquois Bancorp-NY	80.3	RPB Financial, L.C.	Endicott Group
02/22/2000	11/2/2000	Mutual Savings Bank-WI/First Northern Cap.-WI	133.4	RPB Financial, L.C.	Keefe, Bruyette & Woods Inc.
03/31/2000	9/1/2000	Southern Fin. Bancorp.-VA/First Savings Bank-VA	5.8	McKinnon & Co.	RPB Financial, L.C.
02/15/2000	7/31/2000	North Shore Bank FSB-WI/Marquette Svcs Bank-WI	12.6	NA	RPB Financial, L.C.
02/14/2000	7/31/2000	South Banc Shares-SC/Heritage Bancorp-SC	77.0	RPB Financial, L.C.	Trident Securities
02/21/2000	7/28/2000	TrustCo Bank Corp. of NY/Landmark Fin. Corp.-NY	3.3	NA	RPB Financial, L.C.
01/12/2000	7/3/2000	Jacksonville SB MHC-IL/Chapin State Bank-IL	6.8	NA	RPB Financial, L.C.
10/27/1999	6/16/2000	Exchange Natl Bcshs-MO/CNS Bancorp Inc.-MO	25.6	NA	RPB Financial, L.C.
01/20/2000	0/4/2000	CIBC-Canada/St. Anthony Bancorp, Inc.-IL	3.2	NA	RPB Financial, L.C.
08/30/1999	3/24/2000	Niagara Bancorp Inc.-NY/Albion Banc Corp.-NY	12.4	Ryan, Beck & Co.	RPB Financial, L.C.
03/11/1999	10/1/1999	Oak Hill Financial, Inc.-OH/Towne Finl Corp.-OH	20.3	Trident Securities	RPB Financial, L.C.
10/26/1998	09/01/1999	UP & UP Inc.-MD/Quantum Finl Hdgs-MD	2.5	NA	RPB Financial, L.C.
03/04/1999	07/31/1999	First National Corp.-SC/FirstBancorp, Inc.-SC	33.2	Robinson-Humphrey Co.	RPB Financial, L.C.
12/07/1998	04/02/1999	First Natl Bk Shelby-NC/First Carolina FSB-NC	15.0	Orr Group	RPB Financial, L.C.
08/13/1998	12/31/1998	First Western Bank-NC/Mitchell Bancorp-NC	19.0	Carson Medlin Co.	RPB Financial, L.C.
09/04/1998	12/01/1998	F&M Bancorp-MD/Monocacy Bancshares-MD	82.7	Wheat First Union	RPB Financial, L.C.
07/06/1998	11/20/1998	Enterprise Fedl Bncp-OH/Savings Bank-OH	13.0	NA	RPB Financial, L.C.
02/10/1998	11/09/1998	Republic Bancshares-FL/Bankers Savings Bank-FL	12.6	NA	RPB Financial, L.C.
05/29/1998	09/30/1998	Cecil Bancorp Inc.-MD/Columbian Bank, AFSB-MD	3.2	Trident Securities	RPB Financial, L.C.
12/19/1997	08/03/1998	Sovereign Bancorp-PA/First Home Bancorp-NJ	87.0	NA	RPB Financial, L.C.
12/30/1997	07/01/1998	Junius Valley Finl Corp-PA/Lewisston Trust Co-PA	34.2	Tucker Anthony Cleary Gull	RPB Financial, L.C.
12/29/1997	06/15/1998	First State Bncshrs-MO/Jochim Bancorp Inc.-MO	12.8	NA	RPB Financial, L.C.
09/02/1997	02/27/1998	Commercial Fed Corp.-NE/Mid Continent Bcshrs-KS	79.3	Merrill Lynch & Co.	RPB Financial, L.C.
08/19/1997	01/28/1998	BankUnited Financial-IL/Consumers Bancorp-FL	11.0	NA	RPB Financial, L.C.
08/19/1997	12/05/1997	Fidelity Bancshares-FL/BankRoyton, FSB-FL	5.6	NA	RPB Financial, L.C.
06/25/1997	11/01/1997	First Fin'l Holdings-SC/Investors Savings Bk-SC	12.4	NA	RPB Financial, L.C.
03/12/1997	10/01/1997	Lexington B&L Fin-MO/Layette Bancshares-MO	2.6	RPB Financial, L.C.	NA
05/21/1997	08/20/1997	First Colonial Bncp-CO/Delta Federal Svgs-CO	5.8	NA	RPB Financial, L.C.
03/21/1997	08/29/1997	Allegiant Bancorp-MO/Relliance Financial-MO	10.0	Stifel, Nicolaus & Co. Inc.	Charles Webb & Co.
02/04/1997	07/01/1997	Southeast Bancorp-TN/First Bk of East TN-TN	18.8	NA	RPB Financial, L.C.
01/07/1997	06/30/1997	Republic Security Corp.-FL/Family Bank-FL	53.9	Raymond James & Associates Inc	RPB Financial, L.C.
11/21/1996	05/02/1997	Blackhawk Bancorp-WI/Rochelle Bancorp-IL	4.2	Austin Associates Inc.	RPB Financial, L.C.
11/14/1996	05/02/1997	FCB Financial Corp.-WI/OSB Financial Corp.-WI	33.2	RPB Financial, L.C.	Edelman & Co.
09/16/1996	03/31/1997	Mutual Savings Bank-WI/First Federal Bcshrs-WI	132.8	RPB Financial, L.C.	Dain Rauscher Inc.
12/05/1996	03/31/1997	Shore Bancshares, Inc.-MD/Kent S&L-MD	5.1	NA	RPB Financial, L.C.
08/15/1996	01/02/1997	Jacksonville SB MHC-IL/CS Banc, Inc.-IL	2.0	NA	RPB Financial, L.C.
04/29/1996	10/11/1996	Fidelity Finl of OH-OH/Circle Fin'l Corp.-OH	27.8	RPB Financial, L.C.	Stifel, Nicolaus & Co. Inc.
05/20/1996	09/30/1996	First Midwest Fincl-IA/Central West Bncp-IA	5.3	RPB Financial, L.C.	Roth & Company PC
09/15/1995	03/08/1996	Mercantile Bancorp-MO/Metro Savings Bk FSB-IL	9.0	NA	RPB Financial, L.C.

Total Deal Value 1996-2008 (\$Millions)

\$2,265.7

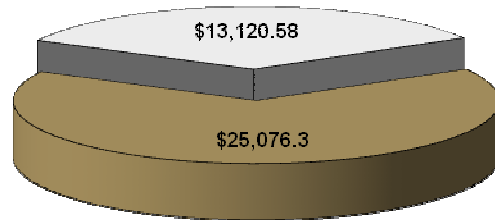


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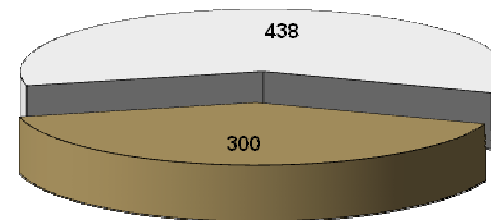
# Thrift Conversion Appraisal Market Share

**Conversion Proceeds 1992-2008 (\$Millions)(1)(3)**



■ RP Financial    □ Others

**Conversion Deals 1992-2008(1)(3)**



■ RP Financial    □ Others

## RP® Financial's Annual Conversion Rankings

	<u>Ranking</u>	<u># of Deals</u>	<u>Market Share</u>	<u>Aggregate Value(2)</u> (\$Mil)
1992 Conversion Appraiser	1	25	31.3%	\$240.5
1993 Conversion Appraiser	1	32	33.7%	\$559.2
1994 Conversion Appraiser	1	40	43.5%	\$2,605.0
1995 Conversion Appraiser	1	38	40.9%	\$1,149.9
1996 Conversion Appraiser	1	27	36.5%	\$1,180.5
1997 Conversion Appraiser	1	13	30.2%	\$813.0
1998 Conversion Appraiser	1	23	34.8%	\$2,003.3
1999 Conversion Appraiser	1	12	40.0%	\$1,263.1
2000 Conversion Appraiser	1	9	50.0%	\$484.3
2001 Conversion Appraiser	1	6	40.0%	\$219.6
2002 Conversion Appraiser	1	7	50.0%	\$611.0
2003 Conversion Appraiser	1	9	64.3%	\$1,808.5
2004 Conversion Appraiser	1	14	56.0%	\$1,765.0
2005 Conversion Appraiser	1	18	66.7%	\$5,038.1
2006 Conversion Appraiser	1	8	44.4%	\$279.7
2007 Conversion Appraiser	1	15	57.7%	\$4,782.2
2008 Conversion Appraiser(3)	1	6	66.7%	\$273.4

(1) Includes standard, second step and merger conversions and MHC offerings by thrifts.

(2) Aggregate value does not include foundation proceeds.

(3) Through May 2, 2008.

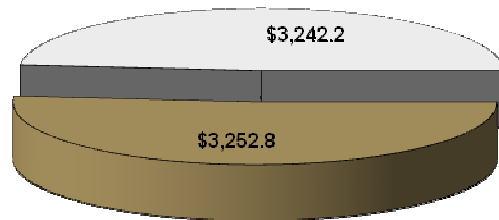


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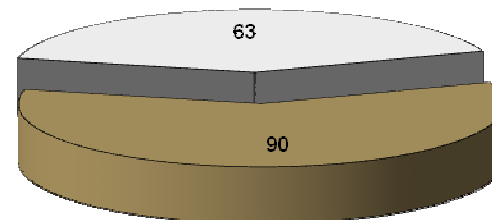
# Thrift Mutual Holding Company Appraisal Market Share

**MHC Offering Proceeds 1992-2008 (\$Mil)(1)(3)**



■ RP Financial    □ Others

**All MHC Deals 1992-2008(1)(3)**



■ RP Financial    □ Others

## RP<sup>®</sup> Financial's Annual Mutual Holding Company Rankings

	<u>Ranking</u>	<u># of Deals</u>	<u>Market Share</u>	<u>Aggregate Value (\$Mil)</u>
1992 Conversion Appraiser(1)	1	8	80.0%	\$66.7
1993 Conversion Appraiser	1	11	84.6%	\$71.4
1994 Conversion Appraiser	1	15	83.3%	\$274.5
1995 Conversion Appraiser	1	4	50.0%	\$25.3
1996 Conversion Appraiser(2)	1	1	33.3%	\$11.3
1997 Conversion Appraiser	2	1	25.0%	\$12.4
1998 Conversion Appraiser	1	6	42.9%	\$201.2
1999 Conversion Appraiser	1	5	55.6%	\$975.4
2000 Conversion Appraiser	1	3	75.0%	\$70.5
2001 Conversion Appraiser	1	2	66.7%	\$89.3
2002 Conversion Appraiser	1	2	50.0%	\$70.5
2003 Conversion Appraiser	1	1	50.0%	\$8.7
2004 Conversion Appraiser	1	11	64.7%	\$395.6
2005 Conversion Appraiser	1	9	52.9%	\$570.1
2006 Conversion Appraiser	1	5	41.7%	\$112.7
2007 Conversion Appraiser	1	4	36.4%	\$273.9
2008 Conversion Appraiser(3)	1	2	66.7%	\$23.3

(1) Includes one deal for \$2.5 million closed in 1991.

(2) Three-way tie.

(3) Through May 2, 2008.



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