

Banking Industry Given Healthier Outlook at Commerce Street Capital's 9th Annual Bank Conference

DALLAS, TX (April 11, 2011) Commerce Street Capital LLC's 9th Annual Bank Conference, held April 8 at Four Seasons Resort and Club in Las Colinas, Texas, offered insight from bank consultants, executives, regulators and economists in regards to the state of financial institutions in the United States. There were seven presentations at the half-day conference that had more than 200 community bankers from Texas and beyond in attendance to join in on the discussion of what it will take to survive the road ahead.

Dory Wiley, president and CEO of Commerce Street Capital, presented attendees an overview of the banking industry (based on research from the FDIC and SNL Financial LLC):

- **Healthier earnings**
 - The industry increased earnings by 611.2% to \$88.9 billion from \$12.5 billion net income a year earlier.
 - Non-interest income for 4Q 2010 was \$34.9 billion; an 85.5% increase from 4Q 2009
 - Non-interest expense increased by \$6.5 billion (6.6%) through 2010
 - Provisions steadily decreased throughout 2010 declining by 36.8% from 1Q to 4Q 2010
- **Continued margin and capital improvement**
 - 57.4% of banks 2010 net interest margins have increased from a year ago, which has eased the effects of the decline in interest-earning assets
 - Total bank equity increased \$148.2 billion in 2010, and all regulatory capital levels improved
- **Industry consolidation continues**
 - The number of reporting institutions fell from 8,012 at 4Q to 7,657 at year-end 2010
 - The M&A markets remained active with 197 mergers in 2010
- **Deposit growth remains strong**
 - Total deposits increased by \$180.5 billion (2.0%) in 4Q in 2010. Non-interest bearing deposits rose by \$90.6 billion
 - Federal Home Loan Borrowing advances fell by \$132.4 billion (25.6%)

About Commerce Street Capital

Commerce Street Capital LLC is an asset management, capital markets and advisory firm focused on investing in and advising small and medium size businesses across the United States. For more than 23 years, the firm's leaders have built their reputations as leading investment bankers, financial advisors and investors in community banks. For more information, visit www.commercestreetcapital.com or call 214-545-6800. Commerce Street Capital is a member of FINRA/SIPC.

This press release is for information purposes only and does not constitute a solicitation or offer by Commerce Street Capital, LLC, to buy or sell any securities, futures, options, foreign exchange or other financial instrument or to provide any investment advice or service.

###