DO BANKING ACQUISITIONS CREATE VALUE IN AN ERA OF DEREGULATION AND INCREASING RISKS? RECENT FINDINGS IN THE US

Apostolos G. Christopoulos[1]
University of Athens, Greece
E-mail: axristop@econ.uoa.gr

KonstantinosVergos[2],
University of Portsmouth, United Kingdom

ABSTRACT

This study investigates whether Mergers and Acquisitions (M&As) continue to be an effective means of capital allocation in periods of increasing risks and decreasing banking regulation. To examine this hypothesis, abnormal returns are investigated for the largest bank-to-bank mergers in the US for the period 2005 to 2011. We find that M&As are associated with high market returns for Target companies, negative returns for Acquirers and positive Joint market value returns. By computing standardised Cumulative Abnormal Returns (SCARs), we find that the gains for Target banks are statistically significant. In particular we find that on a 3-day event window, Target Banks appreciated approximately by 9.7% while bidders lose approximately 0.45% of their value for the same period. Average appreciation of the market value of target companies for an 11-day event window is estimated at 22.94%. Our results are in line with the findings of previous studies based on US data. Nevertheless we found abnormal returns for Target Banks that are significantly higher than in other studies. Abnormal returns before the announcement day are significant, whilst the abnormal returns after the announcement day are not significant. Our findings provide support for the hypothesis that deregulation has been associated with benefits for the joint bank value, albeit not statistical significant. Our findings are significant for fund managers and regulators. If mergers are associated with increasing market value then they decrease the risk of the institutions involved. Our findings are also useful to fund managers because they

[1]Apostolos G. Christopoulos, University of Athens, Faculty of Economics, 5 Stadiou street. Athens, 10562 Greece, corresponding author, E-mail: axristop@econ.uoa.gr

[2]Konstantinos Vergos, University of Portsmouth, Business School, Department of Accounting and Finance, University House Winston Churchill Avenue, Portsmouth, PO1 2UP, United Kingdom.

provide an indication that there are no post-announcement gains for involved banks, so fund strategies could reduce post-announcement investments in banks that are involved in M&As.

Keywords: Bank mergers, mergers and acquisitions, abnormal returns
JEL classification: G14, G21, G34

I. INTRODUCTION

Mergers and acquisitions have been increasingly evident in the US banking sector following the deregulation era since late 1990s (mainly the Gramm Leach Bliley Financial Modernisation Act, enacted on November 12, 1999) that offers the ability for extended banking activities. On the other side, the financial crises of 2001 and 2008 and the increasing risks thereafter, have indeed forcing banks either to seek governmental help and in some cases bailouts, or, to be acquired by better performing banks and financial intermediaries. It is therefore of particular interest to investigate the effect of mergers and acquisitions on the value of the US companies in a period of deregulation and high risks. When M&As are associated with increasing market values for firms, then there is an indication that they are a useful tool for companies to grow in times of turbulence.

There is a growing empirical literature documenting that mergers are efficient means for assets to be reallocated within the economy. Evidence on combined acquirer and target stock returns, as well as post-merger operating performance, suggests that mergers, on average, increase value, and enhance profitability in subsequent years (Andrade and Stafford, 2004). However, researchers find diverse results on short-term returns for banking mergers.

An important feature which allowed mergers on large scale across US were the deregulation acts issued by the government, mainly the GLB Act, which respectively allowed US banks to extend their financial activities across the country as well as to mix retail banking and investment banking. Whilst deregulation is believed to single out the difficulties faced by US banks to compete with European universal banks (Heffernan, 2005). It is widely argued that poor banking regulation and supervision eventually led to the financial crisis which hit the US subprime mortgage sector. Nevertheless, two methods are used extensively to measure the effect of mergers and acquisitions in company performance: accounting methods (mainly studies which examine company profitability)[3]and event studies. Event studies represent the effect of acquisition on market value whilst reflecting investors' expectations about future company generated cash flows. Early event studies examine separately Bidders' and Targeted Companies Abnormal Returns without computing the effect of M&As in the, combined, value of the new company. James and Wier (1987) examine 60US acquisitions during the 1972-1983 period finding an average 1.77% appreciation in the value of Bidders, while Neely (1987) examines 29 US companies for the 1979-1985 period and finds 3.12% average gains for bidders and 36.22%

[3] See Pilloff (1998) for discussion.

profits for acquired companies. However, later studies[4] find gains for acquired companies, but small gains or losses for acquirers. Trifts and Scanlon (1987) examine 21 US mergers during the period 1982-1985 and find average losses 3.25% for acquired and average gains 21.4% for acquirers. Cornett and De (1991) examine 189 cases in the US during the period 1982-1986 and find average loss 0.4% for acquirers and gains 9.7% for target companies. Houston and Ryngaert (1994) examine 153 US mergers during the period 1985-1991 and find average gains 14.8% for acquired companies and 2.25% losses for acquirers, whilst Houston and Ryngaert (1997) examine 184 US mergers during the period 1985-1992 and find average gains 20.4% for acquired companies and 2.4% losses for acquirers. Similarly, Becher (2000), Becher and Campbell (2005), De Long (2001), De Long (2003), Cornett and Tehranian (1992) and Scholtens and De Wit (2004) find large gains for acquired companies and abnormal losses for bidders.[5]However, most studies that examine combined market values of acquired and acquirers find an overall appreciation on average, albeit incremental in some cases. In particular, Cornett and Tehranian (1992), Houston and Ryngaert (1994), Zhang (1995), Pilloff (1996), Becher (2000), De Long (2001), Becher and Campbell (2005), examine US mergers during the 1980-2005 period and find gains between 0.04% and7.33%,[6] depending on the period into examination; whilst Buch and DeLong (2004) find no gains for the investigation period.

Last but not least, it has to be mentioned that recent developments took place in banking regulation, with the Dodd–Frank Wall Street Reform and Consumer Protection Act (21, July 2010). The aim of this latest regulation is to advance the financial stability in the US banking sector in order to end bailouts and to protect the American consumers. The effect of the Dodd-Frank Reform is also included in the investigation of our paper and the results of our analysis are incorporated in the conclusions.

II. DATA AND METHODOLOGY

This study aims to investigate the short-term effect of bank mergers and acquisition (M&As) on company's value by examining medium and large size bank M&As. To measure the effect of acquisitions on the value of firms, we compute Cumulative Abnormal Returns (CARs).In particular, we investigate M&As between 1, January

[4]Trifts and Scanlon (1987), Cornett and De (1991), Houston and Ryngaert (1994), Houston and Ryngaert (1997)

[5]Becher (2000) examined 558 mergers during the 1980-1997 period and found that acquirers suffered losses 1.08%, whilst target companies appreciated by 17.1%. Becher and Campbell (2005)examine 443 mergers during the 1990-1999 period and find that acquirers suffered losses 1.29%, whilst target companies appreciated by 16.7%. DeLong (2001) examines 280 mergers and find that acquirers suffered losses 1.7%, whilst target companies appreciated by 16.7%. DeLong (2003)examines 41 mega- mergers during the 1980-1997 period and finds that acquirers suffered losses 1.08%, whilst target companies appreciated by 17.1%. Cornett and Tehranian (1992) examine 558 mergers during the 1988-1999 period and find that acquirers appreciated by 0.17% on average, whilst target companies appreciated by 8.6%. Scholtens and De Wit (2004) examine 61 mega-mergers during the 1990-2000 period and find that acquirers suffered losses 1.86%, whilst target companies appreciated by 12.7%.

[6]Houston and Ryngaert (1994) Zhang (1995), Pilloff (1996), Becher (2000), DeLong (2001), Becher and Campbell (2005) find 0.46%, 7.33%, 1.44%, 3.03%, 0.04% and 0.93% abnormal appreciation of the market value of the combined entity respectively.

2005 – 31, December 2011 in North American countries. Overall, the number of the bank M&As examined in this study, by year, are the following:

Table 1: M&As examined by year

Year	Number of M&As examined
2005	10
2006	19
2007	22
2008	3
2009	0
2010	4

Expected returns are calculated as:

$$E(Ri) = Rf + \beta t\,(Rmt - Rf) \quad (1)$$

where E(Ri) = Expected return

Rf= risk-free return

β = Beta at time t

Rmt= Market Return at time t

β (Beta) is calculated by using weekly observations before the event. In particular, we use 10-yr bond rates for risk-free return, and expected returns use a twelve-month period (-250, -10), before the event. The S&P 500 index is used in order to calculate returns on the market. We calculate CARs for the periods [-1;1], [-10;10], [-5;+5], [-10;+15], [0;+15], [0;+20], as it is widely used in the literature.[7] We investigate cross-border mergers or acquisitions when the value of the acquired or merged company exceeds 100 million USD. We used Bloomberg data, we include only public companies, the deal status must be completed, and at least one of the companies involved must be a company that operates in the US financial sector having mainly banking related activities. In order to calculate Betas, we used S&P500. If Beta of one of the banks was not possible to be computed due to insufficient data or differences in the index and security data the merger is excluded from the total sample and the year subsamples. We also exclude overlapping mergers. In order to assess the statistical significance for both the abnormal returns (ARs) and the cumulative abnormal returns (CARs) we examine overall 58 cases.

We use the methodology developed by Scholes and Williams (1977), Brown (1980) and Brown and Warner (1985). However, the traditional t-test, has the limitation of the assumption that the event affects only the mean return, whilst in case the event affects also the variance of returns around the event period, the use of

[7] E.g. in Becher (2000) and Pilloff (1996)

non-event period data for the estimation of the variance of abnormal returns, which is necessary for statistical inference, will eventually may result to rejection of the null hypothesis that there is no significant reaction. Boehmer et al. (1991) developed a methodology, in order to reduce this problem, which suggests that the variance of average abnormal returns is a function of cross-sectional abnormal returns. In particular, Boehmer et al. (1991) propose the use of standardised CAR (SCAR) for a period (t1, t2) that can be computed as:

$$SCAR = \frac{CAR}{\sigma e} \quad (2)$$

where,

$\sigma_e = (t_2 - t_1 + 1)\ \sigma_{it}$,

and the test can be:

$t_B = SCAR/((1/N^2) * \Sigma(SCAR_i - SCAR_{AV})^2)$,

where, $SCAR_{AV}$ is the average SCAR for the period.

We therefore use both the traditional event methodology, to compute expected returns and event windows, and the Boehmer et al. methodology to test the significance of our findings.

III. EMPIRICAL RESULTS

Initially, we examine daily abnormal returns and cumulative abnormal returns from day -10 to day 20and then we examine abnormal returns during specific event windows.

Daily abnormal returns from day -10 today 20 and cumulative abnormal returns for the [-10, -10] to [-10, 20] window are reported on table 2. Three striking features emerge from the analysis of the data presented on the table. First, being consistent with the literature, there is a differentiation between the returns achieved by the two groups of banks, acquirers and targets. Second, abnormal returns are significant only for target banks. Third, there are positive cumulative abnormal returns for joint values, albeit insignificant.

Table 2: Daily Abnormal Returns

Cumulative Abnormal Returns (CARs)				Abnormal Returns			
Event Window	**Acquirer**	**Target**	**Joint**	**Event Window**	**Acquirer**	**Target**	**Joint**
[-10,-10]	0.0002	0.0012	0.0004	[-11,-10]	0.0002	0.0012	0.0004
[-10,-9]	-0.0039	0.0061	-0.0024	[-10,-9]	-0.0041	0.0049	-0.0027
[-10,-8]	-0.0065	0.0081	-0.0042	[-9,-8]	-0.0026	0.0020	-0.0019

[-10,-7]	-0.0080	0.0186	-0.0039	[-8,-7]	-0.0015	0.0104	0.0003
[-10,-6]	-0.0118	0.0149	-0.0077	[-7,-6]	-0.0038	-0.0037	-0.0038
[-10,-5]	-0.0129	0.0134	-0.0088	[-6,-5]	-0.0011	-0.0015	-0.0012
[-10,-4]	-0.0110	0.0199	-0.0062	[-5,-4]	0.0019	0.0065	0.0026
[-10,-3]	-0.0108	**0.0620**	0.0009	[-4,-3]	0.0002	**0.0412**	0.0072
[-10,-2]	-0.0159	**0.0988**	0.0031	[-3,-2]	-0.0052	**0.0347**	0.0022
[-10,-1]	-0.0230	**0.1558**	0.0081	[-2,-1]	-0.0072	**0.0519**	0.0050
[-10,0]	-0.0211	**0.1966**	0.0178	[-1,0]	0.0020	**0.0353**	0.0096
[-10,1]	-0.0204	**0.2050**	0.0201	[0,1]	0.0007	0.0070	0.0022
[-10,2]	-0.0191	**0.2136**	0.0228	[1,2]	0.0013	0.0071	0.0027
[-10,3]	-0.0177	**0.2124**	0.0237	[2,3]	0.0015	-0.0010	0.0009
[-10,4]	-0.0218	**0.2210**	0.0222	[3,4]	-0.0042	0.0071	-0.0014
[-10,5]	-0.0191	**0.2459**	0.0297	[4,5]	0.0028	0.0204	0.0073
[-10,6]	-0.0208	**0.2035**	0.0194	[5,6]	-0.0017	-0.0340	-0.0100
[-10,7]	-0.0218	**0.2050**	0.0190	[6,7]	-0.0010	0.0012	-0.0005
[-10,8]	-0.0194	**0.2261**	0.0252	[7,8]	0.0025	0.0174	0.0062
[-10,9]	-0.0193	**0.2139**	0.0228	[8,9]	0.0001	-0.0099	-0.0024
[-10,10]	-0.0234	**0.2097**	0.0186	[9,10]	-0.0043	-0.0034	-0.0041
[-10,11]	-0.0269	**0.1982**	0.0135	[10,11]	-0.0035	-0.0095	-0.0050
[-10,12]	-0.0245	**0.2052**	0.0168	[11,12]	0.0024	0.0058	0.0032
[-10,13]	-0.0211	**0.2197**	0.0225	[12,13]	0.0035	0.0120	0.0056
[-10,14]	-0.0197	**0.2191**	0.0235	[13,14]	0.0014	-0.0004	0.0010
[-10,15]	-0.0188	**0.2215**	0.0247	[14,15]	0.0010	0.0020	0.0012
[-10,16]	-0.0180	**0.2315**	0.0275	[15,16]	0.0008	0.0081	0.0027
[-10,17]	-0.0260	**0.1910**	0.0127	[16,17]	-0.0082	-0.0329	-0.0144
[-10,18]	-0.0320	**0.1771**	0.0052	[17,18]	-0.0061	-0.0116	-0.0075
[-10,19]	-0.0068	**0.1740**	0.0246	[18,19]	0.0259	-0.0026	0.0193
[-10,20]	-0.0075	**0.1738**	0.0240	[19,20]	-0.0006	-0.0002	-0.0005

Bold numbers indicate 5% level of significance for the Boehmer et al (1991) test

In particular, target companies enjoy positive CARs for the examined periods, gradually increasing from 0.12% in day -10 to 24.5% for [-10, 5] event window, while gradually decreasing to 17.38% for [-10, 20] event window. Target Companies' CARs are positive and significant for [-10, -3] up to [-10, -20] event window. These findings are generally in line with findings of current literature.

Cumulative abnormal returns for the [-1;1], [-10;10], [-5;+5], [-10;+15], [0;+15], [0;+20] event windows are reported on table 3. Three striking features emerge from the analysis of the data presented on the table. First, being consistent with the literature, there is a differentiation between the returns achieved by the two groups of banks, Acquirers and Targets. Second abnormal returns are significant only for target banks. Third, there are positive cumulative abnormal returns for joint values, albeit insignificant.

Table 3: Cumulative Abnormal Returns for selected event windows

Event Window	Cumulative Abnormal Returns (CARs)		
	Target	Acquirer	Joint
[-1;1]	0.0966*	-0.0045	0.0190
[-5;5]	0.2294*	-0.0063	0.0447
[10;-10]	0.2097*	-0.0234	0.0201
[-10;15]	0.1865*	-0.0252	0.0250
[0,15]	0.0569*	0.0043	0.0166
[0,20]	-0.0203	0.0139	-0.0023

An asterisk shows 5% level of significance for the Boehmer et al (1991) test

For the full sample we find significant gains for targets in all investigated periods while acquirers usually lose statistically significant amounts as it is illustrated on Table3. We find that targets on a 3-day event window period gain approximately 9.66% value, while for the same period, bidders lose approximately 0.45% of their value. We find similar results for the 11-day event window and the 21-days event window where targets gain is approximately 22.94% and 20.97% respectively. Interestingly, bidders' results show losses as for the 11-day event window they experience a fall in price by 0.63% while for the 21-day period they experience a significantly larger loss- -2.34%. For the prolonged period of [-10;15] window event, target CARs are also particularly high (18.65%) while acquirers lose nearly2.5%. These findings are consistent with numerous other studies which examine US data for the period 1980-2005, which is characterised by diverse growth and regulation characteristics. In particular our findings are in line with Thrifts and Scanlon (1987) who find that targets gain 21.37% and acquirers lose 3.25%, Houston and Ryngaert (1994) who find that targets gain 14.77% and bidders lose 2.25%, Becher (2000),[8] Houston and Ryngaert (1997),[9] Becher and Campbell (2005),[10]De Long (2001),[11]De Long (2003)[12]and Scholtens and De Wit (2004).[13]Our findings are partly in line with Cornett and De (1991) and Cornett and Tehranian (1992) who find incremental losses for acquirers and gains 9.7% and 8.6% respectively for target companies. On the contrary, our findings are inconsistent to James and Wier (1987) and Neely (1987) who find gains for bidders. However, it is noteworthy that our findings show larger average gains for target companies, may be due to the fact that our research is based on high capitalisation companies, and as De Long (2001) argues, when the largest mergers are included in the sample, this might 'boost' gains.

We also find that the joint value of acquirers and targets is negative for [-1;1], [-10;10], [-5;+5], [-10;+15], [0;+15], period, while being slightly negative for a [0;+20]

[8]They found that targets gain 17.1% and acquirers lose 1.08%.
[9] They found gains 20.4% for acquired companies and losses 2.4% for acquirers
[10]They found that acquirers suffered losses 1.29%, whilst target companies appreciated by 16.7%
[11]They concluded that acquirers suffered losses 1.7%, whilst target companies appreciated by 16.7%
[12]They found that acquirers suffered losses 1.08%, whilst target companies appreciated by 17.1%
[13]They found that acquirers suffered losses 1.86%, whilst target companies appreciated by 12.7%

event period, being in line with Cornett and Tehranian (1992), Houston and Ryngaert (1994), Zhang (1995), Pilloff (1996), Becher (2000), De Long (2001), Becher and Campbell (2005) that examined US data in pre 2005 periods of study.

Overall, the fact that gains take place before announcement suggests that, markets already incorporated information at the time of information release, supporting the semi-market efficient hypothesis.

IV. OVERALL FINDINGS AND CONCLUSION

This study investigates whether Mergers and Acquisitions (M&As) allocate capital resources effectively by examining abnormal returns for the largest bank-to-bank mergers for the period 2005 to 2011 in the US. Using Standardised CARs as in Boehmeret al. (1991), we find that M&As are associated with high market returns for target companies. Target Banks appreciated approximately by 9.7% on a 3-day event window, and 22.94%on an 11-day event window, while bidders lose approximately 0.45% of their value on a 3-day event window and 0.63% on an 11-day event period. Our results are similar to findings based on US data from Thrifts and Scanlon (1987), Houston and Ryngaert (1994), Becher (2000), Houston and Ryngaert (1997), Becher and Campbell (2005), De Long (2001),De Long (2003)and Scholtens and De Wit (2004) whilst being inconsistent to these of James and Wier (1987) and Neely (1987). The computed abnormal returns for target Banks are significantly higher than in previous studies probably due to the inclusion of large banks in our sample. Our findings provide support for the hypothesis that deregulation has been associated with benefits for the joint bank value and are significant for fund managers and regulators because they indicate that mergers are associated with increasing market value even in turbulent periods, and there is an ability to form fund strategies that take advantage of announcement events.

REFERENCES

Andrade, G and Stafford, E (2004), Investigating the Economic Role of Mergers; *The Journal of Corporate Finance*. Volume 10, Issue 1, pp. 1-36.

Becher, D (2000), The Valuation Effects on Bank Mergers; *Journal of Corporate Finance*. Volume 6, Issue 2, pp. 189-214.

Becher, D & Campbell, T (2005), Interstate Banking Deregulation and Changing Nature ofBank Mergers; *The Journal of Financial Research.* Volume 28, Issue 1, pp. 1-20

Boehmer, E., J. Musumeci, and A. Poulsen (1991), Event-Study Methodology Under Conditions of Event-Induced Variance; *Journal of Financial Economics*. Volume 30, pp. 253-272.

Brown, S. and J. Warner (1985), Using Daily Stock Returns, The Case of Event Studies; *Journal of Financial Economics.* Volume 14, pp. 3-31.

Brown, S. and J. Warner (1980), Measuring security price performance, *Journal of Financial Economics.* Volume 8, pp. 205-258.

Buch, C. and G. DeLong (2004), Cross-Border Bank Mergers: What Lures the Rare Animal; *Journal of Banking and Finance.* Volume 28, pp. 2077-2102.

Cornett, M and Tehranian, H (1992), Changes in Corporate Performance Associated withBank Acquisitions; *Journal of Financial Economics*. Volume 31, pp.211- 234.

Cornett M. M. & S. De. (1991), Common Stock Returns to Corporate Takeover Bids: Evidence from Interstate Bank Mergers; *Journal of Banking and Finance*. Volume 15, pp.273-296.

De Long, G (2001), Stockholder Gains from Focusing versus Diversifying Mergers; The *Journal of Financial Economics*. Volume 59, Issue 2, pp.221- 252.

De Long, G (2003), The Announcement Effect of US versus Non-US Bank Mergers: Do They Differ; *Journal of Financial Research.* Volume 26, Issue 4, pp. 487-500.

Heffernan, S (2005), Modern Banking; *John Wiley & Sons, Ltd*, UK

Houston, J., M. Ryngaert (1994), The Overall Gains from Large Bank Mergers; *Journal of Banking and Finance.* Volume 18, pp. 1155-1176

Houston, J., M. Ryngaert, (1997), Equity issuance and adverse selection: a direct test using conditional stock offers; *Journal of Finance*. Volume 52, pp.197-219.

James CM, P Wier(1987), Returns to acquirers and competition in the acquisition market: The case of banking; *The Journal of Political Economy*. Volume 95, No.2, pp. 355-370.

Neely W (1987), Banking Acquisitions: Acquirer and Target Shareholder Returns; *Financial Management.* Volume 16, No. 4, pp. 66-74.

Pilloff, S (1996), Performance Changes and Shareholder Wealth Creation Associated with Mergers of Publicly Traded Banking Institutions; *Journal of Credit, Money, and Banking*. Volume 28, Issue 3, pp.294-310.

Scholes, M. and J. Williams, (1977), Estimating betas from non synchronous data; *Journal of Financial Economics.* Volume 5, pp.309-328.

Scholtens, B R. De Wit (2004), Announcement Effects of Bank Mergers in Europe and the US; *Research in International Business and Finance.* Volume 18, Issue 2, pp. 217-228.

Trifts, Jack W. and Scanlon, Kevin R. (1987), Interstate Bank Mergers: The Early Evidence*; Journal of Financial Research.* Volume 10, pp. 305-11.

Zhang, H (1995), Wealth Effect of U.S Bank Takeovers; *Applied Financial Economics*. Volume 55, Issue 5, pp. 329- 336.

Appendix

Companies examined in the study

Acquirer	**Acquired or Merged Company**
Associated Banc-Corp	State Financial Services Corp
Banco Bilbao Vizcaya Argentaria SA	BBVA USA Bancshares Inc
Banco Bilbao Vizcaya Argentaria SA	State National Bancshares Inc/TX
Banco Bilbao Vizcaya Argentaria SA	Texas Regional Bancshares Inc
Bank of Montreal	Marshall & Ilsley Corp
Bank of New York Mellon Corp/The	Mellon Financial Corp
BB&T Corp	Coastal Financial Corp/SC
BB&T Corp	Main Street Banks Inc
BBCN Bancorp Inc	Center Financial Corp
Citizens Republic Bancorp Inc	Republic Bancorp Inc/MI
Colonial BancGroup Inc/The	Commercial Bankshares Inc/Miami FL
Cullen/Frost Bankers Inc	Summit Bancshares Inc/TX
Fifth Third Bancorp	First Charter Corp
FNB Corp/PA	Omega Financial Corp
Fulton Financial Corp	Columbia Bancorp/MD
Green Bankshares Inc	Civitas BankGroup Inc
Hancock Holding Co	Whitney Holding Corp/LA
Huntington Bancshares Inc/OH	Sky Financial Group Inc
Hypo Real Estate Holding AG	Depfa Bank PLC
KeyCorp	USB Holding Co Inc
M&T Bank Corp	Provident Bankshares Corp
M&T Bank Corp	Wilmington Trust Corp
Marshall & Ilsley Corp	First Indiana Corp
Marshall & Ilsley Corp	Gold Banc Corp Inc
MB Financial Inc	First Oak Brook Bancshares Inc
Mercantile Bankshares Corp	Community Bank Of Northern Virginia
PacWest Bancorp	Community Bancorp Inc/CA
PacWest Bancorp	Foothill Independent Bancorp
People's United Financial Inc	Chittenden Corp
Pinnacle Financial Partners Inc	Cavalry Bancorp Inc
Placer Sierra Bancshares	Southwest Community Bancorp
PNC Financial Services Group Inc	National City Corp

PNC Financial Services Group Inc	Mercantile Bankshares Corp
PNC Financial Services Group Inc	Sterling Financial Corp/PA
PNC Financial Services Group Inc	Yardville National Bancorp
Prosperity Bancshares Inc	SNB Bancshares Inc/TX
Prosperity Bancshares Inc	Texas United Bancshares Inc
Regions Financial Corp	AmSouth Bancorp
Royal Bank of Canada	Alabama National Bancorporation
Royal Bank of Canada	Flag Financial Corp
S&T Bancorp Inc	IBT Bancorp Inc/PA
State Street Corp	Investors Financial Services Corp
StellarOne Corp	FNB Corp/VA
Sterling Financial Corp/WA	Northern Empire Bancshares
SunTrust Banks Inc	GB&T Bancshares Inc
Susquehanna Bancshares Inc	Community Banks Inc
TD Bank US Holding Co	Hudson United Bancorp
TD Bank US Holding Co	Interchange Financial Services Corp
Toronto-Dominion Bank/The	TD Bank US Holding Co
Toronto-Dominion Bank/The	Commerce Bancorp Inc/NJ
UCBH Holdings Inc	Summit Bank Corp/Atlanta GA
Umpqua Holdings Corp	Western Sierra Bancorp
United Bankshares Inc/wv	Premier Community Bankshares Inc
Wells Fargo & Co	Placer Sierra Bancshares
Wells Fargo & Co	Greater Bay Bancorp
Wells Fargo & Co	Wachovia Corp
WesBanco Inc	Oak Hill Financial Inc
Zions Bancorporation	Amegy Bancorp Inc