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FINANCIAL CRISIS, BANK ACQUISITIONS, AND VALUE
CREATION: THE CASE OF BANK MERGERS FOR
THE PAST FIVE YEARS

A Project
Presented to the
Faculty of
California State University,
San Bernardino

In Partial Fulfillment
of the Requirements for the Degree
Master of Business Administration

by
Sarina Ar-Loc Ng

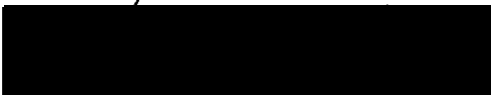
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ABSTRACT

The past five years has brought many front running economies around the world into overwhelming growth, but then followed by downward staggering and spiraling; forcing many elite banks to merge or be acquired by another bank. Many banks believed the economy was in such a great, stable place, they were lending to those once not qualified. Once interest rates began to rise, borrowers began to default, creating havoc for mortgage lenders and creating a failure of the sub-prime mortgage-lending sector in the United States. This paper uses a commonly used event study methodology to understand the market reaction in these bank acquisition announcements. Do these announcements actually create value for the corporation?

As a result, this paper concluded that bank acquisition announcements create, on average, a 0.3% and 0.8% gain in the United States and European countries, respectively to the acquiring bank. With further testing, and on average, a loss of 18% was experienced for American corporations employing 10,000-100,000 and a loss of 6% for European countries employing 100,000-200,000. Furthermore, a loss of 17% and 12% affected American corporations headquartered in the Western and Mid-Western states, respectively.

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CHAPTER ONE

INTRODUCTION

There are many different interpretations of the United States and the world economy from the past ten years. Many different causes, and explanations can be made about the financial market, but two things have been prominently clear about the United States' economy since 2000: we have endured a financial crisis and are currently in a recession. This has also affected the economy of countries around the world. This paper will specify the most highly regarded cause of the financial crisis and consider what all the components might explain about the perception of the consumers in the United States and in Europe. Data analysis will be conducted as a whole, by the size of the acquiring bank and by the location of the acquiring bank's headquarters.

After the turn of the century, and as a response to the 2001 recession, the United States Federal Government enacted a vigorous public policy to create a faster turnaround for the American people. As one of the tools to aid the struggling economy, the Federal Reserve Bank targeted their interest rate at all time lows. As indicated in figure 1, the United States Federal Open

Market Committee targeted rates to ease the 2001 recession to 2% and then less than 1% by 2004. It soon became easier to qualify and receive credit and mortgages. People were purchasing houses that once could not qualify for such an extravagance through specialized loans. Banks relied on the booming American economy to help ensure the payments of these loans. As a result, the American economy enjoyed an increase in gross domestic product, at a stunning rate, and in figure 2, starting in the beginning of 2002 and this wealth was shared with the rest of the world. This welcoming growth would continue for two more years. Americans were now purchasing more domestic and imported goods with their new access to money and wealth.

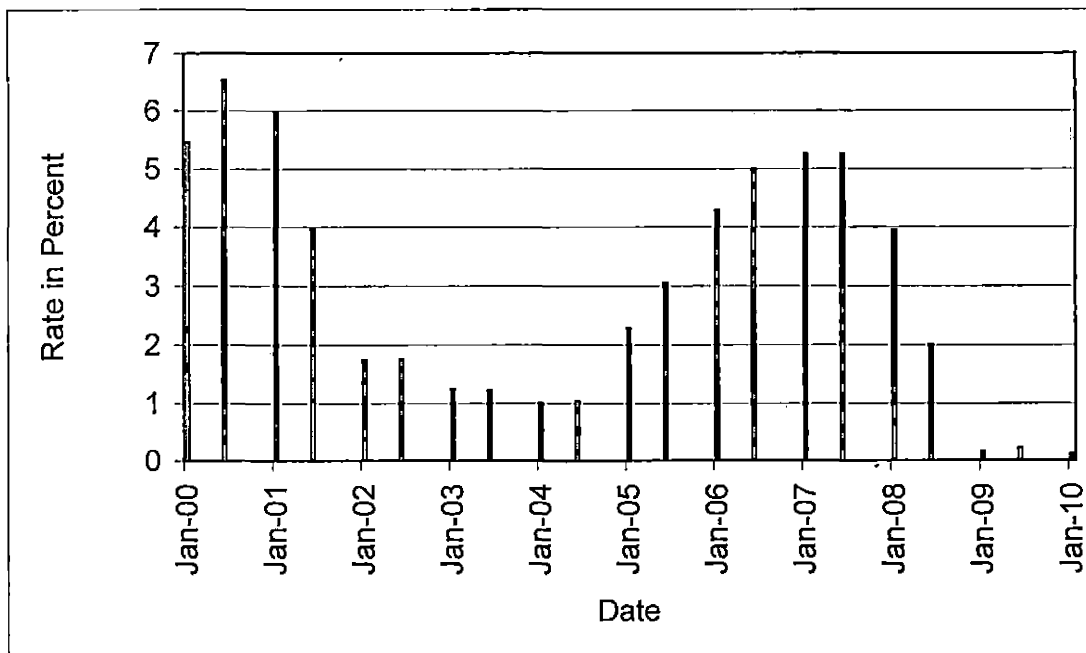


Figure 1. United States Federal Funds Rate

As indicated in figure 2, the American economy growth became faster than anyone could have predicted, with close to a 4% increase in gross domestic product by the end of 2004 (Kane, 2004)

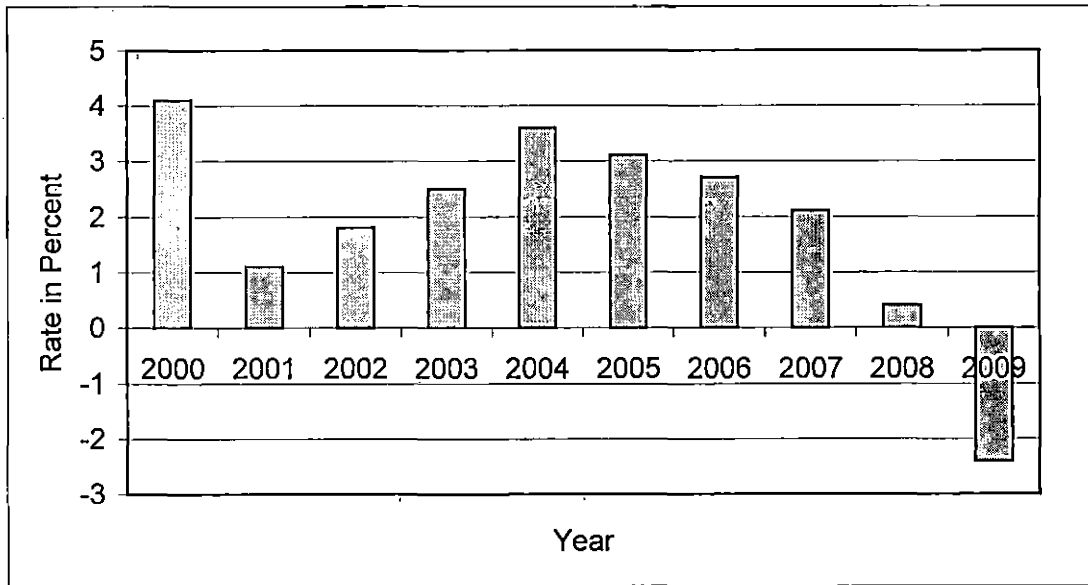


Figure 2. United States Gross Domestic Product Growth Rate

Soon after the US Federal Open Market Committee lowered their targeted rate, Europe would endure the fruits of this. The European housing market had gained an average of 7.6% in 2005, 7.2% in 2004 and 6.8% in 2003, with some countries raising double that. For example, the French housing sector gained 15.2% in 2005 and 2004 (Gewaltig, 2006). Economies from all over the world were relishing in sustained growth.

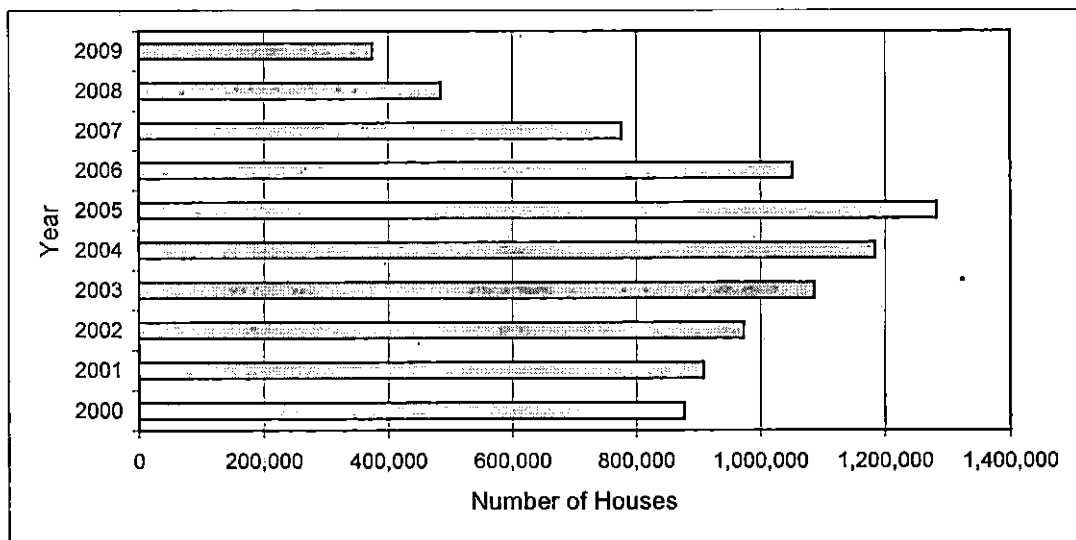


Figure 3. United States Housing Sales

But all good things must come to an end. Due to low interest rates, the housing sector in the United States began to over inflate. According to the United States Census Bureau and in figure 3, the number of houses sold almost doubled in the United States between 2000-2005. This would not continue for very much longer, housing prices were soaring high and the United States Federal Government would soon notice.

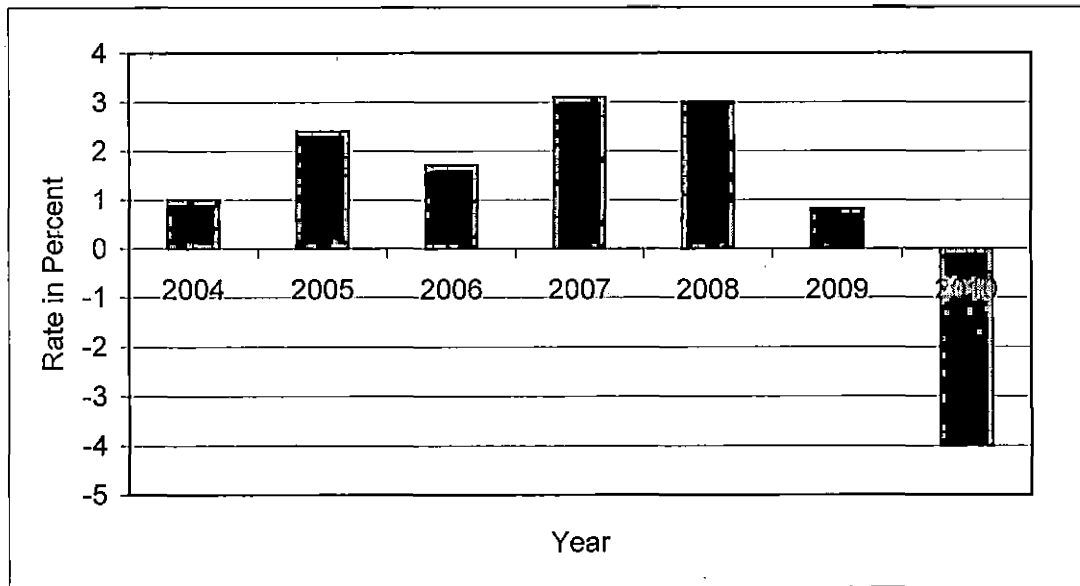


Figure 4. European Gross Domestic Product Growth Rate

Soon this also affected Europe, and the rest of the world; European gross domestic product growth was 2.25% by the end of 2003 and a growth of 3% was seen by the global economy in 2003 (BBC News, 2009). As indicated in figure 4, the Europeans reached an increase in gross domestic product of over 3% by 2007, down to an estimated -4% for the year of 2010 (Indexmundi, 2010).

As a result, by 2004, the United States Federal Open Market Committee decided to raise their targeted rate. As also indicated in figure 1, the targeted Federal Funds rate slowly increased from one percent in 2004, to a peak of over 5% in 2007 (Federal Reserve, 2010). Slowly, the housing sector became sluggish. Americans were now paying

double-digit interest rates. Americans were starting to default on their mortgages.

By 2007, the housing bubble and the American economic growth came to a halt. On February 27, 2007, the Federal Home Loan Mortgage Corporation, also known as Freddie Mac, announced it would no longer buy sub-prime mortgages and mortgage related securities (Federal Reserve Bank of St. Louis, 2010). This is the announcement that would start the downward spiral for the United States and European countries' economies.

All around the globe, the economies of many front running countries started to stagger and spiral. On August 9, 2007, the largest bank in France, BNP Paribas, stops the redemption of some of its major investment funds. This was the beginning of the financial crisis for European nations. Many elite banks were being forced to merge or be bought out by other banks because recipients of their loans were under default. European countries soon started to experience banking collapses, while their gross domestic product, national currency and stock exchanges decreasing sharply and their outstanding debt increasing dramatically.

A bank's stock price is reflective of what the investor perceives as the company's future value, do these

bank acquisitions actually help create value to a larger bank? What do these investors see as the company's future when the announcement is released that they are acquiring these smaller banks? Would the size of the company or the location play a determinant in how the investors' perceived the acquisition? How does the news of a new bank acquisition reflect the company's stock price, and how does that measure to the rest of the world?

As the economy is still heading into a downfall, what these bank acquisitions mean to the public, or the investors, can be a key to helping to stabilize the shaky bank market and provide a silver lining into a tremendous problem.

In this paper, the author will focus on the bank acquisitions of the United States and in Europe. Though highly similar in many ways, their "bailout" technique has been slightly different. In the United States, the Federal Government has given emergency funding to struggling financial corporations, but ultimately, most of these failing financial companies were eventually "bought out" by a larger corporation.

In Europe, many different techniques have been used, but the central banks in Europe have had a more hands on approach in stabilizing the failing financial sector.

Therefore, data for European bank acquisitions by a larger corporation has been fewer than those in the United States, but for those collected, does it bring corporate value?

This paper will use a highly used event-study methodology to determine whether the announcement of a bank acquisition actually creates value for the acquiring bank during this financial crisis, as perceived by the investor. The author will analyze data as a whole and by the size of the acquiring bank, the location of the acquiring bank's headquarters and by country. While creating this paper, the understanding is that in an efficient market, a positive reaction to the acquisition announcement on the corporations' share price would indicate that the market believes potential acquisition benefits will outweigh the risks.

CHAPTER TWO

LITERATURE REVIEW AND THEORETICAL CONTEXT

There are numerous literature reviews on the effects of acquisition announcements. An abundance of different points of views have enabled an investor to gather information from many perspectives. Many reasons exist to why a financial institution may want to acquire another institution, but much is in the benefits outweighing the risks.

In a study conducted by Robert Moore (Moore 1997), he studied pre and post acquired smaller banks through their accounting data and suggested that a larger bank must value the smaller bank, higher than the smaller bank's management does, for the acquisition to occur. Although simple, this explanation is probably the most common reason that a bank will participate in acquisitions.

In another study researched by Konstantinos Vergos and Apostolos Christopoulos in 2008, entitled, "The Effects of Acquisitions on the Market Value of the Banking Sector: An Empirical Analysis from Greece," they analyzed bank acquisitions spanning the first ten years of a newly liberalized Greek banking sector market. They examined the acquirer's abnormal returns for different event windows.

They concluded that bank acquisitions provide a positive effect in the short run, until twenty days after the announcement, but a negative effect in the long run, until ninety days after the announcement. This could give incentive to a new stockholder, but provides no relief for a long-standing one.

In this paper, most of the literature referenced is related to the works of Frank Soussa and Tracy Wheeler. Soussa and Wheeler wrote, "Do Announcements of Bank Acquisitions in Emerging Markets Create Value?," for the Bank of England in December 2006. They studied cross-border bank acquisitions in emerging markets and if they created value for the corporation based on market reactions. They used a methodology similar to Vergos and Christopoulos since it completely understood how to analyze corporate value and its reflection in the corporation's stock price. They determined that bank acquisitions in emerging markets were not beneficial, on average, to an acquiring bank and stock prices would not bounce back for at least one week. They also suggested there was a principal-agent problem fueling bank acquisitions by the acquiring firm. Where there is more incentive for the acquiring firm than to stockholders. This can be argued that top management in these

corporations usually have a large stake (stock incentives, etc.) into their own company, and jeopardizing corporate value through market reaction will in turn effect top management.

Another paper, which is noteworthy to the topic of this paper, was theorized by Steven Pilloff and Anthony Santomero, when they wrote, "The Value Effects of Bank Acquisitions and Mergers," in 1996 for the Wharton School in the University of Pennsylvania. They offered many theories to explain bank acquisitions. Pilloff and Santomero studied bank acquisitions in the United States from 1986-1995, based on previous literature and analyzing pre-merger bank productivity versus post-merger bank productivity using accounting data. They determined productivity based on the acquiring bank's return on assets (ROA) and return on equity (ROE). They concluded, that, on average, bank acquisition announcements do not provide any gain in value.

Furthermore, Pilloff and Santomero offer the theory that corporations believe that there will be a substantial gain and partake in these acquisitions. Corporations may feel that they are stronger than they actually are.

Although many studies have been conducted regarding bank acquisitions, none have provided any conclusive

results. Understanding why a bank agrees to acquire another bank may never fully be known.

Based on the limited evidence from previous literature, bank acquisitions do not create value for the acquiring bank in the long run. The studies conducted by previous literature prove that this is true for bank acquisitions in emerging, and newly liberated markets and based on an acquiring bank's accounting data.

The current times the United States and Europe are experiencing in their financial sectors are special and unique in its own right. Although many studies have been conducted on bank acquisitions, not much analyzing has been done on the current financial crisis in the United States and in Europe, as well as how investors perceive the acquisition.

With all the confusion occurring in the United States and around the world, one could wonder how would investors perceive an acquisition? Would the current financial crisis play a factor in how the market will react to these announcements?

This paper will analyze the above issues using a methodology similar the methodology Soussa and Wheeler used in their study in 2006, but focusing on the United States and European countries' bank acquisitions to find

out the results of these frequently occurring bank acquisitions and provide an insight into investor perception.

The author will analyze data as a whole, the size of the acquiring bank and the location of the acquiring bank's headquarters to determine if they play a determining factor in the eyes of investors and how they perceive bank acquisitions.

CHAPTER THREE

METHODOLOGY AND DATA

Methodology of the Data

This paper will utilize a similar methodology used by Farouk Soussa and Tracy Wheeler, for a comparable study. This methodology is also well known and repeatedly used in such event studies. This paper will use multiple regression analysis and t-tests: Paired two sample means in a highly used event study methodology to determine the benefits of a bank acquisition (Soussa & Wheeler 2006). The goal of this methodology is to examine the abnormal returns (those returns above and beyond any regular movement of the stock) over various event windows to determine any abnormalities created by the acquisition announcement.

Using the event study methodology used by Soussa and Wheeler, the first regression conducted regressed the percent change in the acquiring bank's home stock index prices versus the percent change in the world stock index prices.

This step is also expressed in the following way, where the event study model is based on which cumulative abnormal returns (CARs) are calculated for the event

window. The abnormal return is the return over the expected return, where the expected return is calculated one year prior to the announcement and thirty days after the event window using the following model:

$$R_{jt} = \alpha_j + \beta_{hj}RB'_{ht} + \beta_{wj}RB_{wt} + \varepsilon_{jt}$$

This model explains the return of the stock of the acquiring bank; represented by j , at time t (R_{jt}). In this equation, h and w represent home and world, while t stands for one day. RB_{wt} is the world market stock index, and RB'_{ht} is the remainder of a regression of the home banking stock index (RB_{ht}) on RB_{wt} . This discharges the effect the world stock market could have on the home banking stock market. β_{hj} and β_{wj} coefficients display the relationship between the acquiring bank's stock index with its home banking and the world market stock indices.

The second regression conducted used the percent change in residuals determined from the first regression and the percent change in the acquiring bank's world bank stock index prices versus the percent change in the acquiring bank's own stock price and can be expressed as the abnormal return (AR):

$$AR_{jt} = R_{jt} - (\alpha_j + \beta_{hj}RB'_{ht} + \beta_{wj}RB_{wt})$$

Lastly, CAR is the average of the sums of these abnormal returns for the entire event, and event windows.

$$CAR_j = \sum_{t=T-z}^{T+x} AR_{jt}$$

This was determined by averaging the results in the previous regressions over various event windows. If the cross-sample average CAR is positive and statistically significant, as tested by a t test, that would portray that the acquisition does create value and the market investors perceive the benefits of the acquisition to overshadow the costs.

For solidarity purposes, in this analysis, the home index will be the National Association of Securities Dealers American Stock Exchange (NASDAQ) and for the world index, FTSE will be used. NASDAQ was chosen because most of the stocks of the acquiring banks were traded on this index, plus NASDAQ trades approximately 3,700 corporation stocks, making it the largest in the world. Both are enormous indices used in their home countries as well as around the globe, and are well suited for the purpose of this paper.

Property of the Data

In the United States, there were 198 bank acquisition announcements occurring between the time periods of February 14, 2004 through March 5, 2010. Out of these 198 acquisitions, 125 were publicly traded, and 65 different

corporations were established and met the criteria needed for this paper. The criterion were set as followed: the corporation acquiring the bank was publicly traded, the acquisition was completed, the acquirer had stock data available at least one year prior to the announcement and thirty business days after the announcement.

Using information from the Federal Deposit Insurance Corporation website, a list of United States bank acquisitions from the past five years has been assembled in appendix A.

As stated earlier, bank acquisitions in Europe were greatly handled by the country's national government. Many European Governments had to bailout their banks, with some countries having all of their major banks in a financial crisis. For example, in Iceland, they have experienced one of the worst banking collapses known in the world. All three of their major banks had difficulty and the Icelandic government had taken over all three banks. Furthermore, speculation of Romania, Hungary, Switzerland, Spain, and the Ukraine are on the brink of bankruptcy (Beckford, 2008). This along with a language barrier, which made it harder to research; data for European Bank acquisitions are fewer than those of the United States. Since 2005, there were 45 bank acquisitions in Europe,

with 26 acquisitions meeting the criterion for this analysis. A list was created using information compiled from escapeartist.com, a listing of all European Banks is in appendix B.

These lists were used in retrieving historical prices for each bank acquisitions using Yahoo Finance. Yahoo Finance was also used to gather information on the National Association of Securities Dealers American Stock Exchange (NASDAQ) and the Financial Times Stock Exchange (FTSE) 100.

In total there were 151 bank acquisition announcements made from the past five years in the United States, and throughout Europe that met the criteria for this study.

The following figure, Figure 5, expresses the United States bank acquisitions time line in this study. Most have occurred within the past year, this is probably due to the financial crisis the world is currently experiencing. Also, notice that during 2005 and 2006 no United States bank acquisitions occurred, probably due to the booming economy being experienced.

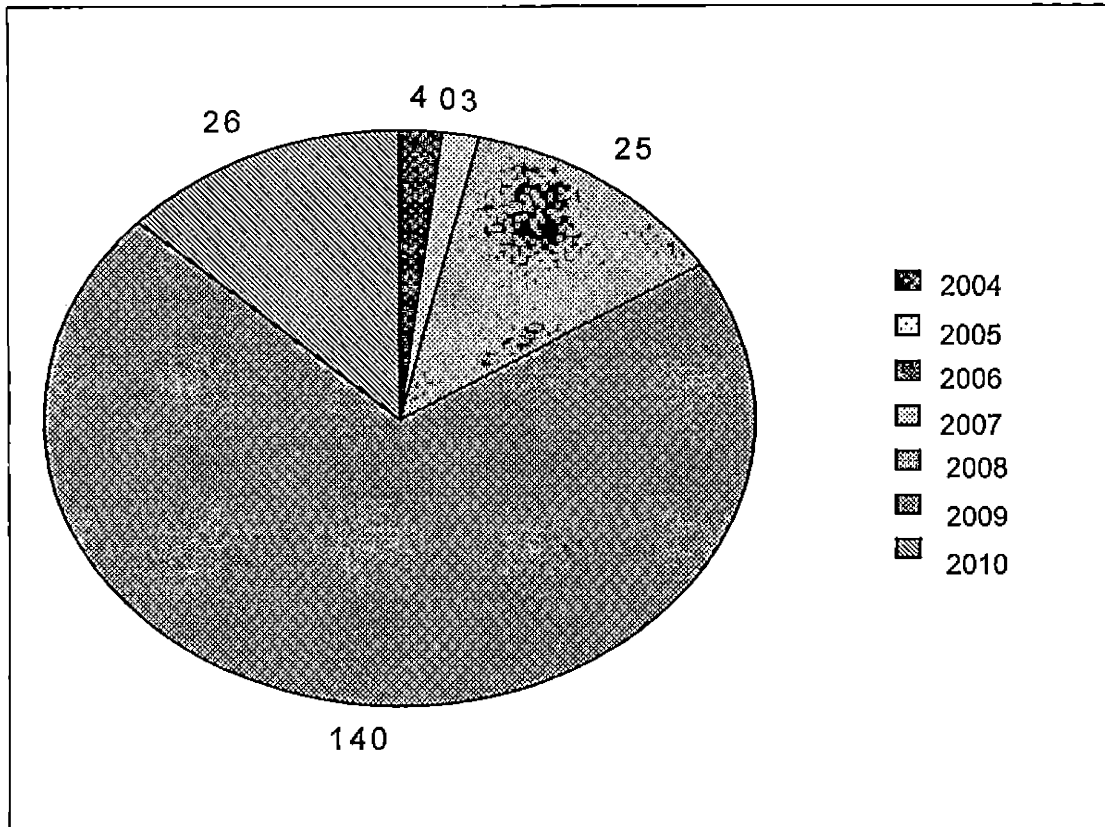


Figure 5. United States Bank Acquisitions

CHAPTER FOUR

ANALYSIS OF THE FINDINGS OF THIS STUDY

The United States and European Countries Bank Acquisitions Together

The following figure illustrates the United States and European average cumulative abnormal returns, or the average percent change of all bank stocks' abnormal returns from time period of $t - 250$, which is 250 business days before the announcement, t , which is the day of the announcement, to 30 business days after the announcement, $t + 30$. Based off of the United States' chart, the stocks' abnormal returns of the acquiring banks seems to decrease significantly the days leading towards the announcement, but with modest positive returns by the tenth business day and leading towards an overall positive change in stock prices.

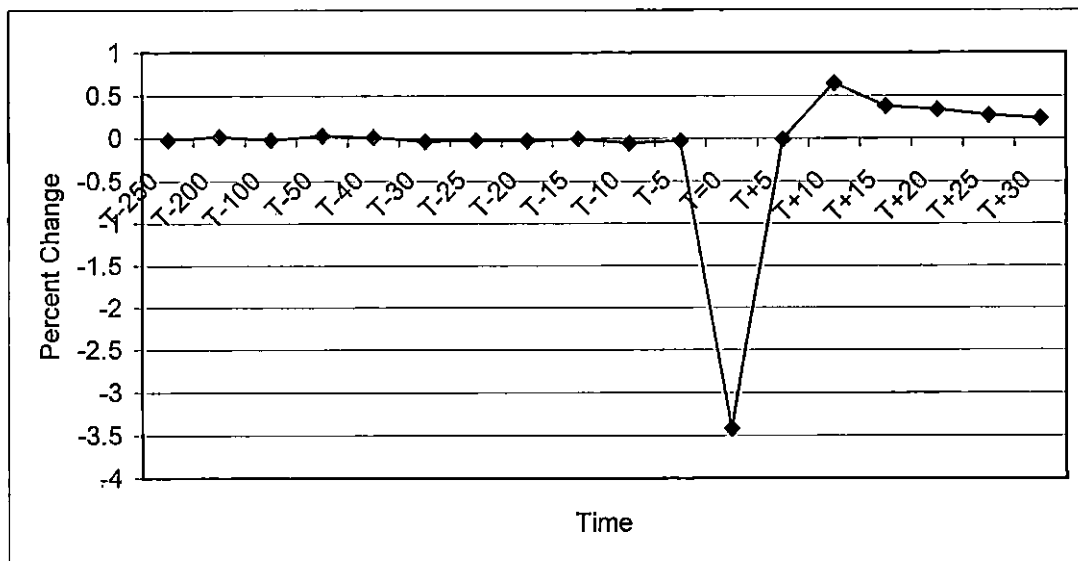


Figure 6. United States Average Cumulative Abnormal Returns

The European average cumulative abnormal returns indicate a dramatic decrease days before the announcement. Followed by an increase the day of the announcement, but then a drop in the bank's stock abnormal return occurs by the fifth business day. Recovery occurs, and an overall increase occurs by the twentieth business day. The difference in the European and United States figures may be due to the smaller sample size, or that European investors view bank acquisitions with a more positive attitude.

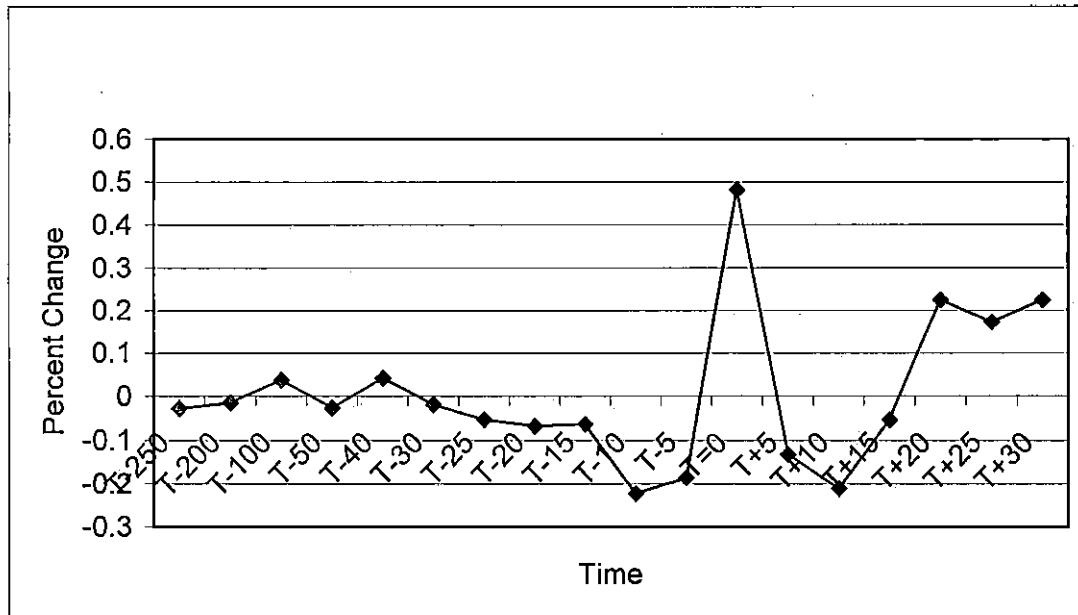


Figure 7. European Average Cumulative Abnormal Returns

Based off of these figures, stock's abnormal returns have an overall increase effect after an announcement, proving that a bank acquisition does create value for the corporation. But further investigation must and will occur; these returns must be compared to the average stock indices; as a possible explanation maybe as simple as the whole stock market increased too. The one thing we can conclude from these figures is that the average percent change in an acquiring bank's stock abnormal return decreases days leading towards the announcement, but with recovery within a week time after the announcement.

To further investigate our data, the author of this paper has tested the United States and European cumulative

abnormal returns and their significance by running the model over 66 different event windows. The results are indicated below in tables 1 and 2. As explained below, the top line of each cell shows the coefficient for the event window, while the second line is the probability that the coefficient is equal to zero, or the p-value. The cumulative abnormal returns were negative in 6 of the 66 US tested event windows and in 33 out of the 66 European tested event windows. The windows that have the most statistically significant results are those with an asterisk. For the United States, it appears to mostly affect, and have the strongest significance ten days after the announcement. For the European acquisitions, it appears to mostly affect, and have the strongest significance thirty days after the announcement.

Table 1. United States Acquisition Cumulative Abnormal
Returns Over Various Event Windows

	T+5	T+10	T+15	T+20	T+25	T+30
T-5	-0.02140853	-0.0158553	0.172444	0.152417	0.118838	0.102568
	0.485932128	0.1989425	0.287989	0.302161	0.333836	0.347793
T-10	-0.03417891	0.2920608	0.159674	0.139647	0.106067	0.089797
	0.456287904	0.1157123	0.177204	0.178827	0.209601	0.21954
T-15	-0.00879793	0.3174418	0.185055	0.165028	0.131448	0.115178
	0.491698731	0.1104027	0.167526	0.162981	0.194546	0.202273
T-20	-0.02058482	0.3056549*	0.173268	0.153241	0.119662	0.103391
	0.472714834	0.0957815	0.135552	0.121729	0.141195	0.138866
T-25	-0.01778092	0.3084588*	0.176072	0.156045	0.122465	0.106195
	0.479260978	0.0849785	0.116871	0.098664	0.113703	0.106667
T-30	-0.02491196	0.3013278*	0.16894	0.148914	0.115334	0.099064
	0.449330806	0.0778216	0.101444	0.079737	0.087551	0.075329
T-40	5.89687E-05	0.3262987*	0.193911	0.173885	0.140305	0.124035
	0.449573855	0.0911427	0.124205	0.101317	0.113206	0.101054
T-50	0.010323639	0.3365634*	0.204176	0.184149	0.15057	0.1343
	0.402889034	0.0951826	0.13254	0.109372	0.123105	0.111928
T-100	-0.01602495	0.3102148*	0.177827	0.157801	0.124221	0.107951
	0.481509146	0.0827528	0.105309	0.079356	0.079751	0.062049
T-200	0.002196352	0.3284361*	0.196049	0.176022	0.142443	0.126173
	0.431314073	0.0912061	0.120974	0.095682	0.099554	0.082609
T-250	-0.01626643	0.3099733*	0.177586	0.157559	0.12398	0.10771
	0.479305743	0.0794437	0.099372	0.073554	0.071474	0.053821

The top line of each cell indicates the coefficient (sample average CARs). The bottom line represents the probability that the coefficient is statistically significant (the p-value). Coefficients with an asterisk indicate statistical significance at the 10% level. Also note, T=0 represents the day of the acquisition announcement.

Table 2. European Acquisition Cumulative Abnormal Returns
Over Various Event Windows

	T+5	T+10	T+15	T+20	T+25	T+30
T-5	-0.1592	-0.1989	-0.12016	0.018654	-0.00722	0.018988
	0.457707	0.470869	0.383534	0.18324	0.177615	0.137775
T-10	-0.17796	-0.21766	-0.13892	-0.00011	-0.02598	0.000227*
	0.418046	0.480569	0.313947	0.115831	0.102787	0.069392
T-15	-0.09814	-0.13784	-0.0591	0.079714	0.053844	0.080048
	0.440303	0.262924	0.487433	0.180872	0.180903	0.121355
T-20	-0.10018	-0.13988	-0.06115	0.077672	0.051801	0.078006*
	0.444422	0.252296	0.480497	0.159603	0.158226	0.094644
T-25	-0.09275	-0.13245	-0.05372	0.085099	0.059229	0.085434*
	0.427315	0.200862	0.498494	0.162032	0.158886	0.09101
T-30	-0.07587	-0.11557	-0.03684	0.101982	0.076111	0.102316*
	0.396699	0.139396	0.442549	0.166541	0.165753	0.088533
T-40	-0.04519	-0.08489	-0.00616	0.132657	0.106787	0.132992
	0.354473	0.102419	0.318169	0.195194	0.238372	0.140026
T-50	-0.07941	-0.11911	-0.04038	0.098441	0.072571	0.098776*
	0.410178	0.171332	0.446087	0.132766	0.154801	0.080477
T-100	-0.04752	-0.08722	-0.00848	0.130333	0.104463	0.130668
	0.354495	0.087117	0.330172	0.186047	0.201696	0.100494
T-200	-0.07401	-0.11371	-0.03497	0.103845	0.077974	0.104179*
	0.396832	0.130635	0.432944	0.151955	0.140141	0.064661
T-250	-0.08017	-0.11987	-0.04113	0.097682	0.071811	0.098016*
	0.4065	0.141507	0.455238	0.145735	0.127828	0.057886

The top line of each cell indicates the coefficient (sample average CARs). The bottom line represents the probability that the coefficient is statistically significant (the p-value). Coefficients with an asterisk indicate statistical significance at the 10% level. Also note, T=0 represents the day of the acquisition announcement.

There seems to be a longer lag time for European bank acquisitions, than those compared to the United States, but a larger sample size may be required.

The event window used in this paper was chosen to obtain a larger picture of the stock prices of the

acquiring bank. Many stock fluctuations have been occurring during recent times, so a larger event window was felt as necessary.

This event window differs to those used by Soussa and Wheeler (2006) when they researched a similar study on bank acquisitions in emerging markets. They used an event window of one day before and seven days after the announcement. Furthermore, and according to the figures above, these windows produced no significant value effects, under these current circumstances.

Using the event window of (T -250 to T +30), and using the data retrieved, tables 1 and 2 provides our result: In the United States, bank acquisition announcements provide statistically significant value gains of 0.3% in the United States and 0.8% in European countries on average.

The Size of the Acquiring Bank

To further analyze our data, and a factor missing from the above results, is if the size of the acquiring bank changes the view of an investor and how they perceive each acquisition. Although, theoretically, a larger bank takes over a smaller bank, the size of the acquiring banks did not play a factor in the above study. A larger bank

acquisition of a smaller bank could possibly have more leverage in the market and consequently prove to create more value for the firm, as seen by investors.

According to data accumulated by Yahoo Finance and the Federal Deposit Insurance Corporation, and in the table below, table 3, out of the 66 different bank corporations evaluated in this paper and as of 2009, 32 of them had less than 1,000 employees, 19 had less than 10,000 employees, 11 had less than 100,000 employees and 4 of them had less than 300,000 employees. Does this make a difference in how the consumers perceive the bank acquisition?

Table 3. United States Company by Number of Employees

US Company	# of Employees	US Company	# of Employees
FCNCA-First Citizens Bancshares Inc.	5006	UCBI-United Community Banks, Inc.	2000
UMPQ-Umpqua Holdings Corp.	1850	FSTF.PK-First State Financial Corp.	139
FMER-FirstMerit Corp.	2575	BBT-BB&T Corp.	32400
COLB-Columbia Banking System Inc.	175	PNC-PNC Financial Services Group Inc.	56000
SCBT- S. Carolina Bank & Trust	1000	HFFC-HF Financial Corp.	323
FAF-First American Corp.	31000	CEBK-Central Bancorp Inc.	133
WFSL-Washington Federal Inc.	1058	EVBN-Evans Bancorp, Inc.	249
CYN-City National Corp.	2989	ZION-Zions Bancorporations	10529
HBHC-Hancock Holding Co.	5000	PVTB-PrivateBancorp, Inc.	1040
EFSC-Enterprise Fin. Services Corp.	348	HTFL-Heartland Financial USA Inc.	975
FUBC-1st United Bancorp. Inc.	208	WIBC-Wilshire Bancorp Inc.	405
SONA- S. Nat. Bancorp of VA	103	CHFN.OB-Charter Financial Corp.	124
MBFI- MB Financial Inc.	5000	OKSB-Southwest Bankcorp Inc.	466
NYB- NY Community Bancorp, Inc.	2699	COOPQ.PK-Coop. Bankshares (nd)	212
HBOS- Heritage Financial Group	134	BKUNQ.PK-BankUnited Fin. Corp. (nd)	1504
SBKCQ.PK- Security Bank Corp.	500	WSFGQ.PK-WSB Fin.Group(no data)	93
SWBC.OB-Sunwest Bank CA	70	SNV-Synovus Financial Corp.	7949
IBKC-IBERIABANK Corp.	1274	FFCH-First Financial Holdings Inc.	8355
EWBC- East West Bancorp, Inc.	200	STI-SunTrust Banks, Inc.	33000
ALRS.PK- Alerus Financial Corp.	350	WAL- Western Alliance Bancorp.	930
ABCB-Ameris Bancorp.	615	TIBB-TIB Financial Corp.	405
USB-U.S. Bancorp	60000	HFWA-Heritage Financial Corp.	222
FMBI-First Midwest Bancorp. Inc.	1794	WABC-Westamerica Bancorp.	1051
TRCY.PK-TriCity Bankshares Corp.	530	RF-Regions Financial Corp.	30000
SGBK.OB-Stonegate Bank	50	CSFL-CenterState Banks, Inc.	100
CVBF-CVB Financial Corp	1000	BSXT-BOE Fin.Services of VA(no data)	n/a
HBAN-Huntington Bancshares Inc.	10951	FCAL-First CA Fin. Group, Inc.	207

US Company	# of Employees	US Company	# of Employees
THEFF-First Financial Corp.	20000	PRSP-Prosperity Bancshares Inc.	1594
GSBC-Great Southern Bancorp, Inc.	556	FITB-Fifth Third Bancorp.	21901
PACW-PacWest Bancorp.	887	JPM-JPMorgan Chase & Co.	300000
MTB-M&T Bank Corp.	13869	RBS-Royal Bank of Scotland Group	184500
BBVA-Banco Bilbao Vizcaya Argentaria	103721	PULB-Pulaski Financial Corp.	465
		ING-ING Group, N.V.	115000
		AVLY.OB-Allegheny Valley Bancorp.	100
		AWBC- American West Bancorp.	615

As for our European bank acquisitions, and in the table below, table 4, out of the 13 different bank corporations studied in this paper, only one company had less than 10,000 employees, 9 of them had less than 100,000 employees and 3 companies had less than 200,000 employees.

Table 4. European Company by Number of Employees

European Company	# of Employees
DB-Deutsche Bank	78530
BCP- Banque Centrale Populaire	6556
ACA- Credit Agricole S.A.	89172
BARC.L -Barclays	26000
LYG-Llyods Banking Group	107144
CBK- Commerzbank Aktiengesellschaft Co.	43000
LBBW-Landesbank Baden-Wuerttemberg	12000
RBS- Royal Bank of Scotland Group	184500
UCG- UniCredit Group	180000
ISP- Intesa Sanpaolo	10000
BP- Banco Popolare	20982
EUROB-EuroBank	24000
DANSKE-Danske Bank Group	24000

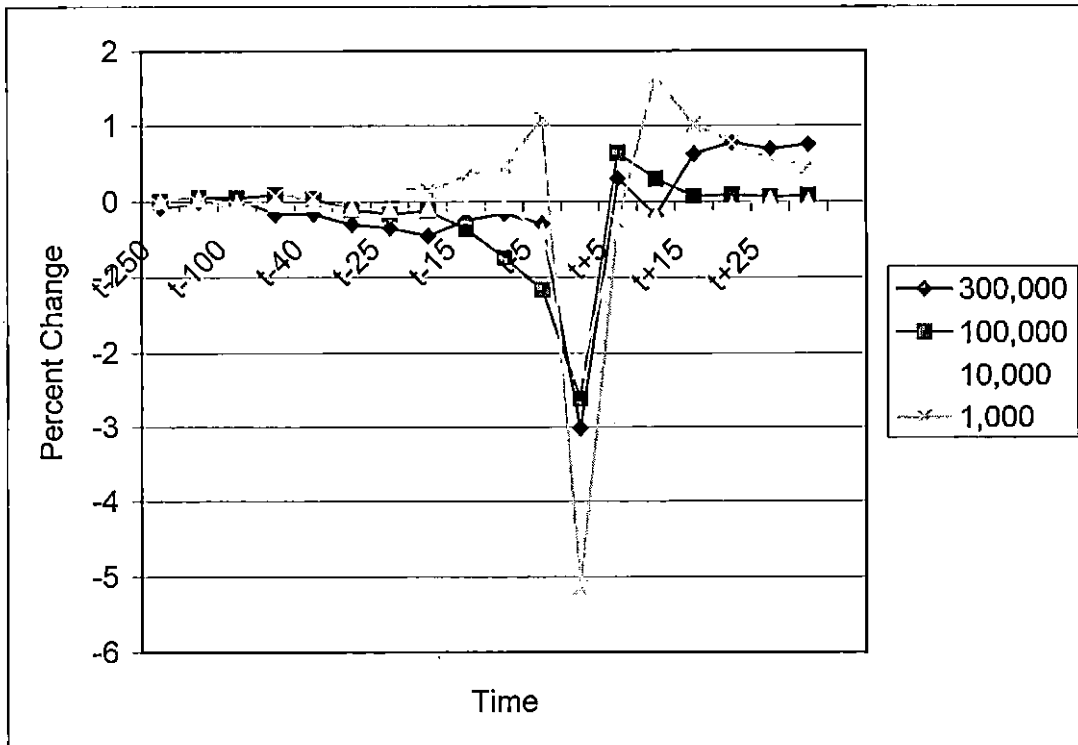


Figure 8. United States Average Cumulative Abnormal Returns by Size of Firm

In figure 8, the average cumulative abnormal returns of the United States by size of firm, are graphed by the size of the acquiring bank. Notice that all the lines remain in a constant pattern, but during the days leading towards the announcement, the smallest firms, those with less than 1,000 employees, experience a more dramatic decrease in their stock prices.

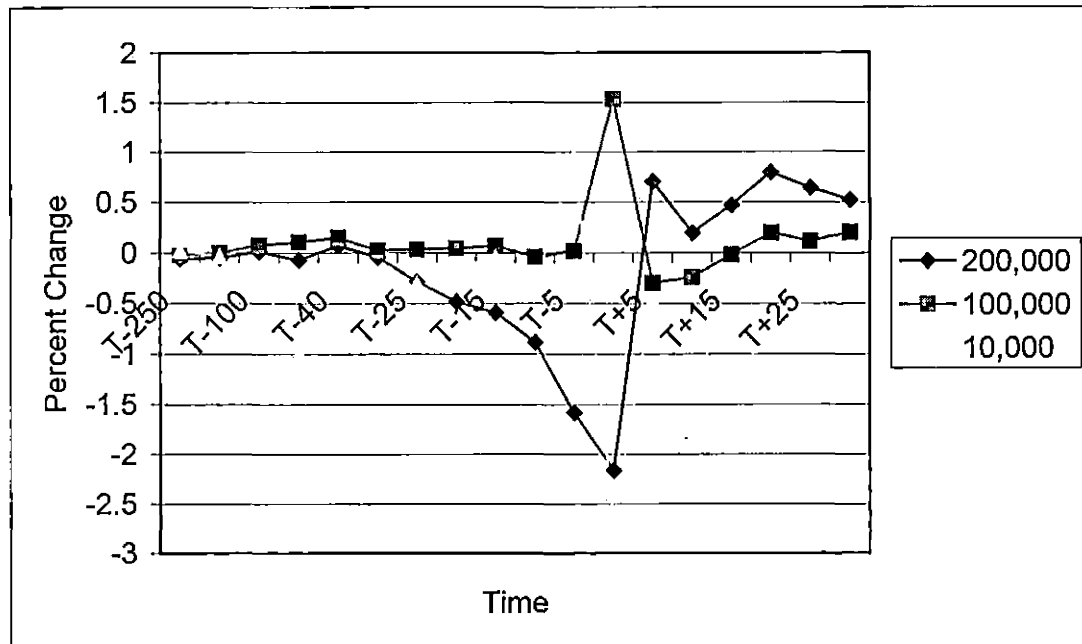


Figure 9. European Average Cumulative Abnormal Returns by Size of Firm

In figure 9, the average cumulative abnormal returns for the European bank acquisitions by size of firm, follow a similar pattern as those of the United States. The smallest firms, those with less than 10,000 employees, seem to provide more volatility around the days of the announcement.

Table 5. T-tests by the Size of the Acquiring Bank
Corporations in the United States

US Firms with 300,000 Employees CARs Over Various Event Windows			
	T+5	T+10	T+15
T-5	0.002952	-0.24037	0.162499
	0.239938	0.405982	0.167922
T-10	0.071614	-0.17171	0.231161
	0.181376	0.468023	0.267564
T-15	0.026673	-0.21665	0.18622
	0.270625	0.448939	0.270625

US Firms with 100,000 Employees CARs Over Various Event Windows			
	T+5	T+10	T+15
T-5	-0.26607*	-0.43569*	-0.55024*
	0.0011	0.001803	0.00449
T-10	-0.22064*	-0.22199*	-0.33654*
	0.001203	0.001695	0.005534
T-15	0.136264*	-0.03336*	-0.14791*
	0.005011	0.019783	0.067768

US Firms with 10,000 Employees CARs Over Various Event Windows			
	T+5	T+10	T+15
T-5	-0.39177	-0.29344	-0.30297
	0.49234	0.328441	0.33227
T-10	-0.22087	-0.12253	-0.13207
	0.192252	0.35337	0.314724
T-15	-0.2273	-0.12896	-0.1385
	0.143977	0.324528	0.271958

US Firms with 1,000 Employees CARs Over Various Event Windows			
	T+5	T+10	T+15
T-5	0.409825	1.369519	1.050294
	0.22599	0.391671	0.483543
T-10	0.09504	1.054734	0.735508
	0.229325	0.21704	0.323662
T-15	0.034507	0.9942	0.674975
	0.204283	0.171627	0.254904

The top line of each cell indicates the coefficient (sample average CARs). The bottom line represents the probability that the coefficient is statistically significant (the p-value). Coefficients with an asterisk indicate statistical significance at the 10% level. Also note, t=0 represent the day of the acquisitions announcement.

The results of the additional t-tests are displayed in table 5, once again the cross sectional coefficients are displayed on the top line of each cell, followed by its corresponding p-value below it. None of the test proved to be statistically significant, except on corporations with over 10,000 employees, but less than

100,000. The event window is $t - 15$ to $t + 15$, because beyond that the p-values yielded to be very high and thus filtered out. In the t-tests ran on those corporations between 10,000-100,000 employees, every test yielded to be statistically significant results.

Table 6. T-tests by the Size of the Acquiring Bank Corporations in the European

European Firms with 200,000 employees CARs Over Various Event Windows			
	T+5	T+10	T+15
T-5	-0.44064*	-0.69476*	-0.55787*
	0.01343*	0.012186*	0.076095*
T-10	-0.09181*	-0.34593*	-0.20904*
	0.042756	0.054382	0.136402
T-15	0.055663*	-0.19846*	-0.06157*
	0.022378	0.025366	0.139226
European Firms with 100,000 employees CARs Over Various Event Windows			
	T+5	T+10	T+15
T-5	-0.13932	-0.11208	-0.00049
	0.269909	0.145697	0.455334
T-10	-0.17081	-0.14356	-0.03197
	0.475479	0.222022	0.31789
T-15	-0.11643	-0.08919	0.0224
	0.265929	0.12155	0.265929

The top line of each cell indicates the coefficient (sample average CARs). The bottom line represents the probability that the coefficient is statistically significant (the p-value). Coefficients with an asterisk indicate statistical significance at the 10% level. Also note $t=0$ represent the day of the acquisition announcement.

When separate t-tests were ran on the European acquisitions by the corporations' size, those yielding statistically significant results are with an asterisk. The only group, which yielded this result, was firms with over 100,000 employees, but less than 200,000. This may be an effect of many factors, but for those in this study, they have been proven to have a strong relationship.

The results of this section suggest that in the United States, and with the chosen event window of $t -15$ to $t +15$, corporations with employees from 10,000-100,000 experienced a statistically significant value loss of 18% on average. As for the European acquisitions, corporations with employees between 100,000-200,000 experienced a statistically significant value loss of 6% on average.

The Location of the Acquiring Banks' Headquarters

During this current financial crisis, many states have been harder hit than others due to the "housing bubble." Those states with major housing sales, as for instance California, were one of the most affected states for housing sales and during the recession. If an acquiring bank was headquartered in a more affected hit area, would this become a major factor in how investors perceive bank acquisitions?

According to data collected from Yahoo Finance and the Federal Deposit Insurance Corporation websites, and in table 7, out of the 66 different United States bank corporations analyzed in this paper, 13 were headquartered in Western states, 16 headquartered in Midwestern states, 26 were headquartered in Southern states, 6 had headquarters in Northeastern states and one company was stationed in another country.

Table 7. United States Bank Acquisitions by Headquarters Location

US Company	Headquarters	US Company	Headquarters
FCNCA-First Citizens Bancshares Inc.	North Carolina	UCBI-United Community Banks, Inc.	Georgia
UMPQ-Umpqua Holdings Corp.	Oregon	FSTF.PK-First State Financial Corp.	Florida
FMER-FirstMerit Corp.	Ohio	BBT-BB&T Corp.	North Carolina
COLB-Columbia Banking System Inc.	Washington	PNC-PNC Financial Services Group Inc.	Pennsylvania
SCBT- S. Carolina Bank & Trust	South Carolina	HFHC-HF Financial Corp.	South Dakota
FAF-First American Corp.	California	CEBK-Central Bancorp Inc.	Colorado
WFSL-Washington Federal Inc.	Washington	EVBN-Evans Bancorp, Inc.	New York
CYN-City National Corp.	Ohio	ZION-Zions Bancorporations	Utah
HBHC-Hancock Holding Co.	Mississippi	PVTB-PrivateBancorp, Inc.	Illinois
EFSC-Enterprise Fin. Services Corp.	Kansas	HTFL-Heartland Financial USA Inc.	Iowa
FUBC-1st United Bancorp. Inc.	Florida	WIBC-Wilshire Bancorp Inc.	California
SONA- S. Nat. Bancorp of VA	Virginia	CHFN.OB-Charter Financial Corp.	Georgia

US Company	Headquarters	US Company	Headquarters
MBFI- MB Financial Inc.	Illinois	OKSB-Southwest Bankcorp Inc.	Oklahoma
NYB- NY Community Bancorp, Inc.	New York	COOPQ.PK-Coop. Bankshares (nd)	North Carolina
HBOS- Heritage Financial Group	Utah	BKUNQ.PK-BankUnited Fin. Corp. (nd)	Florida
SBKCQ.PK- Security Bank Corp.	Arkansas	WSFGQ.PK-WSB Fin.Group(no data)	Washington
SWBC.OB-Sunwest Bank CA	California	SNV-Synovus Financial Corp.	Georgia
IBKC-IBERIABANK Corp.	Louisiana	FFCH-First Financial Holdings Inc.	South Carolina
EWBC- East West Bancorp, Inc.	California	STI-SunTrust Banks, Inc.	Georgia
ALRS.PK- Alerus Financial Corp.	North Dakota	WAL- Western Alliance Bancorp.	Nevada
ABCB-Ameris Bancorp.	Georgia	TIBB-TIB Financial Corp.	Florida
USB-U.S. Bancorp	Minnesota	HFWA-Heritage Financial Corp.	Washington
FMBI-First Midwest Bancorp. Inc.	Illinois	WABC-Westamerica Bancorp.	California
TRCY.PK-TriCity Bankshares Corp.	Wisconsin	RF-Regions Financial Corp.	Alabama
SGBK.OB-Stonegate Bank	Florida	CSFL-CenterState Banks, Inc.	Florida
CVBF-CVB Financial Corp	California	BSXT-BOE Fin.Services of VA(no data)	Virginia
HBAN-Huntington Bancshares Inc.	Ohio	FCAL-First CA Fin. Group, Inc.	California
THFF-First Financial Corp.	Ohio	PRSP-Prosperity Bancshares Inc.	Texas
GSBC-Great Southern Bancorp, Inc.	Missouri	FITB-Fifth Third Bancorp.	Ohio
PACW-PacWest Bancorp.	California	JPM-JPMorgan Chase & Co.	New York
MTB-M&T Bank Corp.	New York	RBS-Royal Bank of Scotland Group	United Kingdom
BBVA-Banco Bilbao Vizcaya Argentaria	Alabama	PULB-Pulaski Financial Corp.	Missouri
		ING-ING Group, N.V.	Georgia
		AVLY.OB-Allegheny Valley Bancorp.	Pennsylvania
		AWBC- American West Bancorp.	Washington

As for our European bank acquisitions, and in table 8, out of our 13 bank corporations, 4 companies were headquartered in the United Kingdom, 3 in Germany, 2 in Italy, and one in Morocco, France, Greece, and Denmark.

Table 8. European Bank Acquisitions by Headquarters

Location

Company	Headquarters
DB-Deutsche Bank	Germany
BCP- Banque Centrale Populaire	Morocco
ACA- Credit Agricole S.A.	France
BARC.L -Barclays	United Kingdom
LYG-Llyods Banking Group	United Kingdom
CBK- Commerzbank Aktiengesellschaft Co.	Germany
LBBW-Landesbank Baden-Wuerttemberg	Germany
RBS- Royal Bank of Scotland Group	United Kingdom
UCG- UniCredit Group	United Kingdom
ISP- Intesa Sanpaolo	Italy
BP- Banco Popolare	Italy
EUROB-EuroBank	Greece
DANSKE-Danske Bank Group	Denmark

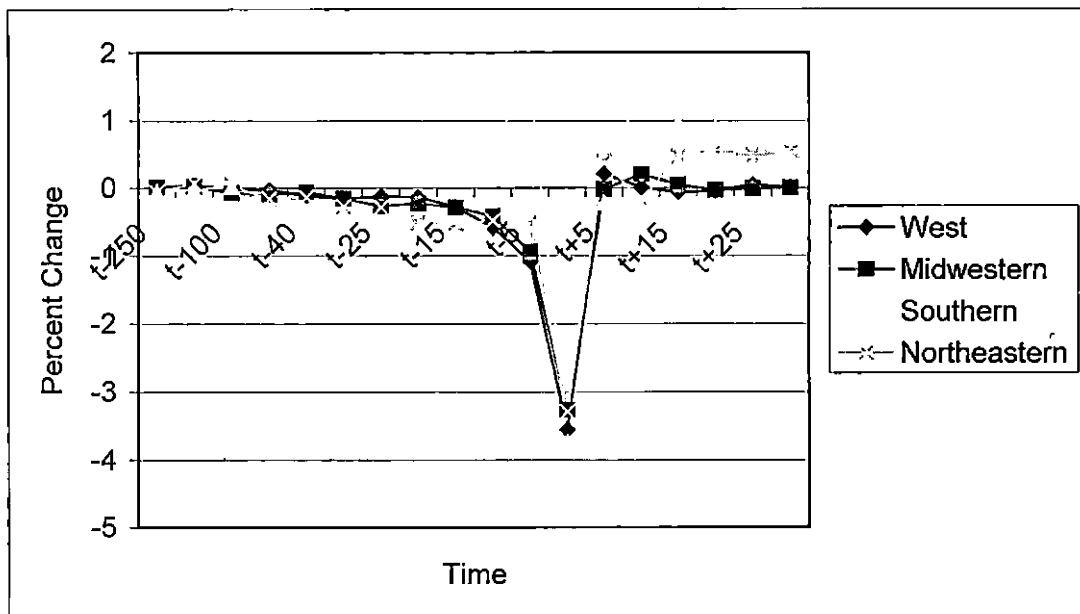


Figure 10. United States Average Cumulative Abnormal Returns by Location

In figure 10, the United States average cumulative abnormal returns by location is being displayed. All the lines seem to follow the same curvature, but the banks located in the Southern States seem to have a more dramatic decrease and increase leading and following the days of the acquisition announcement.

Once again, to strengthen the conclusion of this study, separate t-tests were run on the acquiring bank's cumulative abnormal returns, but separated by the location of their headquarters. The separate regions in the United States were as followed: West (Idaho, Montana, Wyoming, Nevada, Utah, Colorado, Arizona, New Mexico, Alaska,

Washington, Oregon, California and Hawaii), Midwest (Wisconsin, Michigan, Illinois, Indiana, Ohio, Missouri, North and South Dakota, Nebraska, Kansas, Minnesota and Iowa), South (Delaware, Maryland, District of Columbia, Virginia, West Virginia, North and South Carolina, Georgia, Florida, Kentucky, Tennessee, Mississippi, Alabama, Oklahoma, Texas, Arkansas and Louisiana), and Northeast (Maine, New Hampshire, Vermont, Massachusetts, Rhode Island, Connecticut, New York, Pennsylvania, and New Jersey).

Table 9. T-tests by the Size of the Acquiring Bank
Corporations in Region

Headquarters in the West CARs Over Various Event Windows			
	T+5	T+10	T+15
T-5	-0.44127*	-0.54407*	-0.57943*
	0.012031	0.003938	0.024162
T-10	-0.19008*	-0.29289*	-0.32824*
	0.066099	0.033588	0.070372
T-15	-0.03927*	-0.14208*	-0.17743*
	0.126792	0.120659	0.205353

Headquarters in the MidWest CARs Over Various Event Windows			
	T+5	T+10	T+15
T-5	-0.48253*	-0.37455*	-0.45136*
	0.006823	0.000499	0.000377
T-10	-0.22035*	-0.11236*	-0.18917*
	0.104809	0.017854	0.021654
T-15	-0.15344*	-0.04545*	-0.12226*
	0.172324	0.031278	0.039994

Headquarters in the South CARs Over Various Event Windows			
	T+5	T+10	T+15
T-5	0.654121	1.596894	1.250765
	0.178616	0.477731	0.38606
T-10	0.231565	1.174339	0.828209
	0.415276	0.274816	0.187997
T-15	0.149952	1.092725	0.746596
	0.163996	0.220555	0.34367

Headquarters in the NorthEast CARs Over Various Event Windows			
	T+5	T+10	T+15
T-5	0.654121	-0.35657	-0.0284
	0.122201	0.227019	0.084935
T-10	-0.05453	-0.33937	-0.0112
	0.07195	0.192487	0.109824
T-15	-0.074	-0.35883	-0.03067
	0.112777	0.181175	0.086815

The top line of each cell indicates the coefficient (sample average CARs). The bottom line represents the probability that the coefficient is statistically significant (the p-value). Coefficients with an asterisk indicate statistical significance at the 10% level. Also note t=0 represents the day of the acquisition announcement.

The findings of the separate t-tests that were run on the corporations by location are displayed in table 9. The two regions, which yielded statistically significant results, were those corporations headquartered in the West and in the Midwest regions. They are also with an asterisk in the preceding tables.

Unfortunately, with the limited number of data collected for the European acquisitions, a proper and thorough test could not be performed in this section for those European acquisitions.

Given the event window of $t - 15$ to $t + 15$, the results from this section conclude that in the United States, bank corporations which acquired another bank during the last five years and headquartered in the Western states had a statistically significant loss of 17% on average and 12% on average if they were headquartered in a Midwestern state.

Comparison with Previous Literature

The results found from Steven Pilloff and Anthony Santomero (1996) suggest that based off of an acquiring bank's accounting data, a bank acquisition does not create corporate value. Comparing the results found in this paper and those in Pilloff and Santomero's study, suggest that whether accounting data is used or market reaction, the benefits of a bank acquisition are minimal if not negative. Although different methods were used in each paper the results were still similar in nature.

We must also compare these results with those analyzed by Vergos and Christópoulos; they determined a

positive effect in the short run, but a negative effect in the long run. This could be true for the United States acquisitions, as they experienced benefits on day ten, but these benefits did not occur until day thirty for European acquisitions. A contributing factor for the irregularity could be the shorter event window used for after the announcement, in this paper. For the study examined in Greece, they used an event window up to 160 days after the announcement. Furthermore, the financial sector in Greece had just been liberalized before this study and acquisitions could have been viewed differently. Data could not be obtained and analyzed now if we used a longer event window for this study, and felt it was not necessary.

Comparing the results found in this study with those found in the research done by Soussa and Wheeler (2006) are slightly different. They studied bank acquisitions in the early 2000's in emerging markets and discovered that bank acquisitions had an overall negative value effect to the acquiring corporation.

This could be due to many different factors. They used a smaller event window, ($t - 7$ to $t + 7$), they studied regions of the world where the financial sector was brand

new and they did not use data during the current financial crisis.

The event window used in this paper was much larger, ($t - 250$ to $t + 30$) and our positive value findings were not apparent until business day ten in the United States and business day thirty in European countries. It was felt that a larger window was necessary to envision a better and bigger picture of the acquiring bank's stock and the stock market as a whole to truly see any inconsistencies and pinpoint any true positive or negative value to the firm.

Furthermore, the financial sector in the United States and in Europe is already well established. Although, they differ greatly in their approach of handling the financial sector, both areas have maintained a successful and beneficial financial sector.

The current financial crisis has provided instability and shaky grounds for financial corporations and its investors during the past five years. Data collected during the past five years may not even be similar to bank acquisitions by the same corporations in any other given time frame. Because of this, the necessity of creating a study of these acquisitions seemed to be an important tool

in understanding how the investors perceive these announcements and how we can learn from them.

CHAPTER FIVE

CONCLUSION

The purpose of this paper was to evaluate bank acquisition announcements to understand if they created value to the acquiring bank using an event-study methodology. The conclusion of this paper finds that the benefits in a bank acquisition are perceived as having a positive effect to the acquirer. Overall, the market perceives the bank acquisition as having a minimal, yet positive value effect to the acquiring bank, on average, 0.3% and 0.8% in the United States and in Europe, respectively. This was concluded when all acquisitions were tested as a whole.

Unfortunately, when further tests were conducted based off of the size of the acquiring bank's company and the location of their headquarters, it was revealed that certain demographics were perceived as having a more risky situation. When a company in the United States has employees from 10,000-100,000 and when their headquarters is in the West or Midwest, they have a higher chance of being perceived as a bigger risk, on average, to investors with a statistically significant loss of 18%, 17% and 12%, respectively. This is also true for European corporations

with employees from 100,000-200,000, where on average, they experienced a statistically significant value loss of 6%.

Even during these tough economic conditions, why would investors still invest into companies that are perceived as having a minimal positive effect or even a negative value when they acquire a bank?

This can be due to many factors. Overall, a bank acquisition announcement does have a positive effect on the acquiring corporation. The current financial crisis is also a major factor during the last five years. Americans and Europeans have seen many financial corporations, some huge, some small, go bankrupt. They have seen their 401K reduce to nearly half of what it used to be. Many people are unlikely to invest in any stocks and/or investments during this crisis, especially for a financial corporation. Even the positive effect on these bank acquisitions did not have a sudden impact on the acquiring bank's stock; the benefits were not seen until day ten for the United States and day thirty for European acquisitions.

With the current financial crisis, the theory that a bank acquisition actually creates value is a positive sign. Although very minimal, this positive value could

mean that investors are still hopeful about the financial sector and in the economy as a whole.

Unfortunately, some areas of the financial sectors were harder hit than others, but I think within time, the criterions, which made them, stand apart in this study, will diminish.

For those who are still able to invest money, and during these hard times, they may perceive the acquiring bank as the strong one, and a bank acquisition announcement will only confirm their findings. A bank acquisition announcement during this financial hard time, signals to the investor that the corporations is strong enough to survive. Yet they are still skeptical and will have a more delayed reaction to the announcement.

Why do banks still participate in bank acquisitions? There can be many reasons for why a bank acquires a new one. There can be a chance of new customers in new demographics and the potential of new capital and new resources.

As brought up by the study conducted by Soussa and Wheeler (2006), another possible explanation is the principal-agent problem. Maybe a possibility is that the corporation sees benefits not seen by the stockholders. Although this is a possibility, many firms enact a stock

options reward to management and bank acquisitions, as a whole on average, usually do not create much value to the corporation.

Factors and Further Research

A factor that could have affected the outcome of this study is the possibility of different views of bank acquisitions in different countries. The ideas and beliefs of the respecting countries about acquisitions were not taken into consideration in this event study. As stated earlier, the financial sector in Ireland, the United Kingdom and France seems to be built differently than the financial sector of the United States. In the United States, there are hundreds of different banks. In each of the European countries studied in this paper, there were on average only about ten to twenty different banks operating in each country. The occurrence of a bank acquisition happening in these European countries is far less occurring than that in the United States. Furthermore, during these tough economic times, the European government in these countries played a more active role in bailing out these troubled banks than in the United States. As a result, a bank acquisition in the United States may not seem as such an enormous risk as a

bank acquisition in these European countries, under regular times.

Another factor and a possibility for further research, is the limited available data on European bank acquisitions online, thus restricting the sample size used in this paper. If the authors had a larger list of European bank acquisitions, the results may have been proven differently.

Unfortunately, the United States seems to have been hit the hardest during this financial crisis. With an abundance of banks in the financial sector, many more acquisitions took place in the US than in any European country. With so many occurring, the investors seemed to have been shaken by the news a little bit and this factor probably would not have had any significance in this study.

APPENDIX A
UNITED STATES BANK ACQUISITIONS
USED IN THIS STUDY

US Bank Acquisitions

	Date	Acquiring Bank	Acquired Bank	Location of Acquisition	Ticker Symbol of Acquiring Bank
1	5-Mar-10	FDIC	Centennial Bank	Ogden, UT	N/A
2	5-Mar-10	National Deposit Institution (FDIC)	Waterfield Bank	Germantown, MD	N/A
3	5-Mar-10	Heartland Bank & Trust Company	Bank of Illinois	Normal, IL	Private
4	5-Mar-10	First Citizens Bank & Trust Co.	Sun American Bank	Boca Raton, FL	FCNCA-First Citizens Bancshares Inc.
5	26-Feb-10	Umpqua Bank	Rainier Pacific Bank	Tacoma, WA	UMPQ-Umpqua Holdings Corp.
6	26-Feb-10	Heritage Bank of Nevada	Carson River Community Bank	Carson City, NV	Private
7	19-Feb-10	OneWest Bank	La Jolla Bank, FSB	La Jolla, CA	Private
8	19-Feb-10	FirstMerit Bank, N.A.	George Washington Savings Bank	Orland Park, IL	FMER-FirstMerit Corp.
9	19-Feb-10	Community National Bank	The La Coste National Bank	La Coste, TX	Private
10	19-Feb-10	Mutual of Omaha Bank	Marco Community Bank	Marco Island, FL	Private
11	5-Feb-10	Community Development Bank, FSB	1st American State Bank of Minnesota	Hancock, MN	Private
12	29-Jan-10	Columbia State Bank	American Marine Bank	Bainbridge Island, WA	COLB-Columbia Banking System Inc.
13	29-Jan-10	First Citizens Bank & Trust Co.	First Regional Bank	Los Angeles, CA	FCNCA-First Citizens Bancshares Inc.
14	29-Jan-10	SCBT National Association	Community Bank and Trust	Cornelia, GA	SCBT- S. Carolina Bank & Trust
15	29-Jan-10	United Valley Bank	Marshall Bank, N.A.	Hallock, MN	Private
16	29-Jan-10	Premiere American Bank, N.A.	Florida Community Bank	Immokalee, FL	Private
17	29-Jan-10	Community and Southern Bank	First National Bank of Georgia	Carrollton, GA	Private
18	22-Jan-10	Columbia State Bank	Columbia River Bank	The Dallas, OR	COLB-Columbia Banking System Inc.
19	22-Jan-10	Umpqua Bank	Evergreen Bank	Seattle, WA	UMPQ-Umpqua Holdings Corp.
20	22-Jan-10	Beal Bank	Charter Bank	Sante Fe, NM	Private
21	22-Jan-10	Sunflower Bank, N.A.	Bank of Leeton	Leeton, MO	Private
22	22-Jan-10	Bond Street Holdings, LLC	Premier American Bank	Miami, FL	Private

	Date	Acquiring Bank	Acquired Bank	Location of Acquisition	Ticker Symbol of Acquiring Bank
23	15-Jan-10	Deposit Ins.National Bank (FDIC)	Barnes Banking Company	Kaysville, UT	N/A
24	15-Jan-10	First State Bank of St. Joseph	St. Stephen State Bank	St. Stephen, MN	Private
25	15-Jan-10	First American Bank	Town Community Bank & Trust	Antioch, IL	FAF-First American Corp.
26	8-Jan-10	Wash. Fed. Savings and Loan Assoc.	Horizon Bank	Bellingham, WA	WFSL-Washington Federal Inc.
27	18-Dec-09	OneWest Bank, FSB	First Federal Bank of California, F.S.B.	Santa Monica, CA	Private
28	18-Dec-09	City National Bank	Imperial Capital Bank	La Jolla, CA	CYN-City National Corp.
29	18-Dec-09	Bridge Bank (FDIC)	Independent Bankers' Bank	Springfield, IL	N/A
30	18-Dec-09	Beal Bank	New South Federal Savings Bank	Irondale, AL	Private
31	18-Dec-09	Deposit Ins.National Bank (FDIC)	Citizens State Bank	New Baltimore, MI	N/A
32	18-Dec-09	Hancock Bank	Peoples First Community Bank	Panama City, FL	HBHC-Hancock Holding Co.
33	18-Dec-09	FDIC	RockBridge Commercial Bank	Atlanta, GA	N/A
34	11-Dec-09	Arvest Bank	SolutionsBank	Overland Park, KS	Private
35	11-Dec-09	Enterprise Bank & Trust	Valley Capital Bank, N.A.	Mesa, AZ	EFSC-Enterprise Fin. Services Corp.
36	11-Dec-09	1st United Bank	Republic Federal Bank, N.A.	Miami, FL	FUBC-1st United Bancorp. Inc.
37	4-Dec-09	Sonabank	Greater Atlantic Bank	Reston, VA	SONA- S. Nat. Bancorp of VA
38	4-Dec-09	MB Financial Bank, N.A.	Benchmark Bank	Aurora, IL	MBFI- MB Financial Inc.
39	4-Dec-09	New York Community Bank	AmTrust Bank	Cleveland, OH	NYB- NY Community Bancorp, Inc.
40	4-Dec-09	Heritage Bank of the South	The Tattnell Bank	Reidsville, GA	HBOS- Heritage Financial Group
41	4-Dec-09	State Bank and Trust Company	First Security National Bank	Norcross, GA	SBKQ.PK- Security Bank Corp.
42	4-Dec-09	State Bank and Trust Company	The Buckhead Community Bank	Atlanta, GA	SBKQ.PK- Security Bank Corp.
43	20-Nov-09	Central Bank	Commerce Bank of Southwest Florida	Fort Myers, FL	Private
44	13-Nov-09	Sunwest Bank	Pacific Coast National Bank	San Clemente, CA	SWBC.OB-Sunwest Bank CA
45	13-Nov-09	IBERIABANK	Orion Bank	Naples, FL	IBKC-IBERIABANK Corp.

	Date	Acquiring Bank	Acquired Bank	Location of Acquisition	Ticker Symbol of Acquiring Bank
46	13-Nov-09	IBERIABANK	Century Bank, F.S.B.	Sarasota, FL	IBKC-IBERIABANK Corp.
47	6-Nov-09	East West Bank	United Commercial Bank	San Francisco, CA	EWBC- East West Bancorp, Inc.
48	6-Nov-09	Central Bank of Kansas City	Gateway Bank of St. Louis	St. Louis, MO	Private
49	6-Nov-09	Alerus Financial, N.A.	Prosperan Bank	Oakdale, MN	ALRS.PK- Alerus Financial Corp.
50	6-Nov-09	Liberty Bank & Trust Company	Home Federal Savings Bank	Detroit, MI	Private
51	6-Nov-09	Ameris Bank	United Security Bank	Sparta, GA	ABCB-Ameris Bancorp.
52	30-Oct-09	U.S. Bank, National Association	North Houston Bank	Houston, TX	USB-U.S. Bancorp
53	30-Oct-09	U.S. Bank, National Association	Madisonville State Bank	Madisonville, TX	USB-U.S. Bancorp
54	30-Oct-09	U.S. Bank, National Association	Citizens National Bank	Teague, TX	USB-U.S. Bancorp
55	30-Oct-09	U.S. Bank, National Association	Park National Bank	Chicago, IL	USB-U.S. Bancorp
56	30-Oct-09	U.S. Bank, National Association	Pacific National Bank	San Francisco, CA	USB-U.S. Bancorp
57	30-Oct-09	U.S. Bank, National Association	California National Bank	Los Angeles, CA	USB-U.S. Bancorp
58	30-Oct-09	U.S. Bank, National Association	San Diego National Bank	San Diego, CA	USB-U.S. Bancorp
59	30-Oct-09	U.S. Bank, National Association	Community Bank of Lemont	Lemont, IL	USB-U.S. Bancorp
60	30-Oct-09	U.S. Bank, National Association	Bank USA, N.A.	Phoenix, AZ	USB-U.S. Bancorp
61	23-Oct-09	First Midwest Bank	First DuPage Bank	Westmont, IL	FMBI-First Midwest Bancorp. Inc.
62	23-Oct-09	Central Bank (Stillwater, MN)	Riverview Community Bank	Otsego, MN	Private
63	23-Oct-09	Tri City National Bank	Bank of Elmwood	Racine, WI	TRCY.PK-TriCity Bankshares Corp.
64	23-Oct-09	First Federal Bank of Florida	Flagship National Bank	Bradenton, FL	Private
65	23-Oct-09	Stonegate Bank	Hillcrest Bank Florida	Naples, FL	SGBK.OB-Stonegate Bank
66	23-Oct-09	Ameris Bank	American United Bank	Lawrenceville, GA	ABCB-Ameris Bancorp.
67	23-Oct-09	Stonegate Bank	Partners Bank	Naples, FL	SGBK.OB-Stonegate Bank
68	16-Oct-09	Citizens Buisness Bank	San Joaquin Bank	Bakersfield, CA	CVBF-CVB Financial Corp

	Date	Acquiring Bank	Acquired Bank	Location of Acquisition	Ticker Symbol of Acquiring Bank
69	2-Oct-09	Legacy Bank	Southern Colorado National Bank	Pueblo, CO	Private
70	2-Oct-09	Central Bank (Stillwater, MN)	Jennings State Bank	Spring Grove, MN	Private
71	2-Oct-09	The Huntington National Bank	Warren Bank	Warren, MI	HBAN-Huntington Bancshares Inc.
72	25-Sep-09	First Citizens Bank & Trust Company	Georgian Bank	Atlanta, GA	FCNCA-First Citizens Bancshares Inc.
73	18-Sep-09	First Financial Bank, N.A.	Irwin Union Bank, F.S.B.	Louisville, KY	THFF-First Financial Corp.
74	18-Sep-09	First Financial Bank, N.A.	Irwin Union Bank and Trust Company	Columbus, IN	THFF-First Financial Corp.
75	11-Sep-09	First Citizens Bank & Trust Company	Venture Bank	Lacey, WA	FCNCA-First Citizens Bancshares Inc.
76	11-Sep-09	CorTrust Bank, N.A.	Brickwell Community Bank	Woodbury, MN	Private
77	11-Sep-09	MB Financial Bank	Corus Bank, N.A.	Chicago, IL	MBFI- MB Financial Inc.
78	4-Sep-09	Sunwest Bank	First State Bank	Flagstaff, AZ	SWBC.OB-Sunwest Bank CA
79	4-Sep-09	FDIC	Platinum Community Bank	Rolling Meadows, IL	N/A
80	4-Sep-09	Great Southern Bank	Vantus Bank	Sioux City, IA	GSBC-Great Southern Bancorp, Inc.
81	4-Sep-09	MB Financial Bank	InBank	Oak Forest, IL	MBFI- MB Financial Inc.
82	4-Sep-09	Great American Bank	First Bank of Kansas City	Kansas City, MO	Private
83	28-Aug-09	Pacific Western Bank	Affinity Bank	Ventura, CA	PACW-PacWest Bancorp.
84	28-Aug-09	Central Bank (Stillwater, MN)	Mainstreet Bank	Forest Lake, MN	Private
85	28-Aug-09	Manufacturers and Traders Trust Co.	Bradford Bank	Baltimore, MD	MTB-M&T Bank Corp.
86	21-Aug-09	BBVA Compass	Guaranty Bank	Austin, TX	BBVA-Banco Bilbao Vizcaya Argentaria
87	21-Aug-09	IBERIABANK	CapitalSouth Bank	Birmingham, AL	IBKC-IBERIABANK Corp.
88	21-Aug-09	United Bank	First Coweta Bank	Newnan, GA	UCBI-United Community Banks, Inc.
89	21-Aug-09	Stearns Bank, N.A.	ebank	Atlanta, GA	FSTF.PK-First State Financial Corp.

	Date	Acquiring Bank	Acquired Bank	Location of Acquisition	Ticker Symbol of Acquiring Bank
90	14-Aug-09	Deposit Ins. National Bank (FDIC)	Community Bank of Nevada	Las Vegas, NV	N/A
91	14-Aug-09	MidFirst Bank	Community Bank of Arizona	Phoenix, AZ	Private
92	14-Aug-09	MidFirst Bank	Union Bank, National Association	Gilbert, AZ	Private
93	14-Aug-09	Branch Banking & Trust Company	Colonial Bank	Montgomery, AL	BBT-BB&T Corp.
94	14-Aug-09	PNC Bank, N.A.	Dwelling House Savings and Loan Assoc.	Pittsburgh, PA	PNC-PNC Financial Services Group Inc.
95	7-Aug-09	Home Federal Bank	Community First Bank	Prineville, OR	HFFC-HF Financial Corp.
96	7-Aug-09	Stearns Bank, N.A.	Community Nat. Bank of Sarasota County	Venice, FL	FSTF.PK-First State Financial Corp.
97	7-Aug-09	Stearns Bank, N.A.	First State Bank	Sarasota, FL	FSTF.PK-First State Financial Corp.
98	31-Jul-09	United Central Bank	Mutual Bank	Harvey, IL	CEBK-Central Bancorp Inc.
99	31-Jul-09	Crown Bank	First BankAmericano	Elizabeth, NJ	Private
100	31-Jul-09	First Financial Bank, N.A.	Peoples Community Bank	West Chester, OH	THFF-First Financial Corp.
101	31-Jul-09	Stonegate Bank	Integrity Bank	Jupiter, FL	SGBK.OB-Stonegate Bank
102	31-Jul-09	Herring Bank	First State Bank of Altus	Altus, OK	Private
103	24-Jul-09	State Bank and Trust Company	Security Bank of Jones County	Gray, GA	SBKQ.PK- Security Bank Corp.
104	24-Jul-09	State Bank and Trust Company	Security Bank of Houston County	Perry, GA	SBKQ.PK- Security Bank Corp.
105	24-Jul-09	State Bank and Trust Company	Security Bank of Bibb County	Macon, GA	SBKQ.PK- Security Bank Corp.
106	24-Jul-09	State Bank and Trust Company	Security Bank of North Metro	Woodstock, GA	SBKQ.PK- Security Bank Corp.
107	24-Jul-09	State Bank and Trust Company	Security Bank of North Fulton	Alpharetta, GA	SBKQ.PK- Security Bank Corp.
108	24-Jul-09	State Bank and Trust Company	Security Bank of Gwinnett County	Suwanee, GA	SBKQ.PK- Security Bank Corp.
109	24-Jul-09	Evans Bank	Waterford Village Bank	Williamsville, NY	EVBN-Evans Bancorp, Inc.
110	17-Jul-09	First Citizens Bank & Trust Company	Temecula Valley Bank	Temecula, CA	FCNCA-First Citizens Bancshares Inc.
111	17-Jul-09	California Bank & Trust	Vineyard Bank	Rancho Cucamonga, CA	ZION-Zions Bancorporations

	Date	Acquiring Bank	Acquired Bank	Location of Acquisition	Ticker Symbol of Acquiring Bank
112	17-Jul-09	Alerus Financial, N.A.	BankFirst	Sioux Falls, SD	ALRS.PK- Alerus Financial Corp.
113	17-Jul-09	First American Bank and Trust Co.	First Piedmont Bank	Winder, GA	Private
114	10-Jul-09	Central Bank & Trust	Bank of Wyoming	Thermopolis, WY	Private
115	2-Jul-09	The PrivateBank and Trust Company	Founders Bank	Worth, IL	PVTB-PrivateBancorp, Inc.
116	2-Jul-09	State Bank of Texas	Millennium State Bank of Texas	Dallas, TX	Private
117	2-Jul-09	First Financial Bank, N.A.	First National Bank of Danville	Danville, IL	THFF-First Financial Corp.
118	2-Jul-09	Galena State Bank and Trust Co.	Elizabeth State Bank	Elizabeth, IL	HTFL-Heartland Financial USA Inc.
119	2-Jul-09	The Harvard State Bank	Rock River Bank	Oregon, IL	Private
120	2-Jul-09	The First National Bank of Beardstown	First State Bank of Winchester	Winchester, IL	Private
121	2-Jul-09	State Bank of Lincoln	John Warner Bank	Clinton, IL	Private
122	26-Jun-09	Wilshire State Bank	Mirae Bank	Los Angeles, CA	WIBC-Wilshire Bancorp Inc.
123	26-Jun-09	Sunwest Bank	MetroPacific Bank	Irvine, CA	SWBC.OB-Sunwest Bank CA
124	26-Jun-09	Stearns Bank, N.A.	Horizon Bank	Pine City, MN	FSTF.PK-First State Financial Corp.
125	26-Jun-09	CharterBank	Neighborhood Community Bank	Newnan, GA	CHFN.OB-Charter Financial Corp.
126	26-Jun-09	FDIC	Community Bank of West Georgia	Villa Rica, GA	N/A
127	19-Jun-09	Bank of Kansas	First National Bank of Anthony	Anthony, KS	OKSB-Southwest Bankcorp Inc.
128	19-Jun-09	First Bank	Cooperative Bank	Wilmington, NC	COOPQ.PK-Coop. Bankshares(nd)
129	19-Jun-09	United Community Bank	Southern Community Bank	Fayetteville, GA	UCBI-United Community Banks, Inc.
130	5-Jun-09	Republic Bank of Chicago	Bank of Lincolnwood	Lincolnwood, IL	Private
131	22-May-09	Morton Community Bank	Citizens National Bank	Macomb, IL	Private
132	22-May-09	Midland States Bank	Strategic Capital Bank	Champaign, IL	Private
133	21-May-09	BankUnited	BankUnited, FSB	Coral Gables, FL	BKUNQ.PK-BankUnited Fin. Corp.(nd)

	Date	Acquiring Bank	Acquired Bank	Location of Acquisition	Ticker Symbol of Acquiring Bank
134	8-May-09	Kitsap Bank	Westsound Bank	Bremerton, WA	WSFGQ.PK-WSB Fin.Group(no data)
135	1-May-09	Cache Valley Bank	America West Bank	Layton, UT	Private
136	1-May-09	North Jersey Community Bank	Citizens Community Bank	Ridgewood, NJ	Private
137	1-May-09	Bridge Bank (FDIC)	Silverton Bank, NA	Atlanta, GA	N/A
138	24-Apr-09	U.S. Bank, National Association	First Bank of Idaho	Ketchum, ID	USB-U.S. Bancorp
139	24-Apr-09	FDIC	First Bank of Beverly Hills	Calabasas, CA	N/A
140	24-Apr-09	Level One Bank	Michigan Heritage Bank	Farmington Hills, MI	Private
141	24-Apr-09	Bank of North Georgia	American Southern Bank	Kennesaw, GA	SNV-Synovus Financial Corp.
142	17-Apr-09	Nevada State Bank	Great Basin Bank of Nevada	Elko, NV	ZION-Zions Bancorporations
143	17-Apr-09	Metcalf Bank	American Sterling Bank	Sugar Creek, MO	CBCY.PK-Central Bancorp. (no data)
144	10-Apr-09	Deposit Insurance National Bank	New Frontier Bank	Greeley, CO	N/A
145	10-Apr-09	First Federal Savings and Loan Assoc.	Cape Fear Bank	Wilmington, NC	FFCH-First Financial Holdings Inc.
146	27-Mar-09	SunTrust Bank	Omni National Bank	Atlanta, GA	STI-SunTrust Banks, Inc.
147	20-Mar-09	Great Southern Bank	TeamBank, NA	Paola, KS	GSBC-Great Southern Bancorp, Inc.
148	20-Mar-09	Herring Bank	Colorado National Bank	Colorado Springs, CO	Private
149	20-Mar-09	FDIC	FirstCity Bank	Stockbridge, GA	N/A
150	6-Mar-09	Northeast Georgia Bank	Freedom Bank of Georgia	Commerce, GA	Private
151	27-Feb-09	Bank of Nevada	Security Savings Bank	Henderson, NV	WAL- Western Alliance Bancorp.
152	27-Feb-09	MB Financial Bank	Heritage Community Bank	Glenwood, IL	MBFI- MB Financial Inc.
153	20-Feb-09	Citizens Bank	Silver Falls Bank	Silverton, OR	CVBF-CVB Financial Corp
154	13-Feb-09	Washington Trust Bank of Spokane	Pinnacle Bank of Oregon	Beaverton, OR	Private
155	13-Feb-09	The Carlinville National Bank	Corn Belt Bank & Trust Co.	Pittsfield, IL	Private
156	13-Feb-09	TIB Bank	Riverside Bank of the Gulf Coast	Cape Coral, FL	TIBB-TIB Financial Corp.

	Date	Acquiring Bank	Acquired Bank	Location of Acquisition	Ticker Symbol of Acquiring Bank
157	13-Feb-09	Heritage Bank	Sherman County Bank	Loup City, NE	HFWA-Heritage Financial Corp.
158	6-Feb-09	Westamerica Bank	County Bank	Merced, CA	WABC-Westamerica Bancorp.
159	6-Feb-09	California Bank & Trust	Alliance Bank	Culver City, CA	ZION-Zions Bancorporations
160	6-Feb-09	Regions Bank	FirstBank Financial Services	McDonough, GA	RF-Regions Financial Corp.
161	30-Jan-09	CenterState Bank of Florida	Ocala National Bank	Ocala, FL	CSFL-CenterState Banks, Inc.
162	30-Jan-09	Bank of Essex	Suburban FSB	Crofton, MD	BSXT-BOE Fin.Services of VA(no data)
163	30-Jan-09	FDIC	MagnetBank	Salt Lake City, UT	N/A
164	23-Jan-09	First California Bank	1st Centennial Bank	Redlands, CA	FCAL-First CA Fin. Group, Inc.
165	16-Jan-09	Umpqua Bank	Bank of Clark County	Vancouver, WA	UMPQ-Umpqua Holdings Corp.
166	16-Jan-09	Republic Bank	National Bank of Commerce	Berkeley, IL	Private
167	12-Dec-08	The Pecos County State Bank	Sanderson State Bank	Sanderson, TX	Private
168	12-Dec-08	Branch Banking & Trust Company	Haven Trust Bank	Duluth, GA	BBT-BB&T Corp.
169	5-Dec-08	United Bank	First Georgia Community Bank	Jackson, GA	Private
170	21-Nov-08	U.S. Bank, National Association	PFF Bank & Trust	Pomona, CA	USB-U.S. Bancorp
171	21-Nov-08	U.S. Bank, National Association	Downey Savings & Loan	Newport Beach, CA	USB-U.S. Bancorp
172	21-Nov-08	Bank of Essex	Community Bank	Loganville, GA	BSXT-BOE Fin.Services of VA(no data)
173	7-Nov-08	Pacific Western Bank	Security Pacific Bank	Los Angeles, CA	PACW-PacWest Bancorp.
174	7-Nov-08	Prosperity Bank	Franklin Bank, SSB	Houston, TX	PRSP-Prosperity Bancshares Inc.
175	31-Oct-08	Fifth Third Bank	Freedom Bank	Bradenton, FL	FITB-Fifth Third Bancorp.
176	24-Oct-08	Stearns Bank, N.A.	Alpha Bank & Trust	Alpharetta, GA	FSTF.PK-First State Financial Corp.
177	10-Oct-08	National Bank	Meridian Bank	Eldred, IL	Private
178	10-Oct-08	Monroe Bank & Trust	Main Street Bank	Northville, MI	MBTF-MBT Financial Corp.
179	25-Sep-08	JP Morgan Chase Bank	Washington Mutual Bank	Henderson, NV	JPM-JPMorgan Chase & Co.

	Date	Acquiring Bank	Acquired Bank	Location of Acquisition	Ticker Symbol of Acquiring Bank
180	19-Sep-08	The Citizens Savings Bank	Ameribank	Northfork, WV	RBS-Royal Bank of Scotland Group
181	5-Sep-08	Nevada State Bank	Silver State Bank	Henderson, NV	ZION-Zions Bancorporations
182	29-Aug-08	Regions Bank	Integrity Bank	Alpharetta, GA	RF-Regions Financial Corp.
183	22-Aug-08	Citizens Bank & Trust	Columbian Bank & Trust	Topeka, KS	Private
184	1-Aug-08	SunTrust Bank	First Priority Bank	Bradenton, FL	STI-SunTrust Banks, Inc.
185	25-Jul-08	Mutual of Omaha Bank	First Heritage Bank, NA	Newport Beach, CA	Private
186	25-Jul-08	Mutual of Omaha Bank	First National Bank of Nevada	Reno, NV	Private
187	11-Jul-08	OneWest Bank (2009)	IndyMac Bank	Pasadena, CA	Private
188	30-May-08	First International Bank and Trust	First Integrity Bank, NA	Staples, MN	Private
189	9-May-08	Pulaski Bank	ANB Financial, NA	Bentonville, AR	PULB-Pulaski Financial Corp.
190	7-Mar-08	Security Bank of Southwest MO	Hume Bank	Hume, MO	Private
191	25-Jan-08	Liberty Bank and Trust Co.	Douglass National Bank	Kansas City, MO	Private
192	4-Oct-07	The Citizens Banking Co.	Miami Valley Bank	Lakeview, OH	FCZA-First Citizens Banc Corp.
193	28-Sep-07	ING DIRECT	NetBank	Alpharetta, GA	ING-ING Group, N.V.
194	2-Feb-07	Allegheny Valley Bank	Metropolitan Savings Bank	Pittsburgh, PA	AVLY.OB-Allegheny Valley Bancorp.
195	25-Jun-04	Far West Bank	Bank of Ephraim	Ephraim, UT	AWBC- American West Bancorp.
196	19-Mar-04	Union State Bank	Reliance Bank	White Plains, NY	Private
197	12-Mar-04	Hancock Bank of Florida	Guaranty National Bank of Tallahassee	Tallahassee, FL	HBHC-Hancock Holding Co.
198	14-Feb-04	FDIC	Dollar Savings Bank	Newark, NJ	N/A

APPENDIX B
EUROPEAN BANK ACQUISITIONS
USED IN THIS STUDY

European Bank Acquisitions

Date	Acquiring Company	Acquired Bank	Location of Acquisition	Ticker Symbol of Acquiring Bank
11-Jan-10	Santander UK	Abbey National Bank	London, England	STD- Grupo Santander
19-Oct-09	The administration (govt.)	Hypo Real Estate	Munich, Germany	n/a
19-Oct-09	Belarusian Industrial Bank	TechnoBank	Belarus	Private
1-May-09	Deutsche Bank	Global Agency Securities Lending	Frankfurt, Germany	DB-Deutsche Bank
16-Apr-09	Groupe Banque Populaire	Groupe Caisse d'Epargne	Paris, France	BCP- Banque Centrale Populaire
1-Mar-09	Icelandic regulators	Straumur Investment Bank	Reykjavik, Iceland	n/a
26-Jan-09	Ulster Bank	First Active Bank	Belfast, Ireland	Private
26-Jan-09	Credit Agricole	Societe Generale	Paris, France	ACA- Credit Agricole S.A.
26-Jan-09	Vnesheconombank (govt.)	Malev	Russia	n/a
21-Jan-09	Co-Operative Bank	Brittania	Manchester, England	Private
30-Nov-08	The administration (govt.)	London Scottish Bank	Manchester, England	n/a
19-Oct-08	Bundesbank (govt.)	Hypo Real Estate	Munich, Germany	n/a
7-Oct-08	The administration (govt.)	Glitner Bank	Reykjavik, Iceland	n/a
7-Oct-08	The administration (govt.)	Landsbanki	Reykjavik, Iceland	n/a
7-Oct-08	The administration (govt.)	Kaupthing Bank	Reykjavik, Iceland	n/a
1-Oct-08	Santander	Alliance & Leister	Madrid, Spain	STD- Grupo Santander
28-Sep-08	Santander	Bradford and Bingley	Madrid, Spain	STD- Grupo Santander
17-Sep-08	Barclays	Lehman Brothers Investments	London, England	BARC.L -Barclays
17-Sep-08	Lloyds TSB	HBOS	Edinburgh, Scotland	LYG-Lloyds Banking Group
31-Aug-08	Commerzbank	Dresdner	Hamburg, Germany	CBK- Commerzbank Aktiengesellschaft Co.
11-Jul-08	Credit Mutuel	Citibank Germany	Paris, France	Private
2-Jul-08	Deutsche Bank	Parts Of ABN Amro Netherlands	Frankfurt, Germany	DB-Deutsche Bank
26-Jun-08	Ameriabank	Armimpexbank	Armenia	Private

Date	Acquiring Company	Acquired Bank	Location of Acquisition	Ticker Symbol of Acquiring Bank
28-Apr-08	Deutsche Bank	Taiwan Asset Mgmt. Acquisition	Frankfurt, Germany	DB-Deutsche Bank
17-Feb-08	The administration (govt.)	Northern Rock Bank	Tyne, UK	n/a
13-Dec-07	Landesbank Baden-Wuerttemberg	Sachsen LB	Hamburg, Germany	LBBW-Landesbank Baden-Wuerttemberg
1-Oct-07	Hypo Real Estate	Depfa Bank	Berlin, Germany	n/a
2-Nov-07	Royal Bank of Scotland	ABN Amro Bank	Edinburgh, Scotland	RBS- Royal Bank of Scotland Group
27-Apr-07	UniCredit Bank	Bulbank	Bulgaria	UCG- UniCredit Group
27-Apr-07	UniCredit Bank	HVB Bank Biochim	Bulgaria	UCG- UniCredit Group
27-Apr-07	UniCredit Bank	Hebros Bank	Bulgaria	UCG- UniCredit Group
3-Jan-07	Deutsche Bank	MortgageIT Holdings	Frankfurt, Germany	DB-Deutsche Bank
1-Jan-07	Intesa Sanpaolo Bank Albania	American Bank of Albania	Turin, Italy	ISP- Intesa Sanpaolo
1-Jan-07	Banco Popolare	Banco Popolare di Verona e Novara	Verona, Italy	BP- Banco Popolare
1-Jan-07	Banco Popolare	Banca Popolare Italiana	Verona, Italy	BP- Banco Popolare
17-Nov-06	Groupe Banque Populaire	IXIS CIB	Paris, France	BCP- Banque Centrale Populaire
1-Jan-06	EuroBank	Nacionalna štedionica	Athens, Greece	EUROB-EuroBank
1-Jan-06	EuroBank	Tekfenbank	Athens, Greece	EUROB-EuroBank
1-Jan-06	EuroBank	Universal Bank in Ukraine	Athens, Greece	EUROB-EuroBank
1-Jan-06	EuroBank	DZI Bank in Bulgaria	Athens, Greece	EUROB-EuroBank
8-Dec-05	Danske Bank	National Irish Bank	Copenhagen, Denmark	DANSKE-Danske Bank Group

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