

**HOWE BARNES IS PLEASED TO ANNOUNCE
OUR RECENT ADVISORY TRANSACTION**

INVESTMENT BANKING



Homestead Bancorp, Inc.

*has signed a definitive agreement
to be acquired by*



January 2007

Howe Barnes acted as financial advisor to Homestead Bancorp, Inc. in this transaction.

Homestead Bancorp, Inc., of Ponchatoula, Louisiana, has signed a definitive agreement to merge with and into Hammond-based First Guaranty Bank for approximately \$13.1 million in cash. After the transaction is completed, First Guaranty will be ranked number 1 in Tangipahoa Parish with 26.7% of total market deposits and number 3 in Livingston Parish with 12.6% of total market deposits.

The combined entity will operate under the name First Guaranty Bank with approximately \$864 million in total assets. Prior to the completion of this transaction, First Guaranty will form a holding company, First Guaranty Bancshares, Inc.

The acquisition is expected to close in the second quarter of 2007, subject to shareholder and regulatory approvals.

Deal Pricing		Financial Highlights		
Deal Price / LTM Earnings:	43.6x	Total Assets (\$000's)	<u>HSTD</u> 132,335	<u>FGYH</u> 740,465
Deal Price / Book:	127%	Total Equity (\$000's)	10,305	57,566
Deal Price / Tangible Book:	127%	Tang. Eq. / Tang. Assets	7.8%	7.7%
Core Deposit Premium	5.1%	LTM ROAA	0.22%	0.81%
		LTM ROAE	2.9%	10.5%

*Financials as of September 30, 2006

Source: SNL Financial

INVESTMENT BANKING CONTACTS:

Dan Coughlin
(312) 655-2957

Steve Didion
(415) 538-5720

Brian Ytterberg
(312) 655-2979

Ken Lovik
(312) 655-2983

Tom Lynch
(312) 655-2980

Tom Maier
(312) 655-2977

Tom Mecredy
(512) 495-9890

John Schramm
(919) 424-0102

Bill Wagner
(919) 424-0101