



ASTON ASSOCIATES



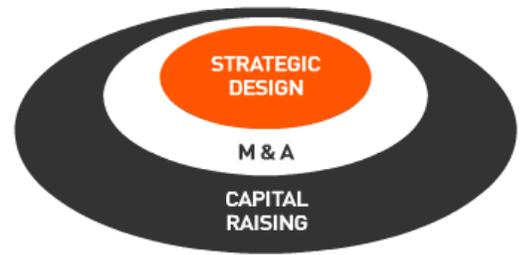
THE **LEADING**
ADVISORY SERVICES FIRM
FOR FINANCIAL INSTITUTIONS
AND THEIR INVESTORS.



OVERVIEW

Since 1992, Aston Associates has been the leading advisory firm for financial institutions and their investors. Aston performs strategic and operational design; assists with target identification, due diligence and integration for mergers and acquisitions; structures capital raising with investors and helps them create operational leverage in their portfolio banks.

As a specialty firm focused solely on financial institutions, Aston brings unique insight into how to create value over a sustained time horizon. Aston employs a hands-on approach and prides itself on collaborative interaction with its partners and accountability for their success, which has resulted in the creation of over \$45 billion in shareholder value since 1992.





PHILOSOPHY

1 Do not dictate our bank partners' strategies.

We help our partners set their strategies; translate them into distinctive design approaches for process and infrastructure development; and constantly test emerging opportunities against their strategic objectives.

2 Make each strategic design unique.

Different strategic directions require widely different approaches and result in totally distinctive outcomes.

3 Constantly and rigorously focus on the customer.

4 Communicate exceptionally to leadership and internal participants.

5 Do better things, not the same things at lower cost.

6 Done right, strategic design can invigorate an organization; done wrong, it can paralyze it.

**WORKING
SMARTER
NOT HARDER**



STRATEGIC & OPERATIONAL DESIGN

We work with our bank partners to set strategies and then to translate them into specific actions that lead to measurable results. Throughout our efforts we constantly test emerging initiatives to ensure they align with our partner's strategic objectives.

Our approach is unique because we highly involve our partners to create a vested interest in seeing ideas become reality. This participative approach helps ensure action across the organization that leads to the attainment of major strategic and return goals.

This high level of partner involvement means that every strategic and operational design is unique with distinctive outcomes. Together, we deliver measurable results.

Operating Model Gap Analysis

- » Assess gaps between current operating model and projected customer needs and strategic growth objectives - what are the impediments to effective performance?
- » Evaluate line of business and functional unit imperatives.

Process & Infrastructure Design

- » Build top management consensus on key paths to explore for earnings momentum.
- » Develop design themes that engender action programs; broad opportunities on where to focus efforts.
- » Business Leaders jointly work through design themes for each line of business and function.

Initiative Development & Implementation

- » Generate a myriad of action programs outlining the specific actions that collectively yield rapid, sustainable outperformance.
- » Ensure action programs have specific economic benefits and costs, implementation milestones and timing, and well-defined technology solutions.
- » "Push down" impact of action programs into regular operating budgets for revenue, operating expenses and staffing to ensure accountability and rigorous tracking for implementation success.

TRANSLATING STRATEGIC & OPERATING
VISION INTO **ACTION**



MERGERS & ACQUISITIONS

Drawing on our nearly 30 years of experience in the financial services industry, we are able to look beyond just the basic financials of a deal and help our bank partners and investors understand the big picture. We employ a highly structured approach to M&A that extends beyond the “quick and dirty” identification of potential deal breakers and portfolio risks. We engage in a comprehensive review of the target, resulting in the quantification of all acquisition related risks and potential synergies. This approach provides a true advantage in competitive bidding situations, as well as in the management of integration risk, making the difference between successful acquisitions and destroying value.

1

TARGET IDENTIFICATION

Partner's long term merger & acquisition objectives are determined, values are clarified, and screening models are developed.

2

DUE DILIGENCE

Synergy potential is determined, market is analyzed, and investments are outlined.

3

STRATEGIC INTEGRATION

Integration is achieved and a new direction is realized through review of processes, infrastructure, and strategic alignment.



TARGET IDENTIFICATION

We help our partners:

- » Think strategically about what they want to achieve through M&A
- » Avoid narrow and reactionary strategies
- » Develop a disciplined and quantitatively driven approach to evaluating targets
- » Consider the opportunity costs of pursuing particular deals

Target Identification:

- 1 Determine partner's long term M&A objectives - not allow a desire for a target to define a strategy.
- 2 Agree on long term M&A strategy with partner - clarify values and establish criteria for facilitating the development of an M&A plan and post acquisition integration.
- 3 Develop quantitative and qualitative screening models - quickly separate the winners from the losers saving both time and money. Knowing what you want makes it much easier to find.

SEEKING
OUT VALUE



DUE DILIGENCE

We help our partners:

- » Quickly determine realistic synergy potential
- » Have a structured and thoughtful approach; not a stressful and rushed process
- » Identify and manage their due diligence team and resources
- » Detail their target's business systems by business unit and evaluate them for strategic fit
- » Develop financial and IT baselines, targets and stretch challenges
- » Identify opportunities to implement best practices and core competencies at time of integration
- » Seamlessly move from due diligence into integrating their target

OFFENSE NOT DEFENSE IN DUE DILIGENCE

IS THIS THE RIGHT FIT?

How attractive
is the market?

Will customers be
receptive
to our strategy?

How do we build
franchise value?

CAN WE EXECUTE?

What did we find
out during
due diligence?

How do we mitigate
execution risk and
maximize upside?

Are we ready?

WHAT IS THE RIGHT PRICE?

What investments do
we have to make?

Are we comfortable
with the core
assumptions?

What are the risk
contingencies?



STRATEGIC INTEGRATION

Integration places tremendous stress on the people, systems and customers of a financial institution, but it also provides a unique opportunity to look outward and inward, evaluate, and improve - resulting in much more than the simple summation of assets. A successful integration should not select between two ways, it should select the best way.

With this goal in mind we provide a highly structured and disciplined approach to integration through a comprehensive business system review which spans the entire combined organization and evaluates processes and infrastructure requirements against industry best practices and for strategic alignment. The net result has, time after time, yielded synergies far exceeding what were estimated at announcement; and transactions accretive to earnings far earlier than anticipated, leading to phenomenal analyst and market reaction.

CREATING VALUE
THROUGH
ACTION



CAPITAL RAISING

With many financial institutions trading at low market prices, and with uncertainty in the markets, banks are increasingly seeking new sources of capital. Private equity funds and other investors are deploying capital in banks but often lack an understanding of the unique risks and the regulatory environment in this arena and are unsure how to realize the operational value necessary to achieve required returns.

Aston has the depth of industry specific knowledge and experience that is the difference between successful and unsuccessful deals. Aston provides advice, insight and a disciplined, hands-on approach to all stages of the deal cycle: financial structuring for investors, target identification and strategic due diligence, realization of strategic and operating value for portfolio institutions, and physical integration of systems and infrastructure.

SUPERNORMAL
RETURNS FOR
SUPERIOR
DEALS