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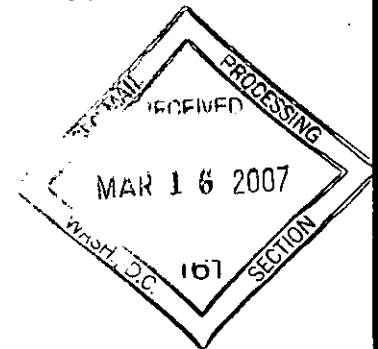
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**PRO FORMA VALUATION REPORT
MUTUAL HOLDING COMPANY STOCK OFFERING**

**FSB COMMUNITY BANKSHARES, INC.
FAIRPORT SAVINGS BANK
Fairport, New York**

**Dated As Of:
February 23, 2007**

Prepared By:

**RP[®] Financial, LC.
1700 North Moore Street
Suite 2210
Arlington, Virginia 22209**

February 23, 2007

Board of Directors
FSB Community Bankshares, MHC
FSB Community Bankshares, Inc.
Fairport Savings Bank
45 South Main Street
Fairport, New York 14450

To the Boards of Directors:

At your request, we have completed and hereby provide an independent appraisal ("Appraisal") of the estimated pro forma market value of the common stock that will be offered in connection with the stock issuance plan described below. This Appraisal is furnished pursuant to the conversion regulations promulgated by the Office of Thrift Supervision ("OTS"). Specifically, this Appraisal has been prepared in accordance with the "Guidelines for Appraisal Reports for the Valuation of Savings and Loan Associations Converting from Mutual to Stock Form of Organization" as set forth by the OTS, and applicable regulatory interpretations thereof.

Description of Stock Issuance Plan

In January 2005, Fairport Savings Bank ("Fairport Savings" or the "Bank") reorganized into the mutual holding company form of ownership, creating FSB Community Bankshares, MHC (the "MHC") and mid-tier holding company FSB Community Bankshares, Inc. ("FSB Community" or the "Company"). On January 24, 2007, the board of directors adopted a Stock Issuance Plan (the "Plan") pursuant to which the Company will sell a minority of its common stock to the public. It is anticipated that the public shares will be offered in a subscription offering to the Bank's Eligible Account Holders, Tax-Qualified Employee Stock Benefit Plans including the employee stock ownership plan (the "ESOP"), Supplemental Eligible Account Holders and Other Members, as such terms are defined for purposes of applicable federal regulatory requirements governing mutual-to-stock conversions. To the extent that shares remain available for purchase after satisfaction of all subscriptions received in the subscription offering, the shares may be offered for sale in a community offering.

The aggregate amount of stock sold by the Company cannot exceed the appraised value of the Bank. Immediately following the offering, the primary assets of the Company will be the capital stock of the Bank and the net offering proceeds remaining after contributing proceeds to the Bank. The Company will contribute at least 50% of the net offering proceeds in exchange for capital stock of the Bank. The remaining net offering proceeds, retained at the Company, will be used to fund a loan to the ESOP and as general working capital.

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RP[®] Financial, LC.

RP[®] Financial, LC. ("RP Financial") is a financial consulting firm serving the financial services industry nationwide that, among other things, specializes in financial valuations and analyses of business enterprises and securities, including the pro forma valuation for savings institutions converting from mutual-to-stock form. The background and experience of RP Financial is detailed in Exhibit V-1. We believe that, except for the fee we will receive for our appraisal, we are independent of the Company and the other parties engaged by the Company to assist in the minority stock issuance process.

Valuation Methodology

In preparing our appraisal, we have reviewed the Bank's, the Company's and MHC's regulatory applications, including the prospectus as filed with the OTS and the Securities and Exchange Commission ("SEC"). We have conducted a financial analysis of the Bank that has included due diligence related discussions with the Company's management; Beard Miller & Company, the Bank's independent auditor; Luse Gorman Pomerenk & Schick, P.C., the Company's conversion counsel; and Sandler O'Neill & Partners, L.P., which has been retained as the financial and marketing advisor in connection with the Company's stock offering. All conclusions set forth in the Appraisal were reached independently from such discussions. In addition, where appropriate, we have considered information based on other available published sources that we believe are reliable. While we believe the information and data gathered from all these sources are reliable, we cannot guarantee the accuracy and completeness of such information.

We have investigated the competitive environment within which the Company operates and have assessed the Company's relative strengths and weaknesses. We have monitored all material regulatory and legislative actions affecting financial institutions generally and analyzed the potential impact of such developments on Fairport Savings and FSB Community and the industry as a whole to the extent we were aware of such matters. We have analyzed the potential effects of the stock conversion on the operating characteristics and financial performance as they relate to the pro forma market value of FSB Community. We have reviewed the economy and demographic characteristics of the primary market area in which the Company currently operates. We have compared the Bank's financial performance and condition with publicly-traded thrift institutions evaluated and selected in accordance with the Valuation Guidelines, as well as all publicly-traded thrifts and thrift holding companies. We have reviewed conditions in the securities markets in general and the markets for thrifts, thrift holding companies and mutual holding companies including mutual holding company offerings.

The Appraisal is based on the Company's representation that the information contained in the regulatory applications and additional information furnished to us by the Company, the Bank and its independent auditors, legal counsel, investment bankers and other authorized agents are truthful, accurate and complete. We did not independently verify the financial statements and other information provided by the Company, or its independent auditors, legal counsel, investment bankers and other authorized agents nor did we independently value the assets or liabilities of the

Company. The valuation considers FSB Community only as a going concern and should not be considered as an indication of liquidation value.

Our appraised value is predicated on a continuation of the current operating environment for the MHC, the Company and the Bank and for all thrifts and their holding companies. Changes in the local and national economy, the federal and state legislative and regulatory environments for financial institutions and mutual holding companies, the stock market, interest rates, and other external forces (such as natural disasters or significant world events) may occur from time to time, often with great unpredictability, and may materially impact the value of thrift stocks as a whole or the Company's value alone. It is our understanding that there are no current plans for pursuing a second-step conversion or for selling control of the Company or the Bank following the offering. To the extent that such factors can be foreseen, they have been factored into our analysis.

The estimated pro forma market value is defined as the price at which the Company's stock, immediately upon completion of the offering, would change hands between a willing buyer and a willing seller, neither being under any compulsion to buy or sell and both having reasonable knowledge of relevant facts.

Valuation Conclusion

It is our opinion that, as of February 23, 2007, the estimated aggregate pro forma market value of the shares to be issued immediately following the offering, both shares issued publicly as well as to the MHC, was \$21,000,000 at the midpoint, equal to 2,100,000 shares issued at a per share value of \$10.00. Pursuant to conversion guidelines, the 15% valuation range indicates a minimum value of \$17,850,000 and a maximum value of \$24,150,000. Based on the \$10.00 per share offering price determined by the board of directors, this valuation range equates to total shares outstanding of 1,785,000 shares at the minimum of the valuation range and 2,415,000 total shares outstanding at the maximum of the valuation range. In the event that the appraised value is subject to an increase, the aggregate pro forma market value may be increased up to a super maximum value of \$27,772,500 without a resolicitation. Based on the \$10.00 per share offering price, the super maximum value would result in 2,777,250 total shares outstanding. The board of directors has established a public offering range such that the public ownership of the Company will constitute a 47.0% ownership interest of the Company. Accordingly, the offering range to the public of the minority stock will be \$8,389,500 at the minimum, \$9,870,000 at the midpoint, \$11,350,500 at the maximum and \$13,053,080 at the super maximum.

Limiting Factors and Considerations

The valuation is not intended, and must not be construed, as a recommendation of any kind as to the advisability of purchasing shares of the common stock. Moreover, because such valuation is determined in accordance with applicable OTS regulatory guidelines and is necessarily based upon estimates and projections of a number of matters, all of which are subject to change from time to time, no assurance can be given that persons who purchase shares of common stock in the

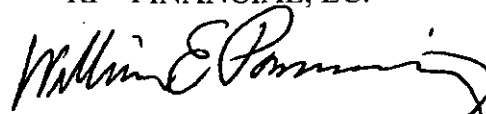
conversion will thereafter be able to buy or sell such shares at prices related to the foregoing valuation of the estimated pro forma market value thereof. The appraisal reflects only a valuation range as of this date for the pro forma market value of FSB Community immediately upon issuance of the stock and does not take into account any trading activity with respect to the purchase and sale of common stock in the secondary market on the date of issuance of such securities or at anytime thereafter following the completion of the public stock offering.

The valuation prepared by RP Financial in accordance with applicable OTS regulatory guidelines was based on the financial condition and operations of FSB Community as of December 31, 2006, the date of the financial data included in the prospectus.

RP Financial is not a seller of securities within the meaning of any federal and state securities laws and any report prepared by RP Financial shall not be used as an offer or solicitation with respect to the purchase or sale of any securities. RP Financial maintains a policy which prohibits RP Financial, its principals or employees from purchasing stock of its financial institution clients.

The valuation will be updated as provided for in the OTS conversion regulations and guidelines. These updates will consider, among other things, any developments or changes in the financial performance and condition of FSB Community, management policies, and current conditions in the equity markets for thrift stocks, both existing issues and new issues. These updates may also consider changes in other external factors which impact value including, but not limited to: various changes in the federal and state legislative and regulatory environments for financial institutions, the stock market and the market for thrift stocks, and interest rates. Should any such new developments or changes be material, in our opinion, to the valuation of the shares, appropriate adjustments to the estimated pro forma market value will be made. The reasons for any such adjustments will be explained in the update at the date of the release of the update.

Respectfully submitted,
RP[®] FINANCIAL, LC.



William E. Pommerening
Chief Executive Officer and
Managing Director

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Fairport, New York

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I. OVERVIEW AND FINANCIAL ANALYSIS

Introduction

Fairport Savings is headquartered in Fairport, New York, a suburb of Rochester in upstate New York. The Bank conducts operations through three facilities: a main office and branch office in Fairport and a newly opened branch office in the adjacent community of Irondequoit. All of the Bank's offices are located in Monroe County, New York within the Rochester metropolitan area. A map of the Bank's office locations is included as Exhibit I-1. The Bank is a member of the Federal Home Loan Bank ("FHLB") system and its deposits are insured up to the maximum allowable amount by the Federal Deposit Insurance Corporation ("FDIC"). At December 31, 2006, Fairport Savings had \$152.8 million in assets, \$108.6 million in deposits and total equity of \$13.9 million equal to 9.1% of total assets. Fairport Savings' audited financial statements are included by reference as Exhibit I-2.

Plan of Reorganization and Stock Offering

In January 2005, Fairport Savings Bank ("Fairport Savings" or the "Bank") reorganized into the mutual holding company form of ownership, creating FSB Community Bankshares, MHC (the "MHC") and mid-tier holding company FSB Community Bankshares, Inc. ("FSB Community" or the "Company"). On January 24, 2007, the board of directors adopted a Stock Issuance Plan (the "Plan") pursuant to which the Company will sell a minority of its common stock to the public. It is anticipated that the public shares will be offered in a subscription offering to the Bank's Eligible Account Holders, Tax-Qualified Employee Stock Benefit Plans including the employee stock ownership plan (the "ESOP"), Supplemental Eligible Account Holders and Other Members, as such terms are defined for purposes of applicable federal regulatory requirements governing mutual-to-stock conversions. To the extent that shares remain available for purchase after satisfaction of all subscriptions received in the subscription offering, the shares may be offered for sale in a community offering.

Concurrent with the reorganization, the Company will retain up to 50% of the net stock proceeds. Immediately after consummation of the reorganization, it is not anticipated that the MHC or the Company will engage in any business activity other than ownership of their

respective subsidiaries and investment of stock proceeds that are retained by the Company. The Company's initial activities will be ownership of its subsidiary, Fairport Savings, investment of the net cash proceeds retained at the holding company level (initially in short-term investment securities) and extending a loan to the Bank's newly-formed employee stock ownership plan ("ESOP"). Subsequent activities of the Company, pursuant to regulatory guidelines and limitations, may include payment of regular or special dividends, acquisitions of other financial institutions, acquisitions of other financial service providers and/or stock repurchases.

Strategic Overview

Over the Bank's history since 1888, Fairport Savings' operations have been fairly reflective of a traditional thrift in which 1-4 family residential mortgage loans (primarily fixed rate) and retail deposits have constituted the principal components of the Bank's assets and liabilities, respectively. The Bank's customer base is drawn from the immediate areas surrounding the offices. Beyond traditional 1-4 family loans, the Bank has pursued only limited activities into other types of lending such as home equity lines of credit, commercial real estate, multi-family, land, and consumer loans. Retail deposits have consistently served as the primary interest-bearing funding source for the Bank, with time deposits constituting the largest portion of the deposit base. More recently, borrowings have served as an alternative funding source for the Bank to support growth objectives. The Bank's use of borrowings has typically been limited to FHLB advances. As lending has been a continuous focus for the Bank, in recent years growth in the cash and investments portfolio has been restrained.

Fairport Savings' core earnings are largely dependent upon net interest income, operating expense levels and strong asset quality, as the relatively undiversified product line and lower levels of transaction account deposits result in limited levels of non-interest income. The Bank intends to raise capital through a minority stock offering. The increase in capital from the minority stock offering will increase liquidity, leverage capacity and overall financial strength of Fairport Savings. In addition, the new capital is intended to support earnings through reinvestment of the net proceeds and will reduce interest rate risk through enhancing the Bank's interest-earning-assets-to-interest-bearing-liabilities ("IEA/IBL") ratio. The additional funds realized from the stock offering will provide an alternative funding source to deposits and

borrowings in meeting the Bank's future funding needs, which may facilitate a reduction in Fairport Savings' funding costs. Additionally, Fairport Savings' higher equity-to-assets ratio will also better position the Bank to support expansion of the balance sheet. Such expansion would most likely occur through the establishment or acquisition of additional banking offices or customer facilities that would provide for further penetration in the markets currently served by the Bank or nearby surrounding markets. The Bank will also be positioned better to pursue growth through acquisition of other financial service providers following the stock offering, given its strengthened capital position. At this time, the Bank has no specific plans for acquisitions, but in January 2007 opened its Irondequoit office and has plans for adding two or three additional branches in adjacent markets over the next several years. The projected use of proceeds is highlighted below.

- o MHC. The MHC was previously capitalized in conjunction with the 2005 reorganization into the MHC form of ownership and no additional capitalization of the MHC is anticipated in the Plan.
- o The Company. The Company is expected to retain up to 50% of the net conversion proceeds. At present, funds at the holding company level are expected to be initially invested into a loan to the ESOP and short-term investment grade securities. Over time, the funds may be utilized for various corporate purposes, which may include acquisitions, infusing additional equity into the Bank, repurchases of common stock, and the payment of regular and/or special cash dividends.
- o The Bank. Approximately 50% of the net conversion proceeds will be infused into the Bank. Cash proceeds (i.e., net proceeds less deposits withdrawn to fund stock purchases) infused into the Bank will initially be invested in short-term, liquid investments and over time become part of general funds, pending deployment into loans and investment securities.

Balance Sheet Trends

Table 1.1 shows the Bank's historical balance sheet data for the years ended June 30, 2002 and 2003 and (after a change in fiscal year end) from December 31, 2004 through 2006. Between June 30, 2002 and December 31, 2006, Fairport Savings' assets increased at an annual rate of 11.2%. Growth in the balance sheet has been driven by the Bank's lending activities, with significant growth in 1-4 family loans funding with a combination of deposit growth and

Table 1.1
Fairport Savings Bank
Historical Balance Sheets

	As of June 30,		2003		2004		2005		2006		Annualized Growth Rate Pct (%)
	Amount (\$000)	Pct(1) (%)	Amount (\$000)	Pct(1) (%)	Amount (\$000)	Pct(1) (%)	Amount (\$000)	Pct(1) (%)	Amount (\$000)	Pct(1) (%)	
Total Amount of:											
Assets	\$94,652	100.00%	\$105,207	100.00%	\$124,828	100.00%	\$143,114	100.00%	\$152,823	100.00%	11.23%
Loans Receivable (net)	65,552	69.26%	81,527	77.49%	98,803	79.15%	108,135	75.56%	120,706	78.98%	14.53%
Cash and cash equivalents	7,201	7.61%	9,167	8.71%	3,311	2.65%	4,669	3.26%	2,182	1.43%	-23.30%
Investment securities											
Held to maturity	17,874	18.88%	9,822	9.34%	18,558	14.87%	25,651	17.92%	24,191	15.83%	6.96%
Available for sale	2,201	2.33%	1,483	1.41%	675	0.54%	576	0.40%	604	0.40%	-24.98%
FHLB stock	640	0.68%	729	0.69%	911	0.73%	1,147	0.80%	1,490	0.97%	20.66%
Deposits	\$80,157	84.69%	\$90,676	86.19%	\$101,076	80.97%	\$106,800	74.63%	\$108,580	71.05%	6.98%
Borrowings	1,012	1.07%	426	0.40%	8,797	7.05%	20,658	14.43%	28,024	18.34%	109.18%
Net worth	11,743	12.41%	12,202	11.60%	13,199	10.57%	13,618	9.52%	13,870	9.08%	3.77%
Offices Open	2		2		2		2		2		---

(1) Ratios are as a percent of ending assets.

(2) Fairport Savings opened a third office in January 2007.

Source: Audited financial statements and RP Financial calculations.

increased reliance on borrowings. A summary of Fairport Savings' key operating ratios for the past two years is presented in Exhibit I-3.

Fairport Savings' loans receivable portfolio increased at a 14.5% annual rate from June 30, 2002 through December 31, 2006 increasing from \$65.6 million to \$120.7 million. The increase in loans receivable during this period is attributed to the increase in 1-4 family residential real estate loans due to new originations and strong market activity, as customers were attracted to the fixed rate loan products offered by the Bank. Overall, the increase in loans compared to assets served to increase the loans-to-assets ratio from 69.3% at year end 2002 to 79.0% at December 31, 2006. Fairport Savings' historical emphasis on 1-4 family lending for portfolio is reflected in its loan portfolio composition, as \$109.8 million, or 90.6% of total loans receivable consisted of 1-4 family permanent mortgage loans at December 31, 2006. This compares to 1-4 family loans of \$96.2 million, or 88.6% of total loans as of December 31, 2005. The Bank's lending strategy continues to rely on permanent 1-4 family loans, with the only significant area of diversification being home equity lines of credit (5.7% of total loans) and just minor amounts of non-residential and consumer loans. Fairport Savings intends to continue emphasizing the origination of residential real estate loans after completion of the offering, stressing whenever possible adjustable rate and short term fixed rate loans and selling a portion of long term fixed rate loans for interest rate risk management purposes.

After 1-4 family and home equity loans, commercial real estate and multi-family loans represent the next largest area of lending activity for the Bank, with the level of these loans declining slightly from \$4.6 million, or 4.2% of loans at December 31, 2005 to \$3.8 million, or 3.1% at December 31, 2006. The Bank does not actively seek out these types of lending opportunities, but originates such loans based on requests made and appropriate information supplied by customers. Other loans, primarily construction and consumer loans, are also a lending activity for Fairport Savings. Such loans are not marketed to customers by the Bank, but are offered and originated as a service to customers. Construction loans totals \$0.4 million and other loans totaled \$0.2 million, or 0.3% and 0.2%, respectively, of loans receivable as of December 31, 2006.

The intent of the Bank's investment policy is to provide adequate liquidity and to generate a favorable return within the context of supporting Fairport Savings' overall credit and

interest rate risk objectives. Due to the historical emphasis on lending, since fiscal 2002 the portfolio of cash and investments has declined as a percentage of total assets from 28.8% at June 30, 2002 to 17.7% as of December 31, 2006. Over the past five and one-half fiscal years, the Bank's level of cash and equivalents has ranged from a high of 8.7% of assets at June 30, 2003 to a low of 1.4% of assets at December 31, 2006. The remaining investments at December 31, 2006 were comprised \$18.2 million of U.S. Treasury and agency securities, \$5.9 million of mortgage-backed securities and \$50,000 of municipal securities – all classified as “held-to-maturity” and \$0.6 million of Freddie Mac stock held as “available for sale”. The Bank also holds \$1.5 million of stock in the Federal Home Loan Bank of New York. Exhibit I-4 provides historical detail of the Bank's investment portfolio over the last two years.

Over the past five and one-half fiscal years, Fairport Savings' funding needs have been substantially met through retail deposits, internal cash flows and borrowings. From the year ended June 30, 2002 through December 31, 2006, the Bank's deposits increased at an annual rate of 7.0%. Similar to the growth in loans receivable, growth in deposits has been consistent over the time period shown growing from a low of \$80.2 million at year end June 30, 2003 to \$108.6 million at December 31, 2006. The increase in deposits was at a slightly slower pace compared to asset growth recorded during the period, and total deposits decreased from 84.7% of assets at year end June 30, 2002 to 71.1% of assets at December 31, 2006. Since December 31, 2005, the Bank has experienced a large increase in time deposits, while there has been a gradual reduction in savings and money market accounts. At December 31, 2006, transaction and savings accounts equaled 27.8% of total deposits, and time deposits, including IRAs, equaled 72.2% of total deposits.

Borrowings serve as an alternative funding source for the Bank to address funding needs for growth. The Bank's use of borrowings has been limited to FHLB advances during the past five and one-half years and as the Bank continues to grow, FHLB advances will help supplement the deposit gathering function thereby easing any deposit shortfalls. Overall, borrowings increased from \$1.0 million or 1.1% of assets at June 30, 2002 to \$28.0 million or 18.3% of assets at December 31, 2006. The significant increase in borrowed funds in the last few years has served to reduce the Bank's net interest income (as a result of higher interest costs) and

reduced the Bank's future borrowing capacity – both generally unfavorable trends in recent years.

The Bank's capital increased at a 3.8% annual rate from year ended June 30, 2002 through December 31, 2006, reflecting the retention of earnings during that period. Equity growth combined with a slightly higher asset growth provided for a decrease in the Bank's equity-to-assets ratio from 12.4% at year ended June 30, 2002 to 9.1% at December 31, 2006. All of the Bank's capital is tangible capital and the Bank maintained capital surpluses relative to all of its regulatory capital requirements at December 31, 2006. The addition of stock proceeds will serve to strengthen the Bank's capital position.

Income and Expense Trends

Table 1.2 shows the Bank's historical income statements for the years ended June 30, 2002 through December 31, 2006. Earnings for the period ending December 31, 2004 reflect eighteen months of operations with ratios shown on an annualized basis. Over the past five and one-half years, the Bank's earnings ranged from a high of 0.51% of average assets for the annualized from the eighteen months ended December 31, 2004 to a low of 0.16% of average assets for the year ended December 31, 2006. The recent decline in earnings is attributable to spread compression – a function of the Bank's significant level of interest rate risk and the rising interest rate environment of the last two years. Net interest income and operating expenses represent the primary components of the Bank's earnings. Trends in both of these areas has been negative, as the Bank has experienced spread compression and has (and will) incur increases in operating expenses particularly as expenses from the newly opened branch office begin to affect the income statement. Non-interest operating income derived largely from retail banking activities has been a limited contributor to the Bank's earnings. Loan loss provisions have had limited impact on the Bank's earnings over the past five and one-half fiscal years.

Fairport Savings' net interest income as a percent of average assets has fluctuated from a high of 3.34% annualized from the eighteen months ended December 31, 2004 to 2.52% for the year ended December 31, 2006. The changes in short and long term interest rates over the past several years have impacted the Bank's net interest income, in particular the declining interest rate environment that existed through mid-2004 served to increase net interest income and

Table 1.2

Fairport Savings Bank
Historical Income Statements

	Fiscal year ended June 30,		Eighteen month period ending December 31,		Fiscal year ended December 31,					
	2002		2003		2004		2005		2006	
	Amount (\$000)	Pct(1) (%)	Amount (\$000)	Pct(1) (%)	Amount (\$000)	Pct(1)(2) (%)	Amount (\$000)	Pct(1) (%)	Amount (\$000)	Pct(1) (%)
Interest Income	\$5,812	6.20%	\$5,671	5.33%	\$9,053	5.25%	\$6,816	5.22%	\$8,093	5.56%
Interest Expense	(3,157)	-3.37%	(2,354)	-2.21%	(3,294)	-1.91%	(2,978)	-2.28%	(4,421)	-3.04%
Net Interest Income	\$2,655	2.83%	\$3,317	3.12%	\$5,759	3.34%	\$3,838	2.94%	\$3,672	2.52%
Provision for Loan Losses	(1)	0.00%	(172)	-0.16%	(54)	-0.03%	(26)	-0.02%	0	0.00%
Net Interest Income after Provisions	\$2,654	2.83%	\$3,145	2.96%	\$5,705	3.31%	\$3,812	2.92%	\$3,672	2.52%
Other Income	\$77	0.08%	\$127	0.12%	\$301	0.17%	\$313	0.24%	\$360	0.25%
Operating Expense	(2,123)	-2.26%	(2,458)	-2.31%	(4,666)	-2.70%	(3,440)	-2.63%	(3,688)	-2.53%
Net Income Before Tax	\$608	0.65%	\$814	0.77%	\$1,340	0.78%	\$685	0.52%	\$344	0.24%
Income Taxes	(233)	-0.25%	(293)	-0.28%	(463)	-0.27%	(228)	-0.17%	(111)	-0.08%
Net Income (Loss)	\$375	0.40%	\$521	0.49%	\$877	0.51%	\$457	0.35%	\$233	0.16%
Expense Coverage Ratio	125.1%		134.9%		123.4%		111.6%		99.6%	
Efficiency Ratio	77.7%		71.4%		77.0%		82.9%		91.5%	
Effective Tax Rate	38.3%		36.0%		34.6%		33.3%		32.3%	

(1) Ratios are as a percent of average assets.

(2) Ratios for the eighteen month period have been annualized.

Source: Audited financial statements and RP Financial calculations.

earnings. Since fiscal 2005, as short-term interest rates have increased, the level of interest expense reported by the Bank has increased substantially, while the longer term fixed rate residential loans in portfolio maintained the yield on earning assets. The combination of these trends has adversely impacted the level of net interest income for the most recent twelve month period. The Bank's historical net interest rate spreads and yields and costs are set forth in Exhibits I-3 and I-5.

Other income has been a limited contributor to the Bank's earnings over the past five and one-half years, reflecting the Bank's adherence to a traditional thrift operating philosophy and resultant limited levels of other products and services that generate non-interest operating income. Revenue from the Bank's subsidiary operations and fees and service charges earned on deposit accounts constitute the largest source of non-interest operating income for the Bank. Throughout the period shown in Table 1.2, sources of non-interest operating income have ranged from a low of 0.08% of average assets for the year ended June 30, 2002 to 0.25% of average assets for the year ended December 31, 2006. The increase in other income has been driven by new marketing efforts to attract core checking accounts and establishment of a subsidiary operation engaged in the sale of annuities and securities. Notwithstanding, the potential increase in non-interest operating income that may be realized through growth of transaction deposits or the increase in other fee-oriented services, Fairport Savings' earnings can be expected to remain highly dependent upon the net interest margin.

Operating expenses represent the other major component of the Bank's income statement, ranging from a low of 2.26% of average assets for the fiscal year ended June 30, 2002 to a high of 2.70% of average assets annualized for the eighteen months ended December 31, 2004. For the most recent twelve month period, operating expenses totaled \$3.7 million, or 2.53% of average assets. The balance of operating expenses has been increasing during the past five and one-half years, due to increases in most expense areas, including compensation and benefits, and more recently, increases in advertising and depreciation. In addition, upward pressure will be placed on the Bank's operating expenses due to the opening of the Irondequoit branch in January 2007 and, following the stock offering, due to expenses associated with operating as a publicly-traded company including expenses related to the stock benefit plans. At the same time, the

increase in capital realized from the stock offering will increase the Bank's capacity to leverage operating expenses.

Overall, the general trends in the Bank's net interest margin and operating expense ratio since fiscal 2003 have translated into a declining expense coverage ratio (net interest income divided by operating expenses). The Bank's expense coverage ratio equaled 1.35x during 2003 versus a comparable ratio of 1.00x times during the twelve months ended December 31, 2006. The weakening of the Bank's expense coverage ratio was realized through a combination of increases in operating expenses and declines in net interest income. Similarly, as the result of these factors, Fairport Savings' efficiency ratio (defined as operating expenses, net of amortization of goodwill and intangibles, as a percent of the sum of net interest income and non-interest operating income) of 91.5% for the twelve months ended December 31, 2006 was less favorable than the 71.4% efficiency ratio maintained during 2003.

Loan loss provisions have generally had a limited impact on the Bank's earnings over the past five and one half years, with the amount of loan loss provision established based on such factors as loan growth, loan portfolio composition, seasoning of the loan portfolio, trends in non-performing loans, loan charge-offs, past loss experience and economic trends in the Bank's lending area. Over the past five and one-half years, the highest loan loss provisions established by the Bank equaled \$0.2 million 0.16% of average assets in fiscal 2003. For the year ended December 31, 2006, the Bank recorded no provisions for loan losses and at year end maintained allowance for loan losses of \$0.3 million, equal to 188.3% of non-accruing loans and accruing loans more than 90 days past due and 0.27% of net loans receivable. Exhibit I-6 sets forth the Bank's allowance for loan loss activity during the past two and one-half years.

The Bank has recorded substantially no non-operating income or losses since fiscal 2002. For the twelve months ended December 31, 2006, the Bank's effective tax rate equaled 32.3%, which approximated the Bank's effective tax rate for the previous year as well. As set forth in the prospectus, the Bank's marginal effective tax rate equals 35.0%.

Interest Rate Risk Management

The Bank's lending and funding strategies have resulted in an above-average level of interest rate risk. Specifically, growth in the Bank's loan portfolio over the last several years has

been driven by the origination and retention in portfolio of fixed rate 1-4 family loans which decreased the interest sensitivity of interest earning assets. At the same time, consumer preference for short-term deposits has resulted in an interest sensitive portfolio of interest bearing liabilities. This combination has exposed the Bank to reductions in net interest income and earnings as interest rates have increased in the past two years. Management of the Bank's interest rate risk is conducted on an ongoing basis and is reviewed formally by the asset/liability committee ("ALCO") of the Board on the periodic basis. The Bank utilizes both an internal model and the interest rate sensitivity analysis prepared by the Office of Thrift Supervision to review the level of interest rate risk. These analyses measure interest rate risk by computing changes in net portfolio value of cash flows from assets, liabilities and off-balance sheet items in the event of a range of assumed changes in market interest rates. The analysis assesses the risk of loss in market risk sensitive instruments in the event of a sudden and sustained 100 to 300 basis point increase or 100 to 200 basis point decrease in market interest rates. Based on this analysis, as of December 31, 2006, a 200 basis point instantaneous and sustained rise in interest rates would result in a 32% decline in net portfolio value (see Exhibit I-7).

Based on the information in Exhibit I-7, Fairport Savings operates with a relatively high level of interest rate risk. This risk has resulted in significant reductions in net interest income and earnings. In response, the Bank has implemented a number of strategies to reduce and manage interest rates risk. Asset oriented strategies include maintaining a portfolio of cash and investments with short terms to maturity, originating wherever possible adjustable rate 1-4 family loans and short term fixed rate 1-4 family loans, and selling a portion of longer term fixed rate loans on a servicing retained basis. The strategy of attracting adjusting rate loans has met with limited success. As of December 31, 2006, of the total loans due after December 31, 2007, adjustable rate loans comprised 14.5% of the Bank's loan portfolio (see Exhibit I-8). Liability strategies to management interest rate risk include an aggressive marketing campaign to attract "totally free checking" accounts to provide core deposits and utilizing longer term FHLB advances to fund lending activities. Other efforts have included increasing the level of non-interest income by diversifying the Bank's operations. The infusion of stock proceeds will complement the Bank's efforts to reduce interest rate risk exposure, as most of the net proceeds will be redeployed into interest-earning assets and the increase to capital will lessen the

proportion of interest rate sensitive liabilities funding assets, thereby, strengthening the Bank's IEA/IBL ratio.

Lending Activities and Strategy

The Bank's lending activities have traditionally emphasized 1-4 family loans and 1-4 family loans continue to comprise the largest portion of the loan portfolio. Beyond 1-4 family loans, other lending activities include home equity lines of credit, commercial real estate, multi-family, construction and other loans. Going forward, the Bank's lending strategy is to continue to pursue a moderate amount of other lending activities beyond traditional residential lending. However, the origination of 1-4 family loans is expected to remain as the dominant component of the Bank's lending activities. Exhibit I-9 provides historical detail of Fairport Savings' loan portfolio composition over the past two years and Exhibit I-10 provides the contractual maturity of the Bank's loan portfolio by loan type as of December 31, 2006.

Fairport Savings offers fixed and adjustable rate 1-4 family permanent mortgage loans. In the current interest rate environment, fixed rate loans have constituted the majority of the Bank's 1-4 family loan volume. The Bank offers fixed rate mortgage loans with terms of up to 30 years and are fully amortizing with monthly loan payments. The Bank also offers adjustable rate mortgage loans that provide an initial fixed interest rate for one, three, five, seven or ten years and that amortize over a period of up to 30 years. The Bank also originates fixed rate mortgage loans with terms of less than 15 years but at rates applicable to the 15 year loan and offers "interest only" loans where the borrower pays interest for an initial period after which the loan converts to a fully amortizing loan. 1-4 family loans are generally underwritten to Freddie Mac guidelines, but the Bank will also originate loans that exceed the size limitation of Freddie Mac up to a maximum loan amount generally of \$750,000. Loan-to-value ratios are generally limited to 90%, unless private mortgage insurance is utilized. The Bank's current practice is to sell a portion of longer term fixed rate loans on a servicing retained basis. The majority of all loans are, however, held as portfolio loans. As of December 31, 2006, the Bank's 1-4 family loan portfolio totaled \$109.8 million or 90.6% of total loans outstanding.

The primary area of diversification in the loan portfolio is home equity lines of credit. Home equity lines are generally secured by a second mortgage on 1-4 family properties. The

underwriting standards for home equity lines include an assessment of the applicant's credit history and ability to meet payment obligations and the value of the collateral securing the loan. The combined loan-to-value ratio for home equity lines is generally limited to 90%. Home equity lines are generally offering with adjustable rate terms tied to the prime rate as reported in The Wall Street Journal. As of December 31, 2006, the Bank's portfolio of home equity lines totaled \$6.9 million or 5.7% of loans receivable.

The Bank also offers multi-family and commercial real estate secured loans. Commercial real estate loans are secured by office buildings, mixed use properties, places of worship and other commercial properties. This lending activity has not been a strategic focus for the Bank in past years. However, such loans are considered desirable due to their higher interest rates and generally shorter terms to maturity than 1-4 family loans. Multi-family loans and commercial real estate loans are offered with either fixed or adjustable interest rates with terms extending to 20 years. Adjustable rate loans are tied to a Treasury index subject to periodic and lifetime limitations on interest rate changes. Loans are generally underwritten to a maximum 70% loan-to-value ratio and a debt service coverage ratio of no more than 120%. Multi-family and commercial real estate loans generally involve a greater deal of credit risk than 1-4 family loans and carry larger balances. The Bank does not plan a significant increase in multi-family and commercial real estate lending due to limitations on staffing and the added risk that such lending entails. As of December 31, 2006, the Bank's portfolios of multi-family and commercial real estate loans totaled \$1.0 million and \$2.7 million, respectively, representing 0.9% and 2.3% of total loans receivable.

The Bank also offers construction and other loans to its customers. Construction loans are offered to borrowers to construct personal residences by qualified builders and are generally construction/permanent loans. Other loans are primarily consumer loans including auto, passbook, overdraft and unsecured loans. As of December 31, 2006, the construction loan and other loan categories totaled \$0.4 million and \$0.2 million, respectively, representing 0.3% and 0.2% of total loans receivable.

Lending activities are conducted by the Bank's loan personnel operating through the offices and through local mortgage brokers. The majority of 1-4 family loans are broker originated loans although additional activity is provided by in-house loan representatives,

referrals from existing or past customers and be referrals from local builders and real estate brokers. Lending is conducted in the primary market area surrounding the branch offices. Exhibit I-11 provides a summary of the Bank's lending activities over the past two years. Total loans originated increased from \$21.9 million in the year ended December 31, 2005 to \$26.4 million in the year ended December 31, 2006. Originations of 1-4 family mortgage loans accounted for the most active lending area for the Bank during the past two years, with such originations totaling \$22.9 million or 86.7% of total loans originated. The second largest balance of loans originated consisted of home equity lines, totaling \$2.3 million, or 8.7% of total originations. The Bank sells a small amount of its loan production on a servicing retained basis. For the fiscal year ended December 31, 2006, the Bank sold \$1.2 million of 1-4 family loans in this manner. At December 31, 2006, the principal balance of loans serviced for others totaled \$1.9 million.

Asset Quality

The Bank's historical 1-4 family lending emphasis, favorable real estate market conditions and credit risk management strategies have generally supported favorable credit quality measures. As shown in Exhibit I-12, the Bank had non-performing assets of just \$265,000 and \$171,000 at the years ended December 31, 2005 and December 31, 2006, respectively. Non-performing assets at year end 2006 were comprised solely of non-performing loans with no foreclosed real estate and totaled 0.14% of total loans and 0.11% of total assets. To track the Bank's asset quality and the adequacy of valuation allowances, Fairport Savings has established detailed asset classification policies and procedures which are consistent with regulatory guidelines. Detailed asset classifications are reviewed monthly by senior management and the Board. Pursuant to these procedures, when needed, the Bank establishes additional valuation allowances to cover anticipated losses in classified or non-classified assets. As of December 31, 2006, the Bank maintained valuation allowances of \$322,000, equal to 0.27% of loans receivable and 188.3% of non-performing assets.

Funding Composition and Strategy

Deposits have consistently served as the Bank's primary source of funds and at December 31, 2006 deposits accounted for 71.1% of Fairport Savings' funding liabilities and capital. Exhibit I-13 sets forth the Bank's deposit composition for the past two years and Exhibit I-14 provides the maturity composition of the jumbo CD portfolio at December 31, 2006. The Bank's deposit composition is concentrated in CDs, and as of December 31, 2006, the CD portfolio including IRA accounts totaled \$78.9 million or 72.2% of total deposits. As of December 31, 2006, jumbo CDs (CD accounts with balances of \$100,000 or more) amounted to \$14.3 million or 18.1% of total CDs. The Bank does not hold any brokered CDs.

Lower cost savings and transaction accounts comprise the balance of the Bank's deposit composition, with such deposits amounting to \$30.3 million or 27.8% of total deposits at December 31, 2006. Comparatively, the concentration of core deposits comprising total deposits equaled \$32.2 million or 31.1% of total deposits at year ended December 31, 2005. The reduction in core deposits since year ended December 31, 2005 has consisted mostly of savings and money market account deposits. Increasing the concentration of core deposits in the deposit base is a strategic initiative that has been targeted in the Bank's business plan, in which checking accounts will be pursued as the primary source of core deposit growth. To this end, the Bank is pursuing a structured marketing program provided by a third party vendor to attract and retain checking accounts under the "totally free" marketing programs. The Bank's core deposits currently consist mostly of savings and money market accounts, which totaled \$12.0 million and \$10.6 million, respectively, at December 31, 2006. In addition, the Bank held \$14.9 million of IRA account deposits held in CDs. Although such deposits are generally long-term in nature, they tend to be generally higher cost deposits.

Borrowings serve as an alternative funding source for the Bank to support asset growth and supplement retail deposits. The Bank's utilization of borrowings has typically been limited to advances from the FHLB of New York. Fairport Savings maintained \$28.8 million of FHLB advances at December 31, 2006, which had maturity dates ranging from January 2007 through June 2016 and included overnight advances, amortizing advances, floating rate advances and fixed rate advances. Exhibit I-15 provides further detail of Fairport Savings' borrowing activities during the past two years. To the extent additional borrowings are required to fund

growth, FHLB advances would likely continue to be the primary source of borrowings utilized by the Bank.

Subsidiary Operations

The Bank maintains one wholly-owned subsidiary called Oakleaf Services Corporation, a brokerage subsidiary that provides annuities, insurance products and mutual funds. At December 31, 2006, the Bank had an investment in Oakleaf of \$50,000 and during the year ended December 31, 2006 the Bank derived \$160,000 of fee income from Oakleaf.

Legal Proceedings

The Bank is periodically involved in routine legal proceedings occurring in the ordinary course of business which, in the aggregate, involve amounts which are believed by management to be immaterial to the Bank's financial condition and results of operations. At December 31, 2006, the Bank was not involved in any legal proceedings.

II. MARKET AREA

Introduction

Fairport Savings serves selected suburban markets surrounding the city of Rochester, New York through three facilities in Monroe County, New York, including the main office in Fairport, and a branch office in Penfield and a newly opened branch office located in Irondequoit. Although the facilities serve the greater Rochester area, the primary business conducted by Fairport Savings are in the suburban communities surrounding the main office and branches. Fairport Savings' activities are largely conducted within the markets served by the retail branches and surrounding contiguous markets. Exhibit II-1 provides information on the Bank's office facilities.

The primary market area served by the Bank is within the Rochester metropolitan area representing one of the largest sources of economic activity in upstate New York. The Bank's competitive environment includes a large number of thrifts, commercial banks and other financial service providers, some of which have a regional or national presence. Due to its small size, the Bank has more limited resources and a smaller market presence than many of its competitors. The primary market area economy is fairly diversified, with services, wholesale/retail trade, manufacturing and government constituting the basis of the primary market area economy.

Future business and growth opportunities will be partially influenced by economic and demographic characteristics of the markets served by the Bank, particularly the future growth and stability of the regional economy, demographic growth trends, and the nature and intensity of the competitive environment for financial institutions. These factors have been examined to help determine the growth potential that exists for the Bank and the relative economic health of the Bank's market area.

Market Area Demographics

Key demographic and economic indicators in the Bank's market area include population, number of households and household/per capita income levels. Demographic data for Monroe County, as well as comparative data for New York and the U.S., is provided in Table 2.1.

Monroe County is a large, growing suburban market, dominated by the presence of the city of Rochester, the third largest city in the state. The Bank's market area county recorded a population base of 746,000 as of 2006. Since 2000, population growth in Monroe County (0.3%) has been slightly lower than the statewide (0.6%) and national (1.5%) averages and household growth closely paralleled population growth with Monroe County experiencing a slower rate of growth than the comparatives. Population and household growth for the primary market area is projected to remain slightly below the comparable projected growth rates for the U.S. and New York over the next five years.

In Monroe County, median household income was higher and per capita income was in between the averages for the state of New York and the U.S. The higher income measure indicated for Monroe County reflects the influence of economic activity in the Rochester metropolitan area and the larger base of professional and white collar jobs in the area. The affluent nature of Monroe County is further implied by household income distribution measures, which show that, in comparison to New York and the United States, Monroe County maintains a lower percentage of households with incomes of less than \$25,000 and a higher percentage of households with incomes in the upper income brackets.

Importantly, while income growth rates are modestly below the level for the state, they are slightly higher than the national aggregate and moderate population growth overall coupled with increasing income levels projected for Monroe County should enhance the Bank's ability to achieve growth objectives targeted herein.

National Economic Factors

The future success of the Bank's operations is partially dependent upon various national and local economic trends. In assessing economic trends over the past year, economic data for March 2006 generally reflected a strong economy, based on robust numbers for retail sales, new

Table 2.1
Fairport Savings Bank
Summary Demographic Data

	Year		2011	Growth Rate 2000-06	Growth Rate 2006-2011
	2000	2006			
<u>Population(000)</u>					
United States	281,422	303,582	323,786	1.5%	1.3%
New York	18,976	19,533	19,954	0.6%	0.4%
Monroe County	735	746	754	0.3%	0.2%
<u>Households(000)</u>					
United States	105,480	114,050	121,863	1.6%	1.3%
New York	7,057	7,253	7,421	0.5%	0.5%
Monroe County	287	290	294	0.3%	0.3%
<u>Median Household Income(\$)</u>					
United States	\$42,164	\$51,546	\$60,704	4.1%	3.3%
New York	43,582	54,403	64,999	4.5%	3.6%
Monroe County	44,898	55,610	66,116	4.4%	3.5%
<u>Per Capita Income(\$)</u>					
United States	\$21,587	\$27,084	\$32,982	4.6%	4.0%
New York	23,389	30,095	37,345	5.2%	4.4%
Monroe County	22,821	28,802	35,334	4.8%	4.2%
<u>2006 HH Income Dist.(%)</u>					
United States	Less Than \$25,000	\$25,000 to \$50,000	\$50,000 to \$100,000	\$100,000+	
New York	22.7%	25.8%	31.8%	19.8%	
Monroe County	23.7%	22.6%	30.0%	23.7%	
	21.0%	23.7%	32.5%	22.8%	

Sources: SNL Financial

home sales and durable-goods orders. The national unemployment rate for March declined to 4.7%, with over 200,000 jobs added during the month. First quarter GDP growth was revised upward to an annual rate of 5.3% compared to an original estimate of 4.7%.

Economic data at the start of the second quarter 2006 was somewhat mixed. April data for retail sales, manufacturing activity and new home sales all showed positive trends, while, comparatively, durable-goods orders were down sharply in April, existing home sales were lower in April and the pace of job growth slowed in April. The national unemployment rate for April held steady at 4.7%. Following a strong rise in manufacturing activity during April, the index for manufacturing activity fell in May. The pace of job growth slowed further in May, although the May national unemployment rate dipped to 4.6% which was the lowest rate since the summer of 2001. In a sign that higher gasoline prices and weaker home sales may be slowing the economy, retail sales rose only 0.1% in May from April. Weaker consumer demand also translated into a decline in factory output for May. New home sales rose in May for the third straight month, but sales of existing homes fell in May reflecting the impact of higher interest rates. While first quarter GDP growth was revised upward to a 5.6% annual rate, second quarter growth was expected to be much slower. Job growth in June fell short of expectations, but the unemployment rate for June held steady at 4.6%. While strong business investment provided for a jump in U.S. industrial production in June, other data reflected a slowing economy. Home sales of new and existing homes fell in June, while inventories of homes for sale swelled to a nine year high. Second quarter GDP slowed to a 2.5% annual rate and June durable-goods orders excluding defense products increased at a slower pace.

Despite signs of a cooling economy and record high oil prices, consumer confidence edged up in July 2006. Manufacturing activity picked up in July and retail sales were up in July as well, while the number of jobs added in July was less than forecasted. The national unemployment rate for July rose to 4.8%, the first increase since February 2006. Other signs of slower economic growth included the index of leading indicators easing slightly in July and July sales of existing and new homes tumbling, while the inventory of unsold homes rose to a record high. Consumer spending was up strongly in July, but retailers reported mixed sales for August. Solid job growth provided for a dip in the August unemployment rate to 4.7%. Home inventories continued to rise in August, which translated in fewer housing starts in August.

Existing home sales also declined in August, which put downward pressure on home prices with the median home price for existing home sales falling in August for the first time since 1995. Durable-goods orders fell in August, while new home sales posted an unexpected gain in August. Job growth slowed in September, but the unemployment rate edged down to 4.6%. Overall, the economy grew at a 2.0% annual rate in the third quarter.

The mid-October 2006 release of the Federal Reserve's "beige book" indicated that consumer spending remained strong, despite the slowdown in the housing market. The Federal Reserve's "beige book" also found job markets tightening across the U.S., but without an accompanying increase in wages. Falling gas prices supported a solid increase in September retail sales. Excluding gas sales, retail sales increased 0.6% in September. While new home construction rose in September, building permits declined pointing to a softening in residential construction. Lower median home prices and a decline in construction spending in September provided further evidence of a cooling housing market, while new home sales fell 3.2% in September. A slowing economy was also indicated by a decline in industrial output in September and a decline in manufacturing activity in October. At the same time the economy showed signs of resilience, as the October unemployment rate dropped to a five-year low of 4.4% and retail sales, excluding gas sales, rose in October. New home building rose in November, despite the glut of unsold homes on the market, and retail sales rose more than expected in November. The November employment report showed continued job growth, but the unemployment rate edged up to 4.5%. In a sign that the housing slump could be bottoming out, sales of new and existing homes rose in November. Retailers reported a modest increase in December same store sales, while job growth was stronger than expected in December. The December unemployment rate held steady at 4.5%. Housing starts rose in December, although the housing market remained weak. Fourth quarter GDP increased at a 3.5% annual rate.

Signs of slower economic growth continued to emerge at the start of 2007, as manufacturing activity declined in January. The employment report for January was also less favorable, based on fewer jobs added and an increase in the unemployment rate to 4.6%. Retail sales were flat in January, while economic activity in the service sector continued to expand during January.

In terms of interest rate trends over the past year, interest rates edged higher in early-March 2006 reflecting growing expectations that foreign central banks would keep raising interest rates based on forecasts of an improving global economy. A positive report on consumer-price inflation for February helped to pull Treasury yields lower in mid-March, while, comparatively, an upward revision to consumer-price inflation for the fourth quarter of 2005 and a quarter point rate hike by the Federal Reserve with hints of more rate increases to come pushed Treasury yields higher at the close of the first quarter.

The upward trend in interest rates continued into the second quarter of 2006, with the yield on the 10-year Treasury note moving above 5.0% in mid-April for the first time since mid-2002. Economic data showing a strengthening economy and higher consumer prices pushed bond yields higher into early-May, reflecting growing expectations that more rate increases were in store from the Federal Reserve to contain inflation. As expected, the Federal Reserve concluded its May meeting by increasing the federal funds rate another quarter point to 5.0% and kept its options open for future rate increases. Interest rates stabilized during the second half of May and then edged lower in early-June on news that job growth was weaker than expected during May. A 2.4% increase in core consumer prices for May pushed interest rates higher in mid-June, as expectations increased that the Federal Reserve would raise interest rates again despite signs of a cooling economy. Inflation concerns pushed the yield on the 10-year Treasury note to a four year high in late-June. The Federal Reserve concluded its late-June meeting by raising the federal funds rate a quarter point to 5.25%, its 17th straight rate increase. Bond prices rallied following the Federal Reserve meeting, as the Federal Reserve's statement suggested that a pause in the current cycle of rate increases may be appropriate.

Long-term Treasury yields eased lower at the start of the third quarter of 2006, based on expectations of a cooling economy as reflected by the weaker than expected job growth in the June employment data. A flight to safety, amid violence in the Middle East, furthered the upward trend in bond prices in mid-July. Economic data showing economic growth slowing and comments from the Federal Reserve Chairman that slower economic growth was expected to reverse the rise in inflation extended the bond rally through the end of July, with the yield on the 10-year Treasury note dipping below 5.0% in late-July. Weaker than expected job growth in July continued the downward trend in long-term Treasury yields in the first week of August, as

the yield on the 10-year Treasury note dipped to a four-month low of 4.90%. Long-term Treasury yields continued to ease lower into the second half of August, as the Federal Reserve left rates unchanged at 5.25%, its first pause after two years of steady increases. Modest increases in producer prices and core consumer prices for July, as well as weaker home sales in July, sustained the downward trend in long-term interest rates into late-August. After stabilizing in the first half of September, long-term Treasury yields trended lower during the balance of September amid signs of slower economic growth. The September meeting of the Federal Reserve concluded with no change in interest rates.

The rally in long-term Treasury bonds extended into early-October 2006, as the Federal Reserve Chairman suggested that the sinking housing market could slow economic growth in the U.S. Growing expectations that the Federal Reserve would leave rates unchanged at its next meeting reversed the downward trend in interest rates heading into mid-October. Interest rates stabilized ahead of the Federal Reserve meeting in October and then trended lower in late-October as the Federal Reserve held rates steady as expected. After edging up slightly in early-November, long-term Treasury yields declined slightly in mid-November on upbeat comments by the St. Louis Federal Reserve about interest rates. A smaller than expected increase in core consumer prices for October also served to boost bond prices in late-November. Interest rates stabilized in early-December and then edged higher following the November employment report which reflected solid job growth. The Federal Reserve left interest rates unchanged at its mid-December meeting, indicating that inflation remained its principal concern. There was little change in interest rates through most of December with the inverted yield curve remaining inverted for a longer period than many economists had forecast

A stable interest rate environment continued to prevail at the beginning of 2007, which was followed by a mild upward trend in interest rates in mid-January. Lower oil prices and increased expectations of the Federal Reserve not cutting rates anytime soon contributed to the rise in long-term Treasury yields. Following the Federal Reserve's decision to leave rates unchanged at its end of January, interest rates stabilized during the first half of February. Treasury bonds rallied in mid-February, based on indications from the Federal Reserve Chairman that inflation was headed lower. As of February 20, 2007, the bond equivalent yields

for U.S. Treasury bonds with terms of one and ten years equaled 5.05% and 4.69%, respectively, versus comparable year ago yields of 4.68% and 4.54%.

Regional Economy

The Bank's primary market area has a fairly diversified local economy, with employment in services, wholesale/retail trade, manufacturing and government serving as the basis of the regional economy. Service jobs represented the largest employment sector in Monroe County. Jobs in the wholesale/retail trade constituted the second largest employment sector, while manufacturing jobs provided the third largest source of jobs in Monroe County. The Rochester area's increasingly diversified economy continues to support the growth of entrepreneurship throughout the region. Table 2.2 provides an overview of employment by sector for Monroe County and the state of New York.

Table 2.2
Primary Market Area Employment Sectors
(Percent of Labor Force)(1)

<u>Employment Sectors</u>	<u>New York</u>	<u>Monroe</u>
Services	44.7%	45.9%
Government	14.2	11.0
Wholesale/Retail	13.5	13.9
Fin., Ins. & Real Estate	10.3	6.8
Manufacturing	5.9	13.5
Construction	4.4	3.9
Transportation & Warehousing	3.0	1.8
Information	2.9	2.6
Other	1.1	0.6
	100.0%	100.0%

(1) As of 2004.

Source: Regional Economic Information System Bureau of Economic Analysis.

The Rochester area is home to a number of international businesses, including Fortune 1000 companies Eastman Kodak, Constellation Brands, and Paychex. Other international companies with local headquarters are Bausch & Lomb, Sutherland Global Services, Rochester Midland Corporation, and Gleason Corporation. Xerox, while no longer headquartered in

Rochester, has its principal offices and manufacturing facilities in the Rochester area. Because of the high prevalence of imaging and optical science among the industry and the universities, Rochester is known as the world capital of imaging. The Institute of Optics of the University of Rochester is ranked number one in the country, and the Rochester Institute of Technology has one of the best imaging science departments in the country. In 2005, the University of Rochester became the largest employer in the Rochester area, with 17,075 employees.

Comparative unemployment rates for Monroe County, as well as for the U.S. and New York, are shown in Table 2.3. December 2006 unemployment rates for Monroe County equaled 3.8%, respectively, versus a comparable unemployment rate of 4.6% for New York and 4.5% for the U.S. Similar to the U.S. and New York, the December 2006 unemployment rates for Monroe County was lower compared to a year ago.

Table 2.3
Unemployment Trends (1)

<u>Region</u>	<u>December 2005 Unemployment</u>	<u>December 2006 Unemployment</u>
United States	4.9%	4.5%
New York	5.0	4.6
Monroe County	4.4	3.8

(1) Unemployment rates have not been seasonally adjusted.

Source: U.S. Bureau of Labor Statistics.

Market Area Deposit Characteristics and Trends

The Bank's retail deposit base is closely tied to the economic fortunes of Monroe County, in particular, the markets that are nearby to one of Fairport Savings' office locations. Table 2.4 displays deposit market trends from June 30, 2003 through June 30, 2006 for the branches that were maintained by the Bank during that period. Additional data is also presented for the state of New York. The data indicates that Monroe County's balance of total bank and thrift deposits has largely declined in the past three years, due to a large decline in bank deposits because of recent consolidation in the industry. Consistent with the state of New York, commercial banks maintained a larger market share of deposits than savings institutions in Monroe County. For the

Table 2.4
Fairport Savings Bank
Deposit Summary

	As of June 30,						Deposit Growth Rate 2003-2006 (%)
	2003			2006			
	<u>Deposits</u>	<u>Market Share</u>	<u># of Branches</u>	<u>Deposits</u>	<u>Market Share</u>	<u># of Branches</u>	
	(Dollars in Thousands)						
State of New York	\$ 584,129,616	100.0%	4,655	\$ 800,147,185	100.0%	5,126	11.1%
Commercial Banks	493,152,068	84.4%	3,581	701,529,775	87.7%	3,924	12.5%
Savings Institutions	90,977,548	15.6%	1,074	98,617,410	12.3%	1,202	2.7%
Monroe County	\$ 19,763,418	100.0%	185	\$ 9,540,994	100.0%	191	-21.6%
Commercial Banks	19,604,658	99.2%	179	9,212,749	96.6%	179	-22.3%
Savings Institutions	158,760	0.8%	6	328,245	3.4%	12	27.4%
Fairport SB	90,676	0.5%	2	115,204	1.2%	2	8.3%

Sources: FDIC and SNL Financial.

three year period covered in Table 2.4, savings institutions experienced an increase in deposit market share in Monroe County.

The Bank's approximate \$115.2 million of deposits at the Monroe County branches represented a 1.2% market share of thrift and bank deposits at June 30, 2006. As part of the Rochester metropolitan area, the Monroe County market is a highly competitive banking market where the Bank competes against significantly larger competitors as well as a number of locally-based institutions that operate primarily in the Rochester MSA. During the three year period covered in Table 2.4, an 8.3% annual deposit growth rate in Monroe County translated into an increase in the Bank's deposit market share from 0.5% at June 30, 2003 to 1.2% at June 30, 2006. The Bank's new branch, which opened in January 2007 in Irondequoit, will help to increase in market share throughout the next year. The Bank also plans on opening a number of branches in the eastside suburbs of Rochester within the next five years, which will help Fairport Savings to continue to increase in deposits and market share.

Competition

The Bank faces notable competition in both deposit gathering and lending activities, including direct competition with several financial institutions and credit unions that primarily have a local or regional presence. Securities firms and mutual funds also represent major sources of competition in raising deposits. In many cases, these competitors are also seeking to provide some or all of the community-oriented services as Fairport Savings. With regard to lending competition, the Bank encounters the most significant competition from the same institutions providing deposit services. In addition, the Bank competes with mortgage companies and independent mortgage brokers in originating mortgage loans. Table 2.5 lists the Bank's largest competitors in the county currently served by its branches, based on deposit market share as noted parenthetically. The Bank's market share and market rank are also provided in Table 2.5.

Table 2.5
Fairport Savings Bank
Market Area Deposit Competitors

<u>Location</u>	<u>Name</u>
Monroe County	M&T Bank Corporation (23.9%) HSBC Holdings (22.1%) JP Morgan Chase & Co. (19.9%) Royal Bank of Scotland Group (15.9%) Bank of America Corporation (4.8%) Canandaigua National Corp. (4.5%) KeyCorp (3.5%) First Niagara Financial Group (2.2%) Fairport SB (1.2%) – Rank of 9

Sources: SNL Financial and FDIC.

III. PEER GROUP ANALYSIS

This chapter presents an analysis of Fairport Savings' operations versus a group of comparable companies (the "Peer Group"), selected from the universe of all publicly-traded savings institutions. The primary basis of the pro forma market valuation of Fairport Savings is provided by these public companies. Factors affecting the Bank's pro forma market value such as financial condition, credit risk, interest rate risk, and recent operating results can be readily assessed in relation to the Peer Group. Current market pricing of the Peer Group, subject to appropriate adjustments to account for differences between Fairport Savings and the Peer Group, will then be used as a basis for the valuation of Fairport Savings' to-be-issued common stock.

Peer Group Selection

The mutual holding company form of ownership has been in existence in its present form since 1991. As of the date of this appraisal, there were approximately 40 publicly-traded institutions operating as subsidiaries of MHCs. The universe of all publicly-traded MHC institutions, exclusive of institutions that have announced second-step conversions, is included as Exhibit III-2. We believe there are a number of characteristics of MHC shares that make them different from the shares of fully-converted companies. These factors include: (1) lower aftermarket liquidity in the MHC shares since less than 50% of the shares are available for trading; (2) guaranteed minority ownership interest, with no opportunity of exercising voting control of the institution in the MHC form of organization; (3) the potential impact of "second-step" conversions on the pricing of public MHC institutions; (4) the regulatory policies regarding the dividend waiver by MHC institutions; and (5) most MHCs have formed mid-tier holding companies, facilitating the ability for stock repurchases, thus improving the liquidity of the stock on an interim basis. We believe that each of these factors has an impact on the pricing of the shares of MHC institutions, and that such factors are not reflected in the pricing of fully-converted public companies.

Given the unique characteristics of the MHC form of ownership, RP Financial concluded that the appropriate Peer Group for Fairport Savings' valuation should be comprised of subsidiary institutions of mutual holding companies. The selection of publicly-traded mutual

holding companies for the Bank's Peer Group is consistent with the regulatory guidelines and other recently completed MHC transactions. Further, the Peer Group should be comprised of only those MHC institutions whose common stock is either listed on a national exchange or is NASDAQ listed, since the market for companies trading in this fashion is regular and reported. We believe non-listed MHC institutions, including institutions whose shares are traded on the bulletin board or in the "pink sheets" are inappropriate for the Peer Group, since the trading activity for thinly-traded stocks is typically highly irregular in terms of frequency and price and may not be a reliable indicator of market value. We have excluded from the Peer Group those public MHC institutions that are currently pursuing a "second-step" conversion and/or companies whose market prices appear to be distorted by speculative factors or unusual operating conditions. MHCs which have recently completed a minority stock offering have been excluded as well, due to the lack of a seasoned trading history and insufficient quarterly financial data that includes the impact of the offering proceeds. The universe of all publicly-traded institutions is included as Exhibit III-1.

Basis of Comparison

This appraisal includes two sets of financial data and ratios for the Peer Group institutions. The first set of financial data reflects the actual book value, earnings, assets and operating results reported by the Peer Group institutions in its public filings inclusive of the minority ownership interest outstanding to the public. The second set of financial data, discussed at length in the following chapter, places the Peer Group institutions on equal footing by restating their financial data and pricing ratios on a "fully-converted" basis through assuming the sale of the majority shares held by the MHCs in public offerings based on their current trading prices and standard assumptions for a thrift conversion offering. Throughout the appraisal, the adjusted figures will be specifically identified as being on a "fully-converted" basis. Unless so noted, the figures referred to in the appraisal will be actual financial data reported by the Peer Group institutions.

Both sets of financial data have their specific use and applicability to the appraisal. The actual financial data, as reported by the Peer Group companies and reflective of the minority interest outstanding, will be used in Chapter III to make financial comparisons between the Peer

Group and the Bank. The differences between the Peer Group's reported financial data and the financial data of Fairport Savings are not significant enough to distort the conclusions of the comparison (in fact, such differences are greater in a standard conversion appraisal). The adjusted financial data (fully-converted basis) will be more fully described and quantified in the pricing analysis discussed in Chapter IV. Exhibit III-2 The fully-converted pricing ratios are considered critical to the valuation analysis in Chapter IV, because they place each Peer Group institution on a fully-converted basis (making their pricing ratios comparable to the pro forma valuation conclusion reached herein), eliminate distortion in pricing ratios between Peer Group institutions that have sold different percentage ownership interests to the public, and reflect the implied pricing ratios being placed on the Peer Group institutions in the market today to reflect the unique trading characteristics of publicly-traded MHC institutions.

Selection of Peer Group

Under ideal circumstances, the Peer Group would be comprised of ten publicly-traded New York-based MHC institutions with capital, earnings, credit quality and interest rate risk comparable to Fairport Savings. Although the universe of publicly-traded institutions in the MHC form of ownership is relatively limited, a large number of the smaller MHC institutions are headquartered in the State of New York. This provides a relatively good base of candidates from which to form a representative Peer Group for valuation purposes. The selection criteria we applied was a two step process:

Selection #1. Smaller New York MHCs. Our first selection criteria was to consider MHC institutions headquartered in New York that reported assets less than \$500 million. These institutions would share the same general market area as Fairport Savings and would similarly operate with limited financial resources given their smaller sizes. A total of six (6) institutions met this selection criterion. All six institutions have been in MHC form for over one year and none are currently pursuing a second step conversion or other transaction that might cause their trading prices to be distorted. With no reason for exclusion, we included all six New York MHC institutions in the Peer Group.

Selection #2. Smaller Mid-Atlantic MHCs. Our second selection criterion was to consider MHC institutions from the broader regional market area of the mid-Atlantic and New England states with assets less than \$500 million. These institutions share the same regional market area as Fairport Savings and operate with similar limited resources. A total of six (6) institutions met this selection criterion. Of those institutions, we excluded from consideration those institutions that have been in public form for less than one year, resulting in the exclusion of two institutions. With no reason for excluding the other companies, we included the four remaining Mid-Atlantic and New England MHC institutions in the Peer Group to result in a total of ten (10) institutions consistent with regulatory policy:

<u>Selection #1. New York MHCs < \$500 million</u>		<u>Asset Size</u>
1.	GOV Gouverneur Bancorp MHC of NY	\$132 million
2.	GCBC Green County Bancorp MHC of NY	\$312 million
3.	LSBK Lake Shore Bancorp MHC of NY	\$350 million
4.	NECB NE Community Bancorp MHC of NY	\$290 million
5.	ONFC Oneida Financial MHC of NY	\$434 million
6.	PBHC Pathfinder Bancorp MHC of NY	\$298 million
<u>Selection #2. Mid-Atlantic and New England MHCs < \$500 million</u>		
7.	COBK Colonial Bank MHC of NJ	\$379 million
8.	FFCO FirstFed Financial MHC of PA	\$284 million
9.	MGYR Magyar Bancorp MHC of NJ	\$449 million
10.	NVSL Naugatuck Valley Financial MHC of CT	\$414 million
* Selection #2 institutions excluded due to recent conversion		
	ALLB Alliance Bank MHC of PA	\$424 million
	MSBF MSB Financial Corp MHC of NJ	\$328 million

The asset sizes of the Peer Group companies ranged from \$132 million to \$449 million. Exhibit III-3 provides summary demographic and deposit market share data for the primary market areas served by each of the Peer Group companies. Table 3.1 on the following page lists key general characteristics of the Peer Group companies. Although there are differences among several of the Peer Group members, by and large they are well-capitalized and profitable institutions and their decision to reorganize in MHC form suggests a commonality of operating philosophy. Importantly, the trading prices of the Peer Group companies reflect the unique

Table 3.1
 Peer Group of Publicly-Traded Thrifts
 March 7, 2007(1)

Ticker	Financial Institution	Exchg. Market	Primary	Operating Total	Offices	Fiscal	Conv.	Stock	Market
				Strat.(2) Assets		Year	Date	Price	Value
				(\$mil)				(\$)	(\$mil)
MOYR	Magyar Bancorp MHC of NJ(46.0)		NASDAQ Nw Brunswick, NJ	Thrift	3	09-30	01/06	14.75	87
ONFC	Oneida Financi MHC of NY(44.6)		NASDAQ Oneida, NY	Thrift	10	12-31	12/98	12.00	93
MYSL	Naug Vily Fin MHC of CT (44.2)		NASDAQ Naugatuck, CT	Thrift	6	12-31	10/04	12.75	96
COBK	Colonial Bank MHC of NJ (46.0)		NASDAQ Bridgeton, NJ	Thrift	6	12-31	06/05	13.78	62
LSBK	Lake Shore Bnp MHC of NY(45.0)		NASDAQ Dunkirk, NY	Thrift	8	12-31	04/06	12.45	82
GCBC	Green Co Bcrp MHC of NY (44.4)		NASDAQ Catekill, NY	Thrift	7	06-30	12/98	15.10	63
PHBC	Pathfinder BC MHC of NY (35.8)		NASDAQ Oswego, NY	Thrift	8	12-31	11/95	13.05	32
NECB	NE Comm Bancrp MHC of NY (45.0)		NASDAQ White Plains, NY	Thrift	6	12-31	07/06	12.39	164
PFCC	Peafirst Fin MHC of PA (45.8)		NASDAQ Monacaen, PA	Thrift	7	12-31	04/05	9.50	65
GOV	Gouverneur Bcp MHC of NY(42.8)		AMEX Gouverneur, NY	Thrift	2	09-30	03/99	12.35	28

NOTE: (1) Or most recent date available (M-March, S-September, D-December, J-June, E-Estimated, and P-Pro Forma)
 (2) Operating strategies are: Thrift-Traditional Thrift, M.B.-Mortgage Banker, R.E.-Real Estate Developer,
 Div.-Diversified, and Ret.-Retail Banking.
 (3) BIF insured savings bank institution.

Source: Corporate offering circulars, data derived from information published in SNL Securities Quarterly Thrift Report, and financial reports of publicly-traded thrifts.

Date of Last Update: 03/07/07

operating and other characteristics of public MHC institutions. While the Peer Group is not exactly comparable to Fairport Savings, we believe such companies form a good basis for the valuation of Fairport Savings, subject to certain valuation adjustments.

In aggregate, the Peer Group companies maintain a higher level of capitalization relative to the universe of all public thrifts (14.47% of assets versus 12.08% for the all public average), generate comparable earnings on a return on average assets basis (0.51% ROAA versus 0.60% for the all public average), and generate a lower return on equity (4.16% ROE versus 6.42% for the all public average). The summary table below underscores the key differences, particularly in the average pricing ratios between full stock and MHC institutions both as reported and on a fully-converted basis.

	<u>All Publicly-Traded</u>	<u>Peer Group Reported Basis</u>	<u>Fully Converted Basis (Pro Forma)</u>
<u>Financial Characteristics (Averages)</u>			
Assets (\$Mil)	\$3,017	\$334	\$371
Equity/Assets (%)	12.08%	14.47%	22.71%
Return on Assets (%)	0.60%	0.51%	0.64%
Return on Equity (%)	6.42%	4.16%	3.11%
<u>Pricing Ratios (Averages)(1)</u>			
Price/Earnings (x)	19.51x	24.05x	25.41x
Price/Book (%)	150.95%	163.17%	91.18%
Price/Assets (%)	18.24%	23.56%	20.77%

(1) Based on market prices as of February 23, 2007.

The following sections present a comparison of Fairport Savings' financial condition, income and expense trends, loan composition, interest rate risk and credit risk versus the figures reported by the Peer Group. The conclusions drawn from the comparative analysis are then factored into the valuation analysis discussed in the final chapter.

Financial Condition

Table 3.2 shows comparative balance sheet measures for Fairport Savings and the Peer Group. Fairport Savings' and the Peer Group's ratios reflect balances as of December 31, 2006,

Table 3.2
 Balance Sheet Composition and Growth Rates
 Comparable Institution Analysis
 As of December 31, 2006

	Balance Sheet as a Percent of Assets				Balance Sheet Annual Growth Rates				Regulatory Capital											
	Cash & Equivalents	MBS & Invest	Loans Deposits	Funds	Borrowed Subd. Debt	Net Worth	Goodwill	Tot Net Worth	Assets	Liabilities	Core	Req. Cap.								
Fairport Savings Bank																				
December 31, 2006	1.4	16.2	79.0	71.1	18.3	0.0	9.1	0.0	9.1	0.0	6.78	-12.68	11.62	1.47	35.65	1.85	1.85	0.88	0.88	19.40
All Public Companies																				
Average	4.1	20.1	70.4	67.8	18.2	0.7	11.8	1.1	10.8	0.0	7.51	-2.35	10.35	7.32	3.32	3.93	3.19	10.25	9.98	16.98
Median	2.7	17.2	71.5	69.0	16.5	0.0	10.2	0.2	8.8	0.0	5.61	-4.08	8.10	5.50	-0.14	3.58	3.25	8.96	8.65	14.21
State of NY																				
Average	3.4	21.6	69.0	68.9	15.6	0.7	13.4	1.8	11.6	0.0	6.43	-10.77	12.44	6.59	-0.47	3.34	1.09	9.92	9.56	16.74
Median	2.7	24.6	66.9	67.2	14.5	0.0	12.8	0.7	7.9	0.0	6.45	-12.30	7.91	3.75	-1.03	5.08	4.76	8.35	8.27	13.61
Comparable Group																				
Average	3.5	23.2	66.6	70.7	13.3	0.2	14.5	0.6	13.8	0.0	10.28	-6.99	11.30	5.59	5.70	2.75	1.12	14.90	14.90	18.65
Median	2.9	24.7	65.2	69.8	12.1	0.0	12.6	0.0	11.8	0.0	7.05	-4.06	7.06	3.52	-3.29	3.51	0.30	14.90	14.90	17.59
Comparable Group																				
COBK Colonial Bank MRC of NJ (46.0) (1)	3.7	41.7	51.2	83.6	6.2	0.0	9.8	0.0	9.8	0.0	15.66	1.97	30.25	10.31	NM	3.51	3.51	NA	NA	17.59
FCO Piedmont Fin MRC of PA (45.8) (1)	1.7	31.0	61.7	50.3	30.7	0.0	16.3	0.4	15.9	0.0	0.43	-4.06	7.29	11.65	-17.30	-0.21	-0.48	NA	NA	24.97
GOV Government Svc MRC of NY (42.8)	2.5	8.5	82.6	55.5	27.0	0.0	15.2	0.0	15.2	0.0	7.34	-0.10	7.48	14.05	-2.05	5.86	5.86	14.30	14.30	28.70
GCBC Green Co Bcrp MRC of NY (44.4)	4.6	25.5	64.7	86.8	11.6	0.0	13.3	0.0	13.3	0.0	5.78	-12.76	14.33	3.89	-0.19	5.42	5.42	NA	NA	23.95
LSBK Lake Shore Bcrp MRC of NY (45.0) (1) (3)	6.5	30.4	59.7	69.8	12.8	0.0	15.6	0.0	15.6	0.0	12.46	21.76	28.39	-3.48	-0.13	NM	NM	NA	NA	14.81
MCVR Maypar Bancorp MRC of NY (46.0) (1)	1.1	9.6	81.3	74.2	11.4	0.0	13.8	0.0	13.8	0.0	12.48	-40.35	28.39	-1.74	67.33	NM	NM	NA	NA	14.81
NVCB NK Comm Bancorp MRC of NY (45.0) (1) (3)	7.4	17.1	68.0	65.6	0.0	0.0	31.3	0.0	31.3	0.0	42.33	8.63	19.87	1.68	20.03	0.20	0.20	NA	NA	14.73
NVSL Naug Villy Fis MRC of CT (44.2)	1.9	17.0	74.5	69.9	16.6	0.0	13.3	0.0	12.3	0.0	16.43	18.64	19.87	20.08	-7.58	5.46	5.46	NA	NA	14.73
ONFC Onaida Financ MRC of NY (44.6) (1)	2.9	27.4	56.8	69.8	16.1	0.0	13.9	4.6	8.3	0.0	-3.77	-21.45	5.64	-3.68	-7.58	-7.58	-7.58	NA	NA	12.72
PBNC Pathfinder BC MRC of NY (35.8) (1)	3.0	23.8	65.7	79.6	10.3	1.7	7.2	1.4	5.8	0.0	-1.67	-16.09	6.63	-1.22	-4.53	-0.99	0.06	NA	NA	13.26

(1) Financial information is for the quarter ending September 30, 2006.
 (3) Growth rates have been annualized from available financial information.

Source: Audited and unaudited financial statements, corporate reports and offering circulars, and RP Financial, LC. calculations. The information provided in this table has been obtained from sources we believe are reliable, but we cannot guarantee the accuracy or completeness of such information.

unless otherwise indicated for the Peer Group companies. Fairport Savings' net worth base of 9.1% was below the Peer Group's average net worth ratio of 14.5%. The Bank's pro forma capital position will increase with the addition of stock proceeds and will be more comparable to the Peer Group's. Tangible equity-to-assets ratios for the Bank's and the Peer Group equaled 9.1% and 13.8%, respectively, as the average balance of goodwill and intangibles maintained by the Peer Group equaled 0.6% of assets. The increase in Fairport Savings' pro forma capital position will diminish somewhat the Bank's interest rate risk and should enhance future earnings potential that could be realized through leverage and lower funding costs. At the same time, the Bank's higher pro forma capitalization will also result in a relatively low return on equity initially following the stock offering. Both Fairport Savings' and the Peer Group's capital ratios reflected capital surpluses with respect to the regulatory capital requirements, with the Peer Group's ratios currently exceeding the Bank's ratios. On a pro forma basis, the Bank's regulatory surpluses will be more comparable to the Peer Group's ratios.

The interest-earning asset compositions for the Bank and the Peer Group were somewhat similar, with loans constituting the bulk of interest-earning assets for both Fairport Savings and the Peer Group. The Bank's loans-to-assets ratio of 79.0% exceeded the comparable Peer Group ratio of 66.6%. Consequently, the Bank's total amount of cash and investments of 17.6% was materially lower than the comparable ratio for the Peer Group of 26.7%. Overall, Fairport Savings' interest-earning assets amounted to 96.6% of assets, which exceeded the comparable Peer Group ratio of 93.3%.

Fairport Savings' funding liabilities reflected a funding strategy that was similar to that of the Peer Group's funding composition, i.e. primary dependence on deposits with moderate use of borrowed funds. The Bank's deposits equaled 71.1% of assets, which was slightly above the comparable Peer Group ratio of 70.7%. Comparatively, borrowings accounted for a higher portion of the Bank's interest-bearing funding composition, as indicated by borrowings-to-assets ratios of 18.3% and 13.3% for Fairport Savings and the Peer Group, respectively. Total interest-bearing liabilities maintained by the Bank and the Peer Group, as a percent of assets, equaled 89.4% and 84.0%, respectively. Following the increase in capital provided by the net proceeds of the stock offering, the Bank's ratio of interest-bearing liabilities as a percent of assets will be more comparable to the Peer Group's ratio.

A key measure of balance sheet strength for a thrift institution is its IEA/IBL ratio. Presently, the Bank's IEA/IBL ratio is weaker than the Peer Group's ratio, based on IEA/IBL ratios of 108.1% and 111.1%, respectively. The additional capital realized from stock proceeds should serve to provide Fairport Savings with an IEA/IBL ratio that is fairly comparable to the Peer Group's ratio, as the increase in capital provided by the infusion of stock proceeds will serve to lower the level of interest-bearing liabilities funding assets and will be primarily deployed into interest-earning assets.

The growth rate section of Table 3.2 shows annual growth rates for key balance sheet items. Fairport Savings' growth rates are based on annualized growth for the twelve month period ended December 31, 2006, while the Peer Group's growth rates are based on annual growth for the twelve months ended December 31, 2006 or the most recent period available. Fairport Savings' assets increased at a 6.8% annualized rate, while the Peer Group posted an asset growth rate of 10.3%. Asset growth for both the Bank and the Peer Group was driven by growth in loans receivable, with the Bank recording loan growth of 11.6% compared to the Peer Group growth rate of 11.3%. Both the Bank and the Peer Group recorded moderate shrinkage in the aggregate balances of cash and investments, with shrinkage of 12.7% and 7.0% respectively, as both utilized existing liquid assets to partially fund the growth in loans receivable.

The Bank recorded deposit growth of 1.7% for the period, which, along with a 35.6% increase in borrowed funds, funded the Bank's asset growth. Comparatively, the Peer Group had a lower average deposit growth rate of 5.3% and average growth in borrowings of 5.7%. The Bank's increasing reliance on borrowed funds to support growth in the balance sheet compares unfavorably to the Peer Group's greater reliance on using retail deposits as a funding source. Capital growth rates posted by the Bank and the Peer Group equaled 1.9% and 2.7%, respectively. The Bank's lower capital growth rate is primarily due to weaker earnings than the Peer Group company, a comparison that is even less favorable after considering that the Peer Group's capital growth rate was slowed by dividend payments as well as stock repurchases. The increase in capital realized from stock proceeds will likely depress the Bank's capital growth rate initially following the stock offering. Dividend payments and stock repurchases, pursuant to regulatory limitations and guidelines could also potentially slow the Bank's capital growth rate in the longer term following the stock offering.

Income and Expense Components

Table 3.3 displays comparable statements of operations for the Bank and the Peer Group, based on earnings for the twelve months ended December 31, 2006, unless otherwise indicated for the Peer Group companies. Fairport Savings and the Peer Group reported net income to average assets ratios of 0.16% and 0.50%, respectively. The Bank operated with earnings disadvantages with respect to net interest income and non-interest "other income". These disadvantages were offset partially by the Bank's lower operating expenses and loan loss provisions.

The Peer Group's stronger net interest margin was realized through maintenance of a lower interest expense ratio, which was partially offset by the Bank's higher interest income ratio. The Bank's higher interest income ratio was realized through a slightly higher yield on assets (5.65% versus 5.56% for the Peer Group) on a higher concentration of assets maintained as interest-earning assets (96.6% versus 93.3% for the Peer Group). These factors combined to provide the Bank with a slight advantage in interest income as a percent of average assets of 5.56% versus the Peer Group average of 5.32%. The Bank's advantage in interest income was more than offset by a disadvantage in interest expense. The Bank's higher interest expense to average assets was caused by a higher cost of funds (3.34% versus 2.65% for the Peer Group) and maintenance of a higher percentage of interest-bearing liabilities funding assets (89.4% versus 84.0% for the Bank). Overall, Fairport Savings and the Peer Group reported net interest income to average assets ratios of 2.52% and 2.96%, respectively.

In another area of core earnings strength, the Bank maintained a lower level of operating expenses than the Peer Group. For the period covered in Table 3.3, the Bank and the Peer Group reported operating expense to average assets ratios of 2.53% and 3.05%, respectively. The lower operating expense ratio maintained the Bank versus the Peer Group was consistent with advantage enjoyed by Fairport Savings in terms of the number of employees maintained relative to their respective asset sizes. Assets per full time equivalent employee equaled \$4.1 million for the Bank, versus \$3.8 million for the Peer Group. Two factors, however, threaten the Bank's operating expense advantage. First, the Bank opened a third branch office in January 2007 and the operating expenses of this expanded operation will begin to be reflected beginning with the

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Table 3.3
Income as a Percent of Average Assets and Yields, Costs, Spreads
Comparable Institution Analysis
For the Twelve Months Ended December 31, 2006

	Net Interest Income		Net Income		Other Income		GA/Other Exp.		Non-Op. Items		Yields, Costs, and Spreads		MEMO: Effective Tax Rate			
	Income	Expenses	NI	OR IMA	Loan Loss	R.E. Other Income	GA	Goodwill Amort.	Net Gain	Extro. Items	Yield On Assets	Cost Yld-Cost Spread		Assets/ FTB Emp.		
Fairport Savings Bank December 31, 2006	0.16	5.56	3.04	2.52	0.00	0.25	0.25	2.53	0.00	0.00	0.00	3.34	2.31	4.075	32.30	
All Public Companies																
Averages	0.59	5.69	2.88	2.81	0.03	0.63	0.66	2.49	0.03	0.02	-0.01	3.30	2.72	6.117	31.16	
Medians	0.61	5.62	2.87	2.78	0.07	0.51	0.52	2.40	0.00	0.00	0.00	3.29	2.75	4.502	32.90	
State of NY																
Averages	0.77	5.36	2.43	2.93	0.01	0.73	0.76	2.45	0.03	-0.04	0.00	2.82	2.92	5.300	30.02	
Medians	0.60	5.23	2.41	2.97	0.01	0.62	0.62	2.47	0.00	-0.02	0.00	2.62	3.03	4.047	31.32	
Comparable Group Averages																
Averages	0.50	5.32	2.36	2.96	0.05	0.92	0.93	3.05	0.02	-0.05	0.00	2.65	2.91	3.804	22.85	
Medians	0.48	5.21	2.43	2.97	0.04	0.60	0.61	2.93	0.00	-0.02	0.00	2.62	3.03	3.889	24.60	
Comparable Group																
COBK Colonial Bank MFC of NJ (46.0) (1)	0.43	5.01	2.62	2.39	0.03	0.27	0.27	2.15	0.00	0.01	0.00	2.93	2.25	NM	14.13	
FCO Federal Fin MFC of PA (45.8) (1)	-0.02	4.90	2.64	2.22	0.04	1.03	1.04	2.73	0.00	-0.25	0.00	3.22	1.98	NM	23.40	
GOV Government Bcp MFC of NY (42.8)	0.36	5.78	2.58	3.30	0.07	0.66	0.67	2.59	0.00	-0.14	0.00	3.24	3.10	3.889	36.85	
GCBC Green Co Bcp MFC of NY (44.4)	0.84	5.23	2.74	3.73	0.08	1.22	1.22	3.40	0.00	-0.11	0.00	1.97	3.50	3.288	29.73	
LSBK Lake Shore Bcp MFC of NY (43.0) (1)	0.24	4.92	2.76	3.72	0.12	0.55	0.55	2.42	0.00	-0.05	0.00	2.50	2.66	NM	27.42	
MYR Meyer Bancorp MFC of NJ (46.0) (1)	0.44	5.24	2.49	3.02	0.05	0.29	0.29	2.85	0.00	0.00	0.00	NM	NM	4.536	NM	
NCB NR Comm Bancorp MFC of NY (43.0) (1) (3)	0.58	5.25	2.83	3.86	0.05	0.45	0.45	3.07	0.00	0.00	0.00	2.15	3.39	4.204	NM	
NVSL New Villy Fin MFC of CT (44.2)	0.58	5.43	2.83	3.86	0.05	0.52	0.52	3.01	0.00	0.00	0.00	2.86	2.95	NM	12.36	
ORFC Oneida Financi MFC of NY (44.6) (1)	0.58	5.08	2.67	2.97	0.08	0.44	0.44	3.00	0.00	0.07	0.00	2.40	3.31	NM	25.81	
PBFC Pathfinder BC MFC of NY (33.8) (1)	0.23	5.13	2.41	2.78	0.04	-0.01	0.75	3.13	0.07	-0.04	0.00	2.62	3.03	3.104	13.11	

(1) Financial information is for the quarter ending September 30, 2006.
(3) Income and expense information has been annualized from available financial information.

Source: Audited and unaudited financial statements, corporate reports and offering circulars, and RP Financial, LC.
calculations. The information provided in this table has been obtained from sources we believe are reliable, but we cannot
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March 31, 2007 quarter of operations. And second, on a post-offering basis, the Bank's operating expenses can be expected to increase with the addition of stock benefit plans and certain expenses that result from being a publicly traded company, with such expenses already impacting the Peer Group's operating expenses. At the same time, Fairport Savings' capacity to leverage operating expenses will be more comparable to the Peer Group's leverage capacity following the increase in capital realized from the infusion of net stock proceeds.

When viewed together, net interest income and operating expenses provide considerable insight into a thrift's earnings strength, since those sources of income and expenses are typically the most prominent components of earnings and are generally more predictable than losses and gains realized from the sale of assets or other non-recurring activities. In this regard, as measured by their expense coverage ratios (net interest income divided by operating expenses), the Bank's earnings were slightly stronger than the Peer Group's. Expense coverage ratios posted by Fairport Savings and the Peer Group equaled 1.00x and 0.97x, respectively. An expense coverage ratio of greater than 1.0x indicates that an institution is able to sustain pre-tax profitability without having to rely on non-interest sources of income. Both the Bank and the Peer Group's expense coverage ratios were at or below this threshold, causing both to rely on non-interest sources of income to sustain profitability.

As noted above, when compared to the Peer Group average, the Bank also operates with a less attractive level of non-interest income equal to 0.25% and 0.93% of average assets for the Bank and the Peer Group, respectively. Taking non-interest operating income into account in comparing the Bank's and the Peer Group's earnings, Fairport Savings' efficiency ratio (operating expenses, net of amortization of intangibles, as a percent of the sum of non-interest operating income and net interest income) of 91.3% was less favorable than the Peer Group's efficiency ratio of 78.4%.

Loan loss provisions had little impact on either the Bank's or the Peer Group earnings, with loan loss provisions established by the Bank and the Peer Group equaling 0.00% and 0.05% of average assets, respectively. The relatively minor impact of loan loss provisions on the Bank's and the Peer Group's earnings were indicative of their generally favorable credit quality measures and low risk lending strategies.

Net gains realized from the sale of assets or other non-operating items did not impact the Bank's earnings and were a relatively minor net loss equal to 0.03% of average assets for the Peer Group. Typically, gains and losses generated from the sale of assets or other sources are viewed as earnings with a relatively high degree of volatility, particularly to the extent that such gains and losses result from the sale of investments or other assets that are not considered to be part of an institution's core operations. Extraordinary items were not a factor in either the Bank's or the Peer Group's earnings. Taxes had a more significant impact on the Bank's earnings, as Fairport Savings and the Peer Group posted effective tax rates of 32.3% and 22.85%, respectively. As indicated in the prospectus, the Bank's effective marginal tax rate is equal to 35.0%.

Loan Composition

Table 3.4 presents data related to the Bank's and the Peer Group's loan portfolio compositions and investment in mortgage-backed securities. The Bank's composition of assets reflected a much higher concentration of 1-4 family permanent mortgage loans and mortgage-backed securities as maintained by the Peer Group (75.7% of assets versus 50.9% for the Peer Group). The Bank's and the Peer Group's ratios resulted from the Bank maintaining a higher concentration of 1-4 family loans, which was only modestly offset by the higher concentration of mortgage-backed securities maintained by the Peer Group. Loans serviced for others were significantly lower for the Bank relative to the Peer Group on average, thereby indicating a greater influence of mortgage banking activities on the Peer Group's operations. Servicing intangibles were not significant for either the Bank or the Peer Group.

The Bank was considerably less diversified into higher risk type loans than the Peer Group. Consumer loans (including home equity loans) represented a noticeable area of lending activities beyond residential lending for the Bank (4.7% of assets), followed by commercial real estate/multi-family loans (2.5% of assets) and construction and land loans (0.2% of assets). The Peer Group's lending activities other than residential loans consisted primarily of commercial real estate/multi-family loans (15.8% of assets), while other areas of lending for the Peer Group were fairly evenly distributed at between 2-4% of assets between the other loan types shown in Table 3.4. Lending activities were less significant for the Bank in all lending areas except for

Table 3.4
 Loan Portfolio Composition and Related Information
 Comparable Institution Analysis
 As of December 31, 2006

Institution	Portfolio Composition as a Percent Assets							RMA/ Assets (%)	Serviced For Others (\$000)	Servicing Assets (\$000)
	MBS (%)	1-4 Family (%)	Constr. & Land (%)	5+Unit Comm RE (%)	Commerc. Business (%)	Consumer (%)	Other (%)			
Fairport Savings Bank	3.89	71.84	0.02	2.48	0.00	4.69	46.68	19,000	0	
All Public Companies										
Averages	10.19	37.00	6.96	18.69	4.13	3.21	63.53	1,252,888	13,603	
Medians	6.83	35.90	4.82	16.68	2.69	0.87	64.14	32,805	127	
State of NY										
Averages	11.09	31.43	3.16	26.84	3.85	3.30	61.92	181,427	1,343	
Medians	10.60	30.56	0.80	17.63	2.03	0.67	62.30	43,450	45	
Comparable Group Average										
Averages	10.28	40.61	3.75	15.77	3.11	2.71	59.69	17,981	42	
Medians	8.55	46.83	1.95	9.94	2.24	0.91	57.48	2,730	0	
Comparable Group										
COBK Colonial Bank MHC of NJ (46.0)(1)	13.93	36.10	2.40	10.51	1.86	0.69	53.33	0	0	
PFCC Fedfirst Fin MHC of PA (45.0)(1)	18.11	50.28	1.50	8.74	1.07	0.46	46.68	90	0	
GOV Gouverneur Bcp MHC of NY (42.8)	5.02	63.32	2.61	7.33	1.06	7.94	57.48	0	0	
GCBC Green Co Bcp MHC of NY (44.4)	13.55	48.48	3.01	7.71	1.68	1.49	52.59	0	0	
LSBK Lake Shore Bcp MHC of NY (45.0)(1)	20.64	50.52	0.54	4.69	2.61	0.67	51.53	14,190	0	
MSTR Megyar Bancorp MHC of NJ (46.0)	8.36	34.38	20.00	15.21	5.45	3.31	78.38	2,420	28	
NECB NE Comm Bancorp MHC of NY (45.0)(1)	1.87	0.14	0.00	68.56	0.00	0.19	NA	3,040	0	
NVSL Naus Villy Fin MHC of CT (44.2)	6.49	52.65	6.55	9.38	2.64	0.28	66.96	10,270	0	
OHFC Oneida Financ'l MHC of NY (44.6)(1)	6.08	25.03	0.06	13.23	8.16	10.97	67.29	97,810	323	
PBRC Pathfinder BC MHC of NY (35.8)(1)	8.73	45.17	0.80	12.33	6.61	1.13	63.01	51,990	69	

(1) Financial information is for the quarter ending September 30, 2006.

Source: Audited and unaudited financial statements, corporate reports and offering circulars, and RP Financial, LC. calculations. The information provided in this table has been obtained from sources we believe are reliable, but we cannot guarantee the accuracy or completeness of such information.

consumer loans. Overall, the Bank's lower degree of lending activities other than residential loans translated into a lower risk weighted assets-to-assets ratio of 46.7%, versus a comparable Peer Group ratio of 59.7%.

Credit Risk

Overall, the credit risk measures associated with Fairport Savings' and the Peer Group's balance sheets reflected relatively low credit risk exposure. For example, as shown in Table 3.5, both the Bank and the Peer Group reported low levels of non performing assets and 90+ delinquencies at 0.11% and 0.43% of assets, respectively. Both also reported sufficient loan loss reserves as a percent of non performing assets and 90+ delinquencies at 188.3% and 238.6% respectively. The Bank's credit risk profile reflects its residential lending orientation, with low risks of default and potential credit losses. The only area of comparability in which the Bank compares less favorably is in the ratio of loss reserves as a percent of total loans (0.27% versus 0.72% for the Peer Group), a factor that is mitigated by the aforementioned residential lending emphasis. Net loan charge-offs reported by the Bank were \$9,000 while the Peer group recorded average net loan charge-offs of \$20,000.

Interest Rate Risk

Table 3.6 reflects various key ratios highlighting the relative interest rate risk exposure of the Bank versus the Peer Group companies. In terms of balance sheet composition, Fairport Savings' interest rate risk characteristics were considered to be less favorable than the Peer Group's. Most notably, Fairport Savings' lower tangible capital position and lower IEA/IBL ratio indicate a greater dependence on the yield-cost spread to sustain the net interest margin. However, a lower level of non-interest earning assets represented an advantage for the Bank with respect to capacity to generate net interest income and, in turn, limit the interest rate risk associated with the balance sheet. On a pro forma basis, the infusion of stock proceeds should provide the Bank with more comparable balance sheet interest rate risk characteristics as maintained by the Peer Group, particularly with respect to the increases that will be realized in the Bank's equity-to-assets and IEA/IBL ratios.

Table 3.5
Credit Risk Measures and Related Information
Comparable Institution Analysis
As of December 31, 2006 or Most Recent Date Available

Institution	ROA/ Assets (%)	NPAs & 30-Del/ Assets (%)	NPAs/ Loans (%)	Reserves/ Loans (%)	Reserves/ MPAs (%)	Reserves/ MPAs & 30-Del (%)	Net Loan Chargeoffs (\$'000)	NLCs/ Loans (%)
Fairport Savings Bank	0.00	0.11	0.14	0.27	188.30	188.30	9	0.00
<u>All Public Companies</u>								
Averages	0.07	0.54	0.55	0.85	255.00	233.85	443	0.13
Medians	0.00	0.31	0.37	0.78	170.61	143.93	55	0.02
<u>State of NY</u>								
Averages	0.01	0.23	0.26	0.84	335.76	333.65	293	0.03
Medians	0.00	0.15	0.23	0.74	260.43	255.70	39	0.01
<u>Comparable Group Average</u>								
Averages	0.01	0.43	0.45	0.72	287.14	238.56	20	0.03
Medians	0.00	0.37	0.35	0.68	228.13	93.92	18	0.00
<u>Comparable Group</u>								
CDBK Colonial Bank MHC of NJ (46.0) (1)	0.00	0.04	0.08	0.69	589.27	888.86	3	0.01
FFCD FedFirst Fin MHC of PA (45.8) (1)	0.00	0.44	0.71	0.51	NA	68.53	13	0.00
GOV Gouverneur Bcp MHC of NY (42.8)	0.10	0.53	0.42	0.84	113.40	137.19	32	0.12
QBC Green Co Bcorp MHC of NY (44.4)	0.00	0.02	0.02	0.67	341.86	NA	23	0.05
LSBK Lake Shore Bhp MHC of NY (45.0) (1)	0.00	0.37	0.35	0.58	NA	93.92	40	0.00
MGR Bank Magyar Bancorp MHC of NY (46.0)	0.00	1.70	1.53	1.10	NA	52.59	0	0.00
NECB NB Comm Bancorp MHC of NY (45.0) (1)	0.00	NA	NA	0.60	NA	NA	0	0.00
NVSL Naug Vily Fin MHC of CT (44.2)	0.00	0.15	0.20	0.67	101.03	339.36	0	0.00
OMFC Oneida Financi MHC of NY (44.6) (1)	0.00	0.01	0.02	0.83	NA	NA	55	0.00
PBHC Pathfinder BC MHC of NY (35.8) (1)	0.00	0.62	0.68	0.74	NA	88.45	34	0.00

(1) Financial information is for the quarter ending September 30, 2006.

Source: Audited and unaudited financial statements, corporate reports and offering circulars, and RP Financial, LC. Calculations. The information provided in this table has been obtained from sources we believe are reliable, but we cannot guarantee the accuracy or completeness of such information.

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Table 3.6
 Interest Rate Risk Measures and Net Interest Income Volatility
 Comparable Institution Analysis
 As of December 31, 2006 or Most Recent Data Available

Institution	Balance Sheet Measures		Quarterly Change in Net Interest Income						
	Equity/ Assets (%)	ISA/ Non-Harb. Assets/ Assets/ (%)	12/31/05 (change in net interest income in annualized in basis points)	03/31/06	06/30/06	09/30/06	12/31/06	03/31/05	09/30/05
Fairport Savings Bank	9.1	108.1	3.4	-18	-4	-17	-5	-20	-8
All Public Companies	10.6	108.2	5.4	-7	-6	-4	-2	0	-0
State of NY	11.0	104.3	6.5	-5	-8	-5	-5	-7	-1
Comparable Group Average	13.8	111.7	6.7	-11	-7	-4	-3	-11	-0
Comparable Group									
CONK Colonial Bank MHC of NJ (46.0) (1)	9.8	107.5	3.4	NA	-11	-2	-16	-5	4
FFCO FedFirst Fin MHC of PA (45.8) (1)	15.9	116.5	5.6	NA	-17	12	-6	-5	-1
GOV Gouverneur BCP MHC of NY (42.8)	15.2	113.6	6.2	-8	-2	-13	-14	-8	-1
CCBC Green Co Bcrp MHC of NY (44.4)	11.3	107.3	5.1	-5	-9	-6	3	-16	6
LSBK Lake Shore BHP MHC of NY (45.0) (1)	15.6	115.9	4.4	NA	11	16	-17	NA	NA
MGYR Magyar Bancorp MHC of NJ (46.0)	10.8	105.0	8.0	NA	NA	2	38	-29	NA
NCRB NB Comm Bancorp MHC of NY (45.0) (1)	33.3	141.0	7.6	NA	NA	-45	NA	NA	NA
NVSL Naug Villy Fin MHC of CT (44.2)	12.3	108.1	6.6	-19	-21	-5	-17	-10	-6
ONFC Oneida Financial MHC of NY (44.6) (1)	8.3	101.3	13.0	NA	-5	4	-4	-5	2
PSHC Pathfinder BC MHC of NY (35.8) (1)	5.8	100.6	7.6	NA	-0	-5	5	-10	-4

(1) Financial information is for the quarter ending September 30, 2006.
 NA=Change is greater than 100 basis points during the quarter.

Source: Audited and unaudited financial statements, corporate reports and offering circulars, and RP Financial, LC.
 calculations. The information provided in this table has been obtained from sources we believe are reliable, but we cannot
 guarantee the accuracy or completeness of such information.

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To analyze interest rate risk associated with the net interest margin, we reviewed quarterly changes in net interest income as a percent of average assets for Fairport Savings and the Peer Group. In general, the more significant (and negative) fluctuations in the Bank's ratios implied that the interest rate risk associated with the Bank's net interest income was greater compared to the Peer Group's, based on the interest rate environment that prevailed during the period covered in Table 3.6. Although the stability of the Bank's net interest margin should be improved by the infusion of stock proceeds, the Bank continues to reflect a weakness in the area of interest rate risk relative to the Peer Group.

Summary

Based on the above analysis, RP Financial concluded that the Peer Group forms a reasonable basis for determining the pro forma market value of Fairport Savings. Such general characteristics as asset size, capital position, interest-earning asset composition, funding composition, core earnings measures, loan composition, credit quality and exposure to interest rate risk all tend to support the reasonability of the Peer Group from a financial standpoint. Those areas where differences exist will be addressed in the form of valuation adjustments to the extent necessary.

IV. VALUATION ANALYSIS

Introduction

This chapter presents the valuation analysis and methodology used to determine Fairport Savings' estimated pro forma market value for purposes of pricing the minority stock. The valuation incorporates the appraisal methodology promulgated by the OTS and adopted in practice by the FDIC for standard conversions and mutual holding company offerings, particularly regarding selection of the Peer Group, fundamental analysis on both the Bank and the Peer Group, and determination of the Bank's pro forma market value utilizing the market value approach.

Appraisal Guidelines

The OTS written appraisal guidelines specify the market value methodology for estimating the pro forma market value of an institution. The FDIC, state banking agencies and other Federal agencies have endorsed the OTS appraisal guidelines as the appropriate guidelines involving mutual-to-stock conversions. As previously noted, the appraisal guidelines for MHC offerings are somewhat different, particularly in the Peer Group selection process. Specifically, the regulatory agencies have indicated that the Peer Group should be based on the pro forma fully-converted pricing characteristics of publicly-traded MHCs, rather than on already fully-converted publicly-traded stock thrifts, given the unique differences in stock pricing of MHCs and fully-converted stock thrifts. Pursuant to this methodology: (1) a peer group of comparable publicly-traded MHC institutions is selected; (2) a financial and operational comparison of the subject company to the peer group is conducted to discern key differences; and (3) the pro forma market value of the subject company is determined based on the market pricing of the peer group, subject to certain valuation adjustments based on key differences. In addition, the pricing characteristics of recent conversions and MHC offerings must be considered.

RP Financial Approach to the Valuation

The valuation analysis herein complies with such regulatory approval guidelines. Accordingly, the valuation incorporates a detailed analysis based on the Peer Group, discussed in Chapter III, which constitutes “fundamental analysis” techniques. Additionally, the valuation incorporates a “technical analysis” of recently completed conversions and stock offerings of comparable MHCs, including closing pricing and aftermarket trading of such offerings. It should be noted that these valuation analyses, based on either the Peer Group or the recent conversions and MHC transactions, cannot possibly fully account for all the market forces which impact trading activity and pricing characteristics of a stock on a given day.

The pro forma market value determined herein is a preliminary value for the Bank’s to-be-issued stock. Throughout the MHC process, RP Financial will: (1) review changes in the Bank’s operations and financial condition; (2) monitor the Bank’s operations and financial condition relative to the Peer Group to identify any fundamental changes; (3) monitor the external factors affecting value including, but not limited to, local and national economic conditions, interest rates, and the stock market environment, including the market for thrift stocks; and (4) monitor pending MHC offerings, and to a lesser extent, standard conversion offerings, both regionally and nationally. If material changes should occur prior to the close of the offering, RP Financial will evaluate if updated valuation reports should be prepared reflecting such changes and their related impact on value, if any. RP Financial will also prepare a final valuation update at the closing of the offering to determine if the prepared valuation analysis and resulting range of value continues to be appropriate.

The appraised value determined herein is based on the current market and operating environment for the Bank and for all thrifts. Subsequent changes in the local and national economy, the legislative and regulatory environment, the stock market, interest rates, and other external forces (such as natural disasters or major world events), which may occur from time to time (often with great unpredictability) may materially impact the market value of all thrift stocks, including Fairport Savings’ value, the market value of the stocks of public MHC institutions, or Fairport Savings’ value alone. To the extent a change in factors impacting the

Bank's value can be reasonably anticipated and/or quantified, RP Financial has incorporated the estimated impact into its analysis.

Valuation Analysis

A fundamental analysis discussing similarities and differences relative to the Peer Group was presented in Chapter III. The following sections summarize the key differences between the Bank and the Peer Group and how those differences affect the pro forma valuation. Emphasis is placed on the specific strengths and weaknesses of the Bank relative to the Peer Group in such key areas as financial condition, profitability, growth and viability of earnings, asset growth, primary market area, dividends, liquidity of the shares, marketing of the issue, management, and the effect of government regulations and/or regulatory reform. We have also considered the market for thrift stocks, in particular new issues, to assess the impact on value of Fairport Savings coming to market at this time.

1. Financial Condition

The financial condition of an institution is an important determinant in pro forma market value because investors typically look to such factors as liquidity, capital, asset composition and quality, and funding sources in assessing investment attractiveness. The similarities and differences in the Bank's and the Peer Group's financial strengths are noted as follows:

- o Overall A/L Composition. Loans funded by retail deposits were the primary components of both Fairport Savings' and the Peer Group's balance sheets. The Bank's interest-earning asset composition exhibited a higher concentration of loans, but a high concentration of fixed rate loans and a lesser degree of diversification into higher risk and higher yielding types of loans. Overall, the Bank's asset composition provided for a higher yield earned on interest-earning assets and a lower risk weighted assets-to-assets ratio in comparison to the Peer Group. Fairport Savings' funding composition reflected a comparable level of deposits and a higher level of borrowings in comparison to the Peer Group's ratios, and the Peer Group maintained a lower cost of funds than the Bank. Overall, as a percent of assets, the Bank maintained higher levels of interest-earning assets and interest-bearing liabilities, which translated into a lower IEA/IBL ratio for the Bank. After factoring in the impact of the net stock proceeds, the Bank's IEA/IBL ratio will be more comparable to the Peer Group's

ratio. On balance, RP Financial concluded that asset/liability composition was a slightly negative factor in our adjustment for financial condition.

- o Credit Quality. Fairport Savings reported a lower ratio of non-performing assets to assets than the Peer Group which is a favorable comparison. Fairport Savings also reported lower loss reserves as a percent of loans and non-performing assets than the Peer Group which is an unfavorable comparison. As noted above, the Bank's risk weighted assets-to-assets ratio was lower than the Peer Group's ratio. Although there are some differences between the Bank and the Peer Group, neither reflected significant credit risk. Overall, RP Financial concluded that no adjustment was necessary for credit quality.
- o Balance Sheet Liquidity. The Bank operates with a lower level of cash and investment securities relative to the Bank (17.6% of assets versus 26.7% for the Peer Group). Following the infusion of stock proceeds, the Bank's cash and investments ratio is expected to increase as the proceeds retained at the holding company level will be initially deployed into investments. Two factors influenced our conclusion on liquidity. First, the Bank holds the majority of its investments in held to maturity status limiting the ability to freely convert those assets into liquid form if required. And second, the Bank's future borrowing capacity was considered to be less than the Peer Group's, given that the Bank borrowings-to-assets ratio was more than the comparable Peer Group ratio. Overall, RP Financial concluded that a slight downward adjustment was warranted for the Bank's liquidity.
- o Funding Liabilities. The Bank's interest-bearing funding composition reflected a comparable level of deposits and greater reliance on borrowings relative to the comparable Peer Group ratios. In conjunction with the composition of deposits (concentrated in higher cost CDs) and Bank's greater utilization of borrowings, Fairport Savings' overall cost of funds was higher than the Peer Group's. Total interest-bearing liabilities as a percent of assets were higher for the Bank compared to the Peer Group ratio, which was attributable to Fairport Savings' lower capital position. Following the stock offering, the increase in the Bank's capital position should provide Fairport Savings with a more comparable level of interest-bearing liabilities as maintained by the Peer Group. Overall, RP Financial concluded that a slight downward adjustment was warranted for Fairport Savings' funding composition.
- o Capital. The Peer Group operates with a higher equity-to-assets ratio than the Bank. Following the stock offering, Fairport Savings' pro forma capital position will be more comparable to the Peer Group's equity-to-assets ratio. The increase in the Bank's pro forma capital position will result in greater leverage potential and reduce the level of interest-bearing liabilities utilized to fund assets. At the same time, the Bank's more significant capital surplus will likely result in a lower ROE. On balance, RP Financial concluded that capital strength was substantially comparable to the Peer Group and no adjusted was warranted for this factor.

On balance, Fairport Savings' balance sheet strength was slightly weaker than the Peer Group's, so a slight downward adjustment was applied for the Bank's financial condition.

2. Profitability, Growth and Viability of Earnings

Earnings are a key factor in determining pro forma market value, as the level and risk characteristics of an institution's earnings stream and the prospects and ability to generate future earnings heavily influence the multiple that the investment community will pay for earnings. The major factors considered in the valuation are described below.

- o Reported Earnings. The Bank's reported earnings were lower than the Peer Group's on a ROAA basis (0.16% of average assets versus 0.50% for the Peer Group). The Bank maintained a lower net interest margin, lower level of non-interest operating income and higher effective tax rate, which was partially offset by the Bank's slightly lower levels of operating expenses and loan loss provisions. The lower net interest margin was due to a much higher cost of funds. Reinvestment of stock proceeds into interest-earning assets will serve to increase the Bank's earnings, with the benefit of reinvesting proceeds expected to be somewhat offset by higher operating expenses anticipated with the opening of the new branch in January 2007 and the costs associated with operating as a publicly-traded company and the implementation of stock benefit plans. Overall, the Bank's reported earnings were considered to be less favorable than the Peer Group's and, thus, the Bank's reported earnings were considered as a negative factor in our adjustment for the Bank's profitability growth and viability of earnings.
- o Core Earnings. Both the Bank's and the Peer Group's earnings were derived largely from recurring sources, including net interest income, operating expenses, and non-interest operating income. In these measures, the Bank operated with a lower net interest margin, a lower operating expense ratio and a lower level of non-interest operating income. The Bank's lower ratios for net interest income and operating expenses translated into a slightly more favorable expense coverage ratio before considering non-interest income compared to the Peer Group's ratio (1.00x versus 0.97x for the Peer Group). In a ratio that considers non-interest income, the Bank's efficiency ratio of 91.3% was noticeable less favorable than the Peer Group's efficiency ratio of 78.4%, as the Bank's lower operating expense ratio was more than offset by the Peer Group's more favorable ratios for net interest income and non-interest operating income. Loss provisions had a slightly larger impact on the Peer Group's earnings, while the Bank had a higher effective tax rate than indicated for the Peer Group. Overall, these measures, as well as the expected earnings benefit the Bank should realize from the redeployment of stock proceeds into interest-earning assets net of the additional expenses associated with the stock benefit plans, indicate that the Bank's core earnings will likely continue

to be less favorable than the Peer Group's. Accordingly, the Bank's core earnings were considered a negative factor in our adjustment for the Bank's profitability growth and viability of earnings.

- o Interest Rate Risk. Quarterly changes in the Bank's and the Peer Group's net interest income to average assets ratios indicated that a higher degree of volatility was associated with the Bank's net interest margin, mainly because of the large portfolio of fixed rate 1-4 family loans and the recently higher interest expense ratios due to the Bank's high CD concentration and borrowings. Other measures of interest rate risk, such as capital and IEA/IBL ratios were more favorable for the Peer Group with the exception of the Bank's lower ratio for non-interest-earning assets, thereby indicating a lower dependence on the yield-cost spread to sustain net interest income. On a pro forma basis, the infusion of stock proceeds can be expected to provide the Bank with equity-to-assets and IEA/ILB ratios that continue to be below the Peer Group ratios. However, on balance, this was a negative factor in our adjustment for profitability, growth and viability of earnings.
- o Credit Risk. Loan loss provisions were a slightly larger factor in the Peer Group's earnings. In terms of future exposure to credit quality related losses, lending diversification into higher risk types of loans was smaller for the Bank and the Bank maintained a higher concentration of assets in loans. The Bank's and the Peer Group's credit quality measures indicated that the Bank had lower levels of non-performing assets while the Peer Group maintained higher levels of reserves as a percent of loans and non-performing assets. Overall, RP Financial concluded that earnings credit risk was a neutral factor in our adjustment for profitability, growth and viability of earnings.
- o Earnings Growth Potential. Several factors were considered in assessing earnings growth potential. First, the Bank's historical growth reflected an increase in assets because of stronger loan growth for the period, while the Peer Group's slightly weaker loan growth still supported asset growth for the period. Second, the infusion of stock proceeds will increase the Bank's earnings growth potential with respect to leverage capacity, however there will be just a comparable leverage capacity (similar equity-to-assets ratios) post conversion compared to the Peer Group. Third, the anticipated expenses from the new Irondequoit branch (January 2007) coupled with continued compression in the net interest margin are expected to place significant downward pressure on the Bank's earnings in calendar 2007 even before the added expenses of the stock benefit plans. These factors could well result in negative earnings for 2007 which would not be overcome by reinvestment of the offering proceeds and new growth. Finally, the Peer Group's higher level of non-interest operating income implies greater earnings growth potential and sustainability of earnings during periods when net interest margins come under pressure as the result of adverse changes in interest rates. Overall, this was a negative factor in our adjustment for profitability, growth and viability of earnings.

- o Return on Equity. The Bank's current return on equity is lower than the Peer Group's return on equity ratio. As the result of the increase in capital that will be realized from the infusion of net stock proceeds into the Bank's equity, combined with the Bank's lower return on assets and the aforementioned downward pressure on earnings, the Bank's pro forma return on equity on a core earnings basis will be well below the Peer Group's return on equity ratio. Accordingly, this was a negative factor in the adjustment for profitability, growth and viability of earnings.

Overall, based on the downward adjustments described above, we concluded that a significant downward adjustment was warranted for these factors.

3. Asset Growth

Over the most recent twelve month period, the Bank recorded weaker asset growth than the Peer Group, as both the Bank relied to a greater extent on existing cash and investments to fund loan growth than the Peer Group. Comparatively, the Bank recorded a 6.8% increase in assets, which was largely achieved through loan growth, versus the Peer Group asset growth of 10.3% on average. Loan growth was slightly stronger for the Bank (11.6% versus 11.3% loan growth for the Peer Group). The Bank's growth has been funded primarily with an increased reliance on borrowings and lesser reliance on retail deposits, which is less attractive than the Peer Group that has recorded healthy growth in deposits on average. The Bank's current lower capital position compared to the Peer Group places the Bank at a disadvantage in terms of future growth potential. On a pro forma basis, the Bank's tangible equity-to-assets ratio will be comparable to the Peer Group's tangible equity-to-assets ratio, indicating comparable future leverage capacity for the Bank. At the same time, the Bank's new branch office (January 2007) should provide additional growth potential in retail deposits and lending, which should support continued growth in the balance sheet. Accordingly, on balance, we believe no adjustment was warranted for this factor.

4. Primary Market Area

The general condition of an institution's market area has an impact on value, as future success is in part dependent upon opportunities for profitable activities in the local market served. Overall, Monroe County, New York accounts for the major portion of the Bank's

deposit and lending activities. Operating in a market area that is a close distance to a major metropolitan area (Rochester metropolitan statistical area) provides the Bank with growth opportunities, but such growth must be achieved in a highly competitive market environment. The Bank competes against significantly larger institutions that provide a larger array of services and have significantly larger branch networks than maintained by Fairport Savings. The competitiveness of the Monroe County market area is highlighted by the Bank's nominal deposit market share and the relatively low growth rate in deposits recently.

Summary demographic and deposit market share data for the Bank and the Peer Group companies is provided in Exhibit III-3. The Peer Group companies are located within a range of rural and urban areas with a similar level of per capita income compared to Monroe County. Monroe County's projected population growth rate was below the comparable Peer Group average and median growth rates. The average and median deposit market shares maintained by the Peer Group companies were significantly above the Bank's market share of deposits in Monroe County. Overall, the degree of competition faced by the Peer Group companies was viewed as similar to the Bank in Monroe County. As shown in Table 4.1, December 2006 unemployment rates for the majority of the markets served by the Peer Group companies were generally comparable or above the unemployment rate reflected for Monroe County. On balance, we concluded that no adjustment was required for the Bank's market area.

Table 4.1
Market Area Unemployment Rates
Fairport Savings and the Peer Group Companies(1)

	<u>County</u>	<u>December 2006 Unemployment</u>
Fairport Savings - NY	Monroe	3.8%
<u>The Peer Group</u>		
Colonial Bank MHC of NJ	Cumberland	6.2%
FedFirst Financial MHC of PA	Westmoreland	4.6
Gouverneur Bancorp MHC of NY	St. Lawrence	4.9
Green County Bancorp MHC of NY	Greene	4.4
Lake Shore Bancorp MHC of NY	Chautauqua	4.0
Magyar Bancorp MHC of NJ	Middlesex	3.4
NE Community Bancorp MHC of CT	Westchester	3.1
Naugatuck Valley Fin MHC of CT	New Haven	4.1
Oneida Financial MHC of NY	Madison	4.3
Pathfinder Bancorp MHC of NY	Oswego	<u>5.3</u>
	Peer Group Average	4.4%

(1) Unemployment rates are not seasonally adjusted.

Source: U.S. Bureau of Labor Statistics.

5. Dividends

At this time the Bank has not established a dividend policy. Future declarations of dividends by the Board of Directors will depend upon a number of factors, including investment opportunities, growth objectives, financial condition, profitability, tax considerations, minimum capital requirements, regulatory limitations, stock market characteristics and general economic conditions. Six out of the ten Peer Group companies pay regular cash dividends, with implied dividend yields ranging from 1.57% to 4.00%. The average dividend yield on the stocks of the Peer Group institutions equaled 1.60% as of February 23, 2007. As of February 23, 2007, approximately 84% of all publicly-traded thrifts had adopted cash dividend policies (see Exhibit IV-1), exhibiting an average yield of 2.52% for fully converted companies and 2.17% for MHC companies. The dividend paying thrifts generally maintain higher than average profitability ratios, facilitating their ability to pay cash dividends.

Our valuation adjustment for dividends for Fairport Savings also considered the regulatory policy with regard to waiver of dividends by the MHC. Under current policy, any waiver of dividends by an FDIC regulated MHC requires that the minority stockholders' ownership interest be reduced in a second-step conversion to reflect the cumulative waived dividend account. Comparatively, no adjustment for waived dividends is required for OTS regulated companies in a second-step conversion. As an MHC operating under OTS regulation, the Bank will be subject to the same regulatory dividend policy as all of the Peer Group companies, as all of the Peer Group companies also operate under OTS regulation pursuant to the dividend waiver policy. Accordingly, we believe that to the extent Fairport Savings' pro forma market value would be influenced by the OTS' dividend policy regarding MHC institutions, it has been sufficiently captured in the pricing of the Peer Group companies.

While the Bank has not established a definitive dividend policy prior to converting, the Bank's lower pro forma equity/assets ratio and lower pro forma profitability restricts the ability to pay a competitive dividend. On balance, we concluded that a slight downward adjustment was warranted for purposes of the Bank's dividend policy.

6. Liquidity of the Shares

The Peer Group is by definition composed of companies that are traded in the public markets. Nine of the Peer Group members trade on the NASDAQ system and one Peer Group member trades on the AMEX. Typically, the number of shares outstanding and market capitalization provides an indication of how much liquidity there will be in a particular stock. The market capitalization of the Peer Group companies, based on the shares issued and outstanding to public shareholders (i.e., excluding the majority ownership interest owned by the respective MHCs) ranged from \$11.5 million to \$73.7 million as of February 23, 2007, with average and median market values of \$34.4 million and \$33.1 million, respectively. The shares issued and outstanding to the public shareholders of the Peer Group members ranged from 0.9 million to 5.9 million, with average and median shares outstanding of 2.7 million and 2.8 million, respectively. The Bank's minority stock offering is expected to have a pro forma market value that is below the range of market values indicated for the Peer Group companies, while the number of public shares outstanding for the Bank (8.3 million at the minimum to 13.1

million at the supermaximum) is expected to be below the average and median number of shares outstanding indicated for the Peer Group. It is anticipated that the Bank's stock will be listed for trading on the OTC Bulletin Board or the pink sheets following the stock offering, which generally suggests lower liquidity compared to a stock listed on NASDAQ or an exchange. Overall, we anticipate that the Bank's public stock will have a less liquid trading market as the Peer Group companies on average and, therefore, concluded a slight downward adjustment was necessary for this factor.

7. Marketing of the Issue

Three separate markets exist for thrift stocks: (1) the after-market for public companies, both fully-converted stock companies and MHCs, in which trading activity is regular and investment decisions are made based upon financial condition, earnings, capital, ROE, dividends and future prospects; (2) the new issue market in which converting thrifts are evaluated on the basis of the same factors but on a pro forma basis without the benefit of prior operations as a publicly-held company and stock trading history; and (3) the thrift acquisition market. All three of these markets were considered in the valuation of the Bank's to-be-issued stock.

A. The Public Market

The value of publicly-traded thrift stocks is easily measurable, and is tracked by most investment houses and related organizations. Exhibit IV-1 provides pricing and financial data on all publicly-traded thrifts. In general, thrift stock values react to market stimuli such as interest rates, inflation, perceived industry health, projected rates of economic growth, regulatory issues and stock market conditions in general. Exhibit IV-2 displays historical stock market trends for various indices and includes historical stock price index values for thrifts and commercial banks. Exhibit IV-3 displays historical stock price indices for thrifts only.

In terms of assessing general stock market conditions, the performance of the overall stock market has generally been positive over the past year. The broader stock market rallied higher at the start of 2006 on indications that the Federal Reserve was nearing an end to the current cycle of rate increases. In the second week of January, the Dow Jones Industrial Average ("DJIA") closed above 11000 for the first time since before September 11, 2001.

Higher oil prices, some disappointing fourth quarter earnings and worries about Iran pushed stocks lower in mid-January, which was followed by a rebound in the broader stock market in late-January. The late-January gains were supported by some favorable fourth quarter earnings and economic news showing strong December orders for durable goods and lower than expected unemployment. Mixed reaction to some fourth quarter earnings reports and concerns about the housing market cooling off provided for a choppy market during the first half of February. Some favorable economic data, which included a surge in January retail sales and only a slight rise in core consumer prices for January, supported gains in the broader stock market heading into late-February. Major indexes approached multi-year highs in late-February, before faltering at the end of February on economic data showing a decline in consumer confidence and the housing market slowing down. However, in early-March 2006, stocks trended lower on concerns that rising global interest rates would hurt corporate profits. Stocks rebounded in mid-March, as economic data showing steady economic growth and little consumer inflation helped to lift the DJIA to a four and one-half year high. Stocks trended lower at the close of the first quarter on interest rate worries, as the Federal Reserve lifted rates another quarter point and hinted at more increases to come.

The broader stock market traded up at the start of the second quarter of 2006, reflecting optimism about first quarter earnings and that tame inflation would bring an end to rate increases by the Federal Reserve. Higher oil prices curbed the positive trend in stocks during mid-April, which was followed by the biggest gain of the year for the DJIA. The release of the minutes from the Federal Reserve's March meeting, which signaled that the Federal Reserve was about to stop raising rates served as the catalyst to the rally. Stocks generally edged higher through the end of April, as investors focused on strong first quarter earnings reports by a number of blue chip stocks. However, the positive trend was somewhat subdued by new inflation fears resulting from March economic data. Lower oil prices and a strong retail sales report for April helped to lift the DJIA to a six year high in early-May. Stocks traded flat on news of another rate increase by the Federal Reserve, which was followed by a sharp sell-off in mid-May as a larger than expected rise in April consumer prices sparked inflation fears. An upward revision to first quarter GDP growth provided a boost to stocks heading into late-May, but the rally was cut short as a drop in consumer-confidence numbers for May and concerns of

slower economic growth hurting corporate profits spurred another sell-off in late-May. Despite closing up on the last day of May, the month of May was the worst monthly performance for the DJIA in eleven months.

The down turn in the broader stock market continued during the first part of June 2006, as stocks tumbled after an inflation warning by the Federal Reserve Chairman stoked fears of future rate increases. Comparatively, stocks rallied in mid-June following reassuring inflation comments by the Federal Reserve Chairman. Higher interest rates dampened the rally ahead of the Federal Reserve meeting in late-June. Stocks surged higher following the Federal Reserve meeting in late-June, as comments from the Federal Reserve served to calm inflation worries and raised expectations of an end to the current cycle of rate increases.

Geopolitical turmoil and higher oil prices pulled stocks lower at the start of the third quarter of 2006. The broader stock market rallied briefly in mid-July on comments from the Federal Reserve that hinted at the possibility of a pause in the current cycle of rate increases and some favorable second quarter earnings reports. After trading in a narrow range during late-July and early-August, stocks retreated following the Federal Reserve meeting in August. While the Federal Reserve left rates unchanged, stocks declined on concerns of an economic slow down. Favorable inflation data reflected in wholesale and retail prices for July provided a boost to stocks in mid-August. Stocks traded in a narrow range before strengthening at the end of August, as oil prices dropped below \$70 a barrel for the first time in two months and the unemployment rate for August dropped to 4.7%. The DJIA moved to a four-month high in mid-September, with further declines in oil prices and the Federal Reserve's decision to leave rates unchanged helping to sustain the positive trend. Stocks retreated modestly heading into late-September, as investors reacted negatively to an economic report showing a slow down in business activity in the Mid-Atlantic region. Lower oil prices and a strong consumer sentiment report helped stocks to rally at the close of the third quarter.

The broader stock market rally was sustained into the fourth quarter of 2006, as the DJIA moved to an all-time high in early-October. Lower oil prices and growing expectations that the next move by the Federal Reserve would be to cut rates extended the stock market rally into mid-October, with the DJIA approaching the 12000 mark. The DJIA closed above 12000

heading into late-October, with optimism about corporate earnings, the Federal Reserve's decision to hold rates steady and lower oil prices sustaining the rally. Despite a slight pullback at the end of October, the 3.4% gain in DJIA for October was the best monthly gain since November 2005. Stocks continued to edge lower at the beginning of November, but then rebounded strongly in mid-November. Favorable inflation data reflected in wholesale and consumer prices for October, merger news and upbeat comments by the Federal Reserve about interest rates were factors that contributed to rally in the broader market. Stocks traded in a narrow range ahead of the holiday shopping season in late-November. After posting a big one day loss in late-November on concerns about retail sales, lower oil prices, merger news and favorable economic reports provided a boost to stocks in early-December. The DJIA traded to record highs in mid- and late-December, as stocks benefited from some robust economic reports and investors betting on a strong finish for the year.

Mixed fourth quarter earnings reports and investor nervousness ahead of the Federal Reserve rate meeting provided for a choppy trading market for thrift issues in mid- and late-January 2007. However, the broad stock market indices rebounded in February as the Federal Reserve left its short term interest rate benchmarks unchanged, oil and commodity prices continued to remain moderate, and inflation and economic news were generally benign. As a result, the DJIA reached a new record high on February 20, 2007, before pulling back slightly at the end of the trading week. As an indication of the general trends in the nation's stock markets over the past year, as of February 23, 2007 the DJIA closed at 12,467.48, an increase of 1.5% for the year and 14.3% over the last twelve months. Comparatively, the NASDAQ closed at 2515.10 on February 23, 2007, an increase of 4.1% for the year and 10.3% over the last twelve months, while the S&P 500 closed at 1451.19, an increase of 2.3% for the year and 12.7% over the last twelve months.

The market for thrift stocks has been mixed during the past twelve months, but, in general, thrift stocks have been outperformed by the broader market during the past year. Thrift stocks participated in the broader stock market rally at the beginning of the New Year, as interest rate sensitive issues benefited from news that rate increases by the Federal Reserve may be nearing an end. Thrift stocks continued to parallel the broader market in mid-January, as the sector traded down following some disappointing fourth quarter earnings caused by net interest

margin compression. Short covering and a slight improvement in the yield curve provided for a brief rebound in thrift stocks in late-January 2006, followed by a downward move in the sector at the end of January as investors anticipated another rate hike by the Federal Reserve. The downward trend in thrift stocks continued through mid-February, reflecting concerns that valuations were too high in light of a number of thrift issues experiencing a weaker earnings outlook due to spread compression resulting from the inverted yield curve. Thrift stocks strengthened along with the broader market heading into late-February, as mortgage lenders benefited from inflation data that showed only a small rise in core consumer prices for January and news that housing starts surged in January. Comparatively, reports of declining home sales, lower consumer confidence and higher oil prices depressed thrift stocks at the end of February and the first week of March. Thrift stocks rebounded in conjunction with the broader market in mid-March 2006, as interest rate sensitive issues benefited from tame inflation data reflected in the February consumer price index. The proposed acquisition of North Fork Bancorp by Capital One helped to further the advance in thrift stocks, particularly in the Northeast states. Higher interest rates pushed thrift stocks lower in late-March, particularly after the Federal Reserve increased rates another quarter point and indicated that more rate increases were likely.

Thrift issues traded in a narrow range during the first half of April 2006, in which mixed earnings reports and concerns about interest rates and inflation provided for an uneven trading market. Thrift stocks spiked higher in conjunction with the broader market heading into the second half of April, as investors reacted favorably to news that the Federal Reserve was contemplating an end to rate increases during its March meeting. The rally in thrift stocks was short-lived, with renewed concerns about interest rates and inflation providing for a modest pull back in thrift stocks during late-April. However, thrift stocks rebounded at the end of April, as comments from the Federal Reserve Chairman fueled speculation that the current cycle of Federal Reserve rate hikes may be nearing an end.

Strength in the broader market sustained a rally in thrift stocks during early-May. Higher interest rates, weakness in the broader market and a drop in consumer confidence pushed thrift stocks lower in mid-May. Inflation fears continued the slide in thrift stocks in late-May, although thrift stocks closed out May advancing in conjunction with the broader market. Inflation fears, sparked by comments from the Federal Reserve Chairman, pulled thrift stocks

lower along with the broader market in early-June. Acquisition speculation helped thrift stocks to stabilize ahead of the broader market heading into mid-June. Interest rate concerns weighed on thrift stocks in mid-June, although thrift stocks moved higher following comments from the Federal Reserve Chairman that eased inflationary concerns. Thrift stocks traded in a narrow range ahead of the Federal Reserve meeting in late-June and then rallied strongly following statements from the Federal Reserve that hinted at the possibility of taking a break from raising interest rates further.

Activity in thrift stocks was neutral at the beginning of the third quarter of 2006, which was followed by a downturn in thrift stocks along with the broader market in mid-July. Comments from the Federal Reserve indicating expectations of inflation moderating and some positive second quarter earnings sparked a brief rally in thrift stocks, which was followed by a pull back in late-July. Earnings falling short of expectations due to margin compression contributed to the sell-off in thrift stocks. Thrift stocks bounced higher in early-August, as July employment data provided signs of a slowing economy and increased expectations that the Federal Reserve would stop raising rates. Mortgage data showing a drop in loan fundings reversed the positive trend in thrift stocks heading into mid-August, which was followed by an upturn in mid-August as thrift stocks participated in the broader market rally that was powered by favorable inflation data. Thrift stocks trended lower in late-August, reflecting concerns of a slowdown in housing. A favorable August employment report provided a boost to the thrift sector at the beginning of September. Inflationary fears prompted a brief sell-off in thrift stocks heading into mid-September, which was followed by a rebound as falling oil prices benefited stocks in general.

Thrift stocks advanced at the start of the fourth quarter of 2006, based on economic data that suggested the economy was slowing and comments from the Federal Reserve Chairman that raised hopes of a decline in short-term interest rates. Acquisition news and strength in the broader market sustained the upward trend in thrift stocks into mid-October. Thrift stocks sold off with the broader market at the end of October and into early-November, as economic data showing slower growth raised concerns for some investors. Strength in the broader market supported a rebound in thrift stocks ahead of the national elections. Favorable inflation data boosted thrift and bank stocks along with the broader market in mid-November,

while weaker than expected housing data pressured thrift and bank stocks lower heading into late-November. Merger news, including Bank of New York's announced merger with Mellon Financial Corp., sparked gains in thrift and bank stocks in early-December. Thrift and bank stocks traded in a narrow range through mid-December, as the Federal Reserve left interest rates unchanged as expected. An upbeat on home sales helped thrift and bank stocks participate in the broader market rally in late-December.

Thrift and bank stocks traded lower at the start of 2007, as a favorable employment report for December reduced expectations of the Federal Reserve cutting interest rates anytime soon. Mixed fourth quarter earnings reports provided for a choppy market for thrift and bank issues in mid-January 2007. In February, the market for thrift and bank stocks continued to trade in a narrow range as the inverted yield curve showed no signs of abating which, coupled with ongoing weakness in the real estate markets, meant that meaningful earnings growth for many banks and thrifts would be difficult to achieve over the foreseeable future. On February 23, 2007, the SNL Index for all publicly-traded thrifts closed at 1795.3, an increase of 7.9% from one year ago and a decrease of 1.9% year-to-date. The SNL MHC Index for all publicly-traded MHCs closed at 3887.3, and reflects much better performance the SNL Index for all thrifts, increasing by 29.1% from one year ago and an increase of 0.3% year-to-date. Importantly, both these indices are weighted by market value and thus, predominately reflect the trends in the trading values of larger cap companies. In particular, we believe the MHC index reflects the price increase of Peoples Bank of Connecticut, which has increased by nearly 25% following the submission of its application to compete a second step conversion.

B. The New Issue Market

In addition to thrift stock market conditions in general, the new issue market for converting thrifts is also an important consideration in determining the Company's pro forma market value. The new issue market, including the market for secondary offerings, is separate and distinct from the market for seasoned fully converted thrift stocks in that the pricing ratios for both converting issues and secondary stock issuances are computed on a pro forma basis, specifically: (1) the numerator and denominator are both impacted by the offering amount, unlike existing full stock thrift equities in which price change affects only the numerator; and (2)

the pro forma pricing ratio incorporates assumptions regarding source and use of proceeds, effective tax rates, stock plan purchases, etc. which impact pro forma financials, whereas pricing for existing issues are based on reported financials. The distinction between pricing of existing issues is perhaps and those undertaking a significant stock offering is no clearer than in the case of the price/book ("P/B") ratio in that the P/B ratio of a converting thrift will typically result in a discount to book value whereas in the current market for existing thrifts the P/B ratio often reflects a premium to book value. Therefore, we believe it is appropriate to consider the market for new thrift issues, both at the time of the conversion and in the aftermarket, as a proxy for the market for secondary offerings given the apparent similarities between these two types of transactions.

The market for thrift issues has been relatively stable over the past several quarters, with most converting issues having successful offerings and reflecting modest price appreciation in initial trading activity. In general, investor interest in smaller offerings with resulting less liquid trading markets has been for the most not as strong compared to larger offerings with more liquid trading markets. As shown in Table 4.2, one standard conversion, two second step conversions, and four MHC minority stock offerings were completed during the past three months. The four MHC offerings are considered to be most relevant for purposes of our analysis. Three of the four MHC offerings closed at the top of the superrange while MainStreet Financial Corp. of MI closed its offering at a level just below the midpoint of the offering range. On a fully-converted basis, the average closing pro forma price/tangible book ratio of the recent MHC offerings equaled 79.5% and 82.8% based on the median. On average, the prices of the recent MHC offerings reflected price appreciation of 21.2% after the first week and 18.1% after the first month of trading based on the average, and 15.5% and 10.0% respectively, based on the median. The two smaller MHC offerings, Polonia Bancorp of PA (\$14.9 million) and MainStreet Financial Corp of MI (\$3.6 million) closed their offerings at 82.8% and 69.1% of fully converted book value, respectively, and were trading at approximately their IPO prices as of February 23, 2007. Table 4.3 provides a summary of the current pricing of the three publicly-traded institutions that have completed their offerings in the last three months.

Table 4.2
Pricing Characteristics and After-Market Trends
Recent Conversions Completed (Last Three Months)

Institutional Information		Pre-Conversion Data		Offering Information		Contribution to Charitable Found.		Insider Purchases		Pricing Ratios(3)		Pro Forma Data		Financial Charac.		IPO Price		Post-IPO Pricing Trends														
Institution	Conver. Date	Assets (\$Mill)	Equity/Assets (%)	Assets (\$Mill)	Res. Assets (%)	Cross Prod. (\$Mill)	% Offered	% of Exp./Mid. Prod.	Form	% of Officers	% of ESOP	ESOP (%)	ESOP (%)	ESOP (%)	ESOP (%)	ESOP (%)	ESOP (%)	ESOP (%)	ESOP (%)	ESOP (%)												
Standard Conversions																																
Hamden Bancorp, Inc., MA*	1/17/07 HBK-NASDAQ	\$ 483	6.73%	\$ 483	81%	\$ 75.7	100%	132%	2.4%	S	5.0%	8.0%	4.0%	10.0%	2.2%	0.00%	81.0%	46.9%	14.5%	0.3%	17.9%	1.7%	\$10.00	\$12.82	28.2%	\$12.50	25.0%	\$12.34	23.4%	\$12.45	24.5%	
Averages - Standard Conversions:		\$ 483	6.73%	\$ 483	81%	\$ 75.7	100%	132%	2.4%	N.A.	N.A.	8.0%	4.0%	10.0%	2.2%	0.00%	81.0%	46.9%	14.5%	0.3%	17.9%	1.7%	\$10.00	\$12.82	28.2%	\$12.50	25.0%	\$12.34	23.4%	\$12.45	24.5%	
Medians - Standard Conversions:		\$ 483	6.73%	\$ 483	81%	\$ 75.7	100%	132%	2.4%	N.A.	N.A.	8.0%	4.0%	10.0%	2.2%	0.00%	81.0%	46.9%	14.5%	0.3%	17.9%	1.7%	\$10.00	\$12.82	28.2%	\$12.50	25.0%	\$12.34	23.4%	\$12.45	24.5%	
Second Step Conversions																																
Osage Bancshares, Inc., OK	1/18/07 OSBK-NASDAQ	\$ 117	11.31%	\$ 117	0.88%	\$ 25.1	70%	100%	3.2%	N.A.	N.A.	8.0%	2.9%	7.2%	2.8%	3.81%	103.0%	34.2%	25.9%	0.8%	25.1%	3.0%	\$10.00	\$9.95	-0.5%	\$9.95	-0.5%	\$9.32	-6.0%	\$9.77	-2.3%	
Westfield Financial, Inc., MA*	1/4/07 WFD-AMEX	\$ 837	13.97%	\$ 837	0.08%	\$ 184.0	58%	115%	1.6%	N.A.	N.A.	4.0%	3.4%	8.5%	0.6%	1.80%	111.2%	34.0%	31.7%	0.9%	28.5%	3.3%	\$10.00	\$10.70	7.0%	\$10.75	7.5%	\$10.90	9.0%	\$10.85	8.5%	
Averages - Second Step Conversions:		\$ 477	12.64%	\$ 477	0.08%	\$ 104.6	64%	108%	2.4%	N.A.	N.A.	6.0%	3.1%	7.8%	1.7%	2.81%	107.1%	34.1%	28.8%	0.8%	26.8%	3.1%	\$10.00	\$10.33	3.2%	\$10.35	3.5%	\$10.11	1.1%	\$10.31	3.1%	
Medians - Second Step Conversions:		\$ 477	12.64%	\$ 477	0.08%	\$ 104.6	64%	108%	2.4%	N.A.	N.A.	6.0%	3.1%	7.8%	1.7%	2.81%	107.1%	34.1%	28.8%	0.8%	26.8%	3.1%	\$10.00	\$10.33	3.2%	\$10.35	3.5%	\$10.11	1.1%	\$10.31	3.1%	
Mutual Holding Company Conversions																																
Ortani Financial Corp., NJ	1/24/07 ORT-NASDAQ	\$1,069	14.24%	\$1,069	0.04%	\$121.7	30%	132%	1.6%	C/S	11M/6.67%	17.3%	6.1%	15.3%	2.8%	0.00%	82.8%	32.7%	28.8%	0.7%	21.5%	3.2%	\$10.00	\$15.97	59.7%	\$15.35	53.5%	\$15.50	55.0%	\$15.50	55.0%	
Polena Bancorp, PA	1/16/07 PBCP-OTCBB	\$ 167	7.11%	\$ 167	0.15%	\$ 14.9	45%	132%	5.7%	N.A.	N.A.	8.7%	4.4%	10.9%	10.8%	0.00%	82.8%	45.7%	16.9%	0.3%	13.3%	2.0%	\$10.00	\$10.10	1.0%	\$10.01	0.1%	\$10.06	0.6%	\$10.20	2.0%	
MSB Financial Corp., NJ*	1/5/07 MSBF-NASDAQ	\$ 276	7.17%	\$ 276	0.66%	\$ 25.3	45%	132%	3.2%	N.A.	N.A.	8.0%	4.4%	10.9%	5.2%	0.00%	83.3%	33.0%	17.4%	0.3%	13.9%	3.3%	\$10.00	\$12.30	23.0%	\$11.10	21.0%	\$11.93	19.3%	\$11.75	17.5%	
MainStreet Financial Corp., MI*	12/27/06 MSFH-OTCBB	\$ 115	5.31%	\$ 115	1.00%	\$ 3.6	47%	95%	18.6%	N.A.	N.A.	8.0%	0.0%	0.0%	9.2%	0.00%	69.1%	NM	6.4%	-0.2%	6.6%	-2.9%	\$10.00	\$11.00	10.0%	\$11.00	10.0%	\$9.75	-2.3%	\$9.85	-1.5%	
Averages - Mutual Holding Company Conversions:		\$ 407	8.45%	\$ 407	0.46%	\$ 41.3	42%	132%	7.2%	NA	NA	9.2%	3.7%	9.3%	7.0%	0.00%	79.5%	37.1%	17.4%	0.3%	13.8%	1.4%	\$10.00	\$12.34	23.4%	\$12.12	21.2%	\$11.81	18.1%	\$11.83	18.3%	
Medians - Mutual Holding Company Conversions:		\$ 222	7.12%	\$ 222	0.41%	\$ 20.1	45%	132%	4.4%	NA	NA	8.4%	4.4%	10.9%	7.2%	0.00%	82.8%	33.0%	17.1%	0.4%	13.6%	2.6%	\$10.00	\$11.65	16.5%	\$11.55	15.5%	\$11.00	10.0%	\$10.98	9.7%	
Averages - All Conversions:		\$ 438	9.40%	\$ 438	0.43%	\$64.3	56%	120%	5.2%	NA	NA	8.1%	3.6%	9.0%	4.8%	0.80%	87.6%	37.7%	20.2%	0.5%	18.1%	2.0%	\$10.00	\$11.83	18.3%	\$11.67	16.7%	\$11.40	14.0%	\$11.48	14.8%	
Medians - All Conversions:		\$ 276	7.12%	\$ 276	0.15%	\$25.3	47%	132%	3.2%	NA	NA	8.0%	4.0%	10.0%	2.8%	0.00%	82.8%	34.1%	17.4%	0.3%	17.9%	3.0%	\$10.00	\$11.00	10.0%	\$11.00	10.0%	\$10.90	9.0%	\$10.85	8.5%	

Note: * - Appraisal performed by RP Financial; BOLD=RP Financial did the Conversion Business Plan. "N/A" - Not Applicable, Not Available; C/S=Cash/Stock.

- (1) Non-OTC regulated firm.
- (2) As a percent of MHC offering for HHC transactions.
- (3) Does not take into account the adoption of SOP 93-6.
- (4) Latest price if offering is less than one week old.
- (5) Latest price if offering is more than one week but less than one month old.
- (6) Mutual holding company pro forma data on full conversion basis.
- (7) Simultaneously completed acquisition of another financial institution.
- (8) Simultaneously converted to a commercial bank charter.
- (9) Former credit union.

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Table 4.3
Market Pricing Comparatives
Prices As of February 23, 2007

Financial Institution	Market Capitalization			Per Share Data			Pricing Ratios(3)			Dividends(4)			Financial Characteristics(6)							
	Price/Share(\$)	Market Value(\$M11)	Market Share(\$)	12-Mth EPS(\$)	12-Mth Value/Share(\$)	Core Book Value/Share(\$)	P/E (X)	P/B (X)	P/A (%)	P/TB (%)	E/CORE (X)	Amount/Share(\$)	Yield (%)	Payout Ratio(5) (%)	Total Assets (\$M11)	Equity/Assets (%)	NPA/Assets (%)	ROA (%)	ROE (%)	
All Public Companies	19.17	424.79	0.86	13.11	19.51	150.95	18.24	170.33	20.40	0.40	2.06	33.76	3.017	12.08	0.54	0.60	6.42	0.59	5.79	
Converted Last 3 Mths (no NWC)	11.02	160.17	0.22	10.38	33.69	107.02	26.02	107.02	33.69	0.15	1.43	0.00	561	24.02	0.55	0.53	2.59	0.54	2.62	
State of NY	15.24	673.41	0.73	10.23	21.99	161.11	21.44	204.25	21.12	0.43	2.76	36.40	4,146	13.60	0.23	0.79	7.22	0.82	7.52	
Comparable Group																				
Converted Last 3 Mths (no NWC)	12.45	98.98	0.21	12.35	NM	100.81	18.05	100.81	NM	0.00	0.00	0.00	548	17.91	1.01	0.29	1.62	0.30	1.70	
WNB Hampden Bancorp, Inc. of MA	10.85	346.38	0.15	9.07	NM	119.63	34.74	119.63	NM	0.20	1.84	NM	997	29.04	0.08	0.56	3.18	0.56	3.18	
WFB New Westfield Fin. Inc. of MA	9.77	35.17	0.29	9.71	33.69	100.62	25.28	100.62	33.69	0.24	2.46	NM	139	25.12	NA	0.75	2.99	0.75	2.99	

(1) Average of High/Low or Bid/Ask price per share.
 (2) EPS (estimate core basis) / P/B based on actual trailing twelve month data, adjusted to omit non-operating items on a tax effected basis.
 (3) P/B = Price to earnings; P/A = Price to book; P/TB = Price to tangible book value; and P/CORE = Price to estimated core earnings.
 (4) Indicated twelve month dividend based on last quarterly dividend declared.
 (5) Indicated twelve month dividend based on last quarterly dividend declared.
 (6) ROA (return on assets) and ROE (return on equity) are indicated ratios based on trailing twelve month earnings and average equity and assets balances.
 (7) Excludes from averages those companies the subject of actual or rumored acquisition activities or unusual operating characteristics.

Source: Corporate reports, offering circulars, and RP Financial, LC. calculations. The information provided in this report has been obtained from sources we believe are reliable, but we cannot guarantee the accuracy or completeness of such information.

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C. The Acquisition Market

Also considered in the valuation was the potential impact on the Company's stock price of recently completed and pending acquisitions of other savings institutions operating in New York. As shown in Exhibit IV-4, there were 10 thrift acquisitions completed from the beginning of 2004 through year-to-date 2007. To the extent that speculation of a re-mutualization may impact the Company's valuation, we have largely taken this into account in selecting companies which operate in the MHC form of ownership. Accordingly, the Peer Group companies are considered to be subject to the same type of acquisition speculation that may influence the Company's trading price.

* * * * *

In determining our valuation adjustment for marketing of the issue, we considered trends in both the overall thrift market, the new issue market including the new issue market for MHC shares and the local acquisition market for thrift stocks. Taking these factors and trends into account, RP Financial concluded that no adjustment was appropriate in the valuation analysis for purposes of marketing of the issue.

8. Management

Fairport Savings' management team appears to have experience and expertise in all of the key areas of the Bank's operations. Exhibit IV-5 provides summary resumes of Fairport Savings' Board of Directors and senior management. The financial characteristics of the Bank suggest that the Board and senior management have been effective in implementing an operating strategy that can be well managed by the Bank's present organizational structure. The Bank currently does not have any senior management positions that are vacant. Similarly, the returns, capital positions and other operating measures of the Peer Group companies are indicative of well-managed financial institutions, which have Boards and management teams that have been effective in implementing competitive operating strategies. Therefore, on balance, we concluded no valuation adjustment relative to the Peer Group was appropriate for this factor.

9. Effect of Government Regulation and Regulatory Reform

In summary, as a federally-insured savings institution operating in the MHC form of ownership, Fairport Savings will operate in substantially the same regulatory environment as the Peer Group members -- all of whom are adequately capitalized institutions and are operating with no apparent restrictions. Exhibit IV-6 reflects the Bank's pro forma regulatory capital ratios. Accordingly, no adjustment has been applied for the effect of government regulation and regulatory reform.

Summary of Adjustments

Overall, based on the factors discussed above, we concluded that the Bank's pro forma market value should reflect the following valuation adjustments relative to the Peer Group:

Table 4.4
Valuation Adjustments
FSB Community Bankshares, Inc.

<u>Key Valuation Parameters:</u>	<u>Valuation Adjustment</u>
Financial Condition	Slight Downward
Profitability, Growth and Viability of Earnings	Significant Downward
Asset Growth	No Adjustment
Primary Market Area	No Adjustment
Dividends	Slight Downward
Liquidity of the Shares	Slight Downward
Marketing of the Issue	No Adjustment
Management	No Adjustment
Effect of Government Regulations and Regulatory Reform	No Adjustment

Basis of Valuation - Fully-Converted Pricing Ratios

As indicated in Chapter III, the valuation analysis included in this section places the Peer Group institutions on equal footing by restating their financial data and pricing ratios on a "fully-converted" basis. We believe there are a number of characteristics of MHC shares that make them different from the shares of fully-converted companies. These factors include: (1) lower aftermarket liquidity in the MHC shares since less than 50% of the shares are available for

trading; (2) no opportunity for public shareholders to exercise voting control; (3) the potential pro forma impact of second-step conversions on the pricing of MHC institutions; (4) the regulatory policies regarding the dividend waiver policy by MHC institutions; and (5) the middle-tier structure maintained by most MHCs facilitates the ability for stock repurchases. The above characteristics of MHC shares have provided MHC shares with different trading characteristics versus fully-converted companies. To account for the unique trading characteristics of MHC shares, RP Financial has placed the financial data and pricing ratios of the Peer Group on a fully-converted basis to make them comparable for valuation purposes. Using the per-share and pricing information of the Peer Group on a fully-converted basis accomplishes a number of objectives. First, such figures eliminate distortions that result when trying to compare institutions that have different public ownership interests outstanding. Secondly, such an analysis provides ratios that are comparable to the pricing information of fully-converted public companies, and more importantly, are directly applicable to determining the pro forma market value range of the 100% ownership interest in Fairport Savings as an MHC. Lastly, such an analysis allows for consideration of the potential dilutive impact of dividend waiver policies adopted by the Federal agencies. This technique is validated by the investment community's evaluation of MHC pricing, which also incorporates the pro forma impact of a second-step conversion based on the current market price.

To calculate the fully-converted pricing information for MHCs, the reported financial information for the public MHCs must incorporate the following assumptions, based on completed second-step conversions to date: (1) all shares owned by the MHC are assumed to be sold at the current trading price in a second step-conversion; (2) the gross proceeds from such a sale are adjusted to reflect reasonable offering expenses and standard stock based benefit plan parameters that would be factored into a second-step conversion of MHC institutions; (3) net proceeds are assumed to be reinvested at market rates on a tax effected basis; and (4) the public ownership interest is adjusted to reflect the pro forma impact of the waived dividends pursuant to applicable regulatory policy. Book value per share and earnings per share figures for the public MHCs were adjusted by the impact of the assumed second step-conversion, resulting in an estimation of book value per share and earnings per share figures on a fully-converted basis.

Table 4.5 on the following page shows the calculation of per share financial data (fully-converted basis) for each of the ten public MHC institutions that form the Peer Group.

Valuation Approaches: Fully-Converted Basis

In applying the accepted valuation methodology promulgated by the OTS and adopted by the FDIC, i.e., the pro forma market value approach, including the fully-converted analysis described above, we considered the three key pricing ratios in valuing Fairport Savings' to-be-issued stock -- price/earnings ("P/E"), price/book ("P/B"), and price/assets ("P/A") approaches -- all performed on a pro forma basis including the effects of the stock proceeds. In computing the pro forma impact of the conversion and the related pricing ratios, we have incorporated the valuation parameters disclosed in Fairport Savings' prospectus for reinvestment rate, effective tax rate and stock benefit plan assumptions (summarized in Exhibits IV-7 and IV-8). Pursuant to the minority stock offering, we have also incorporated the valuation parameters disclosed in Fairport Savings' prospectus for offering expenses. We have assumed fixed offering expenses of \$854,600, reflective of actual estimated offering expenses, for both the full conversion analysis and the minority stock offering. Other assumptions utilized in the pro forma analysis in calculating the Bank's full conversion value were consistent with the assumptions utilized for the minority stock offering, except the ESOP was assumed to equal 8.0% of the offering, the stock plan purchases were assumed to equal 4.0% of the offering and the stock option plan was assumed to equal 10.0% of the offering.

In our estimate of value, we assessed the relationship of the pro forma pricing ratios relative to the Peer Group, recent conversions and MHC offerings.

RP Financial's valuation placed an emphasis on the following:

- P/E Approach. The P/E approach is generally the best indicator of long-term value for a stock. Although the Bank is less profitable than the Peer Group and has structural earnings weaknesses, the P/E approach was carefully considered in this valuation. At the same time, recognizing that (1) the earnings multiples will be evaluated on a pro forma fully-converted basis for the Bank as well as for the Peer Group; and (2) the Peer Group on average has had the opportunity to realize the benefit of reinvesting the minority offering proceeds, we also gave weight to the other valuation approaches.

Table 4.5
Calculation of Implied Per Share Data -- Incorporating MHC Second Step Conversion
Comparable Institution Analysis
For the 12 Months Ended December 31, 2006

	Current Ownership			Current Per Share Data (MHC Ratios)			Impact of Second Step Conversion(4)			Per Share Data (Fully-Converted)(4)			Pro Forma(5)			
	Total Shares (000)	Public Shares (000)	MHC Shares (000)	EPS (\$)	Core EPS (\$)	Assets (\$)	Share Price (\$)	Gross Proceeds(1) (\$000)	Net Incr. Capital(2) (\$000)	Net Incr. Income(3) (\$000)	EPS (\$)	Core EPS (\$)	Book Value (\$)	Tang. Book Assets (\$)	Public Pct. (%)	Dilution (%)
Publicly-Traded MHC Institutions																
COBK Colonial Bank MHC of NJ (46.0)	4,522	2,080	2,442	0.33	0.32	83.78	13.78	33,651	28,940	565	0.45	0.44	14.59	90.18	46.0	0.00
FFCO FedFirst Fin MHC of PA (45.8)	6,803	3,071	3,732	-0.01	0.06	41.69	9.50	35,454	30,490	595	0.08	0.15	11.27	46.17	45.1	0.00
GCBC Green Co Bcp MHC of NY (44.4)	4,147	1,841	2,306	0.62	0.67	75.31	15.10	34,821	29,946	585	0.76	0.81	15.73	82.53	44.4	0.00
GOV Gouverneur Bcp MHC of NY (42.8)	2,298	981	1,317	0.53	0.58	57.53	12.35	16,285	13,988	273	0.65	0.70	14.86	63.62	42.7	0.00
LSBK Lake Shore Bnp MHC of NY (45.0)	6,613	2,976	3,637	0.29	0.31	52.98	12.45	45,281	38,941	760	0.40	0.42	14.16	58.87	45.0	0.00
MGYR Magyar Bancorp MHC of NJ (46.0)	5,924	2,723	3,201	0.21	0.54	8.20	8.20	47,240	40,651	794	0.34	0.67	15.06	82.65	48.0	0.00
NECB NE Comm Bncrp MHC of NY (45.0)	13,225	5,951	7,274	0.13	0.13	21.94	12.39	90,125	77,507	1,513	0.24	0.24	13.16	27.80	45.0	0.00
NVSL Naug Vly Fin MHC of CT (44.2)	7,500	3,317	4,183	0.19	0.19	6.79	55.16	53,333	45,867	895	0.31	0.31	12.93	61.28	44.2	0.00
ONFC Oneida Finand MHC of NY (44.6)	7,785	3,474	4,311	0.49	0.46	55.78	12.00	51,732	44,490	888	0.60	0.57	12.88	61.49	44.6	0.00
PBHC Pathfinder BC MHC of NY (35.8)	2,465	881	1,584	0.27	0.31	120.89	13.05	20,671	17,777	347	0.41	0.45	15.88	126.10	35.7	0.00

(1) Gross proceeds calculated as stock price multiplied by the number of shares owned by the mutual holding company (i.e., non-public shares).

(2) Net increase in capital reflects gross proceeds less offering expenses, contra-equity account for leveraged ESOP and deferred compensation account for restricted stock plan. For institutions with assets at the MHC level, the net increase in capital also includes consolidation of MHC assets with the capital of the institution concurrent with hypothetical second step.

Offering expense percent 2.00%
ESOP percent purchase 8.00%
Recognition plan percent 4.00%
After-tax reinvestment 3.18%
ESOP loan term (years) 10
Recognition plan vesting (years) 5
Effective tax rate 34.00%

(3) Net increase in earnings reflects after-tax reinvestment income (assumes ESOP and recognition plan do not generate reinvestment income), less after-tax ESOP amortization and recognition plan vesting.

(4) Figures reflect adjustments to "non-grandfathered" companies to reflect dilutive impact of cumulative dividends waived by the MHC (reflect FDIC policy regarding waived dividends).

(5) Reflects pro forma ownership position of minority stockholders after taking into account the OTS and FDIC policies regarding waived dividends assuming a hypothetical second step. For OTS "grandfathered" companies, dilution reflects excess waived dividends and MHC assets. For all other companies, dilution reflects all waived dividends and MHC assets.

Source: Corporate reports, offering circulars, and RP® Financial, L.C. calculations. The information provided in this report has been obtained from sources we believe are reliable, but we cannot guarantee the accuracy or completeness of such information.

- P/B Approach. P/B ratios have generally served as a useful benchmark in the valuation of thrift stocks, particularly in the context of an initial public offering, as the earnings approach involves assumptions regarding the use of proceeds. RP Financial considered the P/B approach to be a valuable indicator of pro forma value, taking into account the pricing ratios under the P/E and P/A approaches. We have also modified the P/B approach to exclude the impact of intangible assets for the Peer Group (i.e., price/tangible book value or "P/TB").
- P/A Approach. P/A ratios are generally a less reliable indicator of market value, as investors typically assign less weight to assets and attribute greater weight to book value and earnings. Furthermore, this approach as set forth in the regulatory valuation guidelines does not take into account the amount of stock purchases funded by deposit withdrawals, thus understating the pro forma P/A ratio. At the same time, the P/A ratio is an indicator of franchise value, and, in the case of highly capitalized institutions, high P/A ratios may limit the investment community's willingness to pay market multiples for earnings or book value when ROE is expected to be low.

The Bank will adopt Statement of Position ("SOP") 93-6, which will cause earnings per share computations to be based on shares issued and outstanding excluding unreleased ESOP shares. For purposes of preparing the pro forma pricing analyses, we have reflected all shares issued in the offering, including all ESOP shares, to capture the full dilutive impact, particularly since the ESOP shares are economically dilutive, receive dividends and can be voted. However, we did consider the impact of the adoption of SOP 93-6 in the valuation.

Based on the application of the three valuation approaches, taking into consideration the valuation adjustments discussed above, RP Financial concluded that as of February 23, 2007, the pro forma market value of Fairport Savings' full conversion offering equaled \$21,000,000 at the midpoint, equal to 2,100,000 shares at \$10.00 per share.

1. Price-to-Earnings ("P/E"). The application of the P/E valuation method requires calculating the Bank's pro forma market value by applying a valuation P/E multiple (fully-converted basis) to the pro forma earnings base. In applying this technique, we considered both reported earnings and a recurring earnings base, that is, earnings adjusted to exclude any one-time non-operating items, plus the estimated after-tax earnings benefit of the reinvestment of the net proceeds. The Bank's reported and core earnings equaled \$233,000 for the twelve months ended December 31, 2006. Please see Exhibit IV-9 for the adjustments applied to the Peer Group's earnings in the calculation of core earnings.

Based on Fairport Savings' earnings and incorporating the impact of the pro forma assumptions discussed previously, the Bank's pro forma reported and core P/E multiples (fully-converted basis) at the \$21.0 million midpoint value equaled 42.44 times, which provided for a premium of 67.0% and 75.4% relative to the Peer Group's average reported and core P/E multiples (fully-converted basis) of 25.41 times and 24.19 times, respectively (see Table 4.6). Relative to the Peer Group's median reported and core P/E multiples (fully-converted basis) of 25.31 times and 22.01 times, respectively, the Bank's pro forma reported and core P/E multiples (fully-converted basis) at the \$21.0 million midpoint value equaled 42.44 times, which provided for premiums of 67.6% and 92.8%, respectively. At the top of the super range, the Bank's reported and core P/E multiples equaled 47.21 times. In comparison to the Peer Group's average reported and core P/E multiples, the Bank's P/E multiples at the top of the super range reflected premiums of 85.8% and 95.2%, respectively. In comparison to the Peer Group's median reported and core P/E multiples, the Bank's P/E multiples at the top of the super range reflected premiums of 86.5% and 114.5%, respectively.

On an MHC reported basis, the Bank's reported and core P/E multiples at the midpoint value of \$21.0 million and assuming a 47% stock offering equaled 62.96 times. The Bank's reported and core P/E multiples provided for premiums of 161.8% and 159.0% relative to the Peer Group's average reported and core P/E multiples of 24.05 times and 24.13 times, respectively. Additionally, the Bank's reported and core P/E multiples provided for premiums of 158.6% and 158.9% relative to the Peer Group's median reported and core P/E multiples of 24.35 times and 24.32 times, respectively. Although we considered these premiums in our valuation, only a limited number of the Peer Group companies reported meaningful P/E multiples at February 23, 2007. We thus concluded that the earnings based valuation analysis was less meaningful to our valuation conclusions under the MHC reported basis analysis. The Bank's implied MHC pricing ratios relative to the MHC pricing ratios for the Peer Group are shown in Table 4.7, and the pro forma calculations are detailed in Exhibits IV-10 and Exhibit IV-11.

2. Price-to-Book ("P/B"). The application of the P/B valuation method requires calculating the Bank's pro forma market value by applying a valuation P/B ratio, as derived from

Table 4.8
Public Market Pricing
Fairport Savings Bank and the Comparables
As of February 23, 2007

	Market Capitalization		Per Share Data		Pricing Ratios(3)			Dividends(4)		Financial Characteristics(6)			Offering Size (\$Mil)			
	Price/Share(1)	Market Value (\$Mil)	Core EPS(2)	Book Value/Share (\$)	P/E (x)	P/B (%)	P/A (%)	P/TB (%)	P/CoRe (x)	Total Assets (\$Mil)	Equity/Assets (%)	NPAs/Assets (%)		Reported		
														ROA (%)	ROE (%)	
Fairport Savings Bank																
Supernage	\$10.00	\$27.77	\$0.21	\$13.49	47.21x	74.15%	15.74%	74.15%	47.21x	\$176	21.23%	0.10%	0.33%	1.57%	1.57%	\$13.05
Maximum	\$10.00	\$24.15	\$0.22	\$14.19	44.86x	70.48%	13.94%	70.48%	44.86x	\$173	19.78%	0.10%	0.31%	1.57%	1.57%	\$11.35
Midpoint	\$10.00	\$21.00	\$0.24	\$15.00	42.44x	66.68%	12.32%	66.68%	42.44x	\$170	18.48%	0.10%	0.29%	1.57%	1.57%	\$9.87
Minimum	\$10.00	\$17.85	\$0.25	\$16.09	39.54x	62.14%	10.65%	62.14%	39.54x	\$168	17.13%	0.10%	0.27%	1.57%	1.57%	\$8.39
All Public Companies(7)																
Averages	\$19.17	\$424.79	\$0.86	\$13.31	19.51x	150.95%	18.24%	170.33%	20.40x	\$3,017	12.08%	0.54%	0.60%	6.42%	5.79%	5.79%
Medians	16.23	106.31	0.61	11.29	16.77x	136.52%	14.97%	161.35%	17.65x	\$777	10.40%	0.31%	0.61%	5.74%	5.80%	5.80%
Comparable Group Averages																
Averages	\$12.81	\$77.28	\$0.48	\$14.05	25.41x	91.18%	20.77%	94.59%	24.19x	\$371	22.71%	0.43%	0.84%	3.11%	3.47%	3.47%
Medians	\$12.60	\$73.48	\$0.45	\$14.38	25.31x	93.66%	19.47%	94.30%	22.01x	\$379	21.03%	0.37%	0.61%	2.87%	3.47%	3.47%
Comparable Group																
COBK	\$13.78	\$62.31	\$0.44	\$14.59	30.62x	94.45%	15.28%	94.45%	31.32x	\$408	16.18%	0.04%	0.54%	3.14%	3.07%	3.07%
FFCO	\$9.50	\$64.63	\$0.15	\$11.27	NM	84.29%	20.58%	85.51%	NM	\$314	24.41%	0.44%	0.18%	0.71%	1.34%	1.34%
GOV	\$12.35	\$28.38	\$0.70	\$14.86	19.00x	83.11%	19.41%	83.11%	17.64x	\$146	23.36%	0.53%	1.05%	4.46%	4.80%	4.80%
GCBC	\$15.10	\$82.82	\$0.81	\$15.73	19.87x	95.99%	18.30%	95.99%	18.64x	\$342	19.08%	0.02%	0.94%	4.92%	5.25%	5.25%
LSBK	\$12.45	\$82.33	\$0.42	\$14.16	31.13x	87.92%	21.15%	87.92%	29.64x	\$389	24.05%	0.37%	0.67%	3.89%	3.87%	3.87%
MGYR	\$14.75	\$87.41	\$0.67	\$15.06	NM	97.94%	17.85%	97.94%	22.01x	\$480	16.22%	1.70%	0.41%	2.26%	4.45%	4.45%
NVSL	\$12.75	\$95.63	\$0.31	\$12.93	NM	98.61%	20.81%	98.78%	NM	\$460	21.10%	0.15%	0.54%	2.40%	2.40%	2.40%
NECB	\$12.39	\$163.86	\$0.24	\$13.16	NM	94.15%	44.57%	94.15%	NM	\$368	47.34%	NA	0.84%	2.15%	4.50%	4.50%
ONFC	\$12.00	\$93.42	\$0.57	\$12.88	20.00x	93.17%	19.52%	116.39%	21.05x	\$479	20.95%	0.01%	0.97%	4.73%	4.50%	4.50%
PBHC	\$13.05	\$32.17	\$0.45	\$15.88	31.83x	82.18%	10.19%	91.77%	29.00x	\$316	12.40%	0.62%	0.32%	2.60%	2.86%	2.86%

(1) Average of High/Low or Bid/Ask price per share.
(2) EPS (estimate core basis) is based on actual trailing 12 month data, adjusted to omit non-operating items on a tax-effected basis, and is shown on a pro forma basis where appropriate.
(3) P/E = Price to earnings; P/B = Price to book; P/A = Price to assets; P/TB = Price to tangible book value; and P/CoRe = Price to core earnings.
(4) Indicated 12 month dividend, based on last quarterly dividend declared.
(5) ROA (return on assets) and ROE (return on equity) are indicated ratios based on trailing 12 month common earnings and average common equity and total assets balances.
(6) Excludes from averages and medians those companies the subject of actual or rumored acquisition activities or unusual operating characteristics.
(7) Corporate reports, offering circulars, and RP Financial, L.C. calculations. The information provided in this report has been obtained from sources we believe are reliable, but we cannot guarantee the accuracy or completeness of such information.

Table 4.7
Public Market Pricing
Fairport Savings Bank and the Comparables
As of February 23, 2007

	Market Capitalization		Per Share Data		Pricing Ratios(3)				Dividends(4)		Financial Characteristics(6)									
	Price/Share(1)	Market Value (\$M)	Core EPS(2)	Book Value/Share (\$)	P/E (x)	P/B (%)	P/A (%)	P/TB (%)	P/ICore (x)	Amount/Share (\$)	Yield (%)	Payout Ratio(5)	Total Assets (\$Mill)	Equity/Assets (%)	NPAs/Assets (%)	ROA (%)	ROE (%)	Core ROA (%)	Core ROE (%)	
	(\$)		(\$)						(x)			(%)		(%)	(%)	(%)	(%)	(%)	(%)	
Fairport Savings Bank																				
Supranage	\$10.00	\$13.05	\$0.13	\$8.80	74.08	113.66%	17.00%	113.66%	74.08	\$0.00	-	-	163	14.96%	0.10%	0.23%	1.53%	0.23%	1.53%	
Madrum	\$10.00	\$11.35	\$0.15	\$9.50	68.45	105.25%	14.92%	105.25%	68.45	\$0.00	-	-	162	14.17%	0.11%	0.22%	1.54%	0.22%	1.54%	
Midpoint	\$10.00	\$9.87	\$0.16	\$10.31	62.96	97.00%	13.08%	97.00%	62.96	\$0.00	-	-	161	13.48%	0.11%	0.21%	1.54%	0.21%	1.54%	
Minimum	\$10.00	\$8.39	\$0.18	\$11.40	56.79	87.69%	11.20%	87.69%	56.79	\$0.00	-	-	159	12.78%	0.11%	0.20%	1.54%	0.20%	1.54%	
All Public Companies(7)																				
Averages	\$19.17	\$424.79	\$0.66	\$13.31	19.51x	150.95%	18.24%	170.33%	20.40x	\$0.40	2.06%	33.78%	\$3,017	12.08%	0.54%	0.60%	6.42%	0.59%	5.79%	
Medians	16.23	106.31	0.61	11.29	16.77x	138.52%	14.97%	161.35%	17.65x	\$0.32	2.05%	18.37%	\$777	10.40%	0.31%	0.61%	5.74%	0.63%	5.90%	
Comparable Group Averages																				
Averages	\$12.81	\$34.42	\$0.36	\$7.87	24.05x	163.17	23.56	176.48	24.31x	\$0.20	1.54	10.38	\$334	14.47	0.43	0.51	4.16	0.58	4.82	
Medians	\$12.60	\$33.11	\$0.32	\$8.20	24.35x	167.81	21.49	173.59	24.32x	\$0.16	1.27	-	\$331	12.60	0.37	0.49	3.66	0.58	5.15	
Comparable Group																				
COBK Colonial Bank MHC of NJ (46.0)	\$13.78	\$28.66	\$0.32	\$9.19	NM	168.25	16.45	168.25	NM	\$0.00	-	-	379	9.78	0.04	0.43	4.15	0.41	4.03	
FFCO FedFirst Fin MHC of PA (45.8)	\$9.50	\$29.17	\$0.06	\$6.79	NM	139.91	22.79	143.29	NM	\$0.00	-	-	284	16.29	0.44	(0.02)	(0.15)	0.15	0.89	
GOV Gouverneur Bcp MHC of NY (42.8)	\$12.35	\$12.12	\$0.58	\$8.77	23.30	140.82	21.47	140.82	21.29	\$0.30	2.43	22.08	132	15.24	0.53	0.85	6.24	1.04	6.82	
GCBC Green Co Bcp MHC of NY (44.4)	\$15.10	\$27.80	\$0.67	\$8.51	24.35	177.44	20.05	177.44	22.54	\$0.50	3.31	33.13	312	11.30	0.02	0.84	7.54	0.91	8.15	
LSBK Lake Shore Bnp MHC of NY (45.0)	\$12.45	\$37.05	\$0.31	\$8.27	NM	150.54	23.50	150.54	NM	\$0.12	0.96	17.42	350	15.61	0.37	0.54	5.86	0.58	6.26	
MGYR Magyar Bancorp MHC of NJ (46.0)	\$14.75	\$40.16	\$0.54	\$8.20	NM	179.88	19.46	179.88	27.31	\$0.00	-	-	449	10.82	1.70	0.28	2.56	0.71	6.59	
NVSL Naug Vily Fin MHC of CT (44.2)	\$12.75	\$42.29	\$0.19	\$6.81	NM	187.22	23.11	187.78	NM	\$0.20	1.57	-	414	12.35	0.15	0.37	2.80	0.37	2.80	
NECB NE Comm Bncrp MHC of NY (45.0)	\$12.39	\$73.73	\$0.13	\$7.30	NM	169.73	56.47	169.73	NM	\$0.00	-	-	290	33.27	NA	0.57	2.45	0.57	2.45	
ONFC Oneida Finand MHC of NY (44.6)	\$12.00	\$41.69	\$0.46	\$7.17	24.49	167.36	21.51	260.87	26.09	\$0.48	4.00	NM	434	12.85	0.01	0.87	7.03	0.82	6.60	
PBHC Pathfinder BC MHC of NY (35.8)	\$13.05	\$11.50	\$0.31	\$8.67	NM	150.52	10.79	186.16	NM	\$0.41	3.14	NM	298	7.17	0.62	0.22	3.16	0.25	3.63	

(1) Average of High/Low or Bid/Ask price per share.
(2) EPS (estimate core basis) is based on actual trailing 12 month data, adjusted to omit non-operating items (including the SAIF assessment) on a tax-effected basis, and is shown on a pro forma basis where appropriate.
(3) P/E = Price to earnings; P/B = Price to book; P/A = Price to assets; P/TB = Price to tangible book value; and P/ICore = Price to core earnings.
(4) Indicated 12 month dividend, based on last quarterly dividend declared.
(5) Indicated 12 month dividend as a percent of trailing 12 month estimated core earnings.
(6) ROA (return on assets) and ROE (return on equity) are indicated ratios based on trailing 12 month common earnings and average common equity and total assets balances.
(7) Excludes from averages and medians those companies the subject of actual or rumored acquisition activities or unusual operating characteristics.

Source: Corporate reports, offering circulars, and RP Financial, LC. calculations. The information provided in this report has been obtained from sources we believe are reliable, but we cannot guarantee the accuracy or completeness of such information.
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the Peer Group's P/B ratio (fully-converted basis), to Fairport Savings' pro forma book value (fully-converted basis). Based on the \$21.0 million midpoint valuation, Fairport Savings' pro forma P/B and P/TB ratios both equaled 66.68%. In comparison to the average P/B and P/TB ratios for the Peer Group of 91.18% and 94.59%, the Bank's ratio reflected a discount of 26.9% on a P/B basis and a discount of 29.5% on a P/TB basis. In comparison to the median P/B and P/TB ratios for the Peer Group of 93.66% and 94.30%, the Bank's ratio reflected a discount of 28.8% on a P/B basis and a discount of 29.3% on a P/TB basis. At the top of the super range, the Bank's P/B and P/TB ratios on a fully-converted basis both equaled 74.15%. In comparison to the Peer Group's average P/B and P/TB ratios, the Bank's P/B and P/TB ratios at the top of the super range reflected discounts of 18.7% and 21.6%, respectively. In comparison to the Peer Group's median P/B and P/TB ratios, the Bank's P/B and P/TB ratios at the top of the super range reflected discounts of 20.8% and 21.4%, respectively. RP Financial considered the discounts under the P/B approach to be reasonable in light of the Bank's low pro forma return on equity ratios and the resulting P/E multiples.

On an MHC reported basis, the Bank's P/B and P/TB ratios at the \$21.0 million midpoint value and 47% minority stock offering both equaled 97.00%. In comparison to the average P/B and P/TB ratios indicated for the Peer Group of 163.17% and 176.48%, respectively, Fairport Savings' ratios were discounted by 40.6% on a P/B basis and 45.0% on a P/TB basis. In comparison to the median P/B and P/TB ratios indicated for the Peer Group of 167.81% and 173.59%, respectively, Fairport Savings' ratios were discounted by 42.2% on a P/B basis and 44.1% on a P/TB basis. At the top of the super range, the Bank's P/B and P/TB ratios on an MHC basis both equaled 113.66%. In comparison to the Peer Group's average P/B and P/TB ratios, the Bank's P/B and P/TB ratios at the top of the super range reflected discounts of 30.3% and 35.6%, respectively. In comparison to the Peer Group's median P/B and P/TB ratios, the Bank's P/B and P/TB ratios at the top of the super range reflected discounts of 32.3% and 34.5%, respectively.

3. Price-to-Assets ("P/A"). The P/A valuation methodology determines market value by applying a valuation P/A ratio (fully-converted basis) to the Bank's pro forma asset base, conservatively assuming no deposit withdrawals are made to fund stock purchases. In all

likelihood there will be deposit withdrawals, which results in understating the pro forma P/A ratio which is computed herein. At the midpoint of the valuation range, Fairport Savings' full conversion value equaled 12.32% of pro forma assets. Comparatively, the Peer Group companies exhibited an average P/A ratio (fully-converted basis) of 20.77%, which implies a discount of 40.7% has been applied to the Bank's pro forma P/A ratio (fully-converted basis). Comparatively, the Peer Group companies exhibited a median P/A ratio (fully-converted basis) of 19.47%, which implies a discount of 36.7% has been applied to the Bank's pro forma P/A ratio (fully-converted basis).

On an MHC reported basis, assuming the \$21.0 million midpoint value and the 47% minority stock offering, Fairport Savings' pro forma P/A ratio equaled 13.08%. In comparison to the Peer Group's average P/A ratio of 23.56%, Fairport Savings' P/A ratio indicated a discount of 44.5%. In comparison to the Peer Group's median P/A ratio of 21.49%, Fairport Savings' P/A ratio indicated a discount of 39.1%.

Comparison to Recent Offerings

As indicated at the beginning of this chapter, RP Financial's analysis of recent conversion and MHC offering pricing characteristics at closing and in the aftermarket has been limited to a "technical" analysis and, thus, the pricing characteristics of recent conversion offerings can not be a primary determinate of value. Particular focus was placed on the P/TB approach in this analysis, since the P/E multiples do not reflect the actual impact of reinvestment and the source of the stock proceeds (i.e., external funds vs. deposit withdrawals). The four recently completed MHC offerings closed at an average price/tangible book ratio of 79.5% (fully-converted basis) and, on average, appreciated 21.2% after one week of trading and 18.3% through February 23, 2007. Excluding the one large offering by Oritani Financial Corp MHC of NJ, however, the three remaining MHC offerings were priced at an average price/tangible book value ratio of 78.4% and had appreciated by just 6.0% through February 23, 2007. In comparison, the Bank's P/TB ratio of 66.68% at the midpoint value reflected an implied discount of 14.9% relative to the average closing price/tangible book ratio of the three smaller MHC offerings (of 78.4%). At the top of the super range, the Bank's P/TB ratio of 74.15% reflected an implied discount of 5.4% relative to the average closing P/TB ratio of the three smaller MHC offerings. Although priced

at a discount relative to the recent MHC deals, the valuation of Fairport Savings reflects the Bank's unique characteristics including the smaller size of the offering and weakness in earnings compared to these recent offerings.

Valuation Conclusion

Based on the foregoing, it is our opinion that, as of February 23, 2007, the estimated aggregate pro forma market value of the shares to be issued immediately following the conversion, both shares issued publicly as well as to the MHC, equaled \$21,000,000 at the midpoint, equal to 2,100,000 shares offered at a per share value of \$10.00. Pursuant to conversion guidelines, the 15% offering range indicates a minimum value of \$17,850,000 and a maximum value of \$24,150,000. Based on the \$10.00 per share offering price determined by the Board, this valuation range equates to total shares outstanding of 1,785,000 at the minimum and 2,415,000 at the maximum. In the event the appraised value is subject to an increase, the aggregate pro forma market value may be increased up to a supermaximum value of \$27,772,500 without a resolicitation. Based on the \$10.00 per share offering price, the supermaximum value would result in total shares outstanding of 2,777,250. The Board of Directors has established a public offering range such that the public ownership of the Bank will constitute a 47.0% ownership interest. Accordingly, the offering to the public of the minority stock will equal \$8,389,500 at the minimum, \$9,870,000 at the midpoint, \$11,350,500 at the maximum and \$13,053,080 at the supermaximum of the valuation range. The pro forma valuation calculations relative to the Peer Group (fully-converted basis) are shown in Table 4.6 and are detailed in Exhibit IV-7 and Exhibit IV-8; the pro forma valuation calculations relative to the Peer Group based on reported financials are shown in Table 4.7 and are detailed in Exhibits IV-10 and IV-11.

EXHIBITS

LIST OF EXHIBITS

<u>Exhibit Number</u>	<u>Description</u>
I-1	Map of Office Locations
I-2	Audited Financial Statements
I-3	Key Operating Ratios
I-4	Investment Portfolio Composition
I-5	Yields and Costs
I-6	Loan Loss Allowance Activity
I-7	Interest Rate Risk Analysis
I-8	Fixed and Adjustable Rate Loans
I-9	Loan Portfolio Composition
I-10	Contractual Maturity by Loan Type
I-11	Loan Originations, Purchases, and Sales
I-12	Non-Performing Assets
I-13	Deposit Composition
I-14	Maturity of Time Deposits
I-15	Borrowing Activity
II-1	Description of Office Facilities
II-2	Historical Interest Rates
II-3	Demographic Data in the Primary Market Area

LIST OF EXHIBITS (continued)

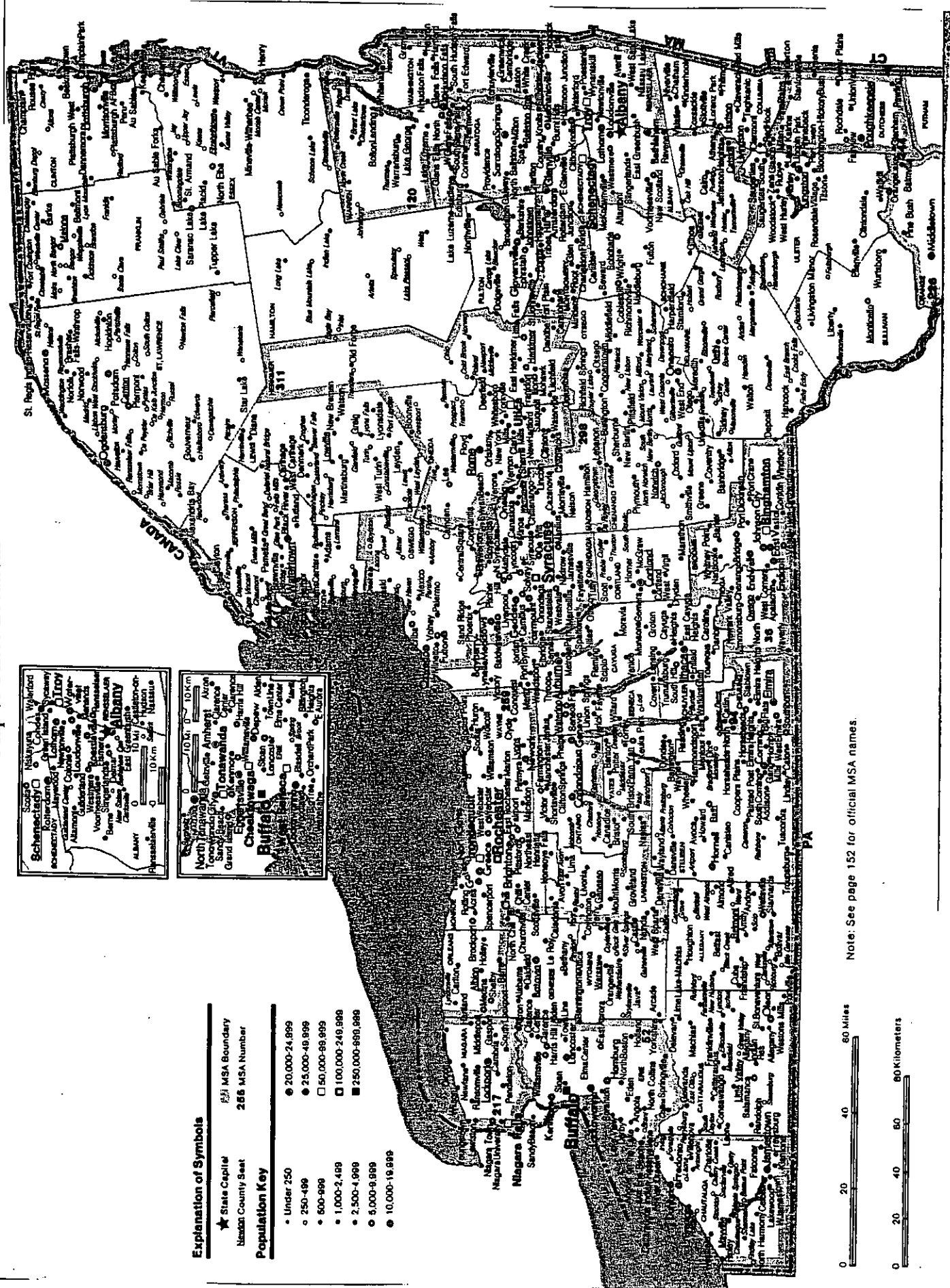
- III-1 General Characteristics of Publicly-Traded Institutions
- III-2 Public Market Pricing of MHC Institutions
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- IV-1 Stock Prices: As of February 23, 2007
- IV-2 Historical Stock Price Indices
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- IV-4 Market Area Acquisition Activity
- IV-5 Director and Senior Management Summary Resumes
- IV-6 Pro Forma Regulatory Capital Ratios
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- IV-9 Peer Group Core Earnings Analysis
- IV-10 Pro Forma Analysis Sheets – MHC Conversion Basis
- IV-11 Pro Forma Effect of Conversion Proceeds – MHC Conversion Basis

- V-1 Firm Qualifications Statement

FSB Community Bankshares, Inc.

Map of Office Locations



Explanation of Symbols	
★	State Capital
⬢	MSA Boundary
⬢	Newton County Seat
288	MSA Number
Population Key	
●	Under 250
○	250-499
○	500-999
○	1,000-2,499
○	2,500-4,999
○	5,000-9,999
○	10,000-19,999
○	20,000-24,999
○	25,000-49,999
○	50,000-99,999
○	100,000-249,999
■	250,000-999,999

Note: See page 152 for official MSA names.

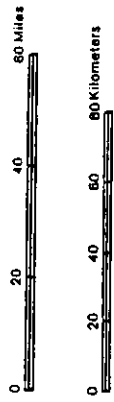


EXHIBIT I-2
FSB Community Bankshares, Inc.
Audited Financial Statements
[Incorporated by Reference]

EXHIBIT I-3
FSB Community Bankshares, Inc.
Key Operating Ratios

	At or For the Years Ended December 31,	
	2006	2005
Selected Financial Ratios and Other Data:		
Performance Ratios:		
Return on average assets	0.16%	0.35%
Return on average equity	1.69%	3.41%
Interest rate spread (1)	2.21%	2.68%
Net interest margin (2)	2.57%	3.01%
Efficiency ratio (3)	91.5%	82.9%
Non-interest income to average total assets	0.24%	0.24%
Non-interest expense to average total assets	2.50%	2.62%
Average interest-earning assets to average interest-bearing liabilities	1.12%	1.14%
Asset Quality Ratios:		
Non-performing assets as a percent of total assets	0.11%	0.15%
Non-performing loans as a percent of total loans	0.14%	—%
Allowance for loan losses as a percent of non- performing loans	188.30%	827.50%
Allowance for loan losses as a percent of total loans	0.27%	0.30%
Capital Ratios:		
Total risk-based capital (to risk weighted assets)	19.40%	19.95%
Tier 1 leverage (core) capital (to adjusted tangible assets)	8.88%	9.32%
Tangible capital (to tangible assets)	8.88%	9.32%
Tier 1 risk-based capital (to risk weighted assets)	18.94%	19.46%
Average equity to average total assets	9.32%	10.20%
Other Data:		
Number of full service offices(4)	2	2

- (1) Represents the difference between the weighted-average yield on interest-earning assets and the weighted-average cost of interest-bearing liabilities for the year.
- (2) The net interest margin represents net interest income as a percent of average interest-earning assets for the year.
- (3) The efficiency ratio represents non-interest expense divided by the sum of net interest income and non-interest income.
- (4) In January 2007, a third branch office was opened in Irondequoit, New York.

EXHIBIT I-4
 FSB Community Bankshares, Inc.
 Investment Portfolio Composition

	At December 31,			
	2006		2005	
	Amortized Cost	Fair Value	Amortized Cost	Fair Value
	(In thousands)			
Securities held to maturity:				
U.S. Government and agency obligations	\$ 18,200	\$ 18,001	\$ 17,716	\$ 17,501
State and municipal	50	50	110	112
Mortgage-backed	5,941	5,822	7,825	7,655
Total securities held to maturity.....	<u>\$ 24,191</u>	<u>\$ 23,873</u>	<u>\$ 25,651</u>	<u>\$ 25,268</u>
Securities available for sale:				
Freddie Mac stock	\$ 67	\$ 604	\$ 67	\$ 576
Total securities available for sale	<u>\$ 67</u>	<u>\$ 604</u>	<u>\$ 67</u>	<u>\$ 576</u>

FSB Community Bankshares, Inc.
Yields and Costs

	For the Years Ended December 31,			
	At December 31, 2006	2006		2005
	Yield/ Cost	Average Balance	Interest Income/ Expense	Yield/ Cost
		(Dollars in thousands)		
Interest-earning assets:				
Loans.....	5.91%	\$ 115,601	\$ 6,797	5.88%
Federal funds sold.....	4.99	1,375	65	4.73
Investment securities.....	4.84	18,897	963	5.10
Mortgage-backed securities.....	3.97	6,933	268	3.87
Total interest-earning assets.....	5.68	142,806	8,093	5.67
Noninterest-earning assets.....		4,928		
Total assets.....		\$ 147,734		\$ 131,548
Interest-bearing liabilities:				
NOW accounts.....	0.34	\$ 3,826	20	0.52
Passbook savings.....	0.80	12,041	83	0.69
Money market savings.....	2.63	10,567	256	2.42
Individual retirement accounts.....	4.16	14,900	579	3.89
Certificates of deposit.....	4.13	64,028	2,471	3.86
Federal Home Loan Bank advances.....	4.82	22,233	1,012	4.55
Total interest-bearing liabilities.....	3.59%	127,595	4,421	3.46%
Noninterest-bearing liabilities:				
Demand deposits.....		3,887		4,008
Other.....		2,488		2,594
Total liabilities.....		133,970		118,129
Stockholder's equity.....		13,764		13,419
Total liabilities and stockholder's equity.....		\$ 147,734		\$ 131,548
Net interest income.....			\$ 3,672	\$ 3,838
Interest rate spread (1).....			2.21%	2.68%
Net interest-earning assets (2).....		\$ 15,211		\$ 15,979
Net interest margin (3).....			2.57%	3.01%
Average interest-earning assets to average interest-bearing liabilities.....		1.12%		1.14%

(1) Interest rate spread represents the difference between the yield on average interest-earning assets and the cost of average interest-bearing liabilities.

(2) Net interest-earning assets represent total interest-earning assets less total interest-bearing liabilities.

(3) Net interest margin represents net interest income divided by total interest-earning assets.

EXHIBIT I-6
FSB Community Bankshares, Inc.
Loan Loss Allowance Activity

	At or For the Years	
	Ended December 31,	
	<u>2006</u>	<u>2005</u>
	(Dollars in thousands)	
Balance at beginning of year.....	\$ 331	\$ 307
Charge-offs:		
Real estate loans:		
One- to four-family residential	—	—
Home equity lines of credit	—	—
Multi-family residential	—	—
Construction	—	—
Commercial	—	—
Other loans	<u>9</u>	<u>2</u>
Total charge-offs	<u>9</u>	<u>2</u>
Net charge-offs	9	2
Provision for loan losses	<u>—</u>	<u>26</u>
Balance at end of year	<u>\$ 322</u>	<u>\$ 331</u>
Ratios:		
Net charge-offs to average		
loans outstanding	0.01%	—%
Allowance for loan losses to non-		
performing loans at end of year	188.3%	827.50%
Allowance for loan losses to		
total loans at end of year	0.27%	0.30%

EXHIBIT I-7

FSB Community Bankshares, Inc.
Interest Rate Risk Analysis

Change in Interest Rates (basis points) (1)	Estimated NPV (2)	Estimated Increase (Decrease) in NPV		NPV as a Percentage of Present Value of Assets (3)	
		Amount (Dollars in thousands)	Percent	NPV Ratio (4)	Increase (Decrease) (basis points)
+300	\$ 8,130	\$ (8,513)	(51)%	5.74%	(502)
+200	11,324	(5,320)	(32)	7.74	(302)
+100	14,172	(2,472)	(15)	9.40	(135)
—	16,644	—	—	10.76	—
-100	17,990	1,347	8	11.40	65
-200	17,961	1,317	8	11.26	51

(1) Assumes an instantaneous uniform change in interest rates at all maturities.

(2) NPV is the discounted present value of expected cash flows from assets, liabilities and off-balance sheet contracts.

(3) Present value of assets represents the discounted present value of incoming cash flows on interest-earning assets.

(4) NPV Ratio represents NPV divided by the present value of assets.

EXHIBIT I-8
FSB Community Bankshares, Inc.
Fixed and Adjustable Rate Loans

	Due After December 31, 2007		
	Fixed	Adjustable	Total
	(In thousands)		
Real estate loans:			
One- to four-family residential	\$ 101,424	\$ 8,344	\$ 109,768
Home equity lines of credit	—	6,929	6,929
Multi-family residential	482	558	1,040
Construction	380	—	380
Commercial	883	1,710	2,593
Other loans	205	—	205
Total	\$ 103,374	\$ 17,541	\$ 120,915

EXHIBIT I-9
FSB Community Bankshares, Inc.
Loan Portfolio Composition

	At December 31,			
	2006		2005	
	Amount	Percent	Amount	Percent
	(Dollars in thousands)			
Real estate loans:				
One- to four-family residential ⁽¹⁾ ...	\$ 109,786	90.6%	\$ 96,205	88.6%
Home equity lines of credit.....	6,929	5.7	7,209	6.6
Multi-family residential.....	1,040	0.9	1,110	1.0
Construction ⁽²⁾	380	0.3	209	0.2
Commercial.....	2,745	2.3	3,488	3.2
Other loans.....	241	0.2	380	0.4
	121,121		108,601	
Total loans receivable.....		<u>100.0%</u>		<u>100.0%</u>
Deferred loan costs (fees).....	338		165	
Allowance for loan losses.....	(322)		(331)	
Total loans receivable, net.....	<u>\$ 121,137</u>		<u>\$ 108,435</u>	

(1) Includes \$3.9 million and \$1.4 million of home equity loans at December 31, 2006 and 2005, respectively.
(2) Represents amounts disbursed at December 31, 2006 and 2005.

EXHIBIT I-10
 FSB Community Bankshares, Inc.
 Contractual Maturity by Loan Type

Due During the Years Ending December 31,	One- to Four-Family Residential Real Estate Loans	Home Equity Lines of Credit	Multi- Family Residential Real Estate Loans	Construction Loans	Commercial Real Estate Loans	Other Loans	Total
	(Dollars in thousands)						
2007	\$ 18	\$ —	\$ —	\$ —	\$ 152	\$ 36	\$ 206
2008	184	—	—	—	—	35	219
2009	262	—	—	—	24	83	369
2010 to 2011	1,973	—	84	—	289	87	2,433
2012 to 2016	18,979	—	409	—	274	—	19,662
2017 to 2021	33,976	—	130	—	1,299	—	35,405
2021 and beyond	54,394	6,929	417	380	707	—	62,827
Total	<u>\$ 109,786</u>	<u>\$ 6,929</u>	<u>\$ 1,040</u>	<u>\$ 380</u>	<u>\$ 2,745</u>	<u>\$ 241</u>	<u>\$ 121,121</u>

EXHIBIT I-11
 FSB Community Bankshares, Inc.
 Loan Originations, Purchases and Sales

	2006	2005
	(In thousands)	
Total loans at beginning of period.....	\$ 108,601	\$ 99,301
Loan originations:		
Real estate loans:		
One-to four-family residential	22,721	15,402
Home equity lines of credit	2,295	3,061
Multi-family residential	137	374
Construction	1,115	1,656
Commercial	—	1,280
Other loans	165	127
Total loans originated	26,433	21,900
Sales and loan principal repayments:		
Deduct:		
Principal repayments	12,734	12,320
Loan sales	1,179	280
Net loan activity	12,520	9,300
Total loans at end of period.....	\$ 121,121	\$ 108,601

EXHIBIT I-12
 FSB Community Bankshares, Inc.
 Non-Performing Assets

	At December 31,	
	2006	2005
	(Dollars in thousands)	
Non-accrual loans:		
Real estate loans:		
One- to four-family residential.....	\$ 143	\$ —
Home equity lines of credit.....	28	—
Multi-family residential	—	—
Construction.....	—	—
Commercial	—	—
Other loans	—	—
Total.....	<u>171</u>	<u>—</u>
Accruing loans 90 days or more past due:		
Total non-performing loans	<u>171</u>	<u>—</u>
Foreclosed real estate.....	—	225
Other non-performing assets.....	—	—
Total non-performing assets	<u>\$ 171</u>	<u>\$ 225</u>
Ratios:		
Total non-performing loans to total loans.....	0.14%	0.00%
Total non-performing loans to total assets.....	0.11%	0.00%
Total non-performing assets to total assets....	0.11%	0.15%

EXHIBIT I-13
FSB Community Bankshares, Inc.
Deposit Composition

For the Years Ended December 31,

	2006			2005		
	Average Balance	Percent	Weighted Average Rate	Average Balance	Percent	Weighted Average Rate
	(Dollars in thousands)					
Deposit type:						
NOW	\$ 3,826	3.5%	0.52%	\$ 3,257	3.1%	0.49%
Savings	12,041	11.0	0.69	13,674	13.1	0.50
Money market	10,567	9.7	2.42	11,270	10.9	1.11
Individual retirement accounts ...	14,900	13.6	3.89	14,297	13.8	3.55
Certificates of deposit.....	64,028	58.6	3.86	57,204	55.2	3.17
Non-interest bearing demand deposits	<u>3,887</u>	<u>3.6</u>	—	<u>4,008</u>	<u>3.9</u>	—
Total deposits.....	<u>\$ 109,249</u>	<u>100.0%</u>	3.12%	<u>\$ 103,710</u>	<u>100.00%</u>	2.44%

EXHIBIT I-14
FSB Community Bankshares, Inc.
Maturity of Time Deposits

	At December 31, 2006 <u>(In thousands)</u>
Three months or less	\$ 1,314
Over three months through six months	3,290
Over six months through one year	4,760
Over one year to three years	3,484
Over three years.....	<u>1,495</u>
Total	<u>\$ 14,343</u>

EXHIBIT I-15
 FSB Community Bankshares, Inc.
 Borrowing Activity

	At or For the Years Ended	
	December 31,	
	2006	2005
	(Dollars in thousands)	
Balance at end of year	\$ 28,024	\$ 20,658
Average balance during year	\$ 22,233	11,825
Maximum outstanding at any month end.....	\$ 28,024	\$ 20,658
Weighted average interest rate at end of year	4.82%	4.55%
Average interest rate during year	4.55%	3.81%

EXHIBIT II-1
FSB Community Bankshares, Inc.
Description of Office Facilities

Properties

We operate from our main office in Fairport, New York and our two branch offices located in upstate New York. Our branch offices are located in Penfield and Irondequoit, New York. The consolidated net book value of our premises, land and equipment was \$2.1 million at December 31, 2006.

Exhibit II-2
Historical Interest Rates(1)

<u>Year/Qtr. Ended</u>	<u>Prime Rate</u>	<u>90 Day T-Bill</u>	<u>One Year T-Bill</u>	<u>10 Year T-Bond</u>
1999: Quarter 1	7.75%	4.49%	4.72%	5.25%
Quarter 2	7.75%	4.78%	5.07%	5.81%
Quarter 3	8.25%	4.88%	5.22%	5.90%
Quarter 4	8.50%	5.33%	5.98%	6.45%
2000: Quarter 1	9.00%	5.88%	6.28%	6.03%
Quarter 2	9.50%	5.88%	6.08%	6.03%
Quarter 3	9.50%	6.23%	6.07%	5.80%
Quarter 4	9.50%	5.89%	5.32%	5.12%
2001: Quarter 1	8.00%	4.30%	4.09%	4.93%
Quarter 2	6.75%	3.65%	3.72%	5.42%
Quarter 3	6.00%	2.40%	2.49%	4.60%
Quarter 4	4.75%	1.74%	2.17%	5.07%
2002: Quarter 1	4.75%	1.79%	2.70%	5.42%
Quarter 2	4.75%	1.70%	2.06%	4.86%
Quarter 3	4.75%	1.57%	1.53%	3.63%
Quarter 4	4.25%	1.22%	1.32%	3.83%
2003: Quarter 1	4.25%	1.14%	1.19%	3.83%
Quarter 2	4.00%	0.90%	1.09%	3.54%
Quarter 3	4.00%	0.95%	1.15%	3.96%
Quarter 4	4.00%	0.95%	1.26%	4.27%
2004: Quarter 1	4.00%	0.95%	1.20%	3.86%
Quarter 2	4.00%	1.33%	2.09%	4.62%
Quarter 3	4.75%	1.70%	2.16%	4.12%
Quarter 4	5.25%	2.22%	2.75%	4.24%
2005: Quarter 1	5.75%	2.80%	3.43%	4.51%
Quarter 2	6.00%	3.12%	3.51%	3.98%
Quarter 3	6.75%	3.55%	4.01%	4.34%
Quarter 4	7.25%	4.08%	4.38%	4.39%
2006: Quarter 1	7.75%	4.63%	4.82%	4.86%
Quarter 2	8.25%	5.01%	5.21%	5.15%
Quarter 3	8.25%	4.88%	4.91%	4.64%
Quarter 4	8.25%	5.02%	5.00%	4.71%
As of Feb. 23, 2007	8.25%	5.18%	5.05%	4.68%

(1) End of period data.

Sources: Federal Reserve.

EXHIBIT II-3
Demographic Data in the Primary Market Area

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Demographic Summary: US[Back to Industry Data Home](#)

	Base 2000	Current 2006	Projected 2011	% Change 2000 - 2006	% Change 2006 - 2011
Total Population (actual)	281,421,906	303,582,361	323,785,827	7.87	6.66
0-14 Age Group (%)	21.41	20.42	19.87	2.88	3.80
15-34 Age Group (%)	28.10	27.45	27.07	5.40	5.16
35-54 Age Group (%)	29.43	29.10	28.18	6.67	3.26
55-69 Age Group (%)	12.01	13.98	15.81	25.56	20.61
70+ Age Group (%)	9.05	9.04	9.07	7.81	6.98
Median Age (actual)	35.3	36.5	37.5	3.40	2.74
Diversity Index (actual)	54.6	58.9	62.0	7.88	5.26
Black (%)	12.32	12.55	12.70	9.96	7.89
Asian (%)	3.64	4.25	4.76	25.97	19.34
White (%)	75.14	72.95	71.22	4.74	4.12
Hispanic (%)	12.55	14.81	16.68	27.32	20.17
Pacific Islander (%)	0.14	0.15	0.15	11.68	8.26
American Indian/Alaska Native (%)	0.88	0.90	0.91	10.16	7.52
Multiple races (%)	2.43	2.78	3.06	23.64	17.40
Other (%)	5.46	6.42	7.21	26.81	19.86
Total Households (actual)	105,480,101	114,049,635	121,863,482	8.12	6.85
\$0-25K Households (%)	28.67	22.68	18.89	-14.49	-10.98
\$25-50K Households (%)	29.34	25.75	22.43	-5.09	-6.95
\$50-100K Households (%)	29.70	31.77	31.44	15.69	5.72
\$100K+ Households (%)	12.29	19.80	27.25	74.15	47.05
Average Household Income (\$)	56,644	71,092	86,598	25.51	21.81
Median Household Income (\$)	42,164	51,546	60,704	22.25	17.77
Per Capita Income (\$)	21,587	27,084	32,982	25.46	21.78
\$0-35K Net Worth HHs (%)	NA	33.40	NA	NA	NA
\$35-100K Net Worth HHs (%)	NA	15.99	NA	NA	NA
\$100-250K Net Worth HHs (%)	NA	18.57	NA	NA	NA
\$250-500K Net Worth HHs (%)	NA	14.29	NA	NA	NA
\$500K+ Net Worth HHs (%)	NA	17.76	NA	NA	NA
Median Household Net Worth (\$)	NA	102,887	NA	NA	NA
Average Household Net Worth (\$)	NA	483,799	NA	NA	NA
Total Owner Occupied Housing Units	69,815,753	77,663,277	83,309,345	11.24	7.27

\$0-100K in Value HUs (%)	44.57	23.62	17.60	-41.06	-20.07
\$100-200K in Value HUs (%)	35.18	31.37	27.88	-0.82	-4.65
\$200-300K in Value HUs (%)	11.17	17.74	19.14	76.64	15.71
\$300-500K in Value HUs (%)	6.12	15.21	18.18	176.27	28.23
\$500K+ in Value HUs (%)	2.95	12.07	17.21	355.11	52.93

Source: ESRI

Demographic data is provided by [ESRI](#) based primarily on US Census data. For non-census year data, ESRI uses samples and projections to estimate the demographic data. SNL performs calculations on the underlying data provided by ESRI for some of the data presented on this page. For more information on ESRI's methodology, click [here](#).

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Demographic Summary: New York

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	Base 2000	Current 2006	Projected 2011	% Change 2000 - 2006	% Change 2006 - 2011
Total Population (actual)	18,976,457	19,532,703	19,953,521	2.93	2.15
0-14 Age Group (%)	20.68	19.89	18.84	-0.98	-3.24
15-34 Age Group (%)	27.87	27.12	27.24	0.15	2.60
35-54 Age Group (%)	29.65	29.51	28.61	2.43	-0.97
55-69 Age Group (%)	12.36	14.05	15.85	17.04	15.21
70+ Age Group (%)	9.44	9.42	9.46	2.79	2.58
Median Age (actual)	35.9	37.0	38.2	3.06	3.24
Diversity Index (actual)	63.6	67.6	70.4	6.29	4.14
Black (%)	15.88	16.33	16.53	5.79	3.41
Asian (%)	5.51	6.66	7.65	24.52	17.36
White (%)	67.95	65.02	62.78	-1.49	-1.37
Hispanic (%)	15.11	17.23	18.98	17.39	12.49
Pacific Islander (%)	0.05	0.05	0.05	12.68	1.02
American Indian/Alaska Native (%)	0.43	0.44	0.45	5.33	2.49
Multiple races (%)	3.11	3.59	3.98	18.83	13.17
Other (%)	7.07	7.90	8.57	15.02	10.73
Total Households (actual)	7,056,860	7,252,814	7,420,908	2.78	2.32
\$0-25K Households (%)	29.54	23.68	19.97	-17.61	-13.70
\$25-50K Households (%)	26.26	22.59	19.38	-11.58	-12.20
\$50-100K Households (%)	28.95	30.02	28.46	6.58	-3.02
\$100K+ Households (%)	15.25	23.71	32.19	59.76	38.91
Average Household Income (\$)	61,856	79,872	99,145	29.13	24.13
Median Household Income (\$)	43,582	54,403	64,999	24.83	19.48
Per Capita Income (\$)	23,389	30,095	37,345	28.67	24.09
\$0-35K Net Worth HHs (%)	NA	31.03	NA	NA	NA
\$35-100K Net Worth HHs (%)	NA	15.10	NA	NA	NA
\$100-250K Net Worth HHs (%)	NA	18.08	NA	NA	NA
\$250-500K Net Worth HHs (%)	NA	14.81	NA	NA	NA
\$500K+ Net Worth HHs (%)	NA	20.98	NA	NA	NA
Median Household Net Worth (\$)	NA	121,593	NA	NA	NA
Average Household Net Worth (\$)	NA	554,151	NA	NA	NA
Total Owner Occupied Housing Units	3,739,166	4,054,547	4,158,399	8.43	2.56

\$0-100K in Value HUs (%)	34.34	9.61	6.76	-69.66	-27.88
\$100-200K in Value HUs (%)	32.04	25.56	20.15	-13.50	-19.13
\$200-300K in Value HUs (%)	18.45	16.83	16.05	-1.13	-2.14
\$300-500K in Value HUs (%)	10.03	25.44	23.89	174.95	-3.70
\$500K+ in Value HUs (%)	5.13	22.57	33.15	376.68	50.66

Source: ESRI

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Demographic Summary: Monroe, NY

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	Base 2000	Current 2006	Projected 2011	% Change 2000 - 2006	% Change 2006 - 2011
Total Population (actual)	735,343	746,469	754,170	1.51	1.03
0-14 Age Group (%)	21.40	19.51	18.58	-7.43	-3.80
15-34 Age Group (%)	26.93	26.50	26.92	-0.12	2.62
35-54 Age Group (%)	30.06	29.37	27.75	-0.80	-4.55
55-69 Age Group (%)	11.78	14.52	16.83	25.11	17.10
70+ Age Group (%)	9.83	10.10	9.93	4.25	-0.68
Median Age (actual)	36.0	38.0	39.2	5.56	3.16
Diversity Index (actual)	41.9	47.4	51.8	13.13	9.28
Black (%)	13.75	15.23	16.42	12.51	8.89
Asian (%)	2.44	3.20	3.92	33.18	24.01
White (%)	79.14	75.87	73.04	-2.69	-2.73
Hispanic (%)	5.31	6.57	7.70	25.48	18.42
Pacific Islander (%)	0.03	0.04	0.03	21.82	-2.24
American Indian/Alaska Native (%)	0.27	0.28	0.29	7.95	3.75
Multiple races (%)	1.94	2.41	2.84	25.99	18.94
Other (%)	2.44	2.97	3.45	23.74	17.28
Total Households (actual)	286,512	290,417	294,114	1.36	1.27
\$0-25K Households (%)	27.18	21.02	17.22	-21.61	-17.03
\$25-50K Households (%)	27.83	23.71	20.81	-13.65	-11.13
\$50-100K Households (%)	31.93	32.48	30.98	3.10	-3.40
\$100K+ Households (%)	13.06	22.79	31.00	76.93	37.71
Average Household Income (\$)	57,694	72,706	89,159	26.02	22.63
Median Household Income (\$)	44,898	55,610	66,116	23.86	18.89
Per Capita Income (\$)	22,821	28,802	35,334	26.21	22.68
\$0-35K Net Worth HHs (%)	NA	30.13	NA	NA	NA
\$35-100K Net Worth HHs (%)	NA	14.85	NA	NA	NA
\$100-250K Net Worth HHs (%)	NA	19.34	NA	NA	NA
\$250-500K Net Worth HHs (%)	NA	15.31	NA	NA	NA
\$500K+ Net Worth HHs (%)	NA	20.36	NA	NA	NA
Median Household Net Worth (\$)	NA	127,962	NA	NA	NA
Average Household Net Worth (\$)	NA	544,714	NA	NA	NA
Total Owner Occupied Housing Units	186,426	197,658	200,439	6.02	1.41

\$0-100K in Value HUs (%)	52.06	14.76	7.34	-69.94	-49.57
\$100-200K in Value HUs (%)	39.35	57.72	42.95	55.51	-24.54
\$200-300K in Value HUs (%)	6.16	18.91	30.79	225.72	65.10
\$300-500K in Value HUs (%)	1.91	6.78	14.98	277.46	123.84
\$500K+ in Value HUs (%)	0.53	1.83	3.94	264.28	118.78

Source: ESRI

Demographic data is provided by [ESRI](#) based primarily on US Census data. For non-census year data, ESRI uses samples and projections to estimate the demographic data. SNL performs calculations on the underlying data provided by ESRI for some of the data presented on this page. For more information on ESRI's methodology, click [here](#).

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EXHIBIT III-1
General Characteristics of Publicly-Traded Institutions

Exhibit III-1
Characteristics of Publicly-Traded Thrifts
March 15, 2007(1)

ticker	Financial Institution	Exchgr. Market	Primary Market	Operating Total Assets (\$Mil)	Offices	Fiscal Year	Conv. Date	Stock Price (\$)	Market Value (\$Mil)
California Companies									
NDI	IndyMac Bancorp, Inc. of CA		NYSE	29,435	14	12-31	11/86	35.15	2,567
DSI	Dowdy Financial Corp. of CA		NYSE	16,209	172	12-31	01/71	47.52	1,881
PEN	FirstFed Financial Corp. of CA		NYSE	9,296	59	12-31	12/83	59.30	987
PFB	PPP Bancorp, Inc. of Pomona CA		NYSE	4,615	30	03-31	03/96	31.21	817
PROV	Provident Fin. Holdings of CA		M.B.	1,770	12	06-30	06/96	27.70	186
WFG	Harrington West Finl Grp of CA		MASDAQ	1,146 S	15	12-31	11/02	17.39	95
PFTB	First Pacific Bancorp of CA		MASDAQ	813 S	9	12-31	08/02	28.07	124
BOFI	Bank of California		MASDAQ	803 S	1	06-30	03/03	7.80	64
KPEI	K-Ped Bancorp, Inc. of CA		NYSE	777	3	12-31	03/04	19.78	278
PEBI	Pacific Premier Bancorp of CA		MASDAQ	731	5	12-31	06/97	11.74	74
BYFC	Broadway Financial Corp. of CA		MASDAQ	301	4	12-31	01/96	11.10	18
Florida Companies									
BUNA	BankUnited Fin. Corp. of FL		MASDAQ	13,811	55	09-30	12/85	25.89	951
BFB	BFC Financial Corp. of FL		NYSE	7,390 D	74	12-31	/	6.14	220
BY	BankAtlantic Bancorp of FL		NYSE	6,496	75	12-31	11/83	13.35	815
FDZ	Federal Trust Corp of FL		AMEX	710 S	6	12-31	12/97	9.65	92
FCL	First Community BK Corp of FL		MASDAQ	372 S	4	12-31	05/03	20.36	82
Mid-Atlantic Companies									
SOV	Sovereign Bancorp, Inc. of PA		NYSE	90,411 S	677	12-31	08/86	26.36	12,568
KCBK	Kudson City Bancorp, Inc. of NJ		MASDAQ	35,509	86	12-31	06/05	13.79	7,692
NYS	New York Community Bancorp of NY		NYSE	28,924 S	143	12-31	11/93	17.04	5,033
NYF	First Niagara Fin. Corp. of NY		NYSE	21,555	86	12-31	11/93	28.59	2,847
NBS	Northwest Bancorp of PA(39.1)		MASDAQ	8,059 D	122	12-31	01/03	14.57	1,613
NBS	Northwest Bancorp of PA(39.1)		MASDAQ	8,059 D	154	06-30	11/94	27.50	1,376
IEB	Investors Banc. Serv. Inc. of NJ		NYSE	5,824 S	79	12-31	01/03	16.19	1,150
IBFC	Investors Banc. Serv. Inc. of NJ		MASDAQ	5,824 S	46	06-30	10/05	15.67	1,817
PRB	Primerica Trust Fin. Grp. of NY		MASDAQ	3,747	37	12-31	07/04	11.48	506
TCB	Times Bancorp NY of NY		MASDAQ	3,173	20	12-31	06/96	12.75	485
WFB	West Bancorp NY of DE		MASDAQ	3,161	75	12-31	/	10.35	775
WFB	West Bancorp NY of DE		MASDAQ	3,000 S	23	12-31	11/86	68.28	454
WFC	Washington Fed. Corp. of PA		MASDAQ	2,927 S	57	12-31	11/03	15.55	409
PNY	Provident Fin. Serv. Inc. of NY		MASDAQ	2,837	33	12-31	11/95	17.09	361
PNY	Provident Fin. Serv. Inc. of NY		MASDAQ	2,797	39	09-30	01/04	14.00	598
OCFC	OceanFirst Fin. Corp of NJ		MASDAQ	2,339	25	06-30	07/94	20.75	269
KBY	Keeney Fin. Corp of NJ		MASDAQ	2,074	17	12-31	07/96	21.96	269
KBY	Keeney Fin. Corp of NJ		MASDAQ	2,018	25	06-30	02/05	14.75	1,057
WFB	West Bancorp NY of DE		MASDAQ	1,918 S	26	12-31	06/90	11.40	147
WFB	West Bancorp NY of DE		MASDAQ	1,864	47	06-30	07/87	31.00	176
WFC	Washington Fed. Corp. of PA		MASDAQ	1,540	14	06-30	04/02	13.09	205
WFC	Washington Fed. Corp. of PA		MASDAQ	1,213 S	41	12-31	12/88	32.20	210
ORIT	Orion Banc. Serv. Inc. of NJ		MASDAQ	1,167 P	0	12-31	01/07	15.50	629
SINP	Synovus Financial Group of NJ		MASDAQ	986	18	12-31	01/04	16.23	185
ABNC	Abington Bancorp, Inc. of MD		MASDAQ	925	12	12-31	12/04	19.46	298
SVBI	Sevens Bancorp, Inc. of MD		MASDAQ	910 S	2	12-31	/	23.25	213
ROMA	Roma Fin Corp of NJ (31.0)		NYSE	874 S	8	12-31	07/06	15.35	502
GUK	Great Lakes Bancorp. of MI(43.3)		MASDAQ	869 S	14	12-31	/	13.63	149
CSBK	Clifton SVB Bancorp. of NJ(43.3)		MASDAQ	817	10	03-31	03/04	12.20	358
BCSB	BCSB Bancorp. Inc. of MD (36.3)		MASDAQ	765	17	09-30	07/98	15.40	91
CNT	Carver Bancorp, Inc. of NY		AMEX	756	11	12-31	10/94	16.15	41
PICB	First Pacific Bancorp of CA		MASDAQ	756	5	09-30	10/06	14.26	209
HAL	Haleyville SVB Fin. Corp. of PA		MASDAQ	739	13	09-30	08/87	17.49	68
FBI	Fidelity Bancorp, Inc. of PA		MASDAQ	654	34	12-31	07/94	30.30	88
THAD	Trust Bancorp. Inc. of NJ		MASDAQ	637	9	12-31	11/89	25.00	124
PRCI	Pennaco Bancorp, Inc. of NJ		MASDAQ	561 S	6	12-31	12/04	13.63	117
OSHC	Ocean Sh. Rldg. MHC of NJ(44.8)		MASDAQ						

Exhibit III-1
Characteristics of Publicly-Traded Thrifts
March 15, 2007(1)

Tickers	Financial Institution	Exchgs.	Primary Market	Operating Total	Offices	Fiscal	Conv.	Stock	Market	
				Strat.(2)	Year	Year	Date	Price	Value	
				(\$Mil)				(\$)	(\$Mil)	
Mid-Atlantic Companies (continued)										
ABNY	American Bancorp of NJ			Thrift	2	09-30	10/05	11.31	156	
FBFB	First Keystone Fin., Inc of PA			Thrift	8	09-30	01/95	20.20	49	
NASDAQ	Bank of America			Thrift	467	09-30	03/05	13.70	165	
FBFB	Prudential Bancorp PA (42.7)			Thrift	449	09-30	01/06	14.75	87	
MYFR	Magyar Bancorp MHC of NJ(46.0)			Thrift	437 S	07-31	06/08	8.75	65	
WSB	Washington SB, FSB of Bowie MD			Thrift	434 S	10-31	12/98	12.00	93	
ONFC	Oneida Financ'l MHC of NY(44.6)			Thrift	417	06-30	11/83	16.75	39	
WVFC	WVS Financial Corp. of PA			Thrift	405	04/05	04/05	14.40	199	
FBFB	Brookly'n Fed MHC of NY (30.0)			Thrift	392 P	12-31	01/07	9.35	68	
ALLB	Alliance Bank MHC of PA (45.0)			Thrift	379 S	12-31	06/05	13.78	62	
COBK	Colonial Bank MHC of NJ (46.0)			Thrift	360 S	8-12-31	03/85	29.00	39	
ESBK	Elmira Svgs Bank, FSB of NY			Thrift	350 S	8-12-31	04/06	12.45	82	
LEBK	Lake Shore Bnp MHC of NY(45.0)			Thrift	312	7-06-30	12/98	15.10	63	
GCBC	Green Co Bcrp MHC of NY (44.4)			Thrift	299	4-12-31	03/05	12.68	107	
ROME	Rome Bancorp, Inc. of Rome NY			Thrift	298 S	8-12-31	11/95	13.05	32	
PHBC	Pathfinder BC MHC of NY (35.8)			Thrift	297 P	4-06-30	01/07	11.75	66	
MSBP	MSB Fin Corp MHC of NJ (45.0)			Thrift	290 S	6-12-31	07/06	12.39	164	
NBCE	NE Comm Bancorp MHC of NY (45.0)			Thrift	284 S	7-12-31	04/05	9.30	65	
FFCO	FedFirst Fin MHC of PA (45.8)			Thrift	159 B	5-12-31	06/85	10.23	16	
IFSB	Independence FSB of DC			Thrift	112	2-09-30	03/99	12.35	28	
GOV	Gouverneur Bcp MHC of NY(42.8)			Thrift	112					
Mid-West Companies										
FBC	Flagstar Bancorp, Inc. of MI			Thrift	15,120 S	12-31	04/97	14.44	918	
FBFB	MFB Bancorp, Inc. of IL			Thrift	11,120 S	73	12-31	01/90	45.82	1,511
CPFN	Capitol Fd Pn MHC of KS (29.5)			Thrift	8,206	37	09-30	04/99	39.07	2,896
ABCM	Anchor Bancorp Wisconsin of WI			M.B.	4,506	57	03-31	07/92	29.01	632
BRMU	Bank Mutual Corp of WI			Thrift	3,460 S	71	12-31	10/03	11.87	715
TONK	TierOne Corp. of Lincoln NE			Thrift	3,431	49	12-31	10/02	28.48	514
FFPC	First Place Fin. Corp. of OH			Thrift	3,074	27	06-30	01/99	22.38	391
UCFC	United Community Fin. of OH			Thrift	2,704	35	12-31	07/98	11.56	358
CTBN	Citizens First Bancorp of MI			Thrift	1,778 S	23	12-31	03/01	26.38	215
WUMU	Wauwatosa Hlds MHC of WI(30.4)			Thrift	1,648	7	06-30	10/05	17.79	589
BFIM	BankFinancial Corp. of IL			Thrift	1,610 S	16	12-31	06/05	17.69	433
NASB	NASB Fin, Inc. of Grandview MO			Thrift	1,560	8	09-30	09/85	36.47	303
DFBF	First Defiance Fin. Corp of OH			Thrift	1,528	27	12-31	10/95	29.43	210
CITZ	CFS Bancorp, Inc of Munster IN			Thrift	1,254	22	12-31	07/98	14.79	165
PCBI	Peoples Community Bcrp. of OH			Thrift	1,053 S	14	09-30	03/00	18.17	87
PULB	Pulaski Fin Cp of St. Louis MO			Thrift	1,035	7	09-30	12/98	16.93	169
HPFC	HP Financial Corp. of SD			Thrift	1,012	34	06-30	04/92	18.26	73
MFSP	MutualFirst Fin. Inc. of IN			Thrift	991 S	19	12-31	12/99	20.65	90
RDNF	RDNF Financial, Inc. of MN			Thrift	978	13	12-31	06/94	33.82	146
VPFC	VFP Capital Corp. of Solon OH			R.E.	916	16	06-30	12/92	11.55	89
HPFC	HopFed Bancorp, Inc. of KY			Thrift	759 S	9	12-31	02/98	16.36	59
CASH	Meta Financial Group of IA			Thrift	755	16	09-30	09/93	29.27	74
FFSK	First Federal Bankshares of IA			Thrift	601	14	06-30	04/99	21.63	74
FFPD	North Central Bankshares of IA			Thrift	516	10	12-31	03/96	40.23	56
MPBC	MFB Corp. of Mishawaka IN			Thrift	502	11	09-30	03/94	35.00	46
PPDC	Peoples Bancorp of Auburn IN			Thrift	500	15	09-30	07/87	19.99	64
ASBI	Ameriana Bancorp of IN			Thrift	479 S	10	12-31	03/87	12.68	39
FCAP	First Capital, Inc. of IN			Thrift	452 S	12	12-31	01/99	18.25	52
WAYN	Wayne Savings Bancshares of OH			Thrift	409	11	03-31	01/03	13.50	44
LSBI	LSB Fin. Corp. of Lafayette IN			Thrift	366 S	5	12-31	02/95	26.50	43
UCBA	United Comm Bcrp MHC IN (45.0)			Thrift	364	7	06-30	04/99	18.05	33
FCIF	First Clover Leaf Fin Cp of IL			Thrift	358	5	06-30	03/06	12.15	103
FFBI	First Federal Bancshares of IL			Thrift	341 S	4	12-31	07/06	11.95	108
RIVR	River Valley Bancorp of OH			Thrift	324 S	8	12-31	09/00	22.94	29
FFBS	First Franklin Corp. of IN			Thrift	324 S	6	12-31	12/96	17.70	29
CHBV	Chebot Fin Cp MHC of OH(42.1)			Thrift	312 S	5	12-31	01/88	18.17	31
FBTC	First BancTrust Corp of IL			Thrift	311	4	12-31	04/01	11.80	122
LBPC	Liberty Bancorp, Inc. of MO			Thrift	295	6	09-30	07/06	11.35	54

Exhibit III-1
Characteristics of Publicly-Traded Thrifts
March 15, 2007(1)

Ticker	Financial Institution	Exchg.	Primary Market	Operating Total Assets (\$Mil)	Offices	Year	Conv. Date	Stock Price (\$)	Market Value (\$Mil)
Mid-West Companies (continued)									
CFMI	Citizens Comm Bancorp Inc of WI	NASDAQ	Kau Claire, WI	290	12	09-30	11/06	9.56	68
CFWA	First Fed of N Michigan of MI	NASDAQ	Alpena, MI	286 S	1	12-31	04/05	9.20	28
CFWB	First Fed of KY (44.5)	NASDAQ	Hazard, KY	265	1	06-30	03/05	10.25	87
CFSE	Jacksonville Fed of FL (47.7)	NASDAQ	Jacksonville, FL	259 S	8	12-31	04/95	13.40	27
CFBI	First Federal of MO	NASDAQ	Marion Grove, MO	237	10	06-30	12/93	17.23	27
CFBK	Central Federal Corp. of OH	NASDAQ	Fairlawn, OH	236	4	12-31	12/98	7.36	33
CFBL	Bank Bancorp of Chicago IL	NASDAQ	Chicago, IL	226 S	4	12-31	08/96	33.52	37
CFBI	Blue River Bancshares of IN	NASDAQ	Shelbyville, IN	214 S	5	12-31	06/98	6.00	21
CFDP	FD Financial Corp of Dover OH	NASDAQ	Dover, OH	167	3	06-30	04/96	17.50	19
New England Companies									
PACT	Peoples Bank MFC of CT (42.3)	NASDAQ	Bridgeport, CT	10,686	157	12-31	07/88	45.76	6,507
NAL	New Alliance Bancshares of CT	NYSSE	New Haven, CT	7,248	64	12-31	04/04	16.50	1,808
BNL	Brookline Bancorp. of MA	NASDAQ	Brookline, MA	2,373	15	12-31	07/02	13.95	798
BULB	Berkshire Hills Bancorp of MA	NASDAQ	Pittsfield, MA	2,150	25	12-31	06/00	34.61	302
RCKB	Rockville Hill MFC of CT (45.0)	NASDAQ	Yonkers, CT	1,213 S	16	12-31	05/05	15.32	298
WPK	New Westfield Fin Inc. of MA	AMEX	Westfield, MA	997	10	12-31	01/07	10.85	346
UNBK	United Fin Grp MFC of MA (46.4)	NASDAQ	West Springfield, MA	981 S	11	12-31	07/03	14.84	255
BFAC	Benjamin Franklin Bancorp Inc of MA	NASDAQ	Franklin, MA	914	9	12-31	04/05	15.22	126
MAB	Mass Bank Corp. of Reading MA	NASDAQ	Reading, MA	844	15	12-31	05/86	33.00	142
LEGC	Legacy Bancorp. Inc of MA	NASDAQ	Pittsfield, MA	808	10	12-31	10/05	16.21	167
STFI	St Fin Op Inc MFC of CT (41.3)	NASDAQ	Williamantic, CT	744 S	16	12-31	12/88	13.55	168
HFK	Hingham Nat for Sav of MA	NASDAQ	Hingham, MA	692	8	12-31	12/88	35.99	76
NHTB	NH Thrift Bancshares of NH	NASDAQ	Newport, NH	671 S	17	12-31	05/86	16.00	67
CBK	Central Bancorp of Somerville MA	NASDAQ	Somerville, MA	565	10	03-31	01/07	13.45	52
HNBK	Hannover Bancorp. Inc. of MA	NASDAQ	Somerville, MA	548 P	7	12-31	05/86	16.71	77
LSBK	LSB Corp of No. Andover MA	NASDAQ	North Andover, MA	522 S	7	12-31	10/04	11.28	77
PBKH	PBB Ridge Inc MFC of CT (45.2)	NASDAQ	Purham, CT	480	7	06-30	07/06	15.65	116
CBK	Chicago Bancorp. Inc. of MA	NASDAQ	Chicago, MA	450	6	12-31	10/04	12.75	96
MVSL	Maury Villy Fin MFC of CT (44.2)	NASDAQ	Naugatuck, CT	414	6	12-31	07/06	13.88	68
NEBS	Newport Bancorp. Inc. of RI	NASDAQ	Newport, RI	290	5	12-31	12/05	13.62	73
NEBS	New England Bancorp. Inc. of CT	NASDAQ	Enfield, CT	276	8	03-31	12/05	13.62	73
NEFA	Mayflower Co-Op. Bank of MA	NASDAQ	Middleboro, MA	242 S	6	04-30	12/87	12.25	26
North-West Companies									
WPSL	Washington Federal, Inc. of WA	NASDAQ	Seattle, WA	9,151	121	09-30	11/82	23.66	2,069
WASB	First Mutual Bancorp Inc of WA	NASDAQ	Bellevue, WA	1,079	12	12-31	12/85	22.39	149
WPG	Pacific Pacific Fin Group of WA	NASDAQ	Tacoma, WA	903	13	12-31	10/03	20.97	138
WVW	RiverView Bancorp, Inc. of WA	NASDAQ	Vancouver, WA	836	16	03-31	10/97	17.48	203
WBR	Timberland Bancorp, Inc. of WA	NASDAQ	Hoquiam, WA	594	25	09-30	01/98	36.71	135
South-East Companies									
NEBK	Netbank, Inc. of Alpharetta GA	NASDAQ	Alpharetta, GA	3,688	1	12-31	07/97	3.60	191
FCR	First Fin. Holdings Inc. of SC	NASDAQ	Charleston, SC	2,655	47	09-30	11/83	36.92	445
FCR	Superior Bancorp of N. of SC	NASDAQ	Birmingham, AL	2,439	59	12-31	12/98	11.27	391
FCR	Central Fin. Corp. of SC	NASDAQ	Wrightsville Beach, SC	1,661	19	09-30	09/90	16.73	363
FCR	First Fed. Bancshares of AR	NASDAQ	Harrison, AR	852	15	12-31	05/96	24.18	117
AFPC	All. Fed. Corp. of GA MFC (36.8)	NASDAQ	Waycross, GA	793 S	12	12-31	10/04	18.39	254
CSBC	Citizens South Banking of NC	NASDAQ	Gastonia, NC	743	11	12-31	10/02	13.23	107
TSC	Techne Holding Co of N Florida LA	AMEX	New Orleans, LA	695	17	09-30	04/95	48.04	106
CFK	Community Fin. Corp. of VA	NASDAQ	Staunton, VA	450	6	03-31	03/88	12.75	55
HSOS	Herrington Bancorp Inc of TN	NASDAQ	Albany, GA	381 S	7	12-31	06/05	16.58	185
JFBI	Jackson Bancshares Inc of TN	NASDAQ	Memphis, TN	330 S	1	06-30	07/03	12.77	63
SFC	South Street Fin. Corp. of NC	NASDAQ	Albemarle, NC	269 S	2	12-31	10/96	9.30	27
PEB	Great Pee Dee Bancorp. of SC	NASDAQ	Charleston, SC	220	3	06-30	12/97	15.60	28
GSLA	GS Financial Corp. of LA	NASDAQ	Metairie, LA	168	4	12-31	04/97	20.96	27

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Exhibit III-1
Characteristics of Publicly-Traded Thrifts
March 15, 2007(1)

Ticker	Financial Institution	Exchs.	Primary Market	Operating Total Assets (\$Mil)	Offices	Fiscal Year	Conv. Date	Stock Price (\$)	Market Value (\$Mil)
FBIZ	Franklin Bank Corp of TX	NASDAQ	Houston, TX	5,537	32	12-31	12/03	19.20	453
VTFC	Viewpoint FHL BNC of VT (AS, O)	NASDAQ	Plano, TX	1,577	34	12-31	10/06	17.23	444
OSBK	Osage Bancshares, Inc. of OK	NASDAQ	Pawnee, OK	139 P	2	06-30	01/07	9.77	35
Western Companies (Excl. CA)									
UNBK	United Western Banc, Inc of CO	NASDAQ	Denver, CO	2,157	1	12-31	10/96	22.97	167
ROME	Home Fed Banc BNC of ID (40.0)	NASDAQ	ampa, ID	768	15	09-30	12/04	17.02	259.

Other Areas

NOTES: (1) Or most recent date available (March, 8-September, 2-December, 1-June, E-Estimated, and P-Pro Forma)
(2) Operating strategies are: Thrift-Traditional Thrift, M.B.-Mortgage Banker, R.R.-Real Estate Developer, Div.-Diversified, and Net-Wholesale Banking.
(3) BIR insured savings bank.

Source: Corporate offering circulars, SMI Securities Quarterly Thrift Report, and financial reports of publicly Traded Thrifts.

Date of Last Update: 03/15/07

EXHIBIT III-2
Public Market Pricing of MHC Institutions

EXHIBIT III-3
Peer Group Market Area Comparative Analysis

Exhibit III-3
Peer Group Market Area Comparative Analysis

<u>Institution</u>	<u>County</u>	<u>Population</u>		<u>Proj. Pop. 2011</u>	<u>2000-2006 % Change</u>	<u>2006-2011 % Change</u>	<u>Per Capita Income</u>		<u>Deposit Market Share(1)</u>
		<u>2000 (000)</u>	<u>2006 (000)</u>				<u>Amount (\$)</u>	<u>% State Average</u>	
Colonial Bankshares MHC of NJ	Cumberland	146	152	158	3.6%	3.9%	\$21,044	61.5%	13.6%
FedFirst Financial Corp. of PA	Westmoreland	370	375	377	1.3%	0.6%	24,662	92.0%	1.6%
Gouverneur Bancorp MHC of NY	St. Lawrence	112	113	113	1.0%	0.2%	19,451	64.6%	5.5%
Greene Co. Bancorp MHC of NY	Greene	48	51	53	5.2%	3.8%	23,111	76.8%	34.4%
Lake Shore Bncrp MHC of NY	Chautauqua	140	137	135	-1.6%	-1.7%	20,888	69.4%	15.5%
Magyar Bancorp, MHC of NJ	Middlesex	750	796	838	6.1%	5.2%	33,540	98.0%	1.3%
Naugatuck Valley Fin. MHC of CT	New Haven	824	854	873	3.6%	2.3%	30,777	84.0%	1.2%
NE Comm Bncrp MHC of NY	Westchester	923	955	976	3.5%	2.2%	47,709	158.5%	0.0%
Oneida Financial MHC of NY	Madison	69	71	71	1.9%	0.8%	24,150	80.2%	38.5%
Pathfinder Bancorp MHC of NY	Oswego	122	125	126	2.0%	0.5%	20,692	68.8%	24.1%
	Averages:	351	363	372	2.7%	1.8%	\$26,602	85.4%	13.6%
	Medians:	143	145	146	2.7%	1.5%	23,631	78.5%	9.5%
Fairport Savings Bank	Monroe	735	746	754	1.5%	1.0%	\$28,802	95.7%	1.2%

(1) Total institution deposits in headquarters county as percent of total county deposits.

Sources: ESRI, FDIC.

EXHIBIT IV-1
Stock Prices:
As of February 23, 2007

Weekly Thrift Market Line - Part Two
Prices As Of February 23, 2007

Financial Institution	Key Financial Ratios				Asset Quality Ratios				Pricing Ratios				Dividend Data(s)					
	Equity/ Assets (%)	Tang. Asset/ Equity (%)	ROA(5) (%)	ROE(5) (%)	Reported Earnings ROE(5) (%)	Core Earnings ROE(5) (%)	NPAA Assets (%)	Revs/ Assets (%)	Loans Assets (%)	Price/ Earnings (X)	Price/ Book (X)	Price/ Assets (%)	Price/ Book (X)	Core Earnings (k)	Ind. Div./ Share (%)	Payout Ratio(7) (%)		
Market Averages. All Public Companies (no MFCs)																		
BAIF-Insured Thrifts(127)	11.04	9.77	0.61	7.17	4.80	0.59	6.20	0.58	233.44	0.89	18.70	137.69	14.65	159.64	19.24	0.45	2.23	38.64
NYSE Traded Companies(13)	11.92	7.22	0.76	9.84	6.42	0.62	7.20	0.16	205.67	0.73	17.38	144.30	16.58	194.33	17.70	0.53	2.16	34.33
AMEX Traded Companies(5)	11.28	12.59	0.69	7.12	5.07	0.70	7.39	0.47	259.02	1.00	17.48	128.46	16.58	132.79	18.89	0.44	2.00	34.84
NASDAQ Listed OTC Companies(109)	11.53	7.74	0.59	6.84	4.58	0.58	6.14	0.61	234.25	0.91	18.94	137.31	14.69	156.95	19.52	0.44	2.29	39.43
California Companies(10)	7.70	7.60	0.92	12.74	8.73	0.66	9.11	0.26	280.78	0.70	13.37	136.96	10.68	139.40	16.28	0.53	1.81	23.07
Florida Companies(5)	6.43	3.88	0.35	3.24	2.73	0.49	7.31	0.52	115.80	0.81	18.15	165.96	11.42	201.15	19.60	0.07	0.98	20.76
Mid-Atlantic Companies(34)	10.77	8.69	0.59	7.35	4.43	0.64	7.31	0.28	277.17	0.87	18.42	151.95	15.61	187.05	20.14	0.46	2.56	44.99
Mid-West Companies(42)	10.68	8.52	0.59	6.38	4.69	0.57	6.21	1.05	95.76	0.90	19.00	134.74	13.00	139.79	18.00	0.52	2.57	43.03
New England Companies(16)	13.73	14.35	1.12	10.91	5.60	1.11	10.11	0.09	480.57	0.97	26.14	134.54	19.22	144.18	24.81	0.37	1.75	42.07
North-West Companies(5)	10.59	9.11	0.73	7.95	5.43	0.39	2.91	0.66	322.65	1.11	15.98	133.36	14.31	156.83	16.03	0.46	2.20	35.38
South-West Companies(12)	11.23	10.11	0.75	7.37	4.20	0.40	1.87	0.95	43.71	0.75	11.39	115.66	16.73	171.98	33.69	0.12	1.23	0.00
South-West Companies(2)	13.63	18.48	0.23	9.54	7.01	0.63	11.08	0.28	235.91	0.89	18.75	134.68	7.73	154.68	12.28	0.24	1.04	14.91
Western Companies (Excl CA)(1)	3.00	3.00	0.24	7.06	4.77	0.59	7.25	0.58	235.91	0.89	19.06	157.19	12.74	174.29	20.30	0.47	1.84	38.79
Thrift Strategy(121)	7.14	7.33	0.56	7.48	6.06	0.59	7.28	1.37	30.99	0.62	16.50	136.23	9.74	126.23	16.50	0.30	2.60	42.86
Mortgage Banker Strategy(4)	7.72	6.70	1.03	15.94	6.61	1.07	16.54	0.19	461.00	1.34	15.14	217.66	15.12	219.20	14.59	0.31	0.47	7.10
Real Estate Strategy(1)	11.07	9.28	0.72	3.07	7.66	0.70	7.37	0.60	236.74	0.90	18.75	138.88	14.81	159.93	19.32	0.51	2.52	42.73
Companies Without Dividends(113)	10.84	9.28	0.72	3.07	7.66	0.70	7.37	0.60	236.74	0.90	18.75	138.88	14.81	159.93	19.32	0.51	2.52	42.73
Companies With Dividends(11)	3.23	4.23	0.51	10.08	7.28	-0.23	-2.05	0.40	188.97	0.81	17.27	145.25	12.46	163.27	17.53	0.00	0.00	0.00
Equity/Assets <6%(10)	17.51	15.63	0.60	3.74	3.00	0.61	3.79	0.70	188.11	0.88	24.93	119.79	21.15	149.57	25.38	0.50	2.30	37.53
Equity/Assets >12%(36)	17.51	15.63	0.60	3.74	3.00	0.61	3.79	0.70	188.11	0.88	24.93	119.79	21.15	149.57	25.38	0.50	2.30	37.53
Converted Last 3 Mths (no MFC)(3)	24.02	24.02	0.53	7.59	7.43	0.54	2.62	0.55	416.65	0.92	33.69	107.02	26.02	107.02	33.69	0.15	1.43	0.00
Market Value Below \$20 Million(3)	8.13	8.13	0.70	7.43	4.30	0.77	8.05	0.36	316.74	0.92	24.93	119.79	21.15	149.57	25.38	0.50	2.30	37.53
Actively Traded Companies(10)	8.13	8.13	0.70	7.43	4.30	0.77	8.05	0.36	316.74	0.92	24.93	119.79	21.15	149.57	25.38	0.50	2.30	37.53
Assets Over \$1 Billion(54)	11.45	9.33	0.63	7.40	4.97	0.61	6.52	0.59	231.59	0.86	11.60	112.58	9.21	112.58	12.11	0.25	1.67	28.95
Holding Company Structures(12)	9.22	7.90	0.71	9.45	5.93	0.66	7.34	0.51	231.95	0.89	18.74	138.21	14.84	161.28	19.31	0.46	2.26	39.21
Assets \$500 Million-\$1 Billion(38)	10.38	9.82	0.61	6.98	4.71	0.65	6.98	0.54	232.27	0.88	18.63	148.86	14.32	130.50	19.23	0.50	2.35	36.78
Assets \$250-\$500 Million(25)	13.38	13.02	0.80	5.20	3.96	0.51	5.23	0.76	201.09	0.80	19.81	121.15	15.96	125.47	19.66	0.34	2.19	43.96
Assets less than \$250 Million(10)	12.24	12.32	0.77	1.20	1.50	0.21	0.98	0.86	248.81	1.17	18.71	112.74	13.76	115.87	18.44	0.36	2.42	37.28
Goodwill Companies(87)	10.35	8.52	0.65	7.91	5.14	0.65	6.89	0.55	218.86	0.91	19.00	141.39	14.46	169.93	19.40	0.50	2.32	41.16
Non-Goodwill Companies(38)	12.48	12.42	0.49	5.44	3.92	0.47	5.03	0.71	233.27	0.84	18.03	129.71	15.26	129.71	18.91	0.35	2.04	32.17
Acquirors of Public Cases(4)	9.49	9.28	0.73	1.34	-0.41	0.06	-0.71	0.59	129.72	0.62	11.93	133.04	13.08	135.68	12.63	0.37	1.36	28.72

(1) Average of high/low or bid/ask price per share.
(2) Or since offering price if converted or first listed in 2001 or in the past 52 weeks. Percent change figures are actual year-to-date and are not annualized.
(3) EPS (earnings per share) is based on actual trailing twelve month data and is not shown on a pro forma basis.
(4) Excludes intangibles (such as goodwill, value of core deposits, etc.).
(5) ROA (return on assets) and ROE (return on equity) are indicated ratios based on trailing twelve month common earnings and average common equity and assets balances; ROI (return on investment) is current EPS divided by current price.
(6) Annualized, based on last regular quarterly cash dividend announcement.
(7) Indicated dividend as a percent of trailing twelve month earnings.
(8) Excluded from averages due to actual or rumored acquisition activities or unusual operating characteristics.

* All thrifts are BAIF insured unless otherwise noted with an asterisk. Parentheses following market averages indicate the number of institutions included in the respective averages. All figures have been adjusted for stock splits, stock dividends, and secondary offerings.
Source: Corporate reports and offering circulars for publicly traded companies, and RP Financial, LC, calculations.
The information provided in this report has been obtained from sources we believe are reliable, but we cannot guarantee the accuracy or completeness of such information.

Weekly Thrift Market Line - Part One
Prices As Of February 23, 2007

Financial Institution	Market Capitalization		Price Change Data				Current Per Share Financials					
	Price/Share (\$)	Outst. Shares ('000)	52 Week (1)		% Change From		Trailing 12 Mo. EPS (\$)	12 Mo. EPS (\$)	Book Value/Share (\$)	Tangible Assets/Share (\$)		
			High (\$)	Low (\$)	Last Week (\$)	Last 52 Wks (%)					Dec 31, 2006 (%)	
All Public Companies (127)	20.42	26,617	22.69	18.00	20.47	0.13	4.88	-0.38	1.10	15.00	13.30	164.08
WFR Thrifts (137)	20.42	26,617	22.69	18.00	20.47	0.13	4.88	-0.38	1.10	15.00	13.30	164.08
WFR Thrifts (137)	26.91	10,431	31.69	24.03	27.72	-1.34	1.99	-4.17	2.22	1.82	13.00	232.84
WFR Thrifts (137)	18.73	10,632	21.09	15.93	18.35	0.51	5.01	-0.52	1.10	1.18	14.44	157.23
WFR Thrifts (137)	19.70	17,750	21.65	17.93	19.67	0.30	5.01	0.10	0.96	0.94	14.44	155.89
WFR Thrifts (137)	29.90	17,494	35.16	27.11	30.88	-1.20	1.09	-3.65	2.93	2.07	21.90	278.71
California Companies (10)	15.12	29,396	18.03	13.65	15.47	-1.23	-3.32	-1.54	0.91	0.76	9.66	87.72
Florida Companies (5)	19.29	62,066	21.17	16.90	19.31	0.04	3.55	-0.32	0.98	13.02	10.68	141.48
Mid-Atlantic Companies (34)	20.26	9,973	22.36	18.06	20.26	0.16	2.66	-0.39	1.03	1.01	16.17	147.37
Mid-West Companies (42)	19.21	17,181	20.95	17.21	19.11	0.37	13.16	3.13	0.59	0.83	15.36	119.34
New England Companies (14)	24.24	33,196	28.94	18.92	24.33	-0.19	23.78	3.36	1.38	1.30	13.59	127.44
South-East Companies (5)	18.97	11,970	17.85	16.25	18.66	1.08	2.65	-1.88	0.77	0.84	13.55	131.34
South-West Companies (12)	14.49	13,595	17.95	12.80	14.36	1.93	10.38	-10.67	0.46	0.20	14.20	136.70
Southwest Companies (Excl. CA) (1)	22.97	7,257	24.00	18.75	21.73	5.71	3.70	14.91	1.61	1.87	14.85	148.25
Thrift Strategy (113)	19.96	23,019	22.23	17.60	20.00	0.13	4.75	-0.43	1.06	0.99	14.89	132.52
WFR Thrifts (137)	24.11	141,578	26.80	21.80	24.18	-0.31	4.48	-1.95	2.30	1.11	13.42	191.81
WFR Thrifts (137)	11.55	7,723	11.86	9.70	11.06	4.43	10.95	9.37	0.70	0.70	31.52	110.56
WFR Thrifts (137)	68.28	6,642	70.85	57.22	69.30	-2.32	10.43	2.02	4.51	4.69	31.37	31.45
WFR Thrifts (137)	20.97	28,040	23.21	18.51	20.98	0.20	4.98	-0.45	1.19	1.12	13.33	146.91
WFR Thrifts (137)	16.10	15,537	18.63	13.95	16.50	-0.42	6.05	0.16	0.30	0.30	12.39	11.42
WFR Thrifts (137)	19.36	28,362	21.58	16.76	19.42	0.57	5.94	0.41	1.32	1.43	13.64	253.52
WFR Thrifts (137)	22.52	17,632	25.10	19.93	22.61	0.06	2.10	-0.88	1.33	1.20	15.90	180.15
WFR Thrifts (137)	16.13	45,649	17.58	14.12	16.09	0.17	10.63	0.51	0.53	0.54	13.43	11.51
WFR Thrifts (137)	11.02	14,931	12.65	9.37	10.83	1.81	25.56	4.21	0.21	0.22	10.38	48.28
WFR Thrifts (137)	28.77	62,989	30.95	25.07	28.59	0.65	7.73	0.80	1.37	1.44	19.02	18.18
WFR Thrifts (137)	13.94	1,432	15.60	11.07	12.95	0.60	-9.78	2.38	0.14	-0.08	11.60	145.79
WFR Thrifts (137)	20.58	27,787	22.95	18.16	20.63	0.11	5.13	-0.53	1.12	1.05	13.11	13.33
WFR Thrifts (137)	23.09	57,180	26.14	20.72	23.37	-0.56	0.20	-3.23	1.66	1.29	15.85	12.70
WFR Thrifts (137)	21.80	6,230	23.64	18.73	21.60	0.93	9.49	2.34	1.10	1.13	15.94	14.73
WFR Thrifts (137)	14.80	4,139	16.13	13.00	14.82	0.10	9.81	1.58	0.63	0.64	12.33	11.85
WFR Thrifts (137)	15.04	2,212	17.28	13.31	14.94	0.78	-0.60	-0.88	0.29	0.23	13.67	13.28
WFR Thrifts (137)	22.24	33,695	24.81	19.60	22.38	-0.25	6.10	-1.53	1.26	1.18	16.07	15.72
WFR Thrifts (137)	16.67	7,314	18.28	14.71	16.52	0.97	6.93	2.57	0.68	0.68	12.93	12.83
WFR Thrifts (137)	28.53	39,973	32.28	25.21	29.34	-1.39	-2.49	-1.98	1.76	1.37	21.12	20.87

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(2) If since offering price if converted or first listed in 2003 or within the past 52 weeks. Percent change figures are actual year-to-date and are not annualized.
(3) EPS (earnings per share) is based on actual trailing twelve month data and is not shown on a pro forma basis.
(4) Excludes intangibles (such as goodwill, value of core deposits, etc.).
(5) ROA (return on assets) and ROE (return on equity) are indicated ratios based on trailing twelve month common earnings and average common equity and assets balances.
(6) Annualized dividend as percent of trailing twelve month earnings.
(7) Indicated dividend as percent of trailing twelve month earnings.
(8) Excluded from averages due to actual or rumored acquisition activities or unusual operating characteristics.
(9) For MNC institutions, market value reflects share price multiplied by public (non-MNC) shares.
* All thrifts are BAIF insured unless otherwise noted with an asterisk. Parentheses following market averages indicate the number of institutions included in the respective averages. All figures have been adjusted for stock splits, stock dividends, and secondary offerings.
Source: Corporate reports and offering circulars for publicly traded companies, and RP Financial, L.C. calculations. The information provided in this report has been obtained from sources we believe are reliable, but we cannot guarantee the accuracy or completeness of such information.
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(continued)
Weekly Thrift Market Line - Part One
Prices As Of February 23, 2007

Financial Institution	Market Capitalization		Price Change Data				Current Per Share Financials						
	Shares(1)	Value (\$)	High (\$)	Low (\$)	Last Week (\$)	Change From Last 52 Wks (%)	12 Mo. EPS(3)	Core EPS(1)	Book Value/Share(4)	Tangible Assets/Share(5)			
All Public Companies(40)	15.02	19,847	16.05	13.39	14.97	0.48	22.55	2.18	0.30	0.32	7.71	7.33	57.56
SAIF-Insured Thrifts(40)	15.02	19,847	16.05	13.39	14.97	0.48	22.55	2.18	0.30	0.32	7.71	7.33	57.56
AMF Traded Companies(1)	12.35	2,238	14.35	11.10	12.00	2.92	8.81	-1.20	0.53	0.58	6.77	6.77	57.53
NABDAG Traded OTC Companies(39)	13.10	20,374	16.10	12.43	15.05	0.41	22.93	2.27	0.30	0.31	7.68	7.29	57.56
California Companies(1)	13.79	21,058	20.08	13.34	20.00	-1.10	62.13	4.93	0.36	0.36	6.87	6.26	55.25
Mid-Atlantic Companies(23)	13.79	21,058	15.19	11.97	13.96	0.07	20.10	2.90	0.31	0.33	7.68	7.26	55.25
Mid-West Companies(6)	17.51	27,896	18.68	14.54	17.65	0.37	15.81	0.81	0.30	0.30	8.71	8.17	66.30
New England Companies(6)	13.55	15,663	14.25	11.18	13.36	1.47	15.74	1.74	0.29	0.30	7.39	7.12	61.02
South-East Companies(2)	17.03	15,493	17.94	13.23	17.18	1.77	35.46	0.23	0.29	0.29	6.35	6.20	45.74
South-West Companies(1)	17.03	15,493	17.94	13.23	17.18	1.77	35.46	0.23	0.29	0.29	6.35	6.20	45.74
Western Companies (Excl CA)(1)	17.03	15,493	17.94	13.23	17.18	1.77	35.46	0.23	0.29	0.29	6.35	6.20	45.74
Thrift Strategy(39)	15.02	19,847	16.05	13.39	14.97	0.48	22.55	2.18	0.30	0.32	7.71	7.33	57.56
Companies Issuing Dividends(27)	15.45	17,326	16.56	12.37	15.38	0.54	18.86	0.86	0.34	0.34	7.81	7.26	60.88
Companies Without Dividends(13)	14.75	27,058	14.98	11.82	14.10	0.36	20.54	2.05	0.24	0.27	7.50	7.48	50.64
Equity/Assets >12%(27)	13.70	21,418	14.75	11.47	13.64	0.47	23.51	2.24	0.24	0.25	7.32	7.08	43.74
Holding Company Structure(36)	13.70	21,418	14.75	11.47	13.64	0.47	23.51	2.24	0.24	0.25	7.32	7.08	43.74
Assets Over \$1 Billion(9)	15.00	17,853	16.09	12.47	14.93	0.60	23.05	2.16	0.31	0.32	7.79	7.39	59.05
Assets \$500-\$1 Billion(11)	20.35	57,832	21.73	16.74	20.39	-0.01	32.81	4.46	0.37	0.37	8.50	7.94	64.81
Assets \$250-\$500 Million(19)	13.75	17,527	15.87	11.94	15.29	1.04	33.23	2.28	0.29	0.29	7.14	7.07	50.20
Assets less than \$250 Million(1)	14.72	7,547	14.35	10.84	12.69	0.29	13.90	1.35	0.27	0.29	7.60	7.12	57.99
Goodwill Companies(18)	12.35	2,768	13.83	10.84	12.00	2.92	8.81	-1.20	0.53	0.58	6.77	6.77	57.53
Non-Goodwill Companies(22)	14.89	11,430	16.00	12.11	14.78	0.80	19.30	0.12	0.31	0.31	7.67	6.79	63.59
MHC Institutions(40)	15.02	19,847	16.05	13.39	14.97	0.48	22.55	2.18	0.30	0.32	7.71	7.33	57.56
MHC Converted Last 3 Months(3)	13.20	17,799	14.10	11.96	12.26	-0.57	17.00	19.80	0.22	0.24	6.73	6.73	45.32

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(3) EPS (earnings per share) is based on actual trailing twelve month data and is not shown on a pro forma basis.
(4) Excludes intangibles (such as goodwill, value of core deposits, etc.)
(5) ROA (return on assets) and ROE (return on equity) as indicated ratios based on trailing twelve month common equity and average common equity and assets balances.
(6) Annualized, based on last regular quarterly cash dividend announcement.
(7) Indicated dividend as a percent of trailing twelve month earnings.
(8) Excluded from averages due to actual or rumored acquisition activities or unusual operating characteristics.
(9) For MHC institutions, market value reflects share price multiplied by public (non-MHC) shares.
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Source: Corporate reports and offering circulars for publicly traded companies, and RF Financial, LC, calculations. The information provided in this report has been obtained from sources we believe are reliable, but we cannot guarantee the accuracy or completeness of such information.

	Market Capitalization Price/Share/Outst. Capital-ization(\$)	Price Change Data				Current Per Share Financials								
		52 Week High (\$)	52 Week Low (\$)	Last Week (\$)	% Change From Last 52 Wks (2004(2) 2004(3)) (%)	Trailing 12 Mo. EPS(\$)	Core EPS(3) (\$)	Book Value/Share (\$)	Assets/Share (\$)	Tangible Book Value/Share(\$)				
NYSE Traded Companies														
AF	28.99	98.212	2.847.2	31.95	28.20	29.42	-1.46	1.16	-3.88	1.78	1.73	12.38	10.49	219.47
AMP	6.14	35.947	220.1	8.16	4.35	5.96	3.02	1.82	-7.67	0.38	0.03	4.69	2.28	206.16
BFP	13.35	61.034	814.8	15.59	12.31	13.45	-1.84	-3.13	8.60	0.15	0.19	8.60	7.23	106.43
BXH	67.52	37.854	1,880.7	77.30	59.08	70.69	-4.48	6.08	-6.97	7.37	6.39	50.35	50.24	581.94
DSL	59.30	16.648	987.2	65.70	49.57	64.16	-7.57	-11.45	7.74	7.50	42.33	42.25	558.36	
FED	14.44	63.605	910.2	17.06	13.85	14.61	-0.17	-2.17	-1.43	1.11	12.81	12.81	237.72	
FSC	35.13	10.922	148.9	21.14	13.16	13.57	0.44	-20.89	-9.32	-0.01	-0.21	12.48	11.35	75.59
GUX	35.15	73.017	1,566.5	50.50	34.94	37.27	-5.69	-9.88	-22.17	4.70	-1.28	27.78	26.24	403.95
HOF	17.04	295.351	5,032.0	18.23	15.69	17.29	1.45	0.93	5.84	0.88	0.88	12.57	4.90	97.93
MFB	16.30	109.554	1,807.6	16.96	13.55	14.29	1.29	14.74	0.61	0.45	0.45	12.44	7.84	66.16
NAL	33.21	64.610	817.3	39.49	30.87	33.37	-0.48	5.26	-1.77	2.29	2.29	16.28	16.23	187.52
PFF	18.19	63.334	1,150.2	18.94	17.16	18.30	-0.60	-2.99	0.33	0.87	0.87	16.02	9.22	92.10
PFF	24.36	476.80012	5,684.4	26.60	19.67	25.99	1.42	32.46	3.82	0.91	1.29	17.91	6.33	189.62
NEX Traded Companies														
AVP	16.15	2.315	40.6	18.12	15.25	16.05	0.62	1.32	3.66	0.93	1.32	19.99	17.56	304.13
BNY	9.85	2.952	92.1	12.01	9.71	9.96	-1.10	-17.23	-2.48	0.41	0.39	5.77	5.77	78.05
FPT	12.35	2.298	12.1	14.35	11.10	12.00	2.92	0.81	-1.20	0.53	0.58	8.77	8.77	57.53
GVF	10.85	31.224	346.4	11.13	7.01	10.88	-0.28	43.52	2.94	0.15	0.15	9.07	9.07	31.23
WDF	48.04	2.213	106.3	54.40	39.75	46.00	4.43	17.75	3.39	3.39	29.12	27.38	314.00	
TSH	8.75	7.454	65.2	9.80	7.95	8.95	-1.13	2.10	0.00	0.61	0.55	8.34	8.24	58.68
MBS														
NASDAQ Listed OTC Companies														
ABCC	19.46	19.288	127.7	19.82	13.20	19.30	0.83	46.10	1.46	0.44	0.45	7.46	7.46	60.52
ABCC	9.35	7.225	30.4	13.79	9.25	9.45	-1.06	-21.49	-13.10	0.33	0.27	6.71	6.71	54.32
ALBD	12.68	3.053	38.7	14.50	12.00	12.85	0.71	-2.98	-1.20	0.10	0.10	11.20	10.92	156.80
ARBS	13.91	13.107	136.1	12.39	10.45	11.80	0.93	13.43	-0.58	0.14	0.14	8.59	8.59	40.00
ARBS	29.01	21.783	631.9	31.47	28.11	29.15	-0.48	-6.87	0.66	1.94	1.82	15.45	14.53	206.85
ARSW	18.38	13.815	93.4	18.87	14.05	17.91	2.68	25.36	0.88	0.39	0.39	6.59	6.38	57.41
AUCG	15.40	5.914	33.2	17.30	10.55	16.62	-7.34	20.78	2.67	-1.27	-1.27	5.69	5.26	129.84
BGSB	11.87	50.277	715.5	12.76	11.00	11.99	-1.00	4.58	-1.98	0.36	0.34	8.75	8.75	57.40
BSC	17.49	24.463	432.8	18.50	15.00	17.71	-0.11	13.18	-0.96	0.48	0.48	13.32	11.98	65.81
BRIN	25.89	34.720	950.7	32.00	24.25	26.85	-3.58	-7.40	-7.40	2.27	21.08	20.30	376.11	
BFC	15.22	8.250	135.6	16.94	13.00	15.08	0.93	10.69	-6.63	0.57	0.70	13.26	8.80	110.75
BHB	34.61	8.713	301.6	39.67	32.34	33.57	3.10	5.26	3.44	1.29	1.60	29.63	15.70	246.72
BRM	7.80	8.269	64.5	8.23	6.09	7.51	3.86	4.70	-1.64	0.41	0.41	5.12	4.15	61.15
BRM	13.10	1.637	18.2	11.50	10.02	10.62	4.52	0.54	-5.71	0.35	0.31	8.01	8.01	97.15
BFC	14.58	63.884	787.5	15.91	12.46	13.17	-1.82	-14.41	-1.67	0.35	0.35	10.67	10.67	183.87
BRLK	14.70	13.225	57.1	14.50	11.16	14.37	0.22	29.15	9.09	0.39	0.39	9.47	8.64	38.53
BFB	14.79	13.134	164.7	15.16	13.80	14.90	-0.74	1.02	0.96	0.48	0.44	11.84	11.72	112.66
CIRZ	33.07	74.116	853.2	40.43	31.74	39.79	-1.81	19.37	-2.66	0.61	0.61	11.70	11.70	110.72
CFFN	33.50	1.640	51.7	36.20	28.25	31.27	0.74	10.53	-2.66	0.91	0.69	24.86	23.49	344.81
CRK	7.36	4.644	31.4	8.50	7.01	7.30	-0.41	-6.24	0.00	-0.01	-0.05	6.40	6.40	51.94
CRK	13.00	9.433	51.6	13.47	11.50	13.20	-1.52	10.45	-1.66	0.19	0.20	7.70	7.70	33.14
CRK	15.85	7.439	116.4	15.85	14.11	15.85	-1.56	56.50	0.00	-0.34	-0.34	14.58	14.58	60.52
CRK	21.86	7.116	68.0	11.12	6.93	9.69	-1.34	32.41	-2.25	0.00	0.00	10.90	9.89	40.73
CRK	26.39	8.153	115.1	32.43	22.58	27.24	-3.16	-3.90	-14.18	1.06	1.09	21.35	19.80	218.14
CRK	33.23	8.105	107.2	13.86	11.32	13.16	-0.73	6.95	2.24	0.67	0.67	10.61	6.70	91.72
CRK	33.23	29.329	156.1	12.35	10.16	12.29	-0.73	17.99	0.08	0.10	0.10	6.49	6.49	27.85
CFCP	18.73	21.117	363.1	17.04	11.12	16.63	-0.70	36.57	-0.32	0.90	0.90	5.34	5.34	76.48
CRK	13.78	4.532	28.7	14.78	10.96	13.89	-0.79	26.65	-1.99	0.33	0.32	8.19	8.19	83.78
CFCP	13.73	8.287	54.7	12.97	10.51	12.75	-0.00	15.80	0.00	0.97	0.97	8.92	8.92	105.00
DCOM	13.75	3.454	44.7	15.36	12.70	13.14	-2.97	9.06	-8.99	0.84	0.80	7.97	6.45	87.05
ESBK	13.40	12.854	146.6	12.49	10.30	10.98	-3.83	-2.98	3.64	0.68	0.82	10.04	6.54	149.24
ESBK	19.00	1.330	19.4	31.81	23.19	29.12	-0.41	25.22	-4.13	2.07	2.32	18.25	18.05	270.90
FDFF	17.50	1.196	19.4	22.46	15.00	17.99	-1.72	-13.11	-0.06	1.52	1.41	15.82	15.82	151.26
FCOC	32.20	6.216	209.8	36.50	15.50	32.10	0.31	74.44	1.58	0.85	0.85	12.02	11.81	186.15
FCOC	9.50	6.803	29.2	10.85	8.89	9.30	2.15	3.83	2.05	-0.01	0.06	6.79	6.63	41.69
FBSI	19.45	2.981	59.1	20.02	17.33	19.00	2.15	0.93	4.56	1.36	1.13	15.10	14.18	247.81
FATC	11.80	2.318	27.4	12.75	10.95	11.84	-0.34	-12.53	0.00	0.48	0.45	11.50	11.09	134.14

(continued)
Weekly Thrift Market Line - Part One
Prices As of February 23, 2007

Financial Institution	Market Capitalization		Price Change Data			Current Per Share Financials			
	Share/Outet-Capital-Share (1) (USD)	Price/Outet-Capital-Share (1) (USD)	52 Week (1) High (1)	Last Week (1)	Last 52 Wks Dec 31, 2006(2) % (1)	12 Mo. EPS(3)	12 Mo. Core EPS(3)	Tangible Book Value/Share(4)	Assets/Share(5)
MASDAQ listed OTC Companies (continued)									
PBSI First Bancorp of Indiana of IN	18.05	1,037	22.75	16.02	-1.10	-1.96	0.44	18.68	14.91
PBSI First Bancorp of Indiana of IN	17.23	1,552	18.24	15.80	4.42	-1.54	-0.14	17.07	16.87
FCAP First Capital, Inc. of MO	18.25	2,846	15.94	18.25	0.00	5.67	1.28	15.23	13.25
FCAP First Capital, Inc. of IN	11.85	9,074	10.75	11.63	1.72	39.08	0.17	10.19	10.26
FCPL First Clover Leaf Fin Op of IL	20.36	4,027	20.20	17.63	-2.15	-3.74	8.24	13.17	8.14
FCPL First Clover Leaf Fin Op of IL	29.43	7,142	210.2	30.70	25.03	8.60	2.18	2.00	21.33
FCPL First Clover Leaf Fin Op of IL	9.20	4,035	10.08	9.00	1.10	-3.46	1.53	11.71	94.36
FCPL First Clover Leaf Fin Op of IL	24.18	4,838	23.75	21.60	1.38	2.63	1.53	13.50	15.42
FCPL First Clover Leaf Fin Op of IL	21.94	1,249	24.00	17.05	0.17	23.61	0.45	17.55	18.33
FCPL First Clover Leaf Fin Op of IL	21.63	3,611	23.80	21.00	0.60	-3.85	0.95	20.43	15.00
FCPL First Clover Leaf Fin Op of IL	36.92	12,065	44.5	41.50	29.80	36.51	2.27	2.17	15.58
FCPL First Clover Leaf Fin Op of IL	18.17	1,686	30.6	18.90	14.35	17.70	0.65	15.00	15.00
FCPL First Clover Leaf Fin Op of IL	20.20	2,428	40.4	21.25	16.47	20.24	0.28	14.14	14.14
FCPL First Clover Leaf Fin Op of IL	22.39	6,674	48.4	24.51	20.16	22.21	1.65	13.34	10.49
FCPL First Clover Leaf Fin Op of IL	14.57	110,719	1,613.2	15.43	13.44	14.69	0.82	12.41	5.54
FCPL First Clover Leaf Fin Op of IL	28.07	4,404	123.6	30.51	27.25	27.80	1.07	1.07	18.33
FCPL First Clover Leaf Fin Op of IL	21.38	17,470	391.0	23.89	21.45	22.77	1.39	1.27	16.57
FCPL First Clover Leaf Fin Op of IL	17.03	21,131	361.1	18.79	15.82	17.38	1.02	1.00	10.34
FCPL First Clover Leaf Fin Op of IL	14.26	14,680	93.1	14.32	12.25	13.93	0.31	1.23	8.56
FCPL First Clover Leaf Fin Op of IL	19.20	33,589	452.9	21.88	16.70	19.39	0.66	0.11	14.69
FCPL First Clover Leaf Fin Op of IL	20.96	1,266	26.5	22.01	16.01	20.33	1.10	1.70	21.55
FCPL First Clover Leaf Fin Op of IL	15.60	1,789	27.9	16.94	14.38	15.86	1.52	0.93	13.00
FCPL First Clover Leaf Fin Op of IL	15.10	4,147	27.8	17.00	14.00	15.20	0.66	0.62	8.51
FCPL First Clover Leaf Fin Op of IL	18.76	3,977	72.6	18.95	15.45	18.22	0.22	5.73	5.67
FCPL First Clover Leaf Fin Op of IL	33.92	4,315	146.4	36.10	31.91	34.24	-0.93	5.93	1.71
FCPL First Clover Leaf Fin Op of IL	13.45	7,950	99.0	13.00	12.20	13.34	0.89	24.50	24.50
FCPL First Clover Leaf Fin Op of IL	17.49	3,661	67.5	19.93	14.81	16.61	5.30	0.63	-5.36
FCPL First Clover Leaf Fin Op of IL	18.49	5,460	94.9	18.49	15.47	17.34	0.29	10.76	0.81
FCPL First Clover Leaf Fin Op of IL	16.58	11,170	55.7	17.00	11.00	16.44	0.85	45.57	-0.43
FCPL First Clover Leaf Fin Op of IL	35.99	2,117	76.2	40.42	32.25	38.70	0.81	-9.78	4.99
FCPL First Clover Leaf Fin Op of IL	17.02	15,189	105.4	17.99	14.91	16.20	5.06	33.49	-0.82
FCPL First Clover Leaf Fin Op of IL	16.36	3,628	59.4	17.10	14.91	16.20	0.99	3.25	1.61
FCPL First Clover Leaf Fin Op of IL	13.79	557,789	7,491.9	14.25	12.60	13.72	0.51	9.10	-0.65
FCPL First Clover Leaf Fin Op of IL	12.85	1,552	15.9	12.85	8.20	10.23	0.00	-16.76	1.43
FCPL First Clover Leaf Fin Op of IL	15.67	115,970	833.3	16.00	11.97	15.70	-0.19	28.13	-0.38
FCPL First Clover Leaf Fin Op of IL	13.40	1,985	12.7	14.25	12.05	13.05	2.68	1.33	3.55
FCPL First Clover Leaf Fin Op of IL	12.77	6,518	83.2	13.60	12.58	12.89	-0.93	-4.34	-1.92
FCPL First Clover Leaf Fin Op of IL	19.78	14,058	104.1	20.08	12.14	20.00	-1.10	62.13	4.93
FCPL First Clover Leaf Fin Op of IL	15.25	26,333	409.5	17.52	15.03	15.70	-0.96	-2.99	-7.05
FCPL First Clover Leaf Fin Op of IL	10.25	8,475	38.9	11.25	9.76	10.29	-0.39	-6.82	0.00
FCPL First Clover Leaf Fin Op of IL	14.75	71,649	317.7	17.07	13.10	14.94	-1.27	13.60	-8.16
FCPL First Clover Leaf Fin Op of IL	16.71	4,594	76.8	18.50	16.00	16.70	0.06	-4.51	0.84
FCPL First Clover Leaf Fin Op of IL	26.50	1,606	42.6	29.78	24.25	26.90	-1.49	-6.36	8.16
FCPL First Clover Leaf Fin Op of IL	12.43	6,613	37.1	14.50	9.92	12.55	-0.80	24.50	-0.88
FCPL First Clover Leaf Fin Op of IL	16.21	10,309	167.1	16.41	13.65	16.22	-0.06	12.65	2.27
FCPL First Clover Leaf Fin Op of IL	11.35	4,760	54.0	11.52	6.60	11.10	2.25	31.37	5.78
FCPL First Clover Leaf Fin Op of IL	45.92	32,896	1,510.6	46.75	40.15	46.28	-0.78	6.84	2.75
FCPL First Clover Leaf Fin Op of IL	35.00	1,324	46.3	36.19	28.99	33.53	4.38	12.83	2.31
FCPL First Clover Leaf Fin Op of IL	14.75	5,621	29.7	12.50	11.75	11.05	-0.84	17.50	17.50
FCPL First Clover Leaf Fin Op of IL	31.00	5,924	40.2	14.98	10.56	14.77	-0.14	39.15	7.19
FCPL First Clover Leaf Fin Op of IL	31.00	4,318	142.5	34.00	32.20	33.18	-0.54	1.33	1.63
FCPL First Clover Leaf Fin Op of IL	12.25	2,092	25.6	14.97	10.90	12.27	-0.16	-7.89	0.57
FCPL First Clover Leaf Fin Op of IL	29.27	2,539	74.3	32.11	20.48	30.00	-2.43	39.38	-1.78
FCPL First Clover Leaf Fin Op of IL	20.65	4,367	90.2	22.92	18.94	20.45	0.98	-3.64	1.59
FCPL First Clover Leaf Fin Op of IL	36.47	8,119	303.4	44.06	31.77	36.61	-0.38	1.62	-11.80
FCPL First Clover Leaf Fin Op of IL	12.39	13,225	73.7	12.47	10.75	12.28	0.90	23.90	0.81
FCPL First Clover Leaf Fin Op of IL	16.00	4,800	66.9	16.99	10.17	12.90	0.63	5.33	0.00
FCPL First Clover Leaf Fin Op of IL	12.75	7,180	42.3	12.95	10.47	12.90	-1.16	21.43	3.66
FCPL First Clover Leaf Fin Op of IL	3.60	52,982	190.7	7.63	3.46	3.55	1.41	-50.75	-22.41
FCPL First Clover Leaf Fin Op of IL	13.62	5,347	72.8	13.70	10.50	13.40	1.64	25.07	2.87
FCPL First Clover Leaf Fin Op of IL	11.98	4,878	57.6	14.48	12.35	13.88	0.00	38.80	1.61
FCPL First Clover Leaf Fin Op of IL	40.35	1,381	55.4	41.33	37.50	40.82	0.57	7.33	2.55
FCPL First Clover Leaf Fin Op of IL	27.50	50,029	538.3	29.73	22.50	27.00	1.85	20.46	0.15
FCPL First Clover Leaf Fin Op of IL	13.43	8,594	52.6	13.75	11.48	13.60	0.22	18.01	-0.87
FCPL First Clover Leaf Fin Op of IL	21.96	12,262	269.3	24.52	20.55	22.25	-1.30	-7.22	-4.23

(continued)
 Weekly Thrift Market Line - Part One
 Prices As Of February 23, 2007

Financial Institution	Market Capitalization		Price Change Data				Current Per Share Financials			
	Shares (1)	Price/Share (\$)	High (\$)	Low (\$)	Last Week (\$)	% Change Week (%)	12 Mo. EPS (\$)	12 Mo. Core EPS (\$)	Book Value/Share (\$)	Tangible Assets/Share (\$)
WADDAC Listed OTC Companies (continued)										
ONFC Omaha Financial Inc. of NE (4.1)	12.00	7.785	41.7	12.86	9.75	11.76	2.04	7.91	1.61	4.46
ORIT Omaha Financial Inc. of NE (3.0)	15.50	40.552	201.1	15.00	14.88	15.47	0.19	35.00	35.00	6.17
OSBK Omaha Bancorp. Inc. of NE (1.0)	9.77	3.600	34.2	13.92	8.30	9.32	4.83	8.68	-14.82	9.71
PSNB PSB Ridge Inc. of CT (4.5)	11.28	6.805	35.7	11.48	10.39	10.63	4.16	5.92	1.26	7.55
PRFC PRFC Capital Corp. of OH (1.0)	11.53	6.733	89.2	11.86	9.70	11.06	4.43	10.95	9.27	9.15
PRFI Pacific Premier Banc of CA (1.0)	11.74	6.338	74.4	12.70	10.75	11.97	1.92	2.98	-3.61	9.20
PRCI Praxair Bancorp. Inc. of IN (1.0)	25.00	4.975	124.4	26.50	18.78	23.86	4.78	22.97	6.11	11.77
PRFD Park Bancorp. of Chicago IL (1.0)	33.52	3.115	37.4	36.00	31.10	33.53	-0.03	1.39	-2.36	26.35
PRFA Park Bancorp. Financial Corp. of PA (1.0)	31.00	5.682	176.5	34.60	27.00	31.04	-1.71	10.71	-2.37	22.45
PRFB Park Bancorp. Financial Corp. of PA (1.0)	11.49	44.131	506.4	12.07	10.08	11.68	-1.71	3.29	-1.37	22.45
PRFC Park Bancorp. Financial Corp. of PA (1.0)	13.05	2.465	11.5	15.00	11.70	13.40	-2.61	4.40	0.08	8.67
PRFD Park Bancorp. Financial Corp. of PA (1.0)	20.75	12.863	269.0	21.25	15.86	21.03	-1.28	9.27	7.40	9.52
PRFC Peoples Bancorp. of OH (1.0)	19.99	3.186	63.7	22.25	15.60	19.59	2.04	4.54	3.20	19.70
PRFC Peoples Bancorp. of OH (1.0)	45.76	142.200	2,751.5	47.31	30.69	45.56	0.44	27.00	2.55	9.42
PRFI Peoples Community Corp. of OH (1.0)	18.17	4.800	87.2	21.00	16.35	17.31	3.77	-10.43	-0.94	18.86
PRFI Peoples Community Corp. of OH (1.0)	37.70	6.697	185.5	33.15	27.09	28.11	1.46	8.81	-8.94	19.59
PRFI Peoples Community Corp. of OH (1.0)	14.00	42.716	598.0	14.00	11.53	14.09	-0.64	18.24	-6.54	9.63
PRFI Peoples Community Corp. of OH (1.0)	13.70	17.036	70.6	14.40	12.27	13.82	-0.87	4.58	2.24	7.28
PRFI Peoples Community Corp. of OH (1.0)	16.93	9.958	168.6	17.75	15.05	16.54	2.36	2.61	6.28	7.28
PRFI Peoples Community Corp. of OH (1.0)	20.97	6.588	138.2	21.50	15.40	22.01	-4.73	32.72	5.75	9.42
PRFI Peoples Community Corp. of OH (1.0)	17.70	1.618	28.6	20.25	17.60	17.71	-0.06	-6.60	-1.94	8.44
PRFI Peoples Community Corp. of OH (1.0)	17.48	11.612	203.0	18.20	13.55	15.01	2.07	5.36	-14.17	8.08
PRFI Peoples Community Corp. of OH (1.0)	15.32	19.435	134.0	18.20	13.55	15.01	2.07	5.36	-14.17	8.08
PRFI Peoples Community Corp. of OH (1.0)	15.35	32.732	155.8	16.87	12.92	15.58	-1.48	53.50	-7.31	7.13
PRFI Peoples Community Corp. of OH (1.0)	13.68	8.465	107.3	13.00	11.34	12.76	-0.63	5.67	-0.55	9.13
PRFI Peoples Community Corp. of OH (1.0)	13.55	12.422	68.6	13.64	10.35	13.35	1.50	19.38	10.43	6.56
PRFI Peoples Community Corp. of OH (1.0)	33.25	9.151	212.8	24.49	17.91	23.13	0.52	27.89	20.97	1.72
PRFI Peoples Community Corp. of OH (1.0)	8.30	2.555	27.5	9.71	8.38	9.10	2.20	0.00	-0.21	8.83
PRFI Peoples Community Corp. of OH (1.0)	11.27	34.652	390.5	11.94	10.39	11.25	0.18	-0.70	-0.62	8.83
PRFI Peoples Community Corp. of OH (1.0)	16.23	11.382	184.7	16.69	12.95	16.12	0.68	24.85	-1.52	8.83
PRFI Peoples Community Corp. of OH (1.0)	30.50	2.874	87.7	33.49	26.54	30.43	-3.54	5.21	-1.61	8.83
PRFI Peoples Community Corp. of OH (1.0)	28.48	18.041	513.8	39.06	28.30	29.23	-3.54	-13.96	-9.90	8.83
PRFI Peoples Community Corp. of OH (1.0)	15.71	3.671	134.8	15.71	10.35	10.44	-0.86	-18.18	-6.92	8.83
PRFI Peoples Community Corp. of OH (1.0)	13.15	8.464	46.3	13.70	10.25	11.75	3.40	21.50	1.42	8.83
PRFI Peoples Community Corp. of OH (1.0)	11.56	30.977	358.1	13.30	11.05	11.67	-0.94	-7.15	-5.56	8.83
PRFI Peoples Community Corp. of OH (1.0)	14.84	17.155	118.2	14.97	11.46	14.72	0.82	26.62	7.54	8.83
PRFI Peoples Community Corp. of OH (1.0)	22.97	7.257	166.7	24.00	18.75	21.73	5.71	3.70	14.31	8.83
PRFI Peoples Community Corp. of OH (1.0)	17.23	25.789	200.0	17.45	14.25	17.36	-2.32	10.43	2.02	8.83
PRFI Peoples Community Corp. of OH (1.0)	68.28	6.643	493.5	70.85	57.22	69.30	-2.32	10.43	2.02	8.83
PRFI Peoples Community Corp. of OH (1.0)	16.75	2.110	38.7	18.08	16.10	16.74	0.05	0.00	0.55	8.83
PRFI Peoples Community Corp. of OH (1.0)	33.66	87.434	2,068.7	24.48	21.55	23.40	0.25	49.24	-0.17	8.83
PRFI Peoples Community Corp. of OH (1.0)	13.78	31.115	378.7	19.00	11.95	17.82	-0.17	49.24	-0.17	8.83
PRFI Peoples Community Corp. of OH (1.0)	13.50	3.245	43.9	15.70	13.50	13.50	0.00	-12.90	-6.37	8.83
PRFI Peoples Community Corp. of OH (1.0)	13.09	15.627	204.6	17.49	13.00	13.38	-1.43	-18.75	-7.88	8.83

(continued)
Weekly Thrift Market Lines - Part Two
Prices As Of February 23, 2007

Financial Institution	Key Financial Ratios				Asset Quality Ratios				Pricing Ratios				Dividend Data(6)					
	Equity/ Assets (%)	Tang. Assets (%)	Reported Earnings ROA(5) (%)	Core Earnings ROE(5) (%)	NPAs Assets (%)	Revs/ Assets (%)	Loans Assets (%)	Price/ Book (%)	Price/ Assets (%)	Price/ Tang. (%)	Core Earnings (%)	Ind. Share (%)	Divi- dend Yield (%)	Payout Ratio(7) (%)				
Market Averages - MEC Institutions																		
GAIP-Insured Thrifts(40)	15.51	14.89	0.55	3.95	2.01	0.57	4.12	0.36	273.58	0.69	29.23	195.01	30.20	205.58	0.25	1.47	25.12	
AMEX-Traded Companies(11)	15.24	15.24	0.95	6.24	4.29	1.04	6.82	0.53	137.19	0.84	23.30	140.82	21.47	140.82	0.30	2.43	56.60	
NABARD Listed OTC Companies(39)	15.52	14.88	0.53	3.89	1.94	0.55	4.04	0.35	279.83	0.68	30.08	196.52	30.44	207.38	0.24	1.44	23.47	
California Companies(1)	11.89	11.33	0.67	5.45	1.82	0.00	5.45	0.00	0.00	0.42	NM	301.07	35.00	315.97	NM	0.40	3.02	0.00
Mid-Atlantic Companies(23)	16.46	15.84	0.57	4.05	2.14	0.61	4.38	0.39	278.79	0.66	28.45	182.35	30.70	195.03	0.16	1.12	17.98	
Mid-West Companies(6)	16.38	15.23	0.45	3.25	1.73	0.45	3.19	0.54	104.83	0.61	25.77	195.33	30.33	205.92	0.54	2.62	28.85	
New England Companies(6)	12.17	11.78	0.51	3.98	2.16	0.52	4.05	0.20	329.42	0.82	37.37	183.89	22.45	190.41	0.17	1.30	45.08	
South-East Companies(2)	14.69	14.38	0.62	4.33	1.60	0.63	4.33	0.31	319.98	1.10	NM	275.43	40.35	282.06	NM	2.03	0.00	
South-West Companies(3)	13.62	13.62	0.28	2.05	0.99	0.28	2.05	0.21	205.89	0.67	NM	206.84	28.18	206.84	0.20	1.16	0.00	
Western Companies (Excl. CN)(1)	14.27	14.27	0.77	5.44	2.23	0.57	4.12	0.05	745.16	0.59	NM	236.06	33.68	236.06	0.22	1.29	57.89	
Thrift Strategy(39)	15.51	14.89	0.55	3.95	2.01	0.57	4.12	0.36	273.58	0.69	29.23	195.01	30.20	205.58	0.25	1.47	25.12	
Companies Issuing Dividends(27)	14.80	13.90	0.58	4.30	2.19	0.58	4.34	0.29	250.61	0.71	26.92	197.59	29.06	211.01	0.36	2.17	53.83	
Companies Without Dividends(13)	16.99	16.94	0.48	3.21	1.63	0.54	3.65	0.55	328.16	0.64	36.16	189.66	32.57	190.11	0.00	0.00	0.00	
Equity/Assets >12%(12)	18.04	17.42	0.55	3.42	1.76	0.57	5.41	0.40	289.32	0.71	27.94	207.46	21.72	223.74	0.44	2.06	24.87	
Holding Company Structures(36)	15.29	14.63	0.54	3.97	2.04	0.56	4.16	0.37	268.37	0.72	30.52	189.05	34.26	196.87	0.25	1.45	21.64	
Assets Over \$1 Million(9)	15.30	14.46	0.54	4.01	1.72	0.54	3.99	0.44	173.37	0.64	32.03	234.89	35.55	251.76	0.40	1.32	0.00	
Assets \$500 Million-\$1 Billion(11)	15.57	15.45	0.57	4.16	1.88	0.57	4.13	0.25	415.56	0.59	34.95	218.67	33.32	221.68	0.19	1.15	32.19	
Assets \$250-\$500 Million(19)	15.24	15.24	0.95	6.24	4.29	1.04	6.82	0.36	265.43	0.75	27.88	169.87	26.92	181.92	0.20	1.62	28.08	
Assets less than \$250 Million(1)	15.59	14.79	0.51	3.70	2.07	0.55	4.02	0.53	137.19	0.84	23.30	140.82	21.47	140.82	0.20	2.43	56.60	
Non-goodwill Companies(18)	14.36	12.92	0.48	3.90	1.99	0.49	3.94	0.33	334.20	0.77	28.58	197.51	28.61	221.94	0.28	1.88	38.59	
Goodwill Companies(22)	16.39	16.39	0.59	3.99	2.02	0.62	4.25	0.38	305.09	0.63	29.88	193.12	31.41	193.12	0.22	1.15	20.64	
MHC Institutions(40)	15.51	14.89	0.55	3.95	2.01	0.57	4.12	0.36	273.58	0.69	29.23	195.01	30.20	205.58	0.25	1.47	25.12	
MHC Converted Last 3 Months(3)	15.87	15.87	0.51	3.26	1.91	0.56	3.56	0.52	138.59	0.90	NM	183.84	31.11	183.84	0.05	0.57	21.19	

(1) Average of high/low or bid/ask price per share.
(2) Or since offering price if converted or first listed in 2001 or in the past 52 weeks. Percent change figures are actual year-to-date and are not annualized.
(3) Eps (earnings per share) is based on actual trailing twelve month data and is not shown on a pro forma basis.
(4) Excludes intangibles (such as goodwill, value of core deposits, etc.).
(5) ROA (return on assets) and ROE (return on equity) are indicated ratios based on trailing twelve month common earnings and average common equity and assets balances, ROI (return on investment) is current eps divided by current price.
(6) Annualized, based on last regular quarterly cash dividend announcement.
(7) Indicated dividend as a percent of trailing twelve month earnings.
(8) Excluded from averages due to actual or rumored acquisition activities or unusual operating characteristics.
* All thrifts are GAIP insured unless otherwise noted with an asterisk. Parentheses following market averages indicate the number of institutions included in the respective averages. All figures have been adjusted for stock splits, stock dividends, and secondary offerings.
Source: Corporate reports and offering circulars for publicly traded companies, and RP Financial, LC. calculations.
The information provided in this report has been obtained from sources we believe are reliable, but we cannot guarantee the accuracy or completeness of such information.

Exhibit IV-2
Historical Stock Price Indices(1)

<u>Year/Qtr. Ended</u>	<u>DJIA</u>	<u>S&P 500</u>	<u>NASDAQ Composite</u>	<u>SNL Thrift Index</u>	<u>SNL Bank Index</u>
1999: Quarter 1	9786.2	1286.4	2,461.4	707.6	448.4
Quarter 2	10970.8	1372.7	2,686.1	695.6	479.3
Quarter 3	10337.0	1282.7	2,746.2	609.1	409.9
Quarter 4	11497.1	1469.3	4,069.3	562.4	416.7
2000: Quarter 1	10921.9	1498.6	4,572.8	545.6	421.2
Quarter 2	10447.9	1454.6	3,966.1	567.8	387.4
Quarter 3	10650.9	1436.5	3,672.8	718.3	464.6
Quarter 4	10786.9	1320.3	2,470.5	874.3	479.4
2001: Quarter 1	9878.8	1160.3	1,840.3	885.2	459.2
Quarter 2	10502.4	1224.4	2,160.5	964.5	493.7
Quarter 3	8847.6	1040.9	1,498.8	953.9	436.6
Quarter 4	10021.5	1148.1	1,950.4	918.2	473.7
2002: Quarter 1	10403.9	1147.4	1,845.4	1006.7	498.3
Quarter 2	9243.3	989.8	1,463.2	1121.4	468.9
Quarter 3	7591.9	815.3	1,172.1	984.3	396.8
Quarter 4	8341.6	879.8	1,335.5	1073.2	419.1
2003: Quarter 1	7992.1	848.2	1,341.2	1096.2	401.0
Quarter 2	8985.4	974.5	1,622.8	1266.6	476.1
Quarter 3	9275.1	996.0	1,786.9	1330.9	490.9
Quarter 4	10453.9	1112.0	2,003.4	1482.3	548.6
2004: Quarter 1	10357.7	1126.2	1,994.2	1585.3	562.2
Quarter 2	10435.5	1140.8	2,047.8	1437.8	546.6
Quarter 3	10080.3	1114.6	1,896.8	1495.1	556.0
Quarter 4	10783.0	1211.9	2,175.4	1605.6	595.1
2005: Quarter 1	10503.8	1180.6	1,999.2	1516.6	551.0
Quarter 2	10275.0	1191.3	2,057.0	1577.1	563.3
Quarter 3	10568.7	1228.8	2,151.7	1527.2	546.3
Quarter 4	10717.5	1248.3	2,205.3	1616.4	582.8
2006: Quarter 1	11109.3	1294.8	2,339.8	1661.1	595.5
Quarter 2	11150.2	1270.2	2,172.1	1717.9	601.1
Quarter 3	11679.1	1335.9	2,258.4	1727.1	634.0
Quarter 4	12463.2	1418.3	2,415.3	1829.3	658.6
As of Feb. 23, 2007	12647.5	1451.2	2,515.1	1795.3	664.0

(1) End of period data.

Sources: SNL Securities and Wall Street Journal.

EXHIBIT IV-3
Historical Thrift Stock Indices

Index Values

	Index Values			Price Appreciation (%)		
	01/31/07	12/29/06	01/31/06	1 Month	YTD	LTM
All Pub. Traded Thrifts	1,798.6	1,829.3	1,638.3	-1.68	-1.68	9.78
MHC Index	3,849.2	3,874.7	2,973.0	-0.66	-0.66	29.47
Stock Exchange Indexes						
AMEX Thrifts	761.3	745.2	627.7	2.17	2.17	21.28
NYSE Thrifts	1,118.8	1,143.0	1,034.0	-2.12	-2.12	8.20
OTC Thrifts	2,246.7	2,271.9	1,994.2	-1.11	-1.11	12.66
Geographic Indexes						
Mid-Atlantic Thrifts	4,052.0	4,104.1	3,670.1	-1.27	-1.27	10.40
Midwestern Thrifts	3,611.5	3,623.7	3,379.1	-0.34	-0.34	6.88
New England Thrifts	2,221.6	2,223.0	1,761.1	-0.07	-0.07	26.14
Southeastern Thrifts	1,617.1	1,670.8	1,512.1	-3.22	-3.22	6.95
Southwestern Thrifts	1,498.1	1,538.4	1,321.9	-2.62	-2.62	13.33
Western Thrifts	1,674.8	1,717.1	1,557.2	-2.46	-2.46	7.55
Asset Size Indexes						
Less than \$250M	1,251.3	1,241.5	1,280.0	0.79	0.79	-2.25
\$250M to \$500M	3,571.9	3,587.6	3,286.4	-0.44	-0.44	8.69
\$500M to \$1B	2,135.5	2,135.1	1,813.6	0.02	0.02	17.75
\$1B to \$5B	2,628.5	2,693.3	2,494.9	-2.40	-2.40	5.36
Over \$5B	1,077.1	1,096.0	977.1	-1.72	-1.72	10.24
Pink Indexes						
Pink Thrifts	510.8	515.9	427.2	-0.98	-0.98	19.57
Less than \$75M	579.6	576.9	474.2	0.46	0.46	22.22
Over \$75M	529.5	535.0	443.1	-1.01	-1.01	19.50
Comparative Indexes						
Dow Jones Industrials	12,621.7	12,463.2	10,864.9	1.27	1.27	16.17
S&P 500	1,438.2	1,418.3	1,280.1	1.41	1.41	12.36

All SNL indexes are market-value weighted; i.e., an institution's effect on an index is proportionate to that institution's market capitalization. All SNL thrift indexes, except for the SNL MHC Index, began at 100 on March 30, 1984. The SNL MHC Index began at 201.082 on Dec. 31, 1992, the level of the SNL Thrift Index on that date. On March 30, 1984, the S&P 500 closed at 159.2 and the Dow Jones Industrials stood at 1,164.9.

Mid-Atlantic: DE, DC, MD, NJ, NY, PA, PR; Midwest: IA, IL, IN, KS, KY, MI, MN, MO, ND, NE, OH, SD, WI;
New England: CT, MA, ME, NH, RI, VT; Southeast: AL, AR, FL, GA, MS, NC, SC, TN, VA, WV;
Southwest: CO, LA, NM, OK, TX, UT; West: AZ, AK, CA, HI, ID, MT, NV, OR, WA, WY

**Exhibit IV-4
New York Thrift Acquisitions 2004-Present**

Announce Date	Complete Date	Buyer Short Name	Target Name	Target Financials at Announcement										Deal Terms and Pricing at Announcement				
				Total Assets (\$000)	E/A (%)	ROAA (%)	ROAE (%)	NPAs/ Assets (%)	Rsrvs/ NPLs (%)	Deal Value/ Value (\$M)	Share (\$)	P/B (%)	P/TB (%)	P/E (x)	P/A (%)	Prem/ Cdeps (%)		
02/23/2007		NA Ridgewood Savings Bank	NY City & Suburban Financial Corporation	NY	669,944	8.12	1.48	19.37	0.00	NA	NA	119.1	NA	219.03	219.03	18.15	17.78	17.22
04/20/2006	08/11/2006	Community Bank System Inc.	NY ES&L Bancorp, Inc.	NY	210,883	10.37	1.21	12.05	0.40	437.23	39.5	50.750	178.18	178.20	14.05	18.73	18.56	
02/08/2006	07/14/2006	Hudson City Bancorp Inc.	NJ Sound Federal Bancorp, Inc.	NY	1,149,326	11.19	0.44	3.69	0.23	120.34	265.3	20.750	198.75	222.88	50.61	23.08	20.75	
12/20/2005	06/30/2006	Flushing Financial Corp.	NY Atlantic Liberty Financial Corp	NY	177,111	16.23	0.93	5.95	0.05	NM	41.5	23.923	140.04	140.06	23.00	23.42	17.70	
10/26/2005	05/01/2006	Bay View Capital Corp.	CA Great Lakes Bancorp, Inc.	NY	745,003	5.12	0.24	4.83	0.06	800.93	67.7	16.647	172.50	172.50	21.07	9.09	6.10	
10/24/2005	06/01/2006	Sovereign Bancorp Inc.	PA Independence Community Bank Corp.	NY	18,500,360	12.19	1.25	9.74	NA	NA	3,591.2	42.000	152.45	346.25	15.67	19.41	46.86	
04/26/2004	08/01/2004	Prosperity Bancshares Inc.	TX Liberty Bancshares Inc.	NY	193,210	8.10	1.15	13.38	0.72	799.09	42.0	NA	268.46	268.46	20.31	21.74	20.89	
04/01/2004	01/14/2005	First Niagara Finl Group	NY Hudson River Bancorp, Inc.	NY	2,579,259	10.60	1.24	11.78	0.79	199.99	611.1	19.377	198.13	266.90	18.11	23.69	23.72	
03/15/2004	10/01/2004	Provident Bancorp Inc.	NY Warwick Community Bancorp, Inc.	NY	759,996	9.72	0.82	8.50	NA	NA	154.3	32.747	198.43	206.08	22.74	20.30	17.70	
02/15/2004	10/01/2004	North Fork Bancorp.	NY GreenPoint Financial Corp.	NY	22,985,000	8.00	2.12	26.28	1.24	29.77	6,396.3	45.999	297.53	378.90	12.14	27.83	42.84	
				Averages:	4,797,009	9.96	1.09	11.46	0.44	387.89	1,132.8		202.35	239.93	21.59	20.51	23.23	
				Medians:	752,500	10.05	1.18	10.76	0.32	437.23	136.7		198.28	220.96	19.23	21.02	19.66	

Source: SNL Financial, L.C.

EXHIBIT IV-5
FSB Community Bankshares, Inc.
Director and Senior Management Summary Resumes

D. Lawrence Keef is retired. Prior to his retirement in 1994, Mr. Keef had a 30 year career in banking, with a primary emphasis on commercial real estate lending.

Gary Lindsay is a practicing certified public accountant. Prior to founding his accounting practice in 1991, from 1974 until 1991, Mr. Lindsay was a tax partner with KPMG, LLP.

Terence O'Neil is retired. Prior to his retirement in 2005, since 1980 Mr. O'Neil was the owner and President of Green Lantern Inn, a restaurant located in Fairport, New York.

Thomas J. Hanss is retired. Prior to his retirement in 1994, from 1982 until 1986, Mr. Hanss was chief financial officer of a banking subsidiary of Manufacturers Hanover. Mr. Hanss is a licensed certified public accountant in the State of New York.

Lowell T. Twitchell is retired. Prior to his retirement in 2001, from 1979 until 2001 Mr. Twitchell served as President of Fairport Savings Bank.

James E. Smith is the Supervisor of the Town of Perinton, New York, an elected office that he has held since 1984.

Dana C. Gavenda has been our President and Chief Executive Officer since December 2001. Mr. Gavenda has been in banking since the inception of his career in 1973.

Robert W. Sturn is retired. Prior to his retirement in July 2004, from 1994 until 2004, Mr. Sturn was Executive Vice President of Fairport Savings Bank in which role he managed Fairport Savings Bank's mortgage operations.

Charis W. Warshof is Vice President, Investors Relations with Home Properties, Inc., a real estate investment trust located in Rochester, New York, a position she has held since 2001.

EXHIBIT IV-6
FSB Community Bankshares, Inc.
Pro Forma Regulatory Capital Ratios

Pro Forma at December 31, 2006, Based Upon the Sale of

	Historical at December 31, 2006		838,950 Shares at Minimum of Offering Range		987,000 Shares at Midpoint of Offering Range		1,135,050 Shares at Maximum of Offering Range		1,305,308 Shares at Adjusted Maximum of Offering Range (1)	
	Amount	Percent of Assets (2)	Amount	Percent of Assets (2)	Amount	Percent of Assets (2)	Amount	Percent of Assets (2)	Amount	Percent of Assets (2)
	(Dollars in Thousands)									
GAAP capital.....	\$ 13,870	9.08%	\$ 17,637	10.82%	\$ 17,555	11.16%	\$ 18,171	11.50%	\$ 18,880	11.88%
Tangible capital:										
Tangible capital (3)(4)(7)...	\$ 13,515	8.88%	\$ 16,582	10.64%	\$ 17,200	10.98%	\$ 17,816	11.32%	\$ 18,525	11.71%
Requirement.....	2,282	1.50	2,339	1.50	2,350	1.50	2,361	1.50	2,374	1.50
Excess.....	\$ 11,233	7.38%	\$ 14,243	9.14%	\$ 14,850	9.48%	\$ 15,455	9.82%	\$ 16,151	10.21%
Core capital:										
Core capital (3)(4)(7).....	\$ 13,515	8.88%	\$ 16,582	10.64%	\$ 17,200	10.98%	\$ 17,816	11.32%	\$ 18,525	11.71%
Requirement (5).....	6,086	4.00	6,237	4.00	6,266	4.00	6,296	4.00	6,330	4.00
Excess.....	\$ 7,429	4.88%	\$ 10,345	6.64%	\$ 10,934	6.98%	\$ 11,520	7.32%	\$ 12,195	7.71%
Tier I risk based capital:										
Tier I risk based capital										
(3)(4)(7).....	\$ 13,515	18.94%	\$ 16,582	23.00%	\$ 17,200	23.81%	\$ 17,816	24.61%	\$ 18,525	25.23%
Requirement (5).....	2,854	4.00	2,884	4.00	2,890	4.00	2,896	4.00	2,902	4.00
Excess.....	\$ 10,661	14.94%	\$ 13,698	19.00%	\$ 14,310	19.81%	\$ 14,920	20.61%	\$ 15,623	21.53%
Total risk-based capital:										
Total risk-based capital										
(4)(6)(7).....	\$ 13,837	19.40%	\$ 16,904	23.45%	\$ 17,522	24.25%	\$ 18,138	25.06%	\$ 18,847	25.97%
Requirement.....	5,708	8.00	5,767	8.00	5,779	8.00	5,791	8.00	5,805	8.00
Excess.....	\$ 8,129	11.40%	\$ 11,137	15.45%	\$ 11,743	16.25%	\$ 12,347	17.06%	\$ 13,042	17.97%
Reconciliation of capital infused into Fairport Savings Bank:										
Net proceeds.....			\$ 7,535		\$ 9,015		\$ 10,496		\$ 12,198	
Less:										
Contra-account established for employee stock ownership plan.....			(700)		(823)		(947)		(1,089)	
Proceeds retained by FSB Community Bankshares, Inc.			\$ (3,067)		\$ (3,685)		\$ (4,301)		\$ (5,010)	
Pro forma increase in GAAP and regulatory capital.....			3,767		4,508		5,248		6,099	

- (1) As adjusted to give effect to an increase in the number of shares of common stock outstanding after the stock offering which could occur due to an increase in the maximum of the independent valuation as a result of changes in market conditions following the commencement of the stock offering.
- (2) Based on pre-stock offering GAAP assets of \$152.8 million, adjusted total assets of \$152.1 million for the purposes of the tangible and core capital requirements, and risk-weighted assets of \$71.3 million for the purposes of the risk-based capital requirement.
- (3) Tangible capital levels are shown as a percentage of tangible assets. Core capital levels are shown as a percentage of total adjusted assets. Total risk-based capital levels are shown as a percentage of risk-weighted assets.
- (4) Pro forma capital levels assume that we fund the stock-based benefit plan at the holding company level with no impact to the financial statements of Fairport Savings Bank, and that the employee stock ownership plan purchases 3.92% of the shares of common stock to be outstanding immediately following the stock offering (including shares issued to FSB Community Bankshares, MHC) with funds we lend. Fairport Savings Bank's pro forma GAAP and regulatory capital have been reduced by the amount required to record a contra-equity account at the bank level to reflect the obligation to repay the loan to the employee stock ownership plan. See "Management" for a discussion of the employee stock ownership plan.
- (5) The current core capital requirement for savings banks that receive the highest supervisory rating for safety and soundness is 3% of total adjusted assets and 4% to 5% of total adjusted assets for all other savings banks. See "Supervision and Regulation—Federal Banking Regulation—Standards for Safety and Soundness" and "—Capital Requirements," respectively.
- (6) Assumes net proceeds are invested in assets that carry a 20% risk-weighting.
- (7) Pro forma capital levels assume receipt by Fairport Savings Bank of 50% of the net proceeds from the sale of shares of common stock in the stock offering.

EXHIBIT IV-7
FSB Community Bankshares, Inc.
Pro Forma Analysis Sheets – Full Conversion Basis

PRO FORMA ANALYSIS SHEET

Fairport Savings Bank, Fairport, New York
Prices as of February 23, 2007

Valuation Pricing Multiples	Subject at Midpoint (L)	Peer Group		New York Companies		All Public Thrifts	
		Mean	Median	Mean	Median	Mean	Median
Price-earnings multiple	42.44 x	25.41x	25.31x	20.08x	17.14x	19.51x	16.77x
Price-core earnings multiple	42.44 x	24.19x	22.01x	19.09x	17.09x	20.40x	17.65x
Price-book ratio	66.68%	91.18%	93.66%	155.97%	142.13%	150.95%	138.52%
Price-tangible book ratio	66.68%	94.59%	94.30%	213.52%	204.16%	170.33%	161.35%
Price-assets ratio	12.32%	20.77%	19.47%	17.21%	15.89%	18.24%	14.97%

Valuation Parameters

Pre-Conversion Earnings (Y)	\$233,000	(Yr End 12/06)	ESOP Stock as % of Offering (E)	8.00%
Pre-Conversion Core Earnings	\$233,000	(Yr End 12/06)	Cost of ESOP Borrowings (S)	0.00%
Pre-Conversion Book Value (B)	\$13,870,000	(12/06)	ESOP Amortization (T)	20.00 years
Pre-Conv. Tang. Book Value (B)	\$13,870,000	(12/06)	RRP Stock as % of Offering (M)	4.00%
Pre-Conversion Assets (A)	\$152,823,000		Stock Programs Vesting (N)	5.00 years
Reinvestment Rate: (12/06 1 Yr. T-Bill)	4.990%		Fixed Expenses	\$854,600
Tax rate (TAX)	35.00%		Variable Expenses (Midpoint)	\$0
A-T Reinvestment Rate(R)	3.24%		Percent Sold (PCT)	100.00%
Est. Conversion Expenses (2)(X)	4.07%		MHC Assets	\$0
Insider Purchases	\$0		Options as % of Offering (O1)	10.00%
Price/Share	\$10.00		Estimated Option Value (O2)	38.10%
Foundation Cash Contrib. (FC)	\$0		Option Vesting Period (O3)	5.00 years
Foundation Stock Contrib. (FS)	0.00%		% of Options taxable (O4)	25.00%
Foundation Tax Benefit (Z)	\$0			

PRO FORMA ANALYSIS SHEET
 Fairport Savings Bank, Fairport, New York
 Prices as of February 23, 2007

Calculation of Pro Forma Value After Conversion

1.
$$V = \frac{P/E * (Y)}{1 - P/E * PCT * ((1-X-E-M-FC-FS)*R - (1-TAX)*E/T - (1-TAX)*M/N) - (1-(TAX*O4)) * (O1*O2)/O3}$$
 V= \$21,000,000
2.
$$V = \frac{P/E * (Y)}{1 - P/Core E * PCT * ((1-X-E-M-FC-FS)*R - (1-TAX)*E/T - (1-TAX)*M/N) - (1-(TAX*O4)) * (O1*O2)/O3}$$
 V= \$21,000,000
3.
$$V = \frac{P/B * (B+Z)}{1 - P/B * PCT * (1-X-E-M-FC-FS)}$$
 V= \$21,000,000
4.
$$V = \frac{P/TB * (TB+Z)}{1 - P/TB * PCT * (1-X-E-M-FC-FS)}$$
 V= \$21,000,000
5.
$$V = \frac{P/A * (A+Z)}{1 - P/A * PCT * (1-X-E-M-FC-FS)}$$
 V= \$21,000,000

Valuation Conclusion	Shares Issued		Shares Sold to Public	Foundation Total Shares		Price Per Share	Market Value	
	to MHC	to Public		Shares	Issued		of Stock Sold in Offering	of Stock Issued in Offering
Supermaximum	0	2,777,250	0	2,777,250	\$10.00	\$27,772,500	\$27,772,500	
Maximum	0	2,415,000	0	2,415,000	10.00	24,150,000	\$24,150,000	
Midpoint	0	2,100,000	0	2,100,000	10.00	21,000,000	\$21,000,000	
Minimum	0	1,785,000	0	1,785,000	10.00	17,850,000	\$17,850,000	

Valuation Conclusion	Shares Issued		Foundation Total Shares	
	to MHC	to Public	Shares	Issued
Supermaximum	0.000%	100.000%	0.000%	100.000%
Maximum	0.000%	100.000%	0.000%	100.000%
Midpoint	0.000%	100.000%	0.000%	100.000%
Minimum	0.000%	100.000%	0.000%	100.000%

(1) Pricing ratios shown reflect the midpoint value.
 (2) Estimated offering expenses at midpoint of the offering.

EXHIBIT IV-8
FSB Community Bankshares, Inc.
Pro Forma Effect of Conversion Proceeds – Full Conversion Basis

PRO FORMA EFFECT OF CONVERSION PROCEEDS
 Fairport Savings Bank, Fairport, New York
 At the Minimum of the Range

1.	Market Value of Shares Sold In Offering: Market Value of Shares Issued to Foundation: Total Market Value of Company:	\$17,850,000 0 \$17,850,000
2.	Offering Proceeds of Shares Sold In Offering Less: Estimated Offering Expenses Net Conversion Proceeds	\$17,850,000 (854,600) \$16,995,400
3.	Estimated Additional Equity and Income from Offering Proceeds Net Conversion Proceeds Less: Cash Contribution to Foundation Less: Non-Cash ESOP/MRP Stock Purchases (1) Net Conversion Proceeds Reinvested Estimated net incremental rate of return Earnings Increase Less: Estimated cost of ESOP borrowings Less: Amortization of ESOP borrowings(2) Less: Stock Programs Vesting (3) Less: Option Plan Vesting (4) Net Earnings Increase	\$16,995,400 0 (2,142,000) \$14,853,400 3.24% \$481,770 0 (46,410) (92,820) (124,116) \$218,425

	Before Conversion	Net Earnings Increase	After Conversion
4. Pro Forma Earnings			
12 Months ended December 31, 2006 (reported)	\$233,000	\$218,425	\$451,425
12 Months ended December 31, 2006 (core)	\$233,000	\$218,425	\$451,425
5. Pro Forma Net Worth		Tax Benefit of Foundation	After Conversion
December 31, 2006	\$13,870,000	\$0	\$28,723,400
December 31, 2006 (Tangible)	\$13,870,000	\$0	\$28,723,400
6. Pro Forma Assets		Tax Benefit of Foundation	After Conversion
December 31, 2006	\$152,823,000	\$0	\$167,676,400

(1) Includes ESOP purchases equal to 8.00% of the offering, and stock program purchases equal to 4.00% of the offering.
 (2) ESOP stock amortized over 10 years, and amortization expense is tax effected at 39%.
 (3) Stock programs amortized over 5 years, and amortization expense is tax effected at 39%.
 (4) Option valuation based on Black-Scholes model, 10 year vesting, and assuming 25% taxable.

PRO FORMA EFFECT OF CONVERSION PROCEEDS

Fairport Savings Bank, Fairport, New York

At the Midpoint of the Range

1.	Market Value of Shares Sold In Offering:					
	Market Value of Shares Issued to Foundation:					\$21,000,000
	Total Market Value of Company:					<u>0</u>
						\$21,000,000
2.	Offering Proceeds of Shares Sold In Offering					\$21,000,000
	Less: Estimated Offering Expenses					<u>(854,600)</u>
	Net Conversion Proceeds					\$20,145,400
3.	Estimated Additional Equity and Income from Offering Proceeds					\$20,145,400
	Net Conversion Proceeds					0
	Less: Cash Contribution to MHC					<u>(2,520,000)</u>
	Less: Non-Cash ESOP/MRP Stock Purchases (1)					\$17,625,400
	Net Conversion Proceeds Reinvested					<u>3.24%</u>
	Estimated net incremental rate of return					\$571,680
	Earnings Increase					0
	Less: Estimated cost of ESOP borrowings					(54,600)
	Less: Amortization of ESOP borrowings(2)					(109,200)
	Less: Stock Programs Vesting (3)					<u>(146,018)</u>
	Less: Option Plan Vesting (4)					\$261,862
	Net Earnings Increase					
4.	Pro Forma Earnings					
	12 Months ended December 31, 2006 (reported)					\$261,862
	12 Months ended December 31, 2006 (core)					<u>\$261,862</u>
						\$494,862
						<u>\$494,862</u>
5.	Pro Forma Net Worth					
	December 31, 2006					\$31,495,400
	December 31, 2006 (Tangible)					<u>\$0</u>
						\$31,495,400
6.	Pro Forma Assets					
	December 31, 2006					\$170,448,400

(1) Includes ESOP purchases equal to 8.00% of the offering, and stock program purchases equal to 4.00% of the offering.

(2) ESOP stock amortized over 20 years, and amortization expense is tax effected at 35%.

(3) Stock programs amortized over 5 years, and amortization expense is tax effected at 35%.

(4) Option valuation based on Black-Scholes model, 10 year vesting, and assuming 25% taxable.

PRO FORMA EFFECT OF CONVERSION PROCEEDS
Fairport Savings Bank, Fairport, New York
At the Maximum of the Range

1.	Market Value of Shares Sold In Offering: Market Value of Shares Issued to Foundation: Total Market Value of Company:	\$24,150,000 0 <u>\$24,150,000</u>
2.	Offering Proceeds of Shares Sold In Offering Less: Estimated Offering Expenses Net Conversion Proceeds	\$24,150,000 <u>(854,600)</u> \$23,295,400
3.	Estimated Additional Equity and Income from Offering Proceeds Net Conversion Proceeds Less: Cash Contribution to MHC Less: Non-Cash ESOP/MRP Stock Purchases (1) Net Conversion Proceeds Reinvested Estimated net incremental rate of return Earnings Increase Less: Estimated cost of ESOP borrowings Less: Amortization of ESOP borrowings(2) Less: Stock Programs Vesting (3) Less: Option Plan Vesting (4) Net Earnings Increase	\$23,295,400 0 <u>(2,898,000)</u> \$20,397,400 <u>3.24%</u> \$661,590 0 (62,790) (125,580) <u>(167,921)</u> \$305,299
4.	Pro Forma Earnings	
	12 Months ended December 31, 2006 (reported)	\$305,299
	12 Months ended December 31, 2006 (core)	\$305,299
5.	Pro Forma Net Worth	
	December 31, 2006	\$0
	December 31, 2006 (Tangible)	\$0
6.	Pro Forma Assets	
	December 31, 2006	\$0

(1) Includes ESOP purchases equal to 8.00% of the offering, and stock program purchases equal to 4.00% of the offering.

(2) ESOP stock amortized over 20 years, and amortization expense is tax effected at 35%.

(3) Stock programs amortized over 5 years, and amortization expense is tax effected at 35%.

(4) Option valuation based on Black-Scholes model, 10 year vesting, and assuming 25% taxable.

PRO FORMA EFFECT OF CONVERSION PROCEEDS
Fairport Savings Bank, Fairport, New York
At the Supermaximum Value

1.	Market Value of Shares Sold In Offering:				
	Market Value of Shares Issued to Foundation:				\$27,772,500
	Total Market Value of Company:				<u>0</u>
					\$27,772,500
2.	Offering Proceeds of Shares Sold In Offering				\$27,772,500
	Less: Estimated Offering Expenses				(854,600)
	Net Conversion Proceeds				<u>\$26,917,900</u>
3.	Estimated Additional Equity and Income from Offering Proceeds				\$26,917,900
	Net Conversion Proceeds				0
	Less: Cash Contribution to MHC				(3,332,700)
	Less: Non-Cash ESOP/MRP Stock Purchases (1)				\$23,585,200
	Net Conversion Proceeds Reinvested				<u>3.24%</u>
	Estimated net incremental rate of return				\$764,986
	Earnings Increase				0
	Less: Estimated cost of ESOP borrowings				(72,209)
	Less: Amortization of ESOP borrowings(2)				(144,417)
	Less: Stock Programs Vesting (3)				(193,109)
	Less: Option Plan Vesting (4)				<u>\$355,251</u>
	Net Earnings Increase				
4.	Pro Forma Earnings				
	12 Months ended December 31, 2006 (reported)			Net Earnings Increase	After Conversion
	12 Months ended December 31, 2006 (core)		Before Conversion		
			\$233,000	\$355,251	\$588,251
			<u>\$233,000</u>	\$355,251	\$588,251
5.	Pro Forma Net Worth				
	December 31, 2006			Tax Benefit of Foundation	After Conversion
	December 31, 2006 (Tangible)		Before Conversion		
			\$13,870,000	\$0	\$37,455,200
			<u>\$13,870,000</u>	\$0	\$37,455,200
6.	Pro Forma Assets				
	December 31, 2006		Before Conversion	Tax Benefit of Foundation	After Conversion
			\$152,823,000	\$0	\$176,408,200
			<u>\$23,585,200</u>		

(1) Includes ESOP purchases equal to 8.00% of the offering, and stock program purchases equal to 4.00% of the offering.

(2) ESOP stock amortized over 20 years, and amortization expense is tax effected at 35%.

(3) Stock programs amortized over 5 years, and amortization expense is tax effected at 35%.

(4) Option valuation based on Black-Scholes model, 10 year vesting, and assuming 25% taxable.

EXHIBIT IV-9
Peer Group Core Earnings Analysis

RP FINANCIAL, LC.
Financial Services Industry Consultants
1700 North Moore Street, Suite 2210
Arlington, Virginia 22209
(703) 528-1700

Core Earnings Analysis
Comparable Institution Analysis
For the Twelve Months Ended December 31, 2006

	Net Income to Common (\$000)	Less: Net Gains(Loss) (\$000)	Tax Effect @ 34% (\$000)	Less: Extd Items (\$000)	Estimated Core Income to Common (\$000)	Shares (\$000)	Estimated Core EPS (\$)
COMPARABLE GROUP							
CORX Colonial Bank MHC of NJ (46.0) (1)	1,489	-44	15	0	1,460	4,522	0.32
FFCO Piedmont Fin MHC of PA (45.8) (1)	-62	687	-234	0	391	6,803	0.06
GOV Gouverneur BCP MHC of NY (42.8)	1,221	177	-60	0	1,338	2,298	0.58
GCBC Green Co Bury MHC of NY (44.4)	2,571	323	-110	0	2,784	4,147	0.67
LSBK Lake Shore Bnp MHC of NY (45.0) (1)	1,922	187	-64	0	2,045	6,613	0.31
MYZK Mayzel Bancorp MHC of NJ (45.0) (2)	1,215	2,988	-1,016	0	3,187	5,824	0.54
MYCB NY Capital Bancorp MHC of CT (44.2)	1,247	41	-14	0	1,274	13,225	0.13
NYBL New York Bancorp MHC of NY (44.5) (1)	1,447	0	0	0	1,447	7,500	0.19
ORZC Oneida Financial MHC of NY (44.5) (1)	3,821	-313	106	0	3,614	7,785	0.46
PBHC Prudential BC MHC of NY (35.9) (1)	676	124	-42	0	758	2,465	0.31

(1) Financial information is for the quarter ending September 30, 2006.
(2) Financial information is for the quarter ending June 30, 2006.
(3) Figures are for three quarters of financial data. EPS figures are annualized.

Source: Audited and unaudited financial statements, corporate reports and offering circulars, and RP Financial, LC.
calculations. The information provided in this table has been obtained from sources we believe are reliable, but we cannot
guarantee the accuracy or completeness of such information.

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EXHIBIT IV-10
Pro Forma Analysis Sheets – MHC Conversion Basis

PRO FORMA ANALYSIS SHEET
 Fairport Savings Bank, Fairport, New York
 Prices as of February 23, 2007

Final Valuation Pricing Multiples	Subject at	Peer Group		New York Companies		All Public Thrifts		
		Midpoint	Mean	Median	Mean	Median	Mean	Median
Price-earnings multiple	=	62.96 x	24.05x	24.35x	20.08x	17.14x	19.51x	16.77x
Price-core earnings multiple	=	62.96 x	24.31x	24.32x	19.09x	17.09x	20.40x	17.65x
Price-book ratio	=	97.00%	163.17%	167.81%	155.97%	142.13%	150.95%	138.52%
Price-tangible book ratio	=	97.00%	176.48%	173.59%	213.52%	204.16%	170.33%	161.35%
Price-assets ratio	=	13.08%	23.56%	21.49%	17.21%	15.89%	18.24%	14.97%

Valuation Parameters (Z)

Pre-Conversion Earnings (Y)	\$233,000	(Yr End 12/06)	ESOP Stock Purchases (E)	8.340%
Pre-Conversion Core Earnings	\$233,000	(Yr End 12/06)	Cost of ESOP Borrowings (S)	0.00%
Pre-Conversion Book Value (B)	\$13,870,000		ESOP Amortization (T)	20.00 years
Pre-Conv. Tang. Book Value (B)	\$13,870,000		Stock Programs Amount (M)	4.170%
Pre-Conversion Assets (A)	\$152,823,000		Stock Programs Vesting (N)	5.00 years
Reinvestment Rate:	4.99%		Fixed Expenses	\$854,600
Tax rate (TAX)	35.00%		Variable Expenses	0.00%
A-T Reinvestment Rate(R)	3.24%		Percent Sold (PCT)	47.00000%
Est. Conversion Expenses (1)(X)	8.66%		MHC Assets	\$0
Insider Purchases	\$0		Options as % of Offering (O1)	10.43%
Price/Share	\$10.00		Estimated Option Value (O2)	38.10%
Foundation Cash Contrib. (FC)	\$0		Option Vesting Period (O3)	5.00 years
Foundation Stock Contrib. (FS)	0.00%		% of Options taxable (O4)	25.00%
Foundation Tax Benefit (Z)	\$0			

PRO FORMA ANALYSIS SHEET
 Fairport Savings Bank, Fairport, New York
 Prices as of February 23, 2007

Calculation of Pro Forma Value After Conversion

1. $V = \frac{P/E * (Y)}{1 - P/E * PCT * ((1-X-E-M-C-D)*R - (1-TAX)*E/T - (1-TAX)*M/N)}$ V= \$21,000,000
2. $V = \frac{P/E * (Y)}{1 - P/Core E * PCT * ((1-X-E-M-FC-FS)*R - (1-TAX)*E/T - (1-TAX)*M/N) - (1-TAX*O4)) * (O1*O2)/O3}$ V= \$21,000,000
3. $V = \frac{P/B * B}{1 - P/B * PCT * (1-X-E-M-FC-FS)}$ V= \$21,000,000
4. $V = \frac{P/TB * TB}{1 - P/B * PCT * (1-X-E-M-FC-FS)}$ V= \$21,000,000
5. $V = \frac{P/A * (A+Z)}{1 - P/A * PCT * (1-X-E-M-FC-FS)}$ V= \$21,000,000

Valuation Conclusion	Shares Issued to MHC	Shares Sold to Public	Foundation Shares	Total Shares Issued	Price Per Share	Market Value of Offering & Foundation	Full Value of Total Shares
Supermaximum	1,471,943	1,305,308	0	2,777,250	\$10.00	\$13,053,077	\$27,772,500
Maximum	1,279,950	1,135,050	0	2,415,000	10.00	11,350,500	\$24,150,000
Midpoint	1,113,000	987,000	0	2,100,000	10.00	9,870,000	\$21,000,000
Minimum	946,050	838,950	0	1,785,000	10.00	8,389,500	\$17,850,000

Valuation Conclusion	Shares Issued to MHC	Shares Sold to Public	Foundation Shares	Total Shares Issued
Supermaximum	53.000%	47.000%	0.000%	100.000%
Maximum	53.000%	47.000%	0.000%	100.000%
Midpoint	53.000%	47.000%	0.000%	100.000%
Minimum	53.000%	47.000%	0.000%	100.000%

(1) Estimated offering expenses at midpoint of the offering.

(2) Reflects reduction in earnings, equity and assets due to \$50,000 contributed to the MHC.

EXHIBIT IV-11
FSB Community Bankshares, Inc.
Pro Forma Effect of Conversion Proceeds – MHC Conversion Basis

PRO FORMA EFFECT OF CONVERSION PROCEEDS
 Fairport Savings Bank, Fairport, New York
 At the Minimum of the Range

1.	Market value of shares sold in offering	\$8,389,500			
	Market value of shares issued to foundation	0			
	Market value of shares issued to MHC	9,460,500			
	Total market value of the company	\$17,850,000			
2.	Offering proceeds	\$8,389,500			
	Less: estimated offering expenses	854,600			
	Net offering proceeds	\$7,534,900			
3.	Estimated additional equity from offering	\$7,534,900			
	Net offering proceeds	0			
	Less: cash contribution to foundation	(1,049,580)			
	Less: non-cash purchases by ESOP and stock plan	\$6,485,320			
	Net proceeds for reinvestment	3.24%			
	Estimated net incremental rate of return	\$210,351			
	Earnings increase	0			
	Less: interest cost of ESOP borrowings	(22,741)			
	Less: amortization cost of ESOP borrowings (2)	(45,482)			
	Less: restricted stock expense (3)	(60,817)			
	Less: option plan expense (4)	\$81,312			
	Net earnings increase				
4.	Pro Forma Earnings		Net		
			Earnings		
			Increase		
		Before		After	
		Offering		Offering	
	12 Months ended December 31, 2006 (reported)	\$233,000	\$81,312	\$314,312	
	12 Months ended December 31, 2006 (core)	\$233,000	\$81,312	\$314,312	
5.	Pro Forma Net Worth		Tax Benefit		
			of Foundation		
		Before		After	
		Offering		Offering	
	December 31, 2006	\$13,870,000	\$0	\$20,355,320	
	December 31, 2006 (Tangible)	\$13,870,000	\$0	\$20,355,320	
6.	Pro Forma Assets		Tax Benefit		
			of Foundation		
		Before		After	
		Offering		Offering	
	December 31, 2006	\$152,823,000	\$0	\$159,308,320	

(1) Includes ESOP purchases equal to 8.34% of the offering (3.92% of total shares) and stock program purchases equal to 4.17% of the offering (1.96% of total shares).

(2) ESOP loan is amortized over 20 years, and amortization expense is tax effected at 35%.

(3) Stock program is amortized over 5 years, and amortization expense is tax effected at 35%.

(4) Option valuation based on Black-Scholes model, 5 year vesting, and assuming 25% taxable.

PRO FORMA EFFECT OF CONVERSION PROCEEDS
 Fairport Savings Bank, Fairport, New York
 At the Midpoint of the Range

1.	Market value of shares sold in offering	\$9,870,000			
	Market value of shares issued to foundation	0			
	Market value of shares issued to MHC	<u>11,130,000</u>			
	Total market value of the company	\$21,000,000			
2.	Offering proceeds	\$9,870,000			
	Less: estimated offering expenses	<u>854,600</u>			
	Net offering proceeds	\$9,015,400			
3.	Estimated additional equity from offering	\$9,015,400			
	Net offering proceeds	0			
	Less: cash contribution to foundation	<u>(1,234,800)</u>			
	Less: non-cash purchases by ESOP and stock plan	\$7,780,600			
	Net proceeds for reinvestment	<u>3.24%</u>			
	Estimated net incremental rate of return	\$252,364			
	Earnings increase	0			
	Less: interest cost of ESOP borrowings	(26,754)			
	Less: amortization cost of ESOP borrowings (2)	(53,508)			
	Less: restricted stock expense (3)	<u>(71,549)</u>			
	Less: option plan expense (4)	\$100,553			
	Net earnings increase				
4.	Pro Forma Earnings		Net		
	12 Months ended December 31, 2006 (reported)		Earnings	After	
	12 Months ended December 31, 2006 (core)		Increase	Offering	
		\$233,000			\$333,553
		<u>\$233,000</u>			<u>\$333,553</u>
5.	Pro Forma Net Worth		Tax Benefit	After	
	December 31, 2006		of Foundation	Offering	
	December 31, 2006 (Tangible)				\$21,650,600
		\$13,870,000			<u>\$21,650,600</u>
		<u>\$13,870,000</u>			
6.	Pro Forma Assets				
	December 31, 2006				
		\$152,823,000			\$160,603,600
		<u>\$7,780,600</u>			

(1) Includes ESOP purchases equal to 8.34% of the offering (3.92% of total shares) and stock program purchases equal to 4.17% of the offering (1.96% of total shares).

(2) ESOP loan is amortized over 20 years, and amortization expense is tax effected at 35%.

(3) Stock program is amortized over 5 years, and amortization expense is tax effected at 35%.

(4) Option valuation based on Black-Scholes model, 5 year vesting, and assuming 25% taxable.

PRO FORMA EFFECT OF CONVERSION PROCEEDS
 Fairport Savings Bank, Fairport, New York
 At the Maximum of the Range

1.	Market value of shares sold in offering				\$11,350,500
	Market value of shares issued to foundation				0
	Market value of shares issued to MHC				12,799,500
	Total market value of the company				\$24,150,000
2.	Offering proceeds				\$11,350,500
	Less: estimated offering expenses				<u>854,600</u>
	Net offering proceeds				\$10,495,900
3.	Estimated additional equity from offering				\$10,495,900
	Net offering proceeds				0
	Less: cash contribution to foundation				(1,420,020)
	Less: non-cash purchases by ESOP and stock plan				\$9,075,880
	Net proceeds for reinvestment				3.24%
	Estimated net incremental rate of return				\$294,376
	Earnings increase				0
	Less: interest cost of ESOP borrowings				(30,767)
	Less: amortization cost of ESOP borrowings (2)				(61,534)
	Less: restricted stock expense (3)				(82,281)
	Less: option plan expense (4)				\$119,794
	Net earnings increase				
4.	Pro Forma Earnings			Net	
				Earnings	
				Increase	
		Before		After	
		Offering		Offering	
	12 Months ended December 31, 2006 (reported)	\$233,000		\$119,794	\$352,794
	12 Months ended December 31, 2006 (core)	\$233,000		\$119,794	\$352,794
5.	Pro Forma Net Worth			Tax Benefit	
				of Foundation	
		Before		of	
		Offering		Foundation	
	December 31, 2006	\$13,870,000		\$0	\$22,945,880
	December 31, 2006 (Tangible)	\$13,870,000		\$0	\$22,945,880
6.	Pro Forma Assets			Tax Benefit	
				of Foundation	
		Before		of	
		Offering		Foundation	
	December 31, 2006	\$152,823,000		\$0	\$161,898,880

- (1) Includes ESOP purchases equal to 8.34% of the offering (3.92% of total shares) and stock program purchases equal to 4.17% of the offering (1.96% of total shares).
 (2) ESOP loan is amortized over 20 years, and amortization expense is tax effected at 35%.
 (3) Stock program is amortized over 5 years, and amortization expense is tax effected at 35%.
 (4) Option valuation based on Black-Scholes model, 5 year vesting, and assuming 25% taxable.

PRO FORMA EFFECT OF CONVERSION PROCEEDS
Fairport Savings Bank, Fairport, New York
At the Supermaximum Value

1.	Market value of shares sold in offering	\$13,053,077			
	Market value of shares issued to foundation	0			
	Market value of shares issued to MHC	<u>14,719,422</u>			
	Total market value of the company	\$27,772,500			
2.	Offering proceeds	\$13,053,080			
	Less: estimated offering expenses	<u>854,600</u>			
	Net offering proceeds	\$12,198,480			
3.	Estimated additional equity from offering	\$12,198,480			
	Net offering proceeds	0			
	Less: cash contribution to foundation	<u>(1,633,024)</u>			
	Less: non-cash purchases by ESOP and stock plan	\$10,565,456			
	Net proceeds for reinvestment	<u>3,24%</u>			
	Estimated net incremental rate of return	\$342,691			
	Earnings increase	0			
	Less: interest cost of ESOP borrowings	<u>(35,382)</u>			
	Less: amortization cost of ESOP borrowings (2)	<u>(70,764)</u>			
	Less: restricted stock expense (3)	<u>(94,624)</u>			
	Less: option plan expense (4)	<u>\$141,921</u>			
	Net earnings increase				
4.	Pro Forma Earnings		Net		
	12 Months ended December 31, 2006 (reported)	\$233,000	Earnings	After	
	12 Months ended December 31, 2006 (core)	\$233,000	Increase	Offering	
					\$374,921
					\$374,921
5.	Pro Forma Net Worth		Tax Benefit	After	
	December 31, 2006	\$13,870,000	of Foundation	Offering	
	December 31, 2006 (Tangible)	\$13,870,000	\$0	\$24,435,456	
			\$0	\$24,435,456	
6.	Pro Forma Assets		Tax Benefit	After	
	December 31, 2006	\$152,823,000	of Foundation	Offering	
			\$0	\$163,388,456	

(1) Includes ESOP purchases equal to 8.34% of the offering (3.92% of total shares) and stock program purchases equal to 4.17% of the offering (1.96% of total shares).

(2) ESOP loan is amortized over 20 years, and amortization expense is tax effected at 35%.

(3) Stock program is amortized over 5 years, and amortization expense is tax effected at 35%.

(4) Option valuation based on Black-Scholes model, 5 year vesting, and assuming 25% taxable.

EXHIBIT V-1
RP Financial, LC.
Firm Qualifications Statement

FIRM QUALIFICATION STATEMENT

RP[®] Financial provides financial and management consulting, merger advisory and valuation services to the financial services industry nationwide. RP[®] Financial establishes long-term client relationships through its wide array of services, emphasis on quality and timeliness, hands-on involvement by our principals and senior staff, careful structuring of strategic plans and transactions and providing sophisticated valuation analyses consistent with accepted valuation practices. RP[®] Financial's staff draws from backgrounds in consulting, valuation, regulatory agencies and investment banking. Our clients include commercial banks, thrifts, credit unions, mortgage companies and other financial service companies.

STRATEGIC & CAPITAL PLANNING

RP[®] Financial's strategic and capital planning services are designed to provide effective workable plans with quantifiable results. RP[®] Financial analyzes strategic options to enhance shareholder value, achieve regulatory approval or other established objectives. Our planning services involve conducting situation analyses; establishing mission statements, strategic goals and objectives; and identifying strategies to enhance franchise and/or market value, capital management, earnings improvement, operational matters and organizational issues. Strategy development typically focuses on: capital formation and management, asset/liability targets, profitability, return on equity and market value of stock. Our proprietary financial simulation models provide the basis for evaluating the financial impact of alternative strategies and assessing their feasibility/compatibility with regulations and/or other guidelines.

MERGER & ACQUISITION SERVICES

RP[®] Financial's merger and acquisition (M&A) services include targeting potential buyers and sellers, assessing acquisition merit, conducting detailed due diligence, negotiating and structuring merger transactions, preparing merger business plans and financial simulations, rendering fairness opinions, preparing mark-to-market analyses and assisting in implementing post-acquisition strategies. Through our financial simulations, comprehensive in-house data bases, valuation expertise and regulatory knowledge, RP[®] Financial's M&A consulting focuses on enhancing shareholder returns.

VALUATION SERVICES

RP[®] Financial's extensive valuation practice includes valuations for a variety of purposes including mergers and acquisitions, thrift mutual-to-stock conversions, insurance company demutualizations, ESOPs, subsidiary companies, mark-to-market transactions and various other corporation valuation requirements. Our principals and staff are highly experienced in performing valuation appraisals which conform with regulatory guidelines and appraisal industry standards. RP[®] Financial is the nation's leading valuation firm for mutual-to-stock conversions of thrift institutions.

OTHER CONSULTING SERVICES & DATA BASES

RP[®] Financial offers other services including branching and diversification strategies, feasibility studies and special research studies. RP[®] Financial assists banks and thrifts prepare CRA plans and related applications. RP[®] Financial's consulting services are aided by in-house data bases and proprietary valuation and financial simulation models.

RP[®] Financial's Key Personnel (Years of Relevant Experience) & Contact Information

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William E. Pommerening, Managing Director (22)	(703) 647-6546	wpommerening@rpfinancial.com
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Washington Headquarters

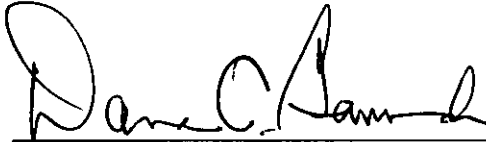
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Toll-Free No.: (866) 723-0594
E-Mail: mail@rpfinancial.com

SIGNATURES

The Registrant has duly caused this form to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Fairport, State of New York, on March 16, 2007.

FSB COMMUNITY BANKSHARES, INC.

By: 

Dana C. Gavenda
President and Chief Executive Officer

END