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333-165525

Peoples Federal Bancshares, Inc.
(Exact Name of Registrant as Specified in Charter)

0001485964
(Registrant's CIK Number)

Exhibit 99.3 to the Form S-1
(Electronic Report, Schedule or Registration Statement of Which the Documents Are a Part
(Give Period of Report))

333-
(SEC File Number, if Available)

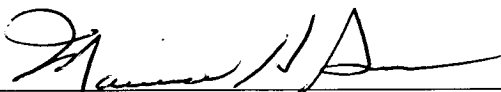
Not Applicable
(Name of Person Filing the Document
(If Other Than the Registrant))



SIGNATURES

The Registrant has duly caused this form to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Brighton, State of Massachusetts on March 16, 2010.

PEOPLES FEDERAL BANCSHARES, INC.

By: 

Maurice H. Sullivan
Chairman of the Board and Chief Executive Officer

EXHIBIT 99.3

PRO FORMA VALUATION REPORT

PEOPLES FEDERAL BANCSHARES, INC.
Brighton, Massachusetts

PROPOSED HOLDING COMPANY FOR:
PEOPLES FEDERAL SAVINGS BANK
Brighton, Massachusetts

Dated As Of:
February 26, 2010

Prepared By:

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

February 26, 2010

Boards of Directors
Peoples Federal MHC
Peoples Federal Bancorp, Inc.
Peoples Federal Savings Bank
435 Market Street
Brighton, Massachusetts 02135

Members of 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 which is to be issued in connection with the mutual-to-stock conversion transaction 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 Plan of Conversion and Reorganization

On February 16, 2010, the Board of Directors of Peoples Federal MHC, Brighton, Massachusetts (the "MHC"), a mutual holding company that owns all of the outstanding shares of common stock of Peoples Federal Bancorp, Inc. ("Peoples Federal Bancorp"), adopted the plan of conversion and reorganization, whereby the MHC will convert to stock form. As a result of the conversion, Peoples Federal Bancorp, which currently owns all of the issued and outstanding common stock of Peoples Federal Savings Bank will be succeeded by a Maryland corporation with the name of Peoples Federal Bancshares, Inc. ("Peoples Federal Bancshares" or the "Company"). Following the conversion, the MHC will no longer exist. For purposes of this document, the existing consolidated entity will hereinafter be referred to as Peoples Federal Bancshares or the Company.

Peoples Federal Bancshares will offer its common stock in a subscription offering to Eligible Account Holders, Tax-Qualified Employee Stock Benefit Plans including Peoples Federal Savings Bank's employee stock ownership plan (the "ESOP"), Supplemental Eligible Account Holders and Other Members, as such terms are defined for purposes of applicable federal regulatory guidelines governing mutual-to-stock conversions. To the extent that shares remain available for purchase after

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satisfaction of all subscriptions received in the subscription offering, the shares may be offered for sale to members of the general public in a community offering and/or a syndicated community offering. A portion of the net proceeds received from the sale of the common stock will be used to purchase all of the then to be issued and outstanding capital stock of Peoples Federal Savings Bank and the balance of the net proceeds will be retained by the Company.

At this time, no other activities are contemplated for the Company other than the ownership of the Bank, a loan to the newly-formed ESOP and reinvestment of the proceeds that are retained by the Company. In the future, Peoples Federal Bancshares may acquire or organize other operating subsidiaries, diversify into other banking-related activities, pay dividends or repurchase its stock, although there are no specific plans to undertake such activities at the present time.

The plan of conversion and reorganization provides for the establishment of Peoples Federal Savings Bank Charitable Foundation (the "Foundation"). The Foundation will be funded with Peoples Federal Bancshares common stock contributed by the Company in an amount equal to 8.0% of the shares of common stock issued in the offering. The purpose of the Foundation is to provide financial support to charitable organizations in the communities in which Peoples Federal Savings Bank operates and to enable those communities to share in Peoples Federal Savings Bank's long-term growth. The Foundation will be dedicated completely to community activities and the promotion of charitable causes.

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. For its appraisal services, RP Financial is being compensated on a fixed fee basis for the original appraisal and for any subsequent updates, and such fees are payable regardless of the valuation conclusion or the completion of the conversion offering transaction. We believe that we are independent of the Company, Peoples Federal Savings Bank, the MHC and the other parties engaged by Peoples Federal Savings Bank or the Company to assist in the stock conversion process.

Valuation Methodology

In preparing our Appraisal, we have reviewed the regulatory applications of Peoples Federal Bancshares, Peoples Federal Savings Bank and the MHC, including the prospectus as filed with the OTS and the Securities and Exchange Commission ("SEC"). We have conducted a financial analysis of the Company that has included a

review of audited financial information for the past five years through the fiscal year ended September 30, 2009 and a review of various unaudited information and internal financial reports through December 31, 2009. We have also conducted due diligence related discussions with Peoples Federal Bancshares' management; Shatswell, MacLeod & Company, P.C., Peoples Federal Bancshares' independent auditor; Luse Gorman Pomerenk & Schick, P.C., Peoples Federal Bancshares' conversion counsel; and Sandler O'Neill & Partners, LLP, Peoples Federal Bancshares' financial and marketing advisor in connection with the stock offering. All assumptions and 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 Peoples Federal Bancshares 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 Peoples Federal Bancshares 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 Company's operating characteristics and financial performance as they relate to the pro forma market value of Peoples Federal Bancshares. We have reviewed the economy and demographic characteristics of the primary market area in which the Company currently operates. We have compared Peoples Federal Bancshares' 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 market for thrifts and thrift holding companies, including the market for new issues.

The Appraisal is based on Peoples Federal Bancshares' representation that the information contained in the regulatory applications and additional information furnished to us by the Company 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 Peoples Federal Bancshares. The valuation considers Peoples Federal Bancshares only as a going concern and should not be considered as an indication of the Company's liquidation value.

Our appraised value is predicated on a continuation of the current operating environment for the Company 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, 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 Peoples Federal Bancshares intends to remain an independent institution and there are no current plans for selling control of the Company as a converted institution. 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 26, 2010, the estimated aggregate pro forma market value of the shares to be issued immediately following the conversion, including shares to be issued to the Foundation, equaled \$54,000,000 at the midpoint, equal to 5,400,000 shares offered at a per share value of \$10.00. Pursuant to conversion guidelines, the 15% offering range indicates a minimum value of \$45,900,000 and a maximum value of \$62,100,000. Based on the \$10.00 per share offering price determined by the Board, this valuation range equates to total shares outstanding of 4,590,000 at the minimum and 6,210,000 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 \$71,415,000 without a resolicitation. Based on the \$10.00 per share offering price, the supermaximum value would result in total shares outstanding of 7,141,500. Based on this valuation range, the offering range is as follows: \$42,500,000 at the minimum, \$50,000,000 at the midpoint, \$57,500,000 at the maximum and \$66,125,000 at the supermaximum. Based on the \$10.00 per share offering price, the number of offering shares is as follows: 4,250,000 at the minimum, 5,000,000 at the midpoint, 5,750,000 at the maximum and 6,612,500 at the supermaximum.

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 Peoples Federal Bancshares

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 Peoples Federal Bancshares as of December 31, 2009, 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.

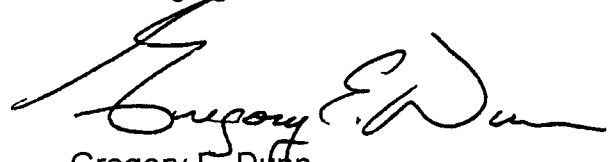
The valuation will be updated as provided for in the OTS conversion regulations and guidelines. These updates will consider, among other things, any developments or changes in the financial performance and condition of Peoples Federal Bancshares, management policies, and current conditions in the equity 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, 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



Gregory E. Dunn
Director

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Brighton, Massachusetts

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PEOPLES FEDERAL SAVINGS BANK
Brighton, Massachusetts

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I. OVERVIEW AND FINANCIAL ANALYSIS

Introduction

Peoples Federal Savings Bank ("Peoples Federal" or the "Bank"), chartered in 1888, is a federally-chartered stock savings bank headquartered in Brighton, Massachusetts. In 2005, Peoples Federal reorganized into the mutual holding company structure, forming Peoples Federal MHC (the "MHC"). The MHC owns 100% of the outstanding common stock of Peoples Federal Bancorp, Inc. ("Peoples Federal Bancorp"), a federal corporation. Peoples Federal is the wholly owned subsidiary of Peoples Federal Bancorp. Peoples Federal serves the Boston metropolitan area through six banking offices located in the Massachusetts counties of Norfolk and Suffolk. A map of Peoples Federal's office locations is provided in Exhibit I-1. Peoples Federal 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"). As of December 31, 2009, the MHC had consolidated total assets of \$482.8 million, total deposits of \$370.5 million and total equity of \$51.7 million equal to 10.7% of total assets. The MHC's audited financial statements are included by reference as Exhibit I-2.

Plan of Conversion and Reorganization

On February 16, 2010, the Board of Directors of the MHC adopted the plan of conversion and reorganization, whereby the MHC will convert to stock form. As a result of the conversion, Peoples Federal Bancorp, which currently owns all of the issued and outstanding common stock of Peoples Federal will be succeeded by a Maryland corporation with the name of Peoples Federal Bancshares, Inc. ("Peoples Federal Bancshares" or the "Company"). Following the conversion, the MHC will no longer exist. For purposes of this document, the existing consolidated entity will hereinafter be referred to as Peoples Federal Bancshares or the Company.

Peoples Federal Bancshares will offer its common stock in a subscription offering

to Eligible Account Holders, Tax-Qualified Employee Stock Benefit Plans including Peoples Federal's employee stock ownership plan (the "ESOP"), Supplemental Eligible Account Holders and Other Members, as such terms are defined for purposes of applicable federal regulatory guidelines 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 to members of the general public in a community offering and/or a syndicated community offering. A portion of the net proceeds received from the sale of the common stock will be used to purchase all of the then to be issued and outstanding capital stock of Peoples Federal and the balance of the net proceeds will be retained by the Company.

At this time, no other activities are contemplated for the Company other than the ownership of the Bank, funding a loan to the newly-formed ESOP and reinvestment of the proceeds that are retained by the Company. In the future, Peoples Federal Bancshares may acquire or organize other operating subsidiaries, diversify into other banking-related activities, pay dividends or repurchase its stock, although there are no specific plans to undertake such activities at the present time.

Strategic Overview

Peoples Federal Bancshares maintains a local community banking emphasis, with a primary strategic objective of meeting the borrowing and savings needs of its local customer base. Peoples Federal Bancshares' operating strategy has been fairly reflective of a traditional thrift operating strategy, in which lending has emphasized originations of 1-4 family residential mortgage loans and funding has been largely generated through retail deposits. In recent years, the Company has supplemented originations of 1-4 family loans with purchases of such loans from other local financial institutions and mortgage lenders. The purchases loans are secured by residences in the Company's market area.

In September 2007, the Company completed an acquisition of Brookline Co-operative Bank, a Massachusetts-chartered cooperative bank with \$58.3 million in total assets, \$7.9 million in capital and one full service branch office located in Brookline,

Massachusetts. The merger was accounted for under the pooling method of accounting.

Recent trends in the Company's balance sheet show asset growth has been sustained by loan growth and an increase in liquidity, funded through growth of retail deposits. The Company maintains a diversified lending strategy, with 1-4 family permanent mortgage loans accounting for the largest concentration of the loan portfolio and primary source of loan growth. Loan growth strategies have been achieved without comprising credit quality; although, the Company has experienced some deterioration in credit quality during recent years, as the recession in the national economy impacted the Company's lending markets.

Investments serve as a supplement to the Company's lending activities, although in recent years the investment portfolio has been substantially liquidated. Proceeds from the sale of investments have been largely maintained in cash and cash equivalents for purposes of strengthening the Company's liquidity and management of interest rate risk.

Recent asset growth has been primarily funded through deposit growth, which has been largely sustained through growth of money market deposit accounts. Growth of money market deposits has been facilitated by offering relatively attractive rates on those deposits. The Company utilizes borrowings as a supplemental funding source to facilitate management of funding costs and interest rate risk, with FHLB advances constituting the sources of borrowings utilized by the Company.

Peoples Federal Bancshares' earnings base is largely dependent upon net interest income and operating expense levels. In recent periods, the Company has experienced some compression of the net interest margin, largely due to increased levels of very low yielding liquidity maintained on the balance sheet. Operating expenses have generally been maintained at moderate levels, with the higher cost of operating in a large metropolitan area being somewhat offset by limited diversification into areas that generate non-interest operating income. Accordingly, revenues derived from non-interest operating income sources have been a fairly stable, but somewhat limited contributor to the Company's core earnings base.

The post-offering business plan of the Company is expected to focus on operating and growing a profitable institution serving retail customers and businesses in local markets. Specifically, Peoples Federal Bancshares will continue to be an independent community-oriented financial institution with a commitment to local real estate and non-mortgage financing with operations funded by retail deposits, borrowings, equity capital and internal cash flows. In addition, the Company will emphasize increasing the diversification of its loan portfolio composition with a particular emphasis on growth of commercial real estate lending relationships. The Company's strategy is to emphasize growth of core deposits as the primary source to fund asset growth, pursuant to which the Company will seek to establish full service banking relationships with its commercial loan customers. Contemplated growth strategies are expected to improve interest rate spreads, as well as generate additional revenues from sources of non-interest operating income.

The Board of Directors has elected to complete a mutual-to-stock conversion to improve the competitive position of Peoples Federal Bancshares. The capital realized from the stock offering will increase the operating flexibility and overall financial strength of Peoples Federal Bancshares. The additional capital realized from stock proceeds will increase liquidity to support funding of future loan growth and other interest-earning assets. Peoples Federal Bancshares' higher capital position resulting from the infusion of stock proceeds will also serve to reduce interest rate risk, particularly through enhancing the Company'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 Company's future funding needs, which may facilitate a reduction in Peoples Federal Bancshares' funding costs. Additionally, Peoples Federal Bancshares' higher equity-to-assets ratio will also better position the Company to take advantage of expansion opportunities as they arise. 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 Company or nearby surrounding markets. The Company will also be better positioned to pursue growth through acquisition of other financial institutions or financial service providers following the stock offering, given its

strengthened capital position and its ability to offer stock as consideration. At this time, the Company has no specific plans for expansion, but as part of its business plan has identified expanding its branch network as a growth strategy to be pursued. The projected uses of proceeds are highlighted below.

- o Peoples Federal Bancshares, Inc. The Company is expected to retain up to 50% of the net offering proceeds. At present, funds at the Company level, net of the loan to the ESOP, are expected to be invested into short-term investment grade securities and liquid funds. Over time, the funds may be utilized for various corporate purposes, possibly including acquisitions, infusing additional equity into the Bank, repurchases of common stock, and the payment of cash dividends.
- o Peoples Federal Savings Bank. Approximately 50% of the net stock proceeds will be infused into the Bank in exchange for all of the Bank's stock. Cash proceeds (i.e., net proceeds less deposits withdrawn to fund stock purchases) infused into the Bank are anticipated to become part of general operating funds, and are expected to be primarily utilized to fund loan growth over time.

Overall, it is the Company's objective to pursue growth that will serve to increase returns, while, at the same time, growth will not be pursued that could potentially compromise the overall risk associated with Peoples Federal Bancshares' operations.

Balance Sheet Trends

Table 1.1 shows the Company's historical balance sheet data for the past five and one-quarter fiscal years. From fiscal year end 2005 through December 31, 2009, Peoples Federal Bancshares' assets increased at a 6.9% annual rate. Asset growth was largely driven by loan growth and more recently the build-up of cash and cash equivalents. Asset growth was primarily funded by deposit growth supplemented with increased utilization of borrowings during fiscal years 2006 and 2008. A summary of Peoples Federal Bancshares' key operating ratios for the past five fiscal years is presented in Exhibit I-3.

Peoples Federal Bancshares' loans receivable portfolio increased at a 7.0% annual rate from fiscal year end 2005 through December 31, 2009, with the loan portfolio exhibiting the most significant growth during fiscal year 2008. The relatively strong loan growth during fiscal year 2008 was supported by purchases of 1-4 family, as

Table 1.1
Peoples Federal Bancshares, Inc.
Historical Balance Sheet Data

	At Fiscal Year Ended September 30,						2009		2009		At December 31,		9/30/05- 12/31/09 Annual Growth Rate
	2005		2006		2007		2008		2009		2009		Pct
	Amount (\$000)	Pct(1) (%)	Amount (\$000)	Pct(1) (%)	Amount (\$000)	Pct(1) (%)	Amount (\$000)	Pct(1) (%)	Amount (\$000)	Pct(1) (%)	Amount (\$000)	Pct(1) (%)	(%)
<u>Total Amount of:</u>													
Assets													
Cash and cash equivalents	\$363,172	100.00%	\$372,665	100.00%	\$362,184	100.00%	\$437,623	100.00%	\$482,828	100.00%	\$482,758	100.00%	6.93%
Investment securities	22,942	6.32%	43,109	11.57%	28,003	7.73%	17,339	3.96%	88,634	18.36%	80,187	16.61%	34.24%
Loans receivable, net	39,439	10.86%	24,135	6.48%	25,954	7.17%	22,149	5.06%	6,328	1.31%	955	0.20%	-58.33%
FHLB stock	281,044	77.39%	282,357	75.77%	284,906	78.66%	373,309	85.30%	362,667	75.11%	374,172	77.51%	6.97%
Bank-owned life insurance	2,682	0.74%	2,882	0.77%	2,760	0.76%	4,339	0.99%	4,339	0.90%	4,339	0.90%	11.99%
Deposits	6,215	1.71%	10,026	2.69%	10,439	2.88%	10,858	2.48%	11,249	2.33%	11,349	2.35%	15.22%
Borrowings	\$279,544	76.97%	\$282,882	75.91%	\$282,073	77.88%	\$302,954	69.23%	\$366,464	75.90%	\$370,508	76.75%	6.85%
Equity	36,787	10.13%	41,215	11.06%	28,639	7.91%	80,060	18.29%	58,000	12.01%	54,000	11.19%	9.45%
Loans/Deposits	\$41,405	11.40%	\$44,478	11.94%	\$46,305	12.78%	\$48,274	11.03%	\$50,943	10.55%	\$51,652	10.70%	5.34%
Full Service Banking Offices Open	100.54%		99.81%		101.00%		123.22%		98.96%		100.99%		
	6		6		6		6		6		6		

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

Sources: Peoples Federal Bancshares' prospectus, audited and unaudited financial statements and RP Financial calculations.

the Company purchased \$78 million of 1-4 family loans beginning in 2007 and through 2008. The loans receivable balance at December 31, 2009 was \$370.5 million. The Company's loan and asset growth rates were approximately the same during the period covered in Table 1.1 and, therefore, the loans-to-assets ratio of 77.4% at fiscal year end 2005 essentially matched the 77.5% loans-to-assets ratio maintained at December 31, 2009.

Trends in the Company's loan portfolio composition over the past five and one-quarter fiscal years show that the concentration of 1-4 family loans comprising total loans increasing, which was largely related to purchases of 1-4 family loans that occurred primarily during fiscal year 2008. Overall, 1-4 family loans increased from 62.8% of total loans at fiscal year end 2005 to 66.0% of total loans at December 31, 2009. Commercial real estate/multi-family loans constitute the primary area of lending diversification for the Company, with such loans increasing from 23.5% of total loans at fiscal year end 2005 to 27.5% of total loans at December 31, 2009. The increase in the concentration of commercial real estate/multi-family loans in the Company's loan portfolio was facilitated by relatively strong growth of commercial real estate loans, while the concentration of multi-family loans comprising total loans remained fairly stable. Other areas of lending diversification for Peoples Federal Bancshares include construction loans (decreasing from 11.9% of total loans at fiscal year end 2005 to 4.6% of total loans at December 31, 2009), commercial business loans (increasing from 0.6% of total loans at fiscal year end 2005 to 1.2% of total loans at December 31, 2009) and consumer loans (decreasing from 1.2% of total loans at fiscal year end 2005 to 0.7% of total loans at December 31, 2009).

The intent of the Company's investment policy is to provide adequate liquidity and to generate a favorable return within the context of supporting Peoples Federal Bancshares' overall credit and interest rate risk objectives. It is anticipated that proceeds retained at the holding company level will primarily be invested into investments with short-term maturities. Over the past five fiscal and one-quarter fiscal years, the Company's level of cash and investment securities (inclusive of FHLB stock) ranged from a low of 10.0% of assets at fiscal year end 2008 to a high of 20.6% of

assets at fiscal year end 2009. Cash and investments equaled 17.7% of total assets at December 31, 2009. There has been a notable shift in the composition of the Company's cash and investments since fiscal year end 2008, as the Company elected to liquidate most of its investment holdings and redeploy those proceeds along with cash flows from loan shrinkage and deposit growth into cash and cash equivalents. Accordingly, cash and cash equivalents increased from 4.0% of assets at fiscal year end 2008 to 18.4% of assets at fiscal year end 2009. As of December 31, 2009, the Company maintained \$80.2 million of cash and cash equivalents, equal to 16.6% of assets. The decrease in cash and cash equivalents during the quarter ended December 31, 2009 was to fund loan growth and pay down borrowings. Comparatively, from fiscal year end 2008 to December 31, 2009, the investment securities portfolio decreased from 5.1% of assets to 0.2% of assets. As of December 31, 2009, the Company's entire investment portfolio consisted of \$955,000 of mortgage-backed securities guaranteed or insured by Government Sponsored Enterprises ("GSEs"). The mortgage-backed securities portfolio is held as available for sale and reflected a net unrealized gain of \$41,000 at December 31, 2009. Exhibit I-4 provides historical detail of the Company's investment portfolio. The Company also held \$4.3 million of FHLB stock at December 31, 2009.

The Company also maintains an investment in bank-owned life insurance ("BOLI") policies, which cover the lives of some of the Company's directors and management. The purpose of the investment is to provide funding for the benefit plans of the covered individuals. The life insurance policies earn tax-exempt income through cash value accumulation and death proceeds. As of December 31, 2009, the cash surrender value of the Company's BOLI equaled \$11.3 million.

Over the past five and one-quarter fiscal years, Peoples Federal Bancshares' funding needs have been addressed through a combination of deposits, borrowings and internal cash flows. From fiscal year end 2005 through December 31, 2009, the Company's deposits increased at a 6.9% annual rate. Since fiscal year end 2007, deposits have trended steadily higher. Deposit growth was driven by growth of money market deposit accounts, which along with a decrease in certificates of deposit ("CDs")

served to increase the concentration of core deposits comprising total deposits in recent years. Core deposits comprised 70.3% of average total deposits for the three months ended December 31, 2009, versus 51.8% of average total deposits for the fiscal year ended September 30, 2007.

Borrowings serve as an alternative funding source for the Company to address funding needs for growth and to support management of deposit costs and interest rate risk. From fiscal year end 2005 to December 31, 2009, borrowings increased at an annual rate of 9.5%. The Company's utilization of borrowings reached a peak balance of \$80.1 million or 18.3% of assets at fiscal year end 2008 and then decreased during the past one and one-quarter fiscal years to \$54.0 million or 11.2% of assets at December 31, 2009. Deposit growth and liquidity were used to fund the pay down of borrowings. The Company's utilization of borrowings has generally been limited to FHLB advances.

The Company's equity increased at a 5.3% annual rate from fiscal year end 2005 through December 31, 2009, which was largely related to retention of earnings. All of the Company's capital is tangible capital, and Peoples Federal maintained capital surpluses relative to all of its regulatory capital requirements at December 31, 2009. The addition of stock proceeds will serve to strengthen the Company's capital position, as well as support growth opportunities. At the same time, Peoples Federal Bancshares' ROE will initially be depressed following its stock conversion as the result of the significant increase that will be realized in the Company's pro forma capital position.

Income and Expense Trends

Table 1.2 shows the Company's historical income statements for the past five and one-quarter fiscal years. The Company's reported earnings over the past five fiscal years, ranged from a low of \$1.8 million or 0.48% of average assets in fiscal 2007 to a high of \$3.5 million or 0.99% of average assets in fiscal 2005. For the twelve months ended December 31, 2009, the Company reported net income of \$2.6 million or 0.57% of average assets. Net interest income and operating expenses represent the primary

Table 1.2
Peoples Federal Bancshares, Inc.
Historical Income Statements

	For the Fiscal Year Ended September 30,				For the 12 months Ended 12/31/09				
	2005	2006	2007	2008	2009	Amount (\$000)	Pct(1) (%)	Amount (\$000)	Pct(1) (%)
Interest income	\$19,156	\$21,516	\$22,395	\$22,096	\$22,614	5.86%	\$21,840	4.99%	4.76%
Interest expense	(5,382)	(7,844)	(9,649)	(9,272)	(8,687)	-1.51%	(8,126)	-1.32%	-1.77%
Net interest income	\$13,774	\$13,672	\$12,746	\$12,824	\$13,927	3.87%	\$13,714	3.07%	2.98%
Provision for loan losses	(60)	(245)	(20)	-	(127)	-0.02%	(127)	-0.03%	-0.03%
Net interest income after provisions	\$13,714	\$13,427	\$12,726	\$12,824	\$13,800	3.85%	\$13,587	3.05%	2.96%
Other operating income	\$1,106	\$1,118	\$1,258	\$1,342	\$1,301	0.31%	\$1,316	0.29%	0.29%
Operating expense	(9,384)	(9,606)	(11,036)	(10,866)	(11,263)	-2.63%	(11,469)	-2.49%	-2.50%
Net operating income	\$5,436	\$4,939	\$2,948	\$3,300	\$3,838	1.53%	\$3,434	0.84%	0.75%
<u>Non-Operating Income</u>									
Gain(loss) on sale of loans	\$153	\$197	\$24	\$24	\$307	0.04%	\$379	0.07%	0.08%
Gain(loss) on sale of securities	312	(188)	10	43	208	0.09%	418	0.05%	0.09%
Net non-operating income	\$465	\$9	\$34	\$67	\$515	0.13%	\$797	0.11%	0.17%
Net income before tax	\$5,901	\$4,948	\$2,982	\$3,367	\$4,353	1.66%	\$4,231	0.96%	0.92%
Income tax provision	(2,375)	(2,009)	(1,178)	(1,294)	(1,681)	-0.67%	(1,635)	-0.37%	-0.36%
Net income (loss)	\$3,526	\$2,939	\$1,804	\$2,073	\$2,672	0.99%	\$2,596	0.59%	0.57%
<u>Adjusted Earnings</u>									
Net income	\$3,526	\$2,939	\$1,804	\$2,073	\$2,672	0.99%	\$2,596	0.59%	0.57%
Add(Deduct): Net gain/(loss) on sale	(465)	(9)	(34)	(67)	(515)	-0.13%	(797)	-0.11%	-0.17%
Tax effect (2)	187	4	14	27	207	0.05%	320	0.05%	0.07%
Adjusted earnings	\$3,248	\$2,934	\$1,784	\$2,033	\$2,364	0.91%	\$2,119	0.52%	0.46%
Expense: Coverage Ratio (3)	1.47	1.42	1.15	1.18	1.24		1.19		
Efficiency Ratio (4)	62.9%	64.9%	78.8%	76.7%	74.1%		76.5%		

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

(2) Assumes a 40.2% effective tax rate.

(3) Expense coverage ratio calculated as net interest income before provisions for loan losses divided by operating expenses.

(4) Efficiency ratio calculated as operating expenses divided by the sum of net interest income before provisions for loan losses plus other income (excluding net gains).

Sources: Peoples Federal Bancshares' prospectus, audited & unaudited financial statements and RP Financial calculations.

components of the Company's earnings. Non-interest operating income has been somewhat of limited but stable source of earnings for the Company. Loan loss provisions and gains and losses from the sale of loans and investments have typically had a limited impact on the Company's earnings over the five and one-quarter fiscal years.

Over the past five and one-quarter fiscal years, the Company's net interest income to average assets ratio has trended lower from 3.87% during fiscal 2005 to 2.98% during the twelve months ended December 31, 2009. The downward trend in the Company's net interest income ratio resulted from more significant increases in funding costs compared to interest-earning asset yields during fiscal years 2006 and 2007, followed by a steeper decline in interest-earning assets yields relative to funding costs since fiscal year end 2007. The decrease in the net interest margin since fiscal year end 2007 reflects the increase in the Company's liquidity position during a period when short-term interest rates have declined sharply. Overall, the Company's interest rate spread decreased from 3.84% during fiscal 2005 to 2.79% during the three months ended December 31, 2009. The Company's net interest rate spreads and yields and costs for the past five and one-quarter fiscal years are set forth in Exhibits I-3 and I-5.

Non-interest operating income has been a fairly stable, but somewhat limited, contributor to the Company's earnings over the past five and one-quarter fiscal years, reflecting the Company's limited diversification into products and services that generate non-interest operating income. Throughout the period shown in Table 1.2, sources of non-interest operating income ranged from a low of 0.29% of average assets during fiscal 2009 and for the twelve months ended December 31, 2009 to a high of 0.34% of average assets during fiscal 2008. Customer service fees and income earned on BOLI constitute the largest sources of non-interest operating income for the Company.

Operating expenses represent the other major component of the Company's earnings, ranging from a low of 2.49% of average assets during fiscal 2009 to a high of 2.94% of average assets during fiscal 2007. For the twelve months ended December 31, 2009, the Company's operating expenses equaled \$11.5 million or 2.50% of average assets. The relatively higher operating expense ratio for fiscal 2007 reflects

the impact of the Brookline Co-Operative Bank acquisition. Since fiscal 2007, operating expenses have stabilized and, thus, asset growth has served to leverage the Company's operating expense ratio. Upward pressure will be placed on the Company's operating expense ratio 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 Company's capacity to leverage operating expenses through pursuing a more aggressive growth strategy.

Overall, the general trends in the Company's net interest margin and operating expense ratio since fiscal 2005 reflect a decrease in core earnings, as indicated by the Company's expense coverage ratio (net interest income divided by operating expenses). Peoples Federal Bancshares' expense coverage ratio equaled 1.47 times during fiscal 2005 versus a ratio of 1.19 times during the twelve months ended December 31, 2009. The decrease in the expense coverage ratio resulted from a more significant decrease in the net interest income ratio compared to the decrease in the operating expense ratio. Similarly, Peoples Federal Bancshares' efficiency ratio (operating expenses, net of amortization of intangibles, as a percent of the sum of net interest income and other operating income) of 62.9% during fiscal 2005 was more favorable than its efficiency ratio of 76.5% for the twelve months ended December 31, 2009.

Over the past five and one-quarter fiscal year years, maintenance of generally favorable credit quality measures served to limit the amount of loan loss provision established during the period. In fact, no loan loss provisions were established in fiscal 2008. For fiscal 2009, loan loss provisions established equaled \$127,000 or 0.03% of average assets. Loan growth, an increase in non-performing loans and the prevailing credit cycle were factors that contributed to the higher loan loss provisions established by the Company during fiscal 2009 and for the twelve months ended December 31, 2009. As of December 31, 2009, the Company maintained loan loss allowances of \$3.2 million, equal to 0.84% of net loans receivable and 60.15% of non-performing loans.

Exhibit I-6 sets forth the Company's loan loss allowance activity during the past five and one-quarter fiscal years.

Non-operating income over the past five and one-quarter fiscal years has primarily consisted of gains on the sale of loans and gains and losses on the sale of investment securities, which generally have had a relatively minor impact on the Company's earnings. Non-operating income was a comparatively larger contributor to the Company earnings during the twelve months ended December 31, 2009, amounting to \$797,000 or 0.17% of average assets. Non-operating income for the twelve months ended December 31, 2009 was fairly evenly distributed between loan sale gains and gains on the sale of investment securities. Loan sale gains reflect the sale of fixed rate loan originations to the secondary market for purposes of interest rate risk management and, therefore, represent an ongoing activity for the Company. Comparatively, the other components of the Company's non-operating income are viewed as non-recurring income items. However, gains realized through secondary market activities are subject to a certain degree of volatility as well, given the dependence of such gains on the interest rate environment and the strength of the regional housing market.

The Company's effective tax rate ranged from a low of 38.43% during fiscal 2008 to a high of 40.60% during fiscal 2006. As set forth in the prospectus, the Company's marginal effective statutory tax rate is 40.2%.

Interest Rate Risk Management

The Company's balance sheet is liability-sensitive in the short-term (less than one year) and, thus, the net interest margin will typically be adversely affected during periods of rising and higher interest rates, as well as in the interest rate environment that generally prevailed during 2006 and 2007, in which the yield curve was flat or inverted. Comparatively, the Company's interest rate spreads will tend to benefit when short-term interest rates decline and the yield curve steepens. As of December 31, 2009, the OTS Net Portfolio Value ("NPV") analysis indicated that a 2.0% instantaneous and sustained increase in interest rates would result in an 8% decrease in Peoples Federal Bancshares' NPV (see Exhibit I-7).

The Company pursues a number of strategies to manage interest rate risk, particularly with respect to seeking to limit the repricing mismatch between interest rate sensitive assets and liabilities. The Company manages interest rate risk from the asset side of the balance sheet through selling originations of fixed rate 1-4 family loans with terms of 30 years, building up its liquidity position in low interest rate environments and diversifying into other types of lending beyond 1-4 family permanent mortgage loans which consists primarily of shorter term fixed rate loans, adjustable rate loans or balloon loans. As of September 30, 2009, of the Company's total loans due after September 30, 2010, ARM loans comprised 63.3% of those loans (see Exhibit I-8). On the liability side of the balance sheet, management of interest rate risk has been pursued through utilizing FHLB advances with laddered terms out to five years and through emphasizing growth of lower costing and less interest rate sensitive transaction and savings accounts. Transaction and savings accounts comprised 70.3% of the Company's average balance of total deposits during the three months ended December 31, 2009.

The infusion of stock proceeds will serve to further limit the Company's interest rate risk exposure, as most of the net proceeds will be redeployed into interest-earning assets and the increase in the Company's capital position will lessen the proportion of interest rate sensitive liabilities funding assets.

Lending Activities and Strategy

Peoples Federal Bancshares' lending activities have traditionally emphasized 1-4 family permanent mortgage loans and such loans continue to comprise the largest component of the Company's loan portfolio. Beyond 1-4 family loans, lending diversification by the Company has emphasized commercial real estate/multi-family loans followed by construction loans. Other areas of lending diversification for the Company include commercial business loans and consumer loans. Going forward, the Company's lending strategy is to continue to emphasize diversification of the loan portfolio, particularly with respect to growth of commercial real estate loans. The origination of 1-4 family permanent mortgage loans is expected to remain an active area of lending for the Company, although growth of the 1-4 family loan portfolio will be

limited as new loan production will be offset by loan sales of most fixed rate originations with terms of more than 15 years and repayments on the existing portfolio. The Company curtailed its construction lending activities in recent years, based on the increased credit risk associated with such lending in the prevailing market environment. Exhibit I-9 provides historical detail of Peoples Federal Bancshares' loan portfolio composition over the past five and one-quarter fiscal years and Exhibit I-10 provides the contractual maturity of the Company's loan portfolio by loan type as of September 30, 2009.

Peoples Federal Bancshares' offers both fixed rate and adjustable rate 1-4 family permanent mortgage loans. Loans are underwritten to secondary market guidelines, as the Company's current philosophy has been to sell most originations of fixed rate loans with terms of more than 15 years. Loans are sold on a servicing retained basis. ARM loans offered by the Company have initial repricing terms of one, three, five or seven years and then reprice annually for the balance of the loan term. ARM loans are indexed to the comparable term FHLB advance rate. During the 2007 and 2008 period, the Company supplemented originations of 1-4 family loans with approximately \$78.0 million of purchased 1-4 family loans. The loans were purchased from other local financial institutions and mortgage lenders and are secured by residences in the Company's market area. The Company does not originate or purchase any sub-prime loans. As of December 31, 2009, the Company's outstanding balance of 1-4 family loans equaled \$249.1 million or 66.0% of total loans outstanding.

The Company's 1-4 family loan portfolio includes home equity loans and home equity lines of credit. Home equity loans are fixed rate amortizing loans with terms of up to 15 years. Home equity lines of credit are tied to the prime rate as published in *The Wall Street Journal* and are offered for terms of up to 20 years with a maximum ten year draw period. The Company will originate home equity loans and lines of credit up to a maximum loan-to value ("LTV") ratio of 75.0%, inclusive of other liens on the property. As of December 31, 2009, the Company's outstanding balance of home equity loans and home equity lines of credit totaled \$19.1 million or 5.1% of total loans outstanding and 7.7% of the 1-4 family loan portfolio.

Construction loans originated by the Company consist of loans to finance the construction of 1-4 family residences and commercial/multi-family properties. The Company's 1-4 family construction lending activities consist mostly of speculative loans that are extended to experienced builders in the Company's market area. Residential construction loans are offered up to a LTV ratio of 75.0%. Commercial real estate construction loans generally require a commitment for permanent financing to be in place prior to closing construction loan and are originated up to 75.0% of the completed appraised value of the property. Residential and commercial construction loans are interest only loans during the construction period. At December 31, 2009, the largest outstanding commercial construction loan balance was for \$3.4 million and was secured by a hotel. This loan was performing in accordance with its terms at December 31, 2009. As of December 31, 2009, Peoples Federal Bancshares' outstanding balance of construction loans equaled \$17.3 million or 4.6% of total loans outstanding.

The balance of the mortgage loan portfolio consists of commercial real estate and multi-family loans, which are collateralized by properties in the Company's regional lending area. Peoples Federal Bancshares originates commercial real estate and multi-family loans up to a maximum LTV ratio of 75.0% and requires a minimum debt-coverage ratio of 1.25 times. Commercial real estate/multi-family loans are generally originated as adjustable rate loans for terms of up to 30 thirty years, which convert to a one ARM loan indexed to the one year FHLB advance rate after an initial fixed rate term of five years. The Company also offers fixed rate commercial real estate/multi-family loans for terms of up to 15 years. Properties securing the commercial real estate loan portfolio include office buildings, retail space, industrial buildings, mixed-use properties and apartments. The largest commercial real estate/multi-family loan in the Company's loan portfolio at December 31, 2009 was a \$3.6 million loan secured by a retail store and apartment building, which was performing in accordance with its terms at December 31, 2009. As of December 31, 2009, the Company's outstanding balance of commercial real estate/multi-family loans totaled \$103.9 million equal to 27.5% of total loans outstanding.

Peoples Federal Bancshares' diversification into non-mortgage loans has been somewhat limited, consisting of consumer loans and commercial business loans. The consumer loan portfolio, exclusive of home equity loans and home equity lines of credit, consists of various types of installment loans, loans secured by deposits and personal loans. As of December 31, 2009, the consumer loan portfolio totaled \$2.5 million or 0.7% of total loans outstanding.

The commercial business loan portfolio is generated through extending loans to businesses operating in the local market area. Commercial business loans offered by the Company consist of fixed rate term loans and floating rate lines of credit indexed to the prime rate as reported in *The Wall Street Journal* and generally have terms of seven years or less. The commercial business loan portfolio consists substantially of loans secured by business assets such as accounts receivable, inventory and equipment. The Company also originates working capital lines credit to finance the short-term business needs of businesses. As of December 31, 2009, Peoples Federal Bancshares' outstanding balance of commercial business loans equaled \$4.5 million or 1.2% of total loans outstanding.

Asset Quality

The Company's historical 1-4 family lending emphasis and lending emphasis on lending in local and familiar markets have generally supported the maintenance of relatively favorable credit quality measures; although, with the onset of the recession in the Company's lending markets, the Company has experienced some credit quality deterioration in its loan portfolio during the past two and one-quarter fiscal years. Over the past five and one-quarter fiscal years, Peoples Federal Bancshares' balance of non-performing assets ranged from a low of 0.01% of assets at fiscal year end 2005 to a high of 1.19% of assets at year end 2009. The Company held \$5.2 million of non-performing assets at December 31, 2009, equal to 1.08% of total assets. As shown in Exhibit I-11, non-performing assets at December 31, 2009 consisted of \$5.2 million of non-accruing loans. Non-accruing loans held by the Company at December 31, 2009

were concentrated in commercial real estate loans (\$1.8 million), 1-4 family loans (\$1.6 million) and construction loans (\$1.5 million).

To track the Company's asset quality and the adequacy of valuation allowances, Peoples Federal Bancshares has established detailed asset classification policies and procedures which are consistent with regulatory guidelines. Classified assets are reviewed at least quarterly by senior management and the Board. Pursuant to these procedures, when needed, the Company establishes additional valuation allowances to cover anticipated losses in classified or non-classified assets. As of December 31, 2009, the Company maintained loan loss allowances of \$3.2 million, equal to 0.84% of net loans receivable and 60.15% of non-performing loans.

Funding Composition and Strategy

Deposits have consistently served as the Company's primary funding source and at December 31, 2009 deposits accounted for 87.3% of Peoples Federal Bancshares' interest-bearing funding composition. Exhibit I-12 sets forth the Company's deposit composition for the past three and one-quarter fiscal years. Transaction and savings account deposits constituted 70.3% of average total deposits for the three months ended December 31, 2009. Comparatively, transaction and savings account deposits constituted 51.8% of average total deposits for the fiscal year ended September 30, 2007. The increase in the concentration of core deposits comprising total deposits since fiscal year end 2007 was realized through a reduction in CD balances and growth of core deposits. Most of the growth of core deposits has consisted of money market account deposits, which was facilitated by marketing relatively attractive rates on the Company's money market deposits. Money market account deposits comprised 59.2% of the Company's average total core deposits for the three months ended December 31, 2009.

The balance of the Company's deposits consists of CDs, which equaled 29.7% of average total deposits for the three months ended December 31, 2009 compared to 48.2% of average total deposits for the fiscal year ended September 30, 2007. Peoples Federal Bancshares' current CD composition reflects a higher concentration of short-

term CDs (maturities of one year or less). The CD portfolio totaled \$112.3 million at September 30, 2009 and \$92.8 million or 82.6% were scheduled to mature in one year or less. Exhibit I-13 sets forth the maturity schedule of the Company's CDs as of December 31, 2009. As of December 31, 2009, jumbo CDs (CD accounts with balances of \$100,000 or more) amounted to \$37.5 million or 34.3% of total CDs. The Company did not maintain any brokered CDs at December 31, 2009.

Borrowings serve as an alternative funding source for the Company to facilitate management of funding costs and interest rate risk. The Company maintained \$54.0 million of FHLB advances at December 31, 2009 with a weighted average rate of 3.35%. FHLB advances held by the Company at December 31, 2009 consisted of a mix of short- and long-term borrowings with laddered terms out to five years. Exhibit I-14 provides further detail of the Company's borrowings activities during the past three and one-quarter fiscal years.

Legal Proceedings

The Company is not currently party to any pending legal proceedings that the Company's management believes would have a material adverse effect on the Company's financial condition, results of operations or cash flows.

II. MARKET AREA

Introduction

Peoples Federal Bancshares serves the Boston metropolitan area through the main office in Brighton, Massachusetts and five branch offices. The main office and branch locations in Allston, West Roxbury and Jamaica Plain are part of Suffolk County and the remaining two branch locations in Brookline and Norwood are part of Norfolk County. Exhibit II-1 provides information on the Company's office properties.

With operations in a major metropolitan area, the Company's competitive environment includes a significant number of thrifts, commercial banks and other financial services companies, some of which have a regional or national presence and many of which are larger than the Company in terms of deposits, loans, scope of operations, and number of branches. These institutions also have greater resources at their disposal than the Company. The Boston MSA has a highly diversified economy, which tends to parallel trends in the broader national economy. Accordingly, the national recession has rippled through the Boston metropolitan area, with rising unemployment and declining real estate values impacting growth opportunities and credit risk exposure for Boston-based financial institutions in general.

Future growth opportunities for Peoples Federal Bancshares depend on the future growth and stability of the local and regional economy, demographic growth trends, and the nature and intensity of the competitive environment. These factors have been briefly examined to help determine the growth potential that exists for the Company, the relative economic health of the Company's market area, and the resultant impact on value.

National Economic Factors

The future success of the Company's operations is partially dependent upon national economic factors and trends. In assessing economic trends over past few quarters, the April 2009 employment data showed that the pace of layoffs slowed in April 2009, but the unemployment rate climbed to 8.9%. Retail sales fell 0.4% in April from March and housing starts hit a low in April, falling 12.8% from March. However, single-

family home construction rose 2.8%. Durable-goods orders rose 1.9% in April, offering some evidence that the manufacturing slump was ending. Some other positive signs that the recovery was gaining strength included a 2.9% increase in existing home sales and consumer confidence shot higher in May to its highest level in eight months. May employment data showed job losses slowed for the fourth straight month, with employers cutting 345,000 jobs. However, the May unemployment rate jumped to 9.4%. Retail sales rose 0.5% in May on higher gas prices. Durable-goods orders rose and new home prices firmed in May, providing the latest evidence the U.S. economy's free fall was ending.

Signs that the U.S. economy was pulling out of the recession became more evident at the start of the third quarter of 2009; however, overall economic conditions remained weak. The decline in manufacturing activity slowed in June, while June employment data showed more job losses than expected and an increase in the unemployment rate to 9.5%. Service sector activity improved in June and retail sales rose in June, but excluding gasoline and autos, sales fell for the fourth straight month. The index of leading economic indicators was up in June and the housing market showed some signs of recovery, as sales of new and existing homes rose in June. Notably, home prices in major U.S. cities registered the first monthly gain in a nearly a year for the three month period ending in May compared with the three months ending in April. The July employment report showed the fewest job losses in a year and the unemployment rate dipped to 9.4%, its first decline in nine months. Retail sales were down slightly in July, raising concerns over the durability of the recovery. However, sales of existing homes jumped 7.2% in July, the fastest pace in nearly two years. July new home sales were up sharply as well, which supported a 4.9% increase in July durable-goods orders.

August economic data generally indicated that the recession was nearing an end, as manufacturing output grew for the first time since January 2008 and the "cash for clunkers" program fueled a rebound in August retail sales. August employment data showed fewer than expected job losses, while the unemployment rate rose to a 26 year high of 9.7%. The index of leading indicators rose for the fifth straight month in August, providing another sign of recovery. Second quarter GDP declined at a 0.7% annualized rate, which was better than the 1% decline previously estimated. Other economic data

suggested an uneven recovery, as existing home sales slid in August and consumer confidence fell in September. Manufacturing and service sector activity both grew in September, while the U.S. unemployment rate rose to 9.8% in September as employers cut more jobs than expected. As job losses continued to mount, vacancy rates for commercial office space continued to increase during the third quarter. Retail sales fell in September from August as the "cash for clunkers" program ended, however, excluding autos, retail sales increased slightly in September. New home sales fell in September, while orders for durable goods increased in September. Third quarter GDP increased at a 3.5% annual rate (subsequently revised to 2.2%), marking an apparent end to the recession. Notably, a large portion of GDP growth in the third quarter was generated through federal stimulus programs, bringing into question the sustainability of the recovery without government support.

October 2009 showed further signs of an economic recovery, even as the labor market continued to struggle. U.S. manufacturing activity expanded for the third month in a row in October, while a net loss of 190,000 jobs in October pushed the October unemployment rate up to 10.2%. Retail sales and the index of leading economic indicators both rose in October, while housing data was mixed raising doubts about the strength of the sector's recovery. New home starts tumbled in October, while sales of existing home showed a strong increase in October. Signs of a slow and uneven economic recovery continued to be reflected in the November data. Manufacturing activity continued to grow in November, while the service sector contracted in November after growing in October. Employment data for November reflected the fewest number of job losses since December 2007, which reduced the unemployment rate to 10.0%. The Federal Reserve's "beige book" released in early-December showed the economy improving moderately, with consumer spending up but commercial real estate weakening. Additional evidence that strength was returning to the economy included a healthy rise in November durable goods orders and manufacturing activity in December expanding at its fastest pace in more than three years. Sales of existing homes were up solidly in November, although construction spending in November was down slightly. Manufacturing activity expanded in December at its fastest pace in more than three years, while the service sector recorded only modest growth in December. Job losses were

significantly higher than expected in December, dashing hopes of a near term turnaround in employment. Employers cut 85,000 jobs in December, while the December unemployment rate held steady at 10.0%. The index of leading economic indicators rose 1.1% from November to December for its ninth straight month of gains, while housing data for December was less favorable with both new and existing home sales declining in December. The decline in home sales in December was in part related to a surge in home sales during the fall, as first-time home buyers raced to take advantage of a tax credit before it expired. Fourth quarter GDP increased at an annual rate of 5.7%, although much of the growth was tied to companies replenishing low inventories that typically only provides a temporary bump in growth.

Manufacturing activity rose for a sixth straight month in January 2010, with the rate of expansion at its highest point since August 2004. Comparatively, service sector activity remained stable in January. Payrolls unexpectedly fell in January with the loss of 20,000 jobs, but the January unemployment rate surprisingly dropped to a five month low of 9.7%. Retail sales were up in January, although consumer confidence fell in February. Sales of existing homes fell in January and orders for durable goods showed weakness in January, underscoring the uneven progress of the U.S. recovery.

In terms of interest rate trends during the past few quarters, Treasury yields remained at historically low levels through most of April 2009 with the yield on the 10-year Treasury note dipping to 2.76% in mid-April as Treasury bonds rallied on more troublesome economic data. The yield on the 10-year Treasury note edged above 3.0% in late-April and trended higher into mid-May on some positive economic data. In late-May, Treasury yields and mortgage rates surged to their highest level since November 2008, reflecting investor worries that deficit spending to fund stimulus programs could lead to inflation. The yield on the 10-year Treasury note jumped to 3.70% in late-May, providing for a steeper yield curve as the gap between two-year and 10-year Treasury notes widened to 2.75%. Interest rates stabilized in late-May and into the first half of June. The late-June meeting of the Federal Reserve concluded with keeping its target rate near zero.

Interest rates eased lower at the start of the third quarter of 2009, as investors shunned risk ahead of second quarter earnings reports. Some economic data showing an

improving economy and growing belief that the recession was nearing an end pushed long-term Treasury yields up slightly heading into late-July. The upward trend in interest rates continued into the first week of August, as interest rates edged higher following the better-than-expected employment report for July. Long-term Treasury yields eased lower going into the second half of August, as the Federal Reserve concluded its mid-August meeting leaving its key short-term rate near zero and indicated it would stay there for the foreseeable future. Weaker than expected retail sales for July and a decline in July wholesale prices further contributed to the pull back in interest rates. Long-term Treasury yields reversed course after mid-August on the stronger than expected report for July existing home sales. Interest rates stabilized in late-August and remained relatively stable through most of September, as inflation worries remained low amid high unemployment and slack in the economy. News that consumer confidence fell in September pushed Treasury yields lower at the end of the third quarter.

Mixed economic data and no apparent threat of inflationary pressures supported a stable interest rate environment at the beginning of the fourth quarter, providing for the continuation of a relatively steep yield curve. Interest rates remained stable through the balance of October, reflecting uncertainty over the sustainability of the economic recovery with consumer confidence declining for the second month in a row. The Federal Reserve concluded its early-November meeting by keeping its target interest rate near zero, which along with the weaker than expected employment report for October sustained a stable interest rate environment into mid-November. Long-term Treasury yields eased lower heading into the second half of November, following comments by the Federal Reserve Chairman that unemployment and troubles in commercial real estate would weigh on the recovery. Long-term Treasury yields dipped in late-November following news of the credit crisis in Dubai. A better than expected jobs report for November moved interest rates higher in early-December. Following the Federal Reserve's mid-December meeting and decision to hold its target interest rate steady, the spread between short-term and long-term Treasury yields widened further in the final weeks of 2009 as long-term Treasury yields edged higher amid signs that the U.S. economy was improving.

Interest rates stabilized at the start of 2010 and then edged lower in heading into the second half of January, reflecting uncertainty on the strength of the recovery. The Federal Reserve's two day meeting in late-January concluded with no change in its key rate target, but offered a slightly rosier economic outlook in its statement. A rise in January consumer confidence, along with the Federal Reserve's more upbeat assessment of the economy, provided for a slight upward trend in long-term Treasury yields in late-January. Worries that Greece's debt woes were spreading across Europe and job losses reflected in the January employment report pushed Treasury yields lower in late-January and into early-February. Some positive economic data regarding home prices and industrial output pushed interest rates higher heading in mid-February. Treasury yields rose in mid-February on the Federal Reserve's decision to raise the discount rate, spurring thoughts of tighter credit for borrowers in general. Weak economic data and indications from the Federal Reserve that short-term interest rates would remain near zero for at least several months pushed long-term Treasury yields lower at the close of February. As of February 26, 2010, the bond equivalent yields for U.S. Treasury bonds with terms of one and ten years equaled 0.32% and 3.61%, respectively, versus comparable year ago yields of 0.73% and 2.98%. Exhibit II-2 provides historical interest rate trends.

Based on the consensus outlook of 52 economists surveyed by The Wall Street Journal, the economy is expected to expand around 3% at a seasonally adjusted annual rate through 2010. GDP growth is not expected to make a significant dent in the unemployment rate, as the surveyed economists on average expect the unemployment rate to stay above 9.5% through 2010. Most of the respondents said the Federal Reserve won't raise interest rates until the third quarter of 2010 at the earliest.

The 2010 housing forecast from the Mortgage Bankers Association (the "MBA") was for existing home sales to increase by approximately 11% from 2009 and new home sales are expected to jump 21% in 2010 from very depressed levels in 2009. The MBA predicts that the national average home price declines should abate by early 2010, but will vary by state and home value. The demand is expected to be the highest for entry-level homes. Total mortgage production is forecasted to be down in 2010 to \$1.6 trillion compared to \$2.0 trillion in 2009. The reduction in 2010 originations is expected to be

exclusively due to a 44% reduction in refinancing volume due to rising interest rates, with refinancing volume forecasted to total \$754 billion in 2010. Comparatively, house purchase mortgage originations are predicted to increase by 12% in 2010, with purchase lending forecasted to total \$802 billion in 2010.

Market Area Demographics

Demographic and economic growth trends, measured by changes in population, number of households, age distribution and median household income, provide key insight into the health of the market area served by Peoples Federal Bancshares. Demographic data for the primary market counties, which consists of the counties of Norfolk and Suffolk, as well as for Massachusetts and the U.S. is provided in Table 2.1.

The markets served by Peoples Federal Bancshares experienced relatively slow demographic growth during the 2000 to 2009 period, a characteristic typical of mature, densely populated urban markets located throughout the Northeast Corridor. Population and household growth rates for the counties of Norfolk and Suffolk have been and are projected to remain well below the comparable U.S. measures, while approximating the comparable Massachusetts growth rates.

Income measures show Norfolk County is a relatively affluent market, characterized by a high concentration of white collar professionals who work in the Boston MSA. Comparatively, income measures for Suffolk County, which has a relatively broad socioeconomic spectrum, are well below the Norfolk County measures and lower than the Massachusetts income measures as well. Over the next five years, Norfolk County and Suffolk County are projected to sustain growth in household and per capita income that exceed the comparable U.S. growth rates, while remaining consistent with the comparable Massachusetts growth rates. Consistent with the U.S. and Massachusetts, the projected annual growth rates for household and per capita income for the counties of Norfolk and Suffolk are projected to be less than the growth rates experienced during the 2000 to 2009 period. The affluence of the Norfolk County market is further evidenced by a comparison of household income distribution measures, as Norfolk County maintains a lower percentage of households with incomes of less than \$25,000 and a much higher

Table 2.1
Peoples Federal Bancshares, Inc.
Summary Demographic Data

	Year			Growth Rate	
	<u>2000</u>	<u>2009</u>	<u>2014</u>	<u>2000-2009</u>	<u>2009-2014</u>
<u>Population (000)</u>					
United States	281,422	309,732	324,063	1.1%	0.9%
Massachusetts	6,350	6,499	6,543	0.3%	0.1%
Norfolk County	650	662	665	0.2%	0.1%
Suffolk County	690	695	700	0.1%	0.1%
<u>Households (000)</u>					
United States	105,480	116,523	122,109	1.1%	0.9%
Massachusetts	2,444	2,517	2,541	0.3%	0.2%
Norfolk County	249	256	258	0.3%	0.2%
Suffolk County	279	283	285	0.2%	0.2%
<u>Median Household Income (\$)</u>					
United States	\$42,164	\$54,719	\$56,938	2.9%	0.8%
Massachusetts	50,539	68,225	71,891	3.4%	1.1%
Norfolk County	63,359	88,399	94,027	3.8%	1.2%
Suffolk County	39,370	53,416	56,873	3.4%	1.3%
<u>Per Capita Income (\$)</u>					
United States	\$21,587	\$27,277	\$28,494	2.6%	0.9%
Massachusetts	25,952	34,904	37,151	3.3%	1.3%
Norfolk County	32,484	45,473	49,123	3.8%	1.6%
Suffolk County	22,766	30,700	32,601	3.4%	1.2%
<u>2009 HH Income Dist. (%)</u>					
	<u>Less Than</u> <u>\$25,000</u>	<u>\$25,000 to</u> <u>50,000</u>	<u>\$50,000 to</u> <u>100,000</u>	<u>\$100,000 +</u>	
United States	20.9%	24.5%	35.3%	19.3%	
Massachusetts	22.3%	25.0%	34.3%	18.4%	
Norfolk County	11.5%	13.9%	31.1%	43.5%	
Suffolk County	25.1%	22.0%	30.3%	22.6%	

Source: SNL Financial.

percentage of households with incomes over \$100,000 relative to Suffolk County as well as the U.S. and Massachusetts. Comparatively, as compared to the U.S. and Massachusetts, Suffolk County showed slightly higher concentrations of households with incomes less \$25,000 and greater than \$100,000.

Local Economy

The markets served by the Company have a large and diverse economy, with the area's many colleges and universities serving to attract industries in need of a highly skilled and educated workforce. Health care, high-tech and financial services companies constitute major sources of employment in the Company's regional market area, as well as the colleges and universities that populate the Boston MSA. Tourism also is a prominent component of market area's economy, as Boston is one of the country's top 10 tourist attractions.

The Company's lending markets have been adversely affected by the recession, although not as severely as some select bubble markets in the southeast and west where rapidly escalating home prices fueled speculative overbuilding and ultimately significant inventories of unsold homes causing a serve drop in home prices. Recent trends in the Boston housing market show home prices stabilizing following a decline of 10 to 15% since the middle of 2006, with lower home prices supporting a reduction in the inventory of unsold homes on the market. Likewise, erosion in the Boston commercial real estate market has been in evidence, as reflected by rising vacancy rates and lower lease rates for office space in Boston. However, consistent with the residential market, the Boston office market has shown signs of stabilizing as the economy pulled out of the recession in the third quarter of 2009.

Comparative employment data shown in Table 2.2 shows that employment in services constituted the major source of jobs in both primary market area counties, as well as Massachusetts. Norfolk County and Suffolk County maintained lower and higher concentration of service jobs, respectively, compared to Massachusetts, with service jobs accounting for over half the jobs in Suffolk County. Wholesale/retail followed by financial services/real estate represented the second and third largest sources of jobs in Norfolk

County, with the concentration of such jobs exceeds the comparable percentages for Massachusetts. Comparatively, jobs in financial services/real estate followed by government were the second and third largest employers in Suffolk County, with the concentration of such jobs also exceeding the comparable percentages for Massachusetts. The manufacturing industry, once the backbone of the regional economy, has generally experienced a shrinking job base reflecting a trend of manufacturers moving out of urban markets, particularly in the Northeast. Major employers in Norfolk County include General Dynamics Network Systems (telecom services), Shaw Group Inc. (heavy construction) and Technical Futures Inc. (placement firm for jobs in technology), which each maintain over 5,000 employees in Norfolk County. The two largest employers in Suffolk County are Brigham & Women’s Hospital and Massachusetts General Hospital, which each maintain over 10,000 employees. Additionally, Boston University, Children’s Hospital Boston, Deutsche Bank, Fidelity Investments Life Insurance, John Hancock Life Insurance Company and Liberty Mutual Group Inc. maintain over 5,000 employees in Suffolk County.

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

<u>Employment Sectors</u>	<u>Massachusetts</u>	<u>Norfolk</u>	<u>Suffolk</u>
Services	47.8%	44.7%	55.9%
Wholesale/Retail Trade	13.4	16.0	6.8
Government	10.6	7.7	12.0
Fin., Ins., Real Estate	9.5	13.2	15.0
Manufacturing	7.3	6.4	1.8
Construction	5.8	6.7	2.7
Information	2.4	2.9	2.4
Transport. & Warehousing	2.3	2.1	3.0
Other	<u>0.9</u>	<u>0.3</u>	<u>0.4</u>
	100.0%	100.0%	100.0%

(1) Data is as of 2007.

Source: Regional Economic Information System Bureau of Economic Analysis.

Unemployment Trends

Comparative unemployment rates for the primary market area counties, as well as for the U.S. and Massachusetts, are shown in Table 2.3. November 2009 unemployment rates for the counties of Norfolk and Suffolk were 7.3% and 8.1%, respectively, which were below the comparable U.S. and Massachusetts unemployment rates of 9.4% and 8.3%, respectively. Evidence of the recession impacting the regional economy is reflected in the notably higher unemployment rates for November 2009 compared to a year ago, which is consistent with the state and national trends.

Table 2.3
Peoples Federal Bancshares, Inc.
Unemployment Trends (1)

<u>Region</u>	<u>December 2008 Unemployment</u>	<u>December 2009 Unemployment</u>
United States	7.2%	10.0%
Massachusetts	6.5	9.1
Norfolk County	5.6	7.8
Suffolk County	6.1	8.5

(1) Unemployment rates have not been seasonally adjusted.

Source: U.S. Bureau of Labor Statistics.

Market Area Deposit Characteristics and Competition

The Company's retail deposit base is closely tied to the economic fortunes of the Boston metropolitan area and, in particular, the markets that are nearby to one of Peoples Federal Bancshares' office locations. Table 2.4 displays deposit market trends from June 30, 2006 through June 30, 2009 for the primary market counties. Additional data is also presented for the state of Massachusetts. Over the three year period, annual deposit growth rates for Norfolk and Suffolk Counties equaled 4.4% and 0.8%, respectively. Commercial banks maintained a slightly larger market share of deposits compared to savings institutions in Norfolk County and a significantly larger market share of deposits in Suffolk County. For the three year period covered in Table 2.4, savings institutions

Table 2.4
Peoples Federal Bancshares, Inc.
Deposit Summary

	As of June 30,						Deposit Growth Rate 2006-2009 (%)
	2006			2009			
	<u>Deposits</u>	<u>Market Share</u>	<u># of Branches</u> (Dollars in Thousands)	<u>Deposits</u>	<u>Market Share</u>	<u># of Branches</u>	
State of Massachusetts	\$ 175,700,000	100.0%	2,158	\$ 189,870,000	100.0%	2,245	2.6%
Commercial Banks	109,267,000	62.2%	1,036	115,811,000	61.0%	1,046	2.0%
Savings Institutions	66,433,000	37.8%	1,122	74,059,000	39.0%	1,199	3.7%
Norfolk County	\$ 15,183,000	100.0%	238	\$ 17,255,000	100.0%	245	4.4%
Commercial Banks	6,505,000	42.8%	97	8,953,000	51.9%	116	11.2%
Savings Institutions	8,678,000	57.2%	141	8,302,000	48.1%	129	-1.5%
Peoples Federal	15,277	0.1%	1	91,730	0.5%	2	81.8%
Suffolk County	\$ 68,122,000	100.0%	209	\$ 69,778,000	100.0%	224	0.8%
Commercial Banks	61,439,000	90.2%	132	61,836,000	88.6%	144	0.2%
Savings Institutions	6,683,000	9.8%	77	7,942,000	11.4%	80	5.9%
Peoples Federal	223,667	0.3%	4	248,252	0.4%	4	3.5%

Source: FDIC.

experienced a decrease in deposit market share in Norfolk County and an increase in deposit market share in Suffolk County.

Peoples Federal Bancshares maintains its largest balance of deposits in Suffolk County, where the Company maintains its main office and largest branch presence. However, the Company maintained a larger deposit market share in Norfolk County, reflecting the significantly lower balance of total bank and thrift deposits maintained in Norfolk County. The Company's \$248.3 million of deposits at the main office and three branch locations in Suffolk County represented a 0.4% market share of thrift and bank deposits at June 30, 2009. Comparatively, the two Norfolk County branches had \$91.7 million in total deposits and a 0.5% market share of total bank and thrift deposits at June 30, 2009. A 3.5% annual deposit growth rate in Suffolk County provided for a slight increase the Company's deposit market share during the three year period, while the Company's 81.8% annual deposit growth rate in Norfolk County served to increase its deposit market share from 0.1% at June 30, 2006 to 0.5% at June 30, 2009. Deposit growth in Norfolk County was supported by the acquisition of Brookline Co-Operative Bank, which added a second branch location in Norfolk County during the three year period.

As implied by the Company's low market shares of deposits, competition among financial institutions in the Company's market area is significant. Among the Company's competitors are much larger and more diversified institutions, which have greater resources than maintained by Peoples Federal Bancshares. Financial institution competitors in the Company's primary market area include other locally based thrifts and banks, as well as regional, super regional and money center banks. From a competitive standpoint, Peoples Federal Bancshares has sought to emphasize its community orientation in the markets served by its branches. There are a total of 46 banking institutions operating in Norfolk County with Peoples Federal Bancshares holding the 32nd largest market share of deposits, and 39 banking institutions operating in Suffolk County with Peoples Federal Bancshares holding the 15th largest market share of deposits. Table 2.5 lists the Company's largest competitors in the two counties currently served by its branches, based on deposit market share as noted parenthetically.

Table 2.5
Peoples Federal Bancshares, Inc.
Market Area Deposit Competitors

<u>Location</u>	<u>Name</u>
Norfolk County	RBS Citizens, NA (19.1%) Bank of America Corp. (17.5%) Sovereign Bank (7.4%) Peoples Federal (0.5%) - Rank of 32
Suffolk County	Bank of American Corp. (31.0%) State Street Corp. (29.6%) BONY Mellon Corp. (12.2%) Peoples Federal (0.4%) - Rank of 15

Source: FDIC

III. PEER GROUP ANALYSIS

This chapter presents an analysis of Peoples Federal Bancshares' operations versus a group of comparable savings institutions (the "Peer Group") selected from the universe of all publicly-traded savings institutions in a manner consistent with the regulatory valuation guidelines. The basis of the pro forma market valuation of Peoples Federal Bancshares is derived from the pricing ratios of the Peer Group institutions, incorporating valuation adjustments for key differences in relation to the Peer Group. Since no Peer Group can be exactly comparable to Peoples Federal Bancshares, key areas examined for differences are: financial condition; profitability, growth and viability of earnings; asset growth; primary market area; dividends; liquidity of the shares; marketing of the issue; management; and effect of government regulations and regulatory reform.

Peer Group Selection

The Peer Group selection process is governed by the general parameters set forth in the regulatory valuation guidelines. Accordingly, the Peer Group is comprised of only those publicly-traded savings institutions whose common stock is either listed on a national exchange (NYSE or AMEX), or is NASDAQ listed, since their stock trading activity is regularly reported and generally more frequent than non-publicly traded and closely-held institutions. Institutions that are not listed on a national exchange or NASDAQ are inappropriate, since the trading activity for thinly-traded or closely-held stocks is typically highly irregular in terms of frequency and price and thus may not be a reliable indicator of market value. We have also excluded from the Peer Group those companies under acquisition or subject to rumored acquisition, mutual holding companies and recent conversions, since their pricing ratios are subject to unusual distortion and/or have limited trading history. A recent listing of the universe of all publicly-traded savings institutions is included as Exhibit III-1.

Ideally, the Peer Group, which must have at least 10 members to comply with the regulatory valuation guidelines, should be comprised of locally- or regionally-based

institutions with comparable resources, strategies and financial characteristics. There are approximately 149 publicly-traded institutions nationally and, thus, it is typically the case that the Peer Group will be comprised of institutions with relatively comparable characteristics. To the extent that differences exist between the converting institution and the Peer Group, valuation adjustments will be applied to account for the differences. Since Peoples Federal Bancshares will be a full public company upon completion of the offering, we considered only full public companies to be viable candidates for inclusion in the Peer Group. From the universe of publicly-traded thrifts, we selected ten institutions with characteristics similar to those of Peoples Federal Bancshares. In the selection process, we applied two “screens” to the universe of all public companies that were eligible for consideration:

- o Screen #1 New England institutions with assets between \$225 million and \$1.225 billion, tangible equity-to-assets ratios of greater than 7.5% and positive core earnings. Four companies met the criteria for Screen #1 and all four were included in the Peer Group: LSB Corp. of Massachusetts, Mayflower Bancorp, Inc. of Massachusetts, Newport Bancorp, Inc. of Rhode Island and Westfield Financial, Inc. of Massachusetts. Exhibit III-2 provides financial and public market pricing characteristics of all publicly-traded New England thrifts.
- o Screen #2 Mid-Atlantic institutions with assets between \$225 million and \$1.225 billion, tangible equity-to-assets ratios of greater than 7.5% and positive core earnings. Six companies met the criteria for Screen #2 and all six were included in the Peer Group: Beacon Federal Bancorp of New York, ESSA Bancorp, Inc. of Pennsylvania, Elmira Savings Bank of New York, Rome Bancorp, Inc. of New York, TF Financial Corp. of Pennsylvania and WVS Financial Corp. of Pennsylvania. Exhibit III-3 provides financial and public market pricing characteristics of all publicly-traded Mid-Atlantic thrifts.

Table 3.1 shows the general characteristics of each of the 10 Peer Group companies and Exhibit III-4 provides summary demographic and deposit market share data for the primary market areas served by each of the Peer Group companies. While there are expectedly some differences between the Peer Group companies and Peoples Federal Bancshares, we believe that the Peer Group companies, on average, provide a good basis for valuation subject to valuation adjustments. The following sections present a comparison of Peoples Federal Bancshares’ financial condition,

Table 3.1
Peer Group of Publicly-Traded Thrifts
February 26, 2010

<u>Ticker</u>	<u>Financial Institution</u>	<u>Exchange</u>	<u>Primary Market</u>	<u>Operating Strategy(1)</u>	<u>Total Assets(2)</u>	<u>Offices</u>	<u>Fiscal Year</u>	<u>Conv. Date</u>	<u>Stock Price</u> (\$)	<u>Market Value</u> (\$Mil)
WFD	Westfield Financial Inc. of MA	NASDAQ	Westfield, MA	Thrift	\$1,191	11	12-31	01/07	\$8.29	\$247
BFED	Beacon Federal Bancorp of NY	NASDAQ	East Syracuse NY	Thrift	\$1,070	8	12-31	10/07	\$9.00	\$59
ESSA	ESSA Bancorp, Inc. of PA	NASDAQ	Stroudsburg, PA	Thrift	\$1,034	13	09-30	04/07	\$11.70	\$165
LSBX	LSB Corp. of No. Andover MA	NASDAQ	North Andover, MA	Thrift	\$807	7	12-31	05/86	\$11.72	\$53
THRD	TF Financial Corp. of Newtown PA	NASDAQ	Newtown, PA	Thrift	\$714	15	12-31	07/94	\$18.75	\$50
ESBK	Elmira Savings Bank, FSB of NY	NASDAQ	Elmira, NY	Thrift	\$506	11	12-31	03/85	\$15.61	\$30
NFSB	Newport Bancorp, Inc. of RI	NASDAQ	Newport, RI	Thrift	\$459	5	12-31	07/06	\$11.95	\$46
WVFC	WVS Financial Corp. of PA	NASDAQ	Pittsburgh, PA	Thrift	\$392	6	06-30	11/93	\$14.55	\$30
ROME	Rome Bancorp, Inc. of Rome NY	NASDAQ	Rome, NY	Thrift	\$330	5	12-31	03/05	\$8.55	\$59
MFLR	Mayflower Bancorp, Inc. of MA	NASDAQ	Middleboro, MA	Thrift	\$246	7	04-30	12/87	\$6.99	\$15

NOTES: (1) Operating strategies are: Thrift=Traditional Thrift, M.B.=Mortgage Banker, R.E.=Real Estate Developer, Div.=Diversified and Ret.=Retail Banking.

(2) Most recent quarter end available (E=Estimated and P=Pro Forma).

Source: SNL Financial, L.C.

income and expense trends, loan composition, interest rate risk and credit risk versus the Peer Group as of the most recent publicly available date.

In addition to the selection criteria used to identify the Peer Group companies, a summary description of the key comparable characteristics of each of the Peer Group companies relative to Peoples Federal Bancorp's characteristics is detailed below.

- o Beacon Federal Bancorp of New York. Selected due to comparable size of branch network, similar interest-earning asset composition, comparable return on average assets, comparable concentration of 1-4 family loans and mortgage-backed securities comprising assets, lending diversification emphasis on commercial real estate loans and similar ratio of non-performing assets as a percent of assets.
- o ESSA Bancorp, Inc. of Pennsylvania. Selected due to relatively high equity-to-assets ratio, comparable return on average assets, comparable level of operating expenses as a percent of average assets, lending diversification emphasis on commercial real estate loans and similar ratio of non-performing assets as a percent of assets.
- o Elmira Savings Bank of New York. Selected due to comparable asset size, similar interest-bearing funding composition, similar net interest margin, comparable concentration of 1-4 family loans and mortgage-backed securities comprising assets, lending diversification emphasis on commercial real estate loans and relatively favorable credit quality measures.
- o LSB Corp. of Massachusetts. Selected due to Massachusetts market area, comparable size of branch network, similar earnings contribution from non-interest operating income, lending diversification emphasis on commercial real estate loans and relatively favorable credit quality measures.
- o Mayflower Bancorp, Inc. of Massachusetts. Selected due to Massachusetts market area, comparable size of branch network, comparable return on average assets, comparable net interest margin, lending diversification emphasis on commercial real estate loans and relatively favorable credit quality measures.
- o Newport Bancorp, Inc. of Rhode Island. Selected due to comparable asset size, comparable size of branch network, relatively high equity-to-assets ratio, similar interest-earning asset composition, comparable net interest margin, comparable concentration of 1-4 family loans as a percent of assets, lending diversification emphasis on commercial real estate loans and relatively favorable credit quality measures.
- o Rome Bancorp, Inc. of New York. Selected due to comparable size of branch network, relatively high equity-to-assets ratio, comparable concentration of 1-4 family loans as a percent assets, lending diversification emphasis on commercial real estate loans and relatively favorable credit quality measures.

- o TF Financial Corp. of Pennsylvania. Selected due to similar interest-earning asset composition, similar interest-bearing funding composition, comparable return on average assets, similar earnings contribution from sources of non-interest operating income, comparable level of operating expenses as a percent of average assets, comparable concentration of 1-4 family loans as a percent of assets, lending diversification emphasis on commercial real estate loans and relatively favorable credit quality measures.
- o WVS Financial Corp. of Pennsylvania. Selected due to same size of branch network, comparable concentration of 1-4 family loans and mortgage-backed securities as a percent of assets and relatively favorable credit quality measures.
- o Westfield Financial Inc. of Massachusetts. Selected due to Massachusetts market area, relatively high equity-to-assets ratio, comparable return on average assets, similar earnings contribution from sources of non-interest operating income, comparable concentration of 1-4 family loans and mortgage-backed securities as a percent of assets, lending diversification emphasis on commercial real estate loans and relatively favorable credit quality measures.

In aggregate, the Peer Group companies maintained a higher level of tangible equity than the industry average (12.0% of assets versus 10.7% for all public companies), generated higher core earnings as a percent of average assets (0.56% core ROAA versus a net loss of 0.24% for all public companies), and earned a higher core ROE (4.91% core ROE versus negative 1.26% for all public companies). Overall, the Peer Group's average P/TB ratio and average core P/E multiple were above and similar to the respective averages for all publicly-traded thrifts.

	All <u>Publicly-Traded</u>	<u>Peer Group</u>
<u>Financial Characteristics (Averages)</u>		
Assets (\$Mil)	\$3,033	\$675
Market capitalization (\$Mil)	\$354	\$75
Tangible equity/assets (%)	10.70%	12.00%
Core return on average assets (%)	(0.24)	0.56
Core return on average equity (%)	(1.26)	4.91
<u>Pricing Ratios (Averages)(1)</u>		
Core price/earnings (x)	18.55x	19.15x
Price/tangible book (%)	79.28%	89.61%
Price/assets (%)	8.16	10.31

(1) Based on market prices as of February 26, 2010.

Ideally, the Peer Group companies would be comparable to Peoples Federal Bancshares in terms of all of the selection criteria, but the universe of publicly-traded thrifts does not provide for an appropriate number of such companies. However, in general, the companies selected for the Peer Group were fairly comparable to Peoples Federal Bancshares, as will be highlighted in the following comparative analysis.

Financial Condition

Table 3.2 shows comparative balance sheet measures for People Federal Bancshares and the Peer Group, reflecting the expected similarities and some differences given the selection procedures outlined above. The Company's and the Peer Group's ratios reflect balances as of December 31, 2009, unless indicated otherwise for the Peer Group companies. Peoples Federal Bancshares' equity-to-assets ratio of 10.7% was below the Peer Group's average net worth ratio of 12.4%. However, the Company's pro forma capital position will increase with the addition of stock proceeds, providing the Company with an equity-to-assets ratio that will exceed the Peer Group's ratio. Tangible equity-to-assets ratios for the Company and the Peer Group equaled 10.7% and 12.0%, respectively. The increase in Peoples Federal Bancshares' pro forma capital position will be favorable from a risk perspective and in terms of future earnings potential that could be realized through leverage and lower funding costs. At the same time, the Company's higher pro forma capitalization will initially depress return on equity. Both Peoples Federal Bancshares' and the Peer Group's capital ratios reflected capital surpluses with respect to the regulatory capital requirements.

The interest-earning asset compositions for the Company and the Peer Group were somewhat similar, with loans constituting the bulk of interest-earning assets for both Peoples Federal Bancshares and the Peer Group. The Company's loans-to-assets ratio of 77.5% was above the comparable Peer Group ratio of 61.4%. Comparatively, the Company's cash and investments-to-assets ratio of 17.7% was below the comparable ratio for the Peer Group of 33.9%. Overall, Peoples Federal Bancshares' interest-earning assets amounted to 95.2% of assets, which approximated

Table 3.2
Balance Sheet Composition and Growth Rates
Comparable Institution Analysis
As of December 31, 2009

	Balance Sheet as a Percent of Assets										Balance Sheet Annual Growth Rates						Regulatory Capital			
	Cash & Equivalents	MBS & Invest	BOLI	Loans	Deposits	Borrowed Funds	Subd. Debt	Net Worth	Goodwill & Intang	Trig Net Worth	Assets	MBS, Cash & Investments	Loans	Deposits	Borrows & Subdebt	Net Worth	Trig Net Worth	Tangible	Core	Req.Cap.
Peoples Federal Bancshares December 31, 2009	16.6%	1.1%	2.4%	77.5%	76.8%	11.2%	0.0%	10.7%	0.0%	10.7%	8.17%	70.65%	0.18	17.47%	-27.02%	5.56%	5.56%	10.68%	10.68%	17.27%
All Public Comparables																				
Averages	4.7%	20.4%	1.4%	68.7%	70.9%	15.9%	0.5%	11.5%	0.9%	10.7%	5.72%	14.83%	2.83%	12.99%	-15.55%	3.32%	3.74%	10.06%	9.95%	16.41%
Medians	3.7%	18.1%	1.4%	70.1%	71.8%	14.2%	0.0%	10.3%	0.0%	9.4%	3.34%	10.37%	1.08%	10.15%	-15.19%	0.91%	0.89%	9.22%	9.15%	13.87%
State of MA																				
Averages	3.4%	22.8%	1.4%	68.4%	68.2%	17.1%	0.3%	13.7%	0.9%	12.8%	8.02%	8.54%	7.28%	15.20%	-9.52%	6.01%	4.59%	14.17%	11.26%	17.77%
Medians	3.3%	19.8%	1.4%	70.5%	68.2%	15.7%	0.0%	14.2%	0.0%	11.6%	3.13%	12.72%	2.69%	10.44%	-14.64%	0.17%	0.17%	14.17%	10.49%	15.68%
Comparable Group																				
Averages	3.4%	30.5%	1.6%	61.4%	61.1%	25.7%	0.0%	12.4%	0.3%	12.0%	2.36%	7.58%	1.92%	9.05%	-12.30%	7.49%	4.53%	8.04%	7.95%	13.10%
Medians	2.4%	24.0%	1.5%	67.0%	61.0%	25.4%	0.0%	10.4%	0.0%	9.4%	3.56%	1.33%	0.48%	8.62%	-7.79%	0.07%	0.04%	8.04%	7.95%	13.10%
Comparable Group 2																				
Averages	1.1%	19.2%	1.0%	76.1%	63.7%	26.5%	0.0%	9.4%	0.0%	9.4%	6.07%	-0.70%	6.56%	15.15%	-8.98%	0.10%	0.10%	NA	NA	NA
Medians	2.1%	23.3%	1.5%	70.6%	38.7%	42.7%	0.0%	17.6%	0.0%	17.6%	0.12%	-5.20%	1.59%	7.05%	-2.79%	-6.13%	6.13%	NA	NA	NA
Comparable Group 3																				
Averages	7.2%	24.7%	1.5%	62.0%	71.2%	17.2%	0.0%	10.7%	2.6%	8.1%	9.37%	48.11%	-2.40%	5.53%	14.53%	34.50%	NM	NA	NA	NA
Medians	2.3%	31.2%	1.4%	63.4%	58.4%	31.6%	0.0%	9.5%	0.0%	10.66%	10.66%	-1.55%	18.62%	17.73%	-6.59%	49.21%	49.21%	NA	NA	NA
Comparable Group 4																				
Averages	6.3%	39.6%	0.0%	49.9%	87.7%	3.5%	0.0%	8.3%	0.0%	8.3%	1.05%	16.64%	-7.07%	4.29%	-46.52%	6.52%	6.60%	NA	7.86%	NA
Medians	4.2%	12.4%	2.3%	76.6%	57.1%	30.8%	0.0%	11.2%	0.0%	11.2%	6.14%	3.35%	5.55%	14.33%	-2.73%	-5.38%	5.38%	NA	NA	NA
Comparable Group 5																				
Averages	2.3%	4.4%	2.9%	86.6%	65.7%	14.5%	0.0%	18.3%	0.0%	18.3%	-2.36%	22.48%	-4.30%	5.20%	-27.83%	0.03%	0.03%	NA	NA	NA
Medians	1.8%	18.6%	2.4%	74.4%	77.4%	11.2%	0.0%	10.0%	0.6%	9.4%	-2.97%	-6.88%	-2.79%	12.83%	-52.28%	3.97%	4.25%	NA	NA	NA
Comparable Group 6																				
Averages	4.4%	78.9%	0.0%	15.3%	36.9%	54.3%	0.0%	7.8%	0.0%	7.8%	-11.96%	-14.92%	4.10%	-1.85%	-19.01%	-3.05%	3.05%	8.04%	8.04%	13.10%
Medians	2.4%	52.4%	3.3%	39.4%	54.4%	24.2%	0.0%	20.8%	0.0%	20.8%	7.43%	14.44%	-0.63%	10.19%	29.23%	-4.86%	4.86%	NA	NA	NA

(1) Financial information is for the quarter ending September 30, 2009.

Source: SNL Financial, L.C. and RP[®] Financial, L.C. 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.

the comparable Peer Group ratio of 95.3%. The Peer Group's non-interest earning assets included bank-owned life insurance ("BOLI") equal to 1.6% of assets and goodwill/intangibles equal to 0.3% of assets, while the Company maintained BOLI equal to 2.4% of assets and a zero balance of goodwill and intangibles.

Peoples Federal Bancshares' funding liabilities reflected a funding strategy that was somewhat similar to that of the Peer Group's funding composition. The Company's deposits equaled 76.8% of assets, which was above the Peer Group's ratio of 61.1%. Comparatively, the Company maintained a lower level of borrowings than the Peer Group, as indicated by borrowings-to-assets ratios of 11.2% and 25.7% for Peoples Federal Bancshares and the Peer Group, respectively. Total interest-bearing liabilities maintained by the Company and the Peer Group, as a percent of assets, equaled 88.0% and 86.8%, respectively, with the Peer Group's lower ratio supported by maintenance of a higher capital position.

A key measure of balance sheet strength for a thrift institution is its IEA/IBL ratio. Presently, the Company's IEA/IBL ratio is slightly lower than the Peer Group's ratio, based on IEA/IBL ratios of 108.2% and 109.8%, respectively. The additional capital realized from stock proceeds should serve to provide Peoples Federal Bancshares with an IEA/IBL ratio that exceeds 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. Peoples Federal Bancshares' and the Peer Group's growth rates are based on annual growth rates for the fifteen and twelve months ended December 31, 2009, respectively, or the most recent twelve month period available for the Peer Group companies. Peoples Federal Bancshares recorded asset growth of 8.2%, which exceeded the Peer Group's asset growth rate of 2.4%. Asset growth for Peoples Federal Bancshares was primarily sustained through growth of cash and cash equivalents (70.7% growth rate) supplemented with very modest growth of loans (0.2% growth rate). Asset growth for the Peer Group was sustained by a 1.9% increase in loans and a 7.6% increase in cash and investments.

Asset growth for Peoples Federal Bancshares was funded with a 17.5% increase in deposits, which funded a 27.0% reduction in borrowings as well. Similarly, deposit growth of 9.1% funded the Peer Group's asset growth, as well as a 12.3% decrease in borrowings. The Company's capital increased at an annualized rate of 5.6% during the 15 month period, which was mostly related to the retention of earnings. Comparatively, the Peer Group's capital increased by 7.5% during the twelve month period, which was supported by retention of earnings as well as the receipt of TARP funds by a few of the Peer Group companies. The Company's post-conversion capital growth rate will initially be constrained by maintenance of a higher pro forma capital position. Dividend payments and stock repurchases, pursuant to regulatory limitations and guidelines, could also potentially slow the Company's capital growth rate in the longer term following the stock offering.

Income and Expense Components

Table 3.3 displays statements of operations for the Company and the Peer Group. The Company's and the Peer Group's ratios are based on earnings for the twelve months ended December 31, 2009, unless otherwise indicated for the Peer Group companies. Peoples Federal Bancshares and the Peer Group reported net income average assets ratios of 0.57% and 0.60%, respectively. Higher levels of net interest income and net gains and a lower level of loan loss provisions represented earnings advantages for the Company, while a higher level of non-interest operating income and a lower level of operating expenses represented earnings advantages for the Peer Group.

The Company's stronger net interest margin was realized through maintenance of a lower interest expense ratio, which was partially offset by the Peer Group higher interest income ratio. The Peer Group's higher interest income ratio was supported by maintaining a slightly higher overall yield earned on interest-earning assets (5.12% versus 5.06% for the Company) and a slightly higher concentration of assets maintained in interest-earning assets. The Company's lower interest expense ratio was supported by a lower cost of funds (2.17% versus 2.37% for the Peer Group), which was partially

Table 3.3
Income as Percent of Average Assets and Yields, Costs, Spreads
Comparable Institution Analysis
For the 12 Months Ended December 31, 2009

	Net Interest Income				Other Income				G&A/Other Exp.				Non-Op. Items				Yields, Costs, and Spreads				MEMO: Effective Tax Rate
	Net Income	Income Expense	NI Provis.	Loss on IEA	After Provis.	NI	Loan Fees	R.E. Oper.	Other Income	Total Income	G&A Expense	Goodwill Amort.	Net Gains	Extrao. Items	Yield On Assets	Cost Of Funds	Yld-Cost Spread	MEMO: Assets/ FTE Emp.			
<u>Peoples Federal Bancshares</u> December 31, 2009	0.57%	4.76%	1.77%	2.98%	0.03%	2.96%	0.00%	0.00%	0.29%	0.29%	2.50%	0.00%	0.17%	0.00%	5.06%	2.17%	2.89%	\$7,205	38.64%		
<u>All Public Companies</u> Averages	-0.09%	4.98%	2.07%	2.91%	0.85%	2.06%	0.02%	-0.06%	0.80%	0.76%	2.71%	0.11%	-0.06%	0.03%	5.29%	2.39%	2.90%	\$6,125	31.55%		
Medians	0.28%	5.00%	2.02%	2.94%	0.45%	2.37%	0.00%	0.00%	0.60%	0.58%	2.72%	0.00%	0.00%	0.00%	5.28%	2.39%	2.93%	\$4,803	32.10%		
<u>State of MA</u> Averages	0.21%	4.87%	1.93%	2.94%	0.40%	2.54%	0.01%	-0.02%	0.49%	0.48%	2.55%	0.02%	-0.11%	0.00%	5.14%	2.27%	2.87%	\$4,806	32.60%		
Medians	0.33%	4.88%	1.85%	2.96%	0.26%	2.70%	0.00%	-0.01%	0.46%	0.43%	2.73%	0.00%	-0.02%	0.00%	5.16%	2.23%	2.92%	\$4,985	32.93%		
<u>Comparable Group</u> Averages	0.60%	4.87%	2.06%	2.81%	0.23%	2.58%	0.01%	-0.01%	0.51%	0.51%	2.33%	0.01%	0.01%	0.00%	5.12%	2.37%	2.75%	\$5,902	31.29%		
Medians	0.56%	5.11%	2.08%	2.91%	0.18%	2.68%	0.00%	0.00%	0.45%	0.46%	2.45%	0.00%	-0.02%	0.00%	5.36%	2.33%	2.80%	\$4,921	30.08%		
<u>Comparable Group</u> BFED Beacon Federal Bancorp of NY (1)	0.60%	5.37%	2.74%	2.63%	0.85%	1.78%	0.00%	0.00%	0.49%	0.49%	1.60%	0.00%	-0.17%	0.00%	5.55%	3.05%	2.49%	NM	NM		
ESSA ESSA Bancorp, Inc. of PA	0.53%	5.00%	2.19%	2.81%	0.16%	2.65%	0.05%	-0.12%	0.72%	0.65%	2.53%	0.00%	0.02%	0.00%	5.20%	2.71%	2.49%	\$5,809	28.99%		
ESBK Elmira Savings Bank, FSB of NY (1)	0.91%	5.21%	2.02%	3.19%	0.22%	2.96%	0.00%	0.00%	1.07%	1.07%	2.89%	0.05%	-0.09%	0.00%	5.56%	2.29%	3.27%	NM	41.57%		
LSBX LSB Crp. of No. Andover MA (1)	0.94%	5.23%	2.81%	2.41%	0.20%	2.21%	0.03%	-0.01%	0.30%	0.32%	1.67%	0.00%	-0.01%	0.00%	5.40%	3.11%	2.29%	NM	NM		
MFLR Mayflower Bancorp, Inc. of MA	0.47%	4.67%	1.59%	3.08%	0.03%	3.05%	0.04%	-0.03%	0.41%	0.42%	3.14%	0.01%	0.35%	0.00%	4.96%	1.74%	3.22%	\$3,727	31.17%		
NFSB Newport Bancorp, Inc. of RI	0.16%	5.15%	2.14%	3.01%	0.13%	2.88%	0.00%	0.00%	0.54%	0.54%	2.97%	0.00%	-0.06%	0.00%	5.50%	2.44%	3.06%	NM	47.59%		
ROME Rome Bancorp, Inc. of Rome NY	0.92%	5.17%	1.27%	3.90%	0.09%	3.81%	0.00%	0.00%	0.73%	0.73%	3.15%	0.00%	0.03%	0.00%	5.52%	1.58%	3.94%	NM	31.52%		
THRD TF Financial Corp. of Newtown PA	0.63%	5.07%	1.94%	3.13%	0.41%	2.73%	0.01%	0.05%	0.31%	0.37%	2.37%	0.00%	0.15%	0.00%	5.32%	2.18%	3.14%	\$4,032	23.61%		
WVFC WVS Financial Corp. of PA	0.34%	3.34%	2.17%	1.17%	-0.08%	1.25%	0.00%	0.00%	0.17%	0.17%	0.86%	0.00%	-0.04%	0.00%	3.38%	2.37%	1.00%	\$10,040	26.25%		
WFD Westfield Financial Inc. of MA	0.47%	4.48%	1.71%	2.78%	0.33%	2.44%	0.00%	-0.01%	0.39%	0.38%	2.12%	0.00%	-0.10%	0.00%	4.82%	2.27%	2.55%	NM	17.65%		

(1) Financial information is for the quarter ending September 30, 2009.

Source: SNL Financial, L.C. and RP[®] Financial, L.C. 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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offset by the Peer Group's slightly lower level of interest-bearing liabilities. Overall, Peoples Federal Bancshares and the Peer Group reported net interest income to average assets ratios of 2.98% and 2.81%, respectively.

In another key area of core earnings strength, the Peer Group maintained a lower level of operating expenses than the Company. For the period covered in Table 3.3, the Company and the Peer Group reported operating expense to average assets ratios of 2.50% and 2.34%, respectively. The Company's higher operating expense ratio is reflective of the higher costs associated with operating in a large metropolitan area, as the Peer Group's lower operating expense ratio was achieved notwithstanding maintenance of a comparatively lower ratio of assets per full time equivalent employees. Assets per full time equivalent employee equaled \$7.2 million for Peoples Federal Bancshares versus \$5.9 million for the Peer Group. On a post-offering basis, the Company'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, Peoples Federal Bancshares' capacity to leverage operating expenses will be greater than 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 Company's and the Peer Group's earnings were comparable. Expense coverage ratios posted by Peoples Federal Bancshares and the Peer Group equaled 1.19x and 1.20x, respectively.

Sources of non-interest operating income provided a larger contribution to the Peer Group's earnings, with such income amounting to 0.29% and 0.51% of Peoples Federal Bancshares's and the Peer Group's average assets, respectively. The Company's relatively low earnings contribution realized from non-interest operating

income is indicative of its limited diversification into areas that generate revenues from non-interest sources. Taking non-interest operating income into account in comparing the Company's and the Peer Group's earnings, Peoples Federal Bancshares' 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 76.5% percent was less favorable than the Peer Group's efficiency ratio of 70.2%.

Loan loss provisions had a larger impact on the Peer Group's earnings, with loan loss provisions established by the Company and the Peer Group equaling 0.03% and 0.23% of average assets, respectively. The level of loan provisions established by both the Company and the Peer Group was indicative of their relatively favorable credit quality measures.

Net gains realized from the sale of assets had a larger impact on the Company's earnings, as the Company and the Peer Group reported net gains equal to 0.17% and 0.01% of average assets, respectively. Typically, gains and losses generated from the sale of assets 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. Comparatively, to the extent that gains have been derived through selling fixed rate loans into the secondary market, which accounted for about half of the Company's net gains recorded during the twelve month period, such gains may be considered to be an ongoing activity for an institution and, therefore, warrant some consideration as a core earnings factor. However, loan sale gains are still viewed as a more volatile source of income than income generated through the net interest margin and non-interest operating income. Extraordinary items were not a factor in either the Company's or the Peer Group's earnings.

Taxes had a larger impact on the Company's earnings, as the Company and the Peer Group posted effective tax rates of 38.64% and 31.29%, respectively. As indicated in the prospectus, the Company's effective marginal tax rate is equal to 40.2%.

Loan Composition

Table 3.4 presents data related to the Company's and the Peer Group's loan portfolio compositions (including the investment in mortgage-backed securities). The Company's loan portfolio composition reflected a lower concentration of 1-4 family permanent mortgage loans and mortgage-backed securities than maintained by the Peer Group (47.9% of assets versus 54.4% for the Peer Group). The Company maintained a higher concentration of 1-4 family permanent mortgage loans, which was more than offset by the higher concentration of mortgage-backed securities maintained by the Peer Group. Loans serviced for others equaled 9.4% and 7.8% of the Company's and the Peer Group's assets, respectively, thereby indicating a slightly greater influence of loan servicing income on the Company's earnings. Both the Company and the Peer Group maintained very modest balances of loan servicing intangibles.

Diversification into higher risk and higher yielding types of lending was fairly comparable for the Company and the Peer Group. Commercial real estate/multi-family loans represented the most significant area of lending diversification for the Company (21.5% of assets), followed by consumer loans, inclusive of home equity loans and lines of credit, (4.5% of assets). Likewise, the Peer Group's lending diversification also consisted primarily of commercial real estate/multi-family loans (15.8% of assets), with other areas of lending diversification reflecting fairly even distribution between commercial business loans (4.9% of assets), consumer loans (3.3% of assets) and construction/land loans (3.2% of assets). Lending diversification for the Company also included commercial business loans (0.9% of assets) and construction/land loans (3.6% of assets). Overall, the composition of the Company's assets provides for a slightly higher risk weighted assets-to-assets ratio compared to the Peer Group's ratio (65.50% versus 62.99% for the Peer Group).

Interest Rate Risk

Table 3.5 reflects various key ratios highlighting the relative interest rate risk exposure of the Company versus the Peer Group. In terms of balance sheet

Table 3.4
Loan Portfolio Composition and Related Information
Comparable Institution Analysis
As of December 31, 2009

Institution	Portfolio Composition as a Percent of Assets							RWA/ Assets (%)	Serviced For Others (\$000)	Servicing Assets (\$000)
	MBS (%)	1-4 Family (%)	Constr. & Land RE (%)	5+Unit Comm RE (%)	Business (%)	Commerc. (%)	Consumer (%)			
Peoples Federal Bancshares	0.20%	47.65%	3.59%	21.52%	0.94%		4.48%	65.50%	\$45,530	\$160
<u>All Public Companies</u>										
Averages	12.48%	35.14%	5.33%	22.06%	4.64%		2.47%	65.98%	\$644,274	\$6,356
Medians	10.12%	35.37%	4.06%	20.03%	3.52%		0.66%	66.52%	\$48,190	\$152
<u>State of MA</u>										
Averages	14.11%	29.46%	3.88%	27.31%	7.10%		2.81%	69.99%	\$60,984	\$254
Medians	9.85%	32.22%	4.45%	26.20%	7.53%		0.50%	71.08%	\$48,190	\$148
<u>Comparable Group</u>										
Averages	19.63%	34.79%	3.18%	15.82%	4.90%		3.33%	62.99%	\$52,750	\$357
Medians	15.78%	35.13%	2.53%	14.36%	3.09%		0.32%	62.53%	\$31,105	\$224
<u>Comparable Group</u>										
BFED Beacon Federal Bancorp of NY (1)	15.03%	37.37%	2.25%	12.78%	9.45%		15.99%	75.28%	\$125,030	\$900
ESSA ESSA Bancorp, Inc. of PA	16.53%	63.14%	0.83%	5.15%	1.88%		0.18%	47.86%	\$43,890	\$323
ESBK Elmira Savings Bank, FSB of NY (1)	13.91%	32.89%	0.37%	12.12%	7.59%		7.84%	58.72%	\$128,130	\$1,018
LSBX LSB Corp. of No. Andover MA (1)	22.18%	19.64%	7.78%	34.46%	3.97%		0.08%	67.64%	\$18,320	\$0
MFLR Mayflower Bancorp, Inc. of MA	25.07%	30.59%	4.81%	11.14%	2.20%		0.66%	56.71%	\$85,190	\$506
NFSB Newport Bancorp, Inc. of RI	9.78%	47.04%	2.81%	27.05%	0.41%		0.05%	65.64%	\$5,450	\$0
ROME Rome Bancorp, Inc. of Rome NY	0.00%	52.91%	1.33%	15.93%	9.45%		7.59%	74.08%	\$18,100	\$125
THRD TF Financial Corp. of Newtown PA	11.48%	49.62%	5.83%	18.26%	0.94%		0.36%	58.89%	\$92,240	\$636
WVFC WVS Financial Corp. of PA	38.88%	6.01%	4.95%	3.29%	1.00%		0.28%	61.24%	\$0	\$0
WFD Westfield Financial Inc. of MA	43.43%	8.67%	0.83%	18.04%	12.11%		0.27%	63.82%	\$11,150	\$0

(1) Financial information is for the quarter ending September 30, 2009.

Source: SNL Financial L.C. and RP® Financial, L.C. 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.

Table 3.5
Interest Rate Risk Measures and Net Interest Income Volatility
Comparable Institution Analysis
As of December 31, 2009 or Most Recent Date Available

Institution	Balance Sheet Measures		Quarterly Change in Net Interest Income (change in net interest income is annualized in basis points)						
	Equity/ Assets (%)	IEA/ IBL (%)	12/31/2009	9/30/2009	6/30/2009	3/31/2009	12/31/2008	9/30/2008	
Peoples Federal Bancshares	10.7%	108.2%	4.8%	-1	-19	-12	-19	-15	29
All Public Companies	10.6%	106.9%	6.1%	6	7	0	-4	-3	10
State of MA	12.8%	110.9%	5.3%	15	9	3	-10	-1	12
Comparable Group									
Averages	12.0%	110.1%	4.7%	9	3	-7	-6	0	8
Medians	9.5%	107.3%	4.8%	5	6	3	-3	-4	8
Comparable Group									
BFED Beacon Federal Bancorp of NY (1)	9.4%	106.9%	3.6%	NA	5	5	9	-21	22
ESSA ESSA Bancorp, Inc. of PA	17.6%	117.9%	4.0%	0	-2	6	1	-6	3
ESBK Elmira Savings Bank, FSB of NY (1)	8.1%	106.2%	6.1%	NA	20	-62	34	7	22
LSBX LSB Corp. of No. Andover MA (1)	9.5%	107.7%	3.1%	NA	11	4	6	-15	9
MFLR Mayflower Bancorp, Inc. of MA	8.3%	105.0%	4.3%	33	7	2	-16	-1	11
NFSB Newport Bancorp, Inc. of RI	11.2%	106.0%	6.8%	14	9	5	-11	4	-12
ROME Rome Bancorp, Inc. of Rome NY	18.3%	116.4%	6.7%	9	-1	-2	-9	3	4
THRD TF Financial Corp. of Newtown PA	9.4%	106.8%	5.3%	5	12	6	10	-7	12
WVFC WVS Financial Corp. of PA	7.8%	108.2%	1.3%	-3	-26	-16	-77	42	6
WFD Westfield Financial Inc. of MA	20.8%	119.9%	5.8%	4	-1	-14	-6	-9	5

(1) Financial information is for the quarter ending September 30, 2009.
NA=Change is greater than 100 basis points during the quarter.

Source: SNL Financial LC. 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.

composition, Peoples Federal Bancshares' interest rate risk characteristics were considered to be slightly less favorable relative to the comparable measures for the Peer Group. Most notably, the Company's tangible equity-to-assets ratio and IEA/IBL ratio were slightly below the comparable Peer Group ratios. The Company's level of non-interest earning assets approximated the Peer Group's ratio. On a pro forma basis, the infusion of stock proceeds should serve to provide the Company with comparative advantages over the Peer Group's balance sheet interest rate risk characteristics, with respect to the increases that will be realized in Company's equity-to-assets and IEA/IBL ratios.

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 Peoples Federal Bancshares and the Peer Group. In general, the more significant fluctuations in the Company's ratios implied that the interest rate risk associated with the Company's net interest income was greater in comparison to the Peer Group, based on the interest rate environment that prevailed during the period covered in Table 3.5. The stability of the Company's net interest margin should be enhanced by the infusion of stock proceeds, as interest rate sensitive liabilities will be funding a lower portion of Peoples Federal Bancshares' assets and the proceeds will be substantially deployed into interest-earning assets.

Credit Risk

Overall, based on a comparison of credit quality measures, the Company's credit risk exposure was considered to be slightly greater than Peer Group's. As shown in Table 3.6, the Company's non-performing assets/assets and non-performing loans/loans ratios equaled 1.08% and 1.40%, respectively, versus comparable measures of 0.59% and 0.95% for the Peer Group. The Company's and Peer Group's loss reserves as a percent of non-performing loans equaled 60.15% and 128.80%, respectively. Loss reserves maintained as percent of net loans receivable equaled 0.84% for the Company, versus 1.15% for the Peer Group. Net loan charge-offs were

Table 3.6
Credit Risk Measures and Related Information
Comparable Institution Analysis
As of December 31, 2009 or Most Recent Date Available

Institution	REO/ Assets (%)	NPAs & 90+Del/ Assets (%)	NPLs/ Loans (%)	Rsvs/ Loans (%)	Rsvs/ NPLs (%)	Rsvs/ NPAs & 90+Del (%)	Net Loan Chargeoffs (\$000)	NLCs/ Loans (%)
Peoples Federal Bancshares	0.00%	1.08%	1.40%	0.84%	60.15%	60.15%	\$185	0.05%
<u>All Public Companies</u>								
Averages	0.45%	3.24%	3.40%	1.49%	69.04%	50.16%	\$1,395	0.65%
Medians	0.19%	2.56%	2.86%	1.28%	50.84%	37.66%	\$415	0.17%
<u>State of MA</u>								
Averages	0.11%	1.50%	1.94%	1.18%	106.26%	66.79%	\$662	0.33%
Medians	0.10%	0.93%	1.15%	1.12%	62.47%	57.14%	\$214	0.14%
<u>Comparable Group</u>								
Averages	0.06%	0.59%	0.95%	1.15%	128.80%	96.14%	\$376	0.27%
Medians	-0.01%	0.57%	0.79%	1.01%	117.91%	105.97%	\$71	0.07%
<u>Comparable Group</u>								
BFED	0.00%	1.23%	1.48%	1.88%	124.51%	116.05%	\$1,600	0.77%
ESSA	0.17%	0.99%	1.05%	0.84%	75.20%	56.39%	\$111	0.06%
ESSB	0.00%	0.68%	0.93%	1.02%	109.63%	89.21%	\$94	0.11%
LSBX	0.00%	0.36%	0.58%	1.34%	225.83%	215.88%	\$8	0.01%
MFLR	0.26%	0.43%	0.32%	1.02%	323.93%	121.32%	\$44	0.14%
NFSB	0.00%	0.00%	0.00%	0.98%	0.00%	0.00%	\$1	0.00%
ROME	0.00%	0.58%	0.67%	0.74%	111.33%	111.33%	\$49	0.07%
THRD	0.18%	0.58%	0.58%	0.97%	138.54%	104.76%	\$102	0.08%
WVFC	0.00%	0.42%	2.72%	1.07%	39.30%	39.30%	\$0	0.00%
WFD	0.14%	0.60%	1.15%	1.60%	199.76%	107.19%	\$1,752	1.47%

(1) Financial information is for the quarter ending September 30, 2009.

Source: Audited and unaudited financial statements, corporate reports and offering circulars, and RP[®] Financial, L.C. 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.

lower for the Company, as net loan charge-offs for the Company equaled 0.05% of loans versus 0.27% of loans for 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 the Company. 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, prepared pursuant to the regulatory valuation guidelines, and valuation adjustments and assumptions used to determine the estimated pro forma market value of the common stock to be issued in conjunction with the Company's conversion transaction.

Appraisal Guidelines

The OTS written appraisal guidelines specify the market value methodology for estimating the pro forma market value of an institution pursuant to a mutual-to-stock conversion. Pursuant to this methodology: (1) a peer group of comparable publicly-traded 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) a valuation analysis in which the pro forma market value of the subject company is determined based on the market pricing of the peer group as of the date of valuation, incorporating valuation adjustments for key differences. In addition, the pricing characteristics of recent conversions, both at conversion and in the aftermarket, 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 stock conversions, including closing pricing and aftermarket trading of such offerings. It should be noted that these valuation analyses cannot possibly fully account for all the market forces which impact trading activity and pricing characteristics of a particular stock on a given day.

The pro forma market value determined herein is a preliminary value for the Company's to-be-issued stock. Throughout the conversion process, RP Financial will: (1) review changes in Peoples Federal Bancshares' operations and financial condition; (2) monitor Peoples Federal Bancshares' 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 conversion offerings (including those in the offering phase), both regionally and nationally. If material changes should occur during the conversion process, 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 Company 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 Peoples Federal Bancshares' value, or Peoples Federal Bancshares' value alone. To the extent a change in factors impacting the Company's value can be reasonably anticipated and/or quantified, RP Financial has incorporated the estimated impact into the 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 Company and the Peer Group and how those differences affect the pro forma valuation. Emphasis is placed on the specific strengths and weaknesses of the Company 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 the Company 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 Company's and the Peer Group's financial strengths are noted as follows:

- Overall A/L Composition. In comparison to the Peer Group, the Company's interest-earning asset composition showed a higher concentration of loans and a lower concentration of investments. The Company and the Peer Group reflected comparable levels of diversification into higher risk and higher yielding types of loans. Overall, in comparison to the Peer Group, the Company's interest-earning asset composition provided for a similar yield earned on interest-earning assets and a slightly higher risk weighted assets-to-assets ratio. Peoples Federal Bancshares' funding composition reflected a higher level of deposits and a lower level of borrowings than the comparable Peer Group ratios, which translated into a lower cost of funds for the Company. Overall, as a percent of assets, the Company maintained a similar level of interest-earning assets and a slightly higher level of interest-bearing liabilities compared to the Peer Group's ratios, which resulted in a slightly higher IEA/IBL ratio for the Peer Group. After factoring in the impact of the net stock proceeds, the Company's IEA/IBL ratio should exceed the Peer Group's ratio. On balance, RP Financial concluded that asset/liability composition was a slightly positive factor in our adjustment for financial condition.
- Credit Quality. The Company's ratios for non-performing assets and non-performing loans were slightly less favorable than the comparable Peer Group ratios. Loss reserves as a percent of non-performing loans and as a percent of loans were higher for the Peer Group. Net loan charge-offs were a slightly larger factor for the Peer Group. As noted above, the Company's risk weighted assets-to-assets ratio was slightly higher than the Peer Group's ratio. Overall, RP Financial concluded that credit quality was a slightly negative factor in our adjustment for financial condition.
- Balance Sheet Liquidity. The Company operated with a lower level of cash and investment securities relative to the Peer Group (17.7% of assets versus

33.9% for the Peer Group). Following the infusion of stock proceeds, the Company's cash and investments ratio is expected to increase as the proceeds retained at the holding company level will be initially deployed into investments. The Company's future borrowing capacity was considered to be greater than the Peer Group's, given the higher level of borrowings currently funding the Peer Group's assets. Overall, RP Financial concluded that balance sheet liquidity was a slightly positive factor in our adjustment for financial condition.

- Funding Liabilities. The Company's interest-bearing funding composition reflected a higher concentration of deposits and a lower concentration of borrowings relative to the comparable Peer Group ratios, which translated into a lower cost of funds for the Company. Total interest-bearing liabilities as a percent of assets were slightly higher for the Company compared to the Peer Group's ratio, which was attributable to Peoples Federal Bancshares' lower capital position. Following the stock offering, the increase in the Company's capital position will reduce the level of interest-bearing liabilities funding the Company's assets. Overall, RP Financial concluded that funding liabilities were a slightly positive factor in our adjustment for financial condition.
- Capital. The Company currently operates with a lower equity-to-assets ratio than the Peer Group. However, following the stock offering, Peoples Federal Bancshares' pro forma capital position will exceed the Peer Group's equity-to-assets ratio. The increase in the Company'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 Company's more significant capital surplus will likely result in a lower ROE. On balance, RP Financial concluded that capital strength was a slightly positive factor in our adjustment for financial condition.

On balance, Peoples Federal Bancshares' balance sheet strength was considered to be more favorable than the Peer Group's and, thus, a slight upward adjustment was applied for the Company'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.

- Reported Earnings. The Company's reported earnings were comparable to the Peer Group's on a ROAA basis (0.57% of average assets versus 0.60% for the Peer Group). The Company maintained more favorable ratios for net interest income, loan loss provisions and net gains, which were offset by the Peer Group's more favorable ratios for non-interest operating income operating expenses and effective tax rate. Reinvestment of stock proceeds into interest-earning assets will serve to increase the Company's earnings, with the benefit of reinvesting proceeds expected to be somewhat offset by higher operating expenses associated with operating as a publicly-traded company and the implementation of stock benefit plans. Overall, the Company's pro forma reported earnings were considered to be fairly comparable to the Peer Group's and, thus, RP Financial concluded that no adjustment was appropriate for the Company's reported earnings.
- Core Earnings. Net interest income, operating expenses, non-interest operating income and loan loss provisions were reviewed in assessing the relative strengths and weaknesses of the Company's and the Peer Group's core earnings. In these measures, the Company operated with a higher net interest margin, a higher operating expense ratio and a lower level of non-interest operating income. The Company's higher ratios for net interest income and operating expenses translated into a similar expense coverage ratio in comparison to the Peer Group's ratio (equal to 1.19x versus 1.20X for the Peer Group). Comparatively, the Company's efficiency ratio of 76.5% was less favorable than the Peer Group's efficiency ratio of 70.2%, as the result of the Peer Group's higher level of non-interest operating income. Loan loss provisions had a more significant impact on the Peer Group's earnings. Overall, these measures, as well as the expected earnings benefits the Company should realize from the redeployment of stock proceeds into interest-earning assets and leveraging of post-conversion capital, which will be somewhat negated by expenses associated with the stock benefit plans and operating as a publicly-traded company, indicate that the Company's pro forma core earnings will be fairly comparable to the Peer Group's core earnings. Therefore, RP Financial concluded that this was a neutral factor in our adjustment for profitability, growth and viability of earnings.
- Interest Rate Risk. Quarterly changes in the Company's and the Peer Group's net interest income to average assets ratios indicated a higher degree of volatility was associated with the Company's net interest margin. Other measures of interest rate risk, such as capital and IEA/IBL ratios as well level of non-interest earning assets were in general slightly more favorable for the Peer Group. On a pro forma basis, the infusion of stock proceeds can be expected to provide the Company with equity-to-assets and IEA/ILB ratios that will be above the Peer Group ratios, as well as enhance the stability of the Company's net interest margin through the reinvestment of stock proceeds into interest-earning assets. On balance, RP Financial concluded that interest rate risk was a neutral factor in our adjustment for profitability, growth and viability of earnings.

- Credit Risk. Loan loss provisions were a larger factor in the Peer Group's earnings (0.23% of average assets versus 0.03% of average assets for the Company). In terms of future exposure to credit quality related losses, the Company maintained a higher concentration of assets in loans, while lending diversification into higher risk types of loans was similar for the Company and the Peer Group. Credit quality measures for non-performing assets and loss reserves as a percent of non-performing loans and loans were more favorable for the Peer Group. Overall, RP Financial concluded that credit risk was a slightly negative factor in our adjustment for profitability, growth and viability of earnings.
- Earnings Growth Potential. Several factors were considered in assessing earnings growth potential. First, the Company maintained a more favorable interest rate spread than the Peer Group, which would tend to support a stronger net interest margin going forward for the Company. Second, the infusion of stock proceeds will provide the Company with more significant growth potential through leverage than currently maintained by the Peer Group. Third, the Peer Group's higher ratio of non-interest operating income and lower operating expense ratio were viewed as advantages to sustain earnings growth during periods when net interest margins come under pressure as the result of adverse changes in interest rates. Overall, earnings growth potential was considered to be a slightly positive factor in our adjustment for profitability, growth and viability of earnings.
- Return on Equity. Currently, the Company's core ROE is similar to the Peer Group's ROE. Accordingly, as the result of the significant increase in capital that will be realized from the infusion of net stock proceeds into the Company's equity, the Company's pro forma return on equity on a core earnings basis will be less than the Peer Group's return on equity ratio. Accordingly, this was a slightly negative factor in the adjustment for profitability, growth and viability of earnings.

On balance, Peoples Federal Bancshares' pro forma earnings strength was considered to be comparable to the Peer Group's and, thus, no adjustment was applied for profitability, growth and viability of earnings.

3. Asset Growth

The Company's asset growth rate exceeded the Peer Group's growth rate during the period covered in our comparative analysis, based on growth rates of 8.2% and 2.4%, respectively. Asset growth for the Company largely consisted of lower yielding cash and cash equivalents, while the Peer Group's asset growth consisted of a

combination of loans and cash and investments. On a pro forma basis, the Company's tangible equity-to-assets ratio will exceed the Peer Group's tangible equity-to-assets ratio, indicating greater leverage capacity for the Company. On balance, a slight upward adjustment was applied for asset growth.

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. Peoples Federal Bancshares serves the Boston metropolitan area through the main office and five branch locations. Operating in a relatively slow growing densely populated market area provides the Company with growth opportunities, but such growth must be achieved in a highly competitive market environment. The Company competes against significantly larger institutions that provide a larger array of services and have significantly larger branch networks than maintained by Peoples Federal Bancshares. The competitiveness of the market area is highlighted by the Company's relatively low market share of deposits in the counties where its branches are maintained.

The Peer Group companies generally operate in less densely populated markets compared to Suffolk County, where the Company is headquartered and maintains most of its branches. Population growth for the primary market area counties served by the Peer Group companies reflect a wide range of growth rates, but overall population growth rates in the markets served by the Peer Group companies were viewed to be fairly comparable to Suffolk County's historical and projected population growth rates. Suffolk County has a slightly high per capita income compared to the Peer Group's average per capita income, while the Peer Group companies also generally operate in markets with a lower cost of living than Suffolk County. The average and median deposit market shares maintained by the Peer Group companies were significantly above the Company's market share of deposits in Suffolk County. Overall, the degree of competition faced by the Peer Group companies was viewed as significantly less than faced by the Company, while the growth potential in the markets served by the Peer Group companies was for the most part viewed to be similar as provided by the

Company's primary market area. Summary demographic and deposit market share data for the Company and the Peer Group companies is provided in Exhibit III-4. As shown in Table 4.1, the average unemployment rate for the primary market area counties served by the Peer Group companies was comparable to the unemployment rate reflected for Suffolk County. On balance, we concluded that no adjustment was appropriate for the Company's market area.

Table 4.1
Market Area Unemployment Rates
Peoples Federal Bancshares and the Peer Group Companies(1)

	<u>County</u>	<u>December 2009 Unemployment</u>
Peoples Federal Bancshares - MA	Suffolk	8.5%
<u>Peer Group Average</u>		8.9%
Beacon Federal Bancorp. – NY	Onondaga	7.6%
ESSA Bancorp, Inc. – PA	Monroe	9.3
Elmira Savings Bank – NY	Chemung	8.8
LSB Corp. – MA	Essex	9.7
Mayflower Bancorp, Inc. – MA	Plymouth	9.6
Newport Bancorp, Inc. - RI	Newport	11.5
Rome Bancorp, Inc. – NY	Oneida	7.5
TF Financial Corp. – PA	Bucks	7.2
WVS Financial Corp. - PA	Allegheny	7.2
Westfield Financial – MA	Hampden	10.6

(1) Unemployment rates are not seasonally adjusted.

Source: U.S. Bureau of Labor Statistics.

5. Dividends

At this time the Company 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.

Nine out of the ten of the Peer Group companies pay regular cash dividends, with implied dividend yields ranging from 1.71% to 5.12%. The average dividend yield on the stocks of the Peer Group institutions equaled 3.02% as of February 26, 2010. As of February 26, 2010, approximately 64% of all fully-converted publicly-traded thrifts had adopted cash dividend policies (see Exhibit IV-1), exhibiting an average yield of 2.17%. The dividend paying thrifts generally maintain higher than average profitability ratios, facilitating their ability to pay cash dividends.

While the Company has not established a definitive dividend policy prior to converting, the Company will have the capacity to pay a dividend comparable to the Peer Group's average dividend yield based on pro forma earnings and capitalization. On balance, we concluded that no adjustment was warranted for this factor.

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 and one 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 ranged from \$14.6 million to \$247.3 million as of February 26, 2010, with average and median market values of \$75.3 million and \$51.5 million, respectively. The shares issued and outstanding to the public shareholders of the Peer Group members ranged from 1.9 million to 29.8 million, with average and median shares outstanding of 7.4 million and 4.2 million, respectively. The Company's stock offering is expected to have a pro forma market value and shares outstanding that will be within the range of the Peer Group's averages and medians. Like nine out of the ten Peer Group companies, the Company's stock will be quoted on the NASDAQ following the stock offering. Overall, we anticipate that the Company's public stock will have a comparable trading market as the Peer Group companies on average and, therefore, concluded no adjustment was necessary for this factor.

7. Marketing of the Issue

We believe that three separate markets exist for thrift stocks, including those coming to market such as Peoples Federal Bancshares: (1) the after-market for public companies, 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 fully-converted publicly-held company and stock trading history; and (3) the acquisition market for thrift franchises in Massachusetts. All three of these markets were considered in the valuation of the Company'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 been mixed in recent quarters. The broader stock market started the third quarter of 2009 trending lower, with the Dow Jones Industrial Average ("DJIA") falling to its lowest level in more than two months amid anxiety about second quarter earnings and a June employment report which showed more job losses than expected. Stocks rallied in mid-July on strong second quarter earnings reports, which included better-than-expected earnings posted by some bank bellwethers. The DJIA moved past 9000 going into late-July on more favorable earnings reports and a positive report for new home sales in June. Fueled by a growing belief that the recession was over and favorable unemployment data for July, the DJIA moved to a new high for 2009 in the first week of August. The broader stock market fluctuated in a narrow range

through mid-August, reflecting uncertainty over the sustainability of the economic recovery. Better-than-expected economic data for housing and consumer confidence sustained a positive trend in the stock market in late-August, with the DJIA moving to new highs for the year. The broader stock market faltered at the start of September 2009, as investors worried the summer rally would give way to a correction. Encouraging economic data led a rebound in the stock market moving into mid-September, which was followed by a pullback on disappointing housing data for August. Stocks spiked higher in late-September on news of some large merger deals. Despite closing lower at the end of September, the DJIA had its best third quarter since 1939 with a 15% gain for the quarter.

Stocks started October with a sell-off, as investors reacted negatively to economic data showing a slow down in manufacturing activity from August to September and more job losses than expected for September. Energy and material stocks led a stock market rally heading into mid-October, as stock markets rallied around the world. Good earnings reports from J.P. Morgan Chase and Intel pushed the DJIA above a 10000 close in mid-October. Mixed economic data and concerns of the sustainability of the recovery following the removal of the federal stimulus programs provided for volatile trading at the close of October. Stocks moved higher in early-November, with the DJIA topping 10000 again on renewed optimism about the economy aided by a report that manufacturing activity rose around the world in October. Expectations that interest rates and inflation would remain low, following a weaker than expected employment report for October, sustained the rally heading into mid-November. The DJIA hit new highs for the year in mid-November, as investors focused on upbeat earnings from major retailers, signs of economic growth in Asia and the Federal Reserve's commitment to low interest rates. Stocks traded unevenly through the second half of November, reflecting investor uncertainty over the strength of the economic recovery and Dubai debt worries. Easing fears about the Dubai debt crisis, along with a favorable employment report for November, served to bolster stocks at the end of November and into early-December. Mixed economic data, including a better-than-expected increase in November retail sales and November wholesale inflation rising more than expected, sustained a narrow trading range for the broader stock

market heading into mid-December. Worries about the state of European economies and the dollar's surge upended stocks in mid-December. Helped by some positive economic data and acquisition deals in mining and health care, the DJIA posted gains for six consecutive sessions in late-December. Overall, the DJIA closed up 18.8% for 2009, which was 26.4% below its all time high.

Stocks started 2010 in positive territory on mounting evidence of a global manufacturing rebound, while mixed earnings reports provided for an up and down market in mid-January. The DJIA moved into negative territory for the year heading into late-January, with financial stocks leading the market lower as the White House proposed new limits on the size and activities of big banks. Technology stocks led the broader market lower at the close of January, as disappointing economic reports dampened growth prospects for 2010. Concerns about the global economy and European default worries pressured stocks lower in early-February, as the DJIA closed below 10000 for the first time in three months. Upbeat corporate earnings and some favorable economic news out of Europe and China held stocks to rebound in mid-February. The positive trend in the broader stock market continued into the second half of February, as investors seized on mild inflation data and more signs that the U.S. economy was recovering. Weak economic data pulled stocks lower at the end of February, although the 2.6% increase in the DJIA for the month of February was its strongest showing since November. On February 26, 2010, the DJIA closed at 10325.26, an increase of 46.2% from one year ago and a decrease of 1.0% year-to-date, and the NASDAQ closed at 2238.26, an increase of 62.4% from one year ago and a decrease of 1.4% year-to-date. The Standard & Poor's 500 Index closed at 1104.49 on February 26, 2010, an increase of 50.3% from one year ago and a decrease of 1.0% year-to-date.

The market for thrift stocks has been somewhat uneven in recent quarters, but in general has underperformed the broader stock market. Thrift stocks followed the broader market lower at the start of the third quarter of 2009, as a disappointing June employment report and uncertainty over forthcoming second quarter earnings reports

weighed on the sector. Better-than-expected second quarter earnings results posted by some of the large banks fueled a mid-July rally in thrift stocks. Thrift stocks traded unevenly heading into late-July, as trading for the sector was impacted by a mix of favorable and disappointing second quarter earnings reports. News that sales of new single-family houses were up in June boosted thrift stocks in late-July, with the upward trend being sustained into early-August on a more optimistic outlook for financial stocks as the economy showed more signs of pulling out of the recession. Thrift stocks pulled back in mid-August on profit taking and worries that earnings improvement could subside for financial stocks in general. Signs that the housing market was improving boosted thrifts stocks heading into late-August, which was followed by a slight pull back for the sector on concerns of more credit losses for thrifts and banks due to erosion in the commercial real estate market. A sell-off in the broader stock market and concerns of more credit losses for thrifts and banks due to erosion in the commercial real estate market pressured thrift stocks lower at the start of September 2009. Thrift stocks rebounded in mid-September on some positive comments regarding the level of loan loss reserves maintained by thrifts generally being in good shape. Concerns about the effects of a possible tightening by the Federal Reserve provided for a modest decline in thrift stocks heading into the close of the third quarter.

Some disappointing economic data pushed thrift stocks along with the broader market lower at the beginning of October. Thrift stocks rebounded modestly through mid-October, aided by a rally in the broader stock market and a strong earnings report from J.P. Morgan Chase. Concerns of more loan losses and a disappointing report on September new home sales provided for a modest retreat in thrift prices in late-October. After bouncing higher on a better-than-expected report for third quarter GDP growth, financial stocks led the broader market lower at the end of October in the face of a negative report on consumer spending. In contrast to the broader market, thrift stocks edged lower following the Federal Reserve's early-November statement that it would leave the federal funds rate unchanged. Thrift stocks rebounded along with the broader market going into mid-November, following some positive reports on the economy and comments from the Federal Reserve that interest rates would remain low amid concerns that unemployment and troubles in commercial real estate would

weigh on the economic recovery. Fresh economic data that underscored expectations for a slow economic recovery and Dubai debt worries pushed thrift stocks lower during the second half of November. Financial stocks led a broader market rebound at the close of November and into early-December, which was supported by a favorable report for home sales in October and expectations that the Dubai debt crisis would have a limited impact on U.S. banks. The favorable employment report for November added to gains in the thrift sector in early-December. Financial stocks edged higher in mid-December on news that Citigroup was repaying TARP funds, which was followed by a pullback following a report that wholesale inflation rose more than expected in November and mid-December unemployment claims were higher than expected. More attractive valuations supported a snap-back rally in thrift stocks heading into late-December, which was followed by a narrow range for the thrift sector through year end. Overall, the SNL Index for all publicly-traded thrifts was down 10.2% in 2009, which reflects significant declines in the trading prices of several large publicly-traded thrifts during 2009 pursuant to reporting significant losses due to credit quality related deterioration.

Thrift stocks traded in a narrow range during the first few weeks of 2010, as investors awaited fourth quarter earnings reports that would provide further insight on credit quality trends. An unexpected jump in jobless claims and proposed restrictions by the White House on large banks depressed financial stocks in general heading into late-January. Amid mixed earnings reports, thrift stocks traded in a narrow range for the balance of January. Financial stocks led the broader market lower in early-February and then rebounded along with the broader market in mid-February on some positive economic data including signs that prices were rising in some large metropolitan areas. Mild inflation readings for wholesale and consumer prices in January sustained the upward trend in thrift stocks heading into the second half of February. Comments by the Federal Reserve Chairman that short-term interest rates were likely to remain low for at least several months helped thrift stocks to ease higher in late-February. On February 26, 2010, the SNL Index for all publicly-traded thrifts closed at 600.3, an increase of 18.2% from one year ago and an increase of 2.3% year-to-date.

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 is separate and distinct from the market for seasoned thrift stocks in that the pricing ratios for converting issues are computed on a pro forma basis, specifically: (1) the numerator and denominator are both impacted by the conversion offering amount, unlike existing stock issues 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 converting and existing issues is perhaps 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 may reflect a premium to book value. Therefore, it is appropriate to also consider the market for new issues, both at the time of the conversion and in the aftermarket.

The marketing for converting thrift issues turned more positive in the fourth quarter of 2009, as indicated by an increase in conversion activity and the relative success of those offerings. For the most part, the recent conversion offerings experienced healthy subscription takedowns and have traded above their IPO prices in initial trading activity. Consistent with the broader thrift market, conversion pricing reflects continued investor uncertainty over quality credit trends and the prospects that a strengthening economy will translate into improved real estate market conditions for residential and commercial properties.

As shown in Table 4.2, four standard conversions and two second-step conversions were completed during the past three months. The standard conversion offerings are considered to be more relevant for our analysis, which were all completed in January 2010. All four of the standard conversion offerings were closed at the top of their super ranges. The average closing pro forma price/tangible book ratio of the four recent standard conversion offerings equaled 54.6%. On average, the four standard

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

Institutional Information	Pre-Conversion Data				Offering Information				Contribution to				Insider Purchases				Pricing Ratios(3)				Financial Charac.				Post-IPO Pricing Trends								
	Financial Info.		Asset Quality		Gross		% of		Exp./		% of		Benefit Plans		% Off Incr. Fdn.		Mgmt. & Dir.		Core		Core		Core		First		After		Closing Price		Trends		
	Assets (\$Mil)	Equity/Assets (%)	NPAs/Assets (%)	Res. Assets Cov. (%)	Procs. (\$Mill)	Offered (%)	Mid. Proc. (%)	Exp. Proc. (%)	Form. Offered (%)	ESOP Plans (%)	Recog. Plans (%)	Sik. Option (%)	% Off Incr. Fdn. (%)	Mgmt. Dis. (%)	Core P/E (x)	P/E (x)	E/A (%)	ROA (%)	IE/A (%)	ROE (%)	IPO Price (\$)	Trading Day (\$)	First Change (%)	After Week(4) (\$)	First Change (%)	After Month(5) (\$)	First Change (%)	After 226(10) (\$)	Thru Change (%)				
Standard Conversions																																	
OBA Financial Services, Inc., MD*	\$ 358	10.90%	0.62%	67%	\$ 46.3	100%	132%	3.1%	N.A.	8.0%	4.0%	10.0%	3.8%	NM	11.7%	-0.1%	19.7%	-0.5%	\$10.00	\$10.39	3.9%	\$10.11	1.1%	\$10.31	3.1%	\$10.51	5.1%						
OmniAmerican Bancorp, Inc., TX*	\$ 1,006	9.08%	1.47%	158%	\$ 119.0	100%	132%	2.5%	N.A.	8.0%	4.0%	10.0%	0.3%	NM	10.7%	-0.3%	17.4%	-1.7%	\$10.00	\$11.85	18.5%	\$11.32	13.2%	\$10.99	9.9%	\$10.91	9.1%						
Verisales Financial Corp., OH	\$ 43	17.89%	0.77%	83%	\$ 4.3	100%	132%	14.0%	N.A.	8.0%	4.0%	10.0%	23.7%	30.12	9.6%	0.3%	23.7%	1.1%	\$10.00	\$10.00	0.0%	\$10.00	0.0%	\$10.00	0.0%	\$10.00	0.0%						
Athens Bancshares, Inc., TN	\$ 246	10.50%	1.04%	151%	\$ 26.8	100%	134%	4.4%	N.A.	8.0%	4.0%	10.0%	11.1%	18.40	10.3%	0.6%	18.0%	3.1%	\$10.00	\$11.60	16.0%	\$11.39	13.9%	\$11.06	10.6%	\$10.97	9.7%						
Averages - Standard Conversions:	\$ 413	12.09%	0.89%	115%	\$ 49.1	100%	133%	6.0%	N.A.	8.0%	4.0%	10.0%	9.7%	24.28	10.6%	0.1%	19.7%	0.5%	\$10.00	\$10.98	9.6%	\$10.71	7.05%	\$10.59	5.90%	\$10.60	5.88%						
Medians - Standard Conversions:	\$ 302	10.70%	0.91%	117%	\$ 36.5	100%	132%	3.7%	N.A.	8.0%	4.0%	10.0%	7.4%	24.28	10.5%	0.1%	18.9%	0.3%	\$10.00	\$11.00	10.0%	\$10.72	7.15%	\$10.65	6.50%	\$10.71	7.10%						
Second Step Conversions																																	
Ocean Shore Holding Co., NJ*	\$ 743	9.08%	0.36%	138%	\$ 33.5	57%	85%	7.5%	N.A.	6.8%	3.4%	8.5%	1.3%	11.11	7.6%	0.7%	12.3%	5.5%	\$8.00	\$8.60	7.5%	\$8.98	12.3%	\$9.05	13.1%	\$10.46	30.8%						
Northwest Bancshares, Inc.*	\$ 7,134	9.16%	1.95%	54%	\$ 688.8	62%	108%	3.8%	CIS	4.0%	4.0%	10.2%	0.1%	20.3	14.5%	0.7%	14.4%	4.3%	\$10.00	\$11.35	13.5%	\$11.30	13.0%	\$11.40	14.0%	\$11.82	18.2%						
Averages - Second Step Conversions:	\$ 3,938	9.13%	1.16%	96%	\$ 381.1	60%	87%	5.6%	N.A.	5.4%	3.7%	9.3%	0.7%	15.7x	10.9%	0.7%	13.4%	4.9%	\$9.00	\$9.98	10.5%	\$10.14	12.6%	\$10.23	13.6%	\$11.14	24.9%						
Medians - Second Step Conversions:	\$ 3,938	9.13%	1.16%	96%	\$ 381.1	60%	87%	5.6%	N.A.	5.4%	3.7%	9.3%	0.7%	15.7x	10.9%	0.7%	13.4%	4.9%	\$9.00	\$9.98	10.5%	\$10.14	12.6%	\$10.23	13.6%	\$11.14	24.5%						
Mutual Holding Company Conversions																																	
Averages - Mutual Holding Company Conversions:	\$ 1,688	11.11%	1.04%	109%	\$ 153.1	87%	121%	5.9%	NA	7.1%	3.9%	9.8%	6.7%	63.9%	\$ 19.88	10.7%	0.3%	17.6%	2.0%	\$9.07	\$10.83	9.9%	\$10.52	8.9%	\$10.47	8.5%	\$10.78	12.1%					
Medians - Mutual Holding Company Conversions:	\$ 550	9.84%	0.91%	110%	\$ 39.9	100%	132%	4.1%	NA	8.0%	4.0%	10.0%	2.5%	60.3%	\$ 19.35	10.5%	0.4%	17.7%	2.1%	\$10.00	\$10.87	10.5%	\$10.71	12.6%	\$10.69	10.3%	\$10.71	9.4%					

Note: *. Appraisal performed by RP Financial; BOLD=RP Financial did the Conversion Business Plan. "NT" - Not Traded; "NA" - Not Applicable, Not Available; CIS=Cash/Stock
 (1) Non-DTS regulated thrift.
 (2) As a percent of MHC offering for MHC transactions.
 (3) Does not take into account the adoption of SOP 83-S.
 (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 date on full conversion basis.
 (7) Simultaneously completed acquisition of another financial institution.
 (8) Simultaneously converted to a commercial bank charter.
 (9) Former credit union.

conversion offerings reflected price appreciation of 7.1% and 5.9% after the first week and first month of trading, respectively. As of February 26, 2010, the four recent standard conversion offerings reflected average price appreciation of 6.0%.

Shown in Table 4.3 are the current pricing ratios for the five companies that have completed fully-converted offerings during the past three months and are traded on NASDAQ or an Exchange. Two of the offering were second-step conversions, which tend to be priced higher on a P/TB basis relative to full standard conversion offerings. The current average P/TB ratio of the publicly-traded recent conversions equaled 77.48% and the current average P/TB ratio of the three standard conversion offering included in Table 4.3 equaled 64.12%.

C. The Acquisition Market

Also considered in the valuation was the potential impact on Peoples Federal Bancshares' stock price of recently completed and pending acquisitions of other thrift institutions operating in Massachusetts. As shown in Exhibit IV-4, there were 17 Massachusetts thrift acquisitions completed from the beginning of 2006 through February 26, 2010, and there are currently no acquisitions pending of a Massachusetts savings institution. The recent acquisition activity involving Massachusetts savings institutions may imply a certain degree of acquisition speculation for the Company's stock. To the extent that acquisition speculation may impact the Company's offering, we have largely taken this into account in selecting companies for the Peer Group which operate in markets that have experienced a comparable level of acquisition activity as the Company's market and, thus, are subject to the same type of acquisition speculation that may influence Peoples Federal Bancshares' stock. However, since converting thrifts are subject to a three-year regulatory moratorium from being acquired, acquisition speculation in Peoples Federal Bancshares' stock would tend to be less compared to the stocks of the Peer Group companies.

* * * * *

Table 4.3
Market Pricing Comparatives
Prices As of February 26, 2010

Financial Institution	Market Capitalization			Per Share Data			Pricing Ratios(3)			Dividends(4)			Financial Characteristics(5)(6)						
	Price/ Share(1)	Market Value (\$Mill)	12 Month EPS(2)	P/E	P/B	P/A	P/TB	P/Core	Amount/ Share	Yield (%)	Payout Ratio(5)	Total Assets (\$Mill)	Equity/ Assets (%)	Tang Eq/ Assets (%)	NPAs/ Assets (%)	Reported		Core	
																ROA	ROE	ROA	ROE
All Public Companies Converted Last 3 Months (no MHC)	\$9.74 \$10.93	\$298.86 \$318.64	(\$0.11) \$0.25	18.29x 25.92x	82.69% 74.42%	10.09% 12.31%	91.50% 77.48%	19.96x 22.26x	\$0.26 \$0.13	2.17% 1.14%	33.18% 20.69%	\$2,705 \$2,114	11.36% 6.47%	10.58% 6.09%	3.24% 1.03%	-0.14% 0.24%	-0.42% 3.61%	-0.14% 0.28%	-0.69% 3.52%
Converted Last 3 Months (no MHC)																			
AFCB Athens Bancshares, Inc. of TN	\$10.97	\$30.47	\$0.54	20.31x	62.97%	11.35%	62.97%	20.31x	\$0.00	0.00%	0.00%	\$269	0.00%	0.00%	NA	0.56%	NM	0.56%	NM
NWBI Northwest Bancshares Inc. of PA	\$11.82	\$1,307.79	\$0.37	39.40x	99.33%	16.30%	114.65%	31.95x	\$0.40	3.38%	NM	\$8,025	16.41%	14.53%	1.81%	0.46%	4.32%	0.57%	5.33%
OBAF OBA Financial Serv. Inc. of MD	\$10.51	\$48.65	(\$0.09)	NM	62.12%	12.25%	62.12%	NM	\$0.00	0.00%	NM	\$397	0.00%	0.00%	NA	-0.30%	NM	-0.10%	NM
OSHC Ocean Shore Holding Co. of NJ	\$10.46	\$76.44	\$0.72	18.03x	80.40%	9.92%	80.40%	14.53x	\$0.24	2.29%	41.38%	\$770	7.69%	7.69%	0.25%	0.55%	7.15%	0.68%	8.88%
OABC OmniAmerican Bancorp Inc. of TX	\$10.91	\$129.86	(\$0.28)	NM	67.26%	11.72%	67.26%	NM	\$0.00	0.00%	NM	\$1,108	8.23%	8.23%	NA	-0.05%	-0.65%	-0.30%	-3.66%

(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.

(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) 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.

Sources: SN, Financial, LC. 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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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 thrift conversions and the local acquisition market for thrift stocks. Taking these factors and trends into account, RP Financial concluded that a slight downward adjustment was appropriate in the valuation analysis for purposes of marketing of the issue.

8. Management

The Company's management team appears to have experience and expertise in all of the key areas of the Company's operations. Exhibit IV-5 provides summary resumes of the Company's Board of Directors and senior management. The financial characteristics of the Company suggest that the Board and senior management have been effective in implementing an operating strategy that can be well managed by the Company's present organizational structure. The Company currently does not have any senior management positions that are vacant.

Similarly, the returns, equity 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 fully-converted OTS regulated institution, Peoples Federal Bancshares 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. On balance, 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 Company's pro forma market value should reflect the following valuation adjustments relative to the Peer Group:

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

Valuation Approaches

In applying the accepted valuation methodology promulgated by the OTS and adopted by the FDIC, i.e., the pro forma market value approach, we considered the three key pricing ratios in valuing the Company's 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 the Company's prospectus for reinvestment rate, effective tax rate, stock benefit plan assumptions and expenses (summarized in Exhibits IV-7 and IV-8).

In our estimate of value, we assessed the relationship of the pro forma pricing ratios relative to the Peer Group and recent conversion 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. Given the similarities between the Company's and the Peer Group's operating strategies, earnings composition and overall financial condition, the P/E approach was carefully considered in this valuation. At the

same time, since reported earnings for both the Company and the Peer Group included certain non-recurring items, we also made adjustments to earnings to arrive at core earnings estimates for the Company and the Peer Group and resulting price/core earnings ratios.

- 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 useful 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 (i.e., price/tangible book value or "P/TB"), in that the investment community frequently makes this adjustment in its evaluation of this pricing approach.
- 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 Company 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 and the dilutive impact of the stock contribution to the Foundation, RP Financial concluded that, as of February 26, 2010, the pro forma market value of Peoples Federal Bancshares' conversion stock was \$54,000,000 at the midpoint, equal to 5,400,000 shares at \$10.00 per share.

1. Price-to-Earnings (“P/E”). The application of the P/E valuation method requires calculating the Company’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 Company’s reported earnings equaled \$2.596 million for the twelve months ended December 31, 2009. In deriving Peoples Federal Bancshares’ core earnings, the only adjustments made to reported earnings were to eliminate gains on sale of loans and gains on sale of investment securities, which equaled \$379,000 and \$418,000, respectively, for the twelve months ended December 31, 2009. As shown below, on a tax effected basis, assuming an effective marginal tax rate of 40.2% for the earnings adjustments, the Company’s core earnings were determined to equal \$2.119 million for the twelve months ended December 31, 2009. (Note: see Exhibit IV-9 for the adjustments applied to the Peer Group’s earnings in the calculation of core earnings).

	<u>Amount</u> (\$000)
Net income(loss)	\$2,596
Deduct: Gain on sale of loans(1)	(227)
Deduct: Gain on sale of investment securities(1)	<u>(250)</u>
Core earnings estimate	\$2,119

(1) Tax effected at 40.2%.

Based on the Company’s reported and estimated core earnings and incorporating the impact of the pro forma assumptions discussed previously, the Company’s pro forma reported and core P/E multiples at the \$54.0 million midpoint value equaled 25.65 times and 33.17 times, respectively, which provided for premiums of 74.1% and 73.2% relative to the Peer Group’s average reported and core P/E multiples of 14.73 times and 19.15 times, respectively (see Table 4.4). In comparison to the Peer Group’s median reported and core earnings multiples which equaled 11.90 times and 19.43 times, respectively, the Company’s pro forma reported and core P/E multiples at the midpoint value indicated premiums of 115.5% and 70.7%, respectively.

Table 4.4
Public Market Pricing
Peoples Federal Bancshares, Inc. and the Comparables
As of February 26, 2010

	Market Capitalization			Per Share Data			Pricing Ratios(3)			Dividends(4)			Financial Characteristics(5)											
	Price/Share(1)	Market Value (\$Mill)	Share (\$)	Core EPS(2)	Book Value/Share (\$)	12 Month EPS(2)	P/E (x)	P/B (%)	P/A (%)	P/TB (%)	P/Code (x)	Amount/Share (\$)	Yield (%)	Payout Ratio(5)	Total Assets (\$Mill)	Equity/Assets (%)	Tang Assets (%)	NPAs/Assets (%)	ROA (%)	ROE (%)	ROA (%)	ROE (%)	Offering Size (\$Mill)	
Peoples Federal Bancshares																								
Superaverage	\$10.00	\$71.42	\$0.21	\$15.33	\$0.21	\$15.33	36.61x	65.23%	13.21%	65.23%	48.46x	\$0.00	0.00%	0.00%	\$541	20.25%	20.25%	0.97%	0.36%	1.78%	0.27%	1.35%	\$ 66.1	
Maximum	\$10.00	\$62.10	\$0.25	\$16.39	\$0.25	\$16.39	30.54x	61.01%	11.65%	61.01%	39.90x	\$0.00	0.00%	0.00%	\$533	19.10%	19.10%	0.98%	0.38%	2.00%	0.29%	1.53%	\$ 57.5	
Midpoint	\$10.00	\$54.00	\$0.30	\$17.61	\$0.30	\$17.61	25.65x	56.79%	10.26%	56.79%	33.17x	\$0.00	0.00%	0.00%	\$526	18.07%	18.07%	1.00%	0.40%	2.21%	0.31%	1.71%	\$ 50.0	
Minimum	\$10.00	\$45.90	\$0.37	\$19.25	\$0.37	\$19.25	21.09x	51.95%	8.84%	51.95%	27.00x	\$0.00	0.00%	0.00%	\$519	17.01%	17.01%	1.01%	0.42%	2.46%	0.33%	1.82%	\$ 42.5	
All Non-MHC Public Companies (7)																								
Averages	\$9.79	\$353.88	\$0.18	\$13.78	\$0.18	\$13.78	17.79x	70.60%	8.16%	79.28%	18.55x	\$0.26	2.17%	32.84%	\$3,033	10.89%	10.07%	3.40%	-0.21%	-0.58%	-0.24%	-1.26%		
Medians	\$9.83	\$49.38	\$0.13	\$13.04	\$0.13	\$13.04	15.97x	70.70%	6.52%	77.13%	16.19x	\$0.20	1.97%	0.00%	\$899	9.31%	8.64%	2.82%	0.21%	2.09%	0.10%	1.14%		
All Non-MHC Stats of MAX71																								
Averages	\$13.03	\$168.65	\$0.43	\$15.58	\$0.43	\$15.58	19.89x	86.54%	11.89%	94.40%	23.76x	\$0.29	2.18%	29.39%	\$1,238	13.47%	12.62%	1.50%	0.19%	2.16%	0.26%	2.55%		
Medians	\$11.04	\$83.71	\$0.23	\$13.44	\$0.23	\$13.44	12.71x	86.07%	10.76%	93.36%	27.70x	\$0.22	2.40%	0.00%	\$936	13.53%	10.91%	0.93%	0.36%	2.13%	0.25%	2.30%		
Comparable Group Averages																								
Averages	\$11.71	\$75.33	\$0.81	\$14.27	\$0.81	\$14.27	14.73x	84.34%	10.31%	89.61%	19.15x	\$0.37	3.02%	30.79%	\$675	12.36%	12.07%	0.53%	0.59%	5.37%	0.56%	4.91%		
Medians	\$11.71	\$51.46	\$0.59	\$13.57	\$0.59	\$13.57	11.90x	87.23%	7.35%	88.87%	19.43x	\$0.26	2.92%	34.63%	\$610	10.39%	9.44%	0.58%	0.56%	5.47%	0.53%	4.94%		
Comparable Group																								
BFED	\$9.00	\$58.87	\$1.12	\$15.40	\$1.12	\$15.40	9.57x	58.44%	5.50%	58.44%	8.04x	\$0.20	2.22%	21.28%	\$1,070	9.42%	9.42%	NA	0.59%	6.15%	0.71%	7.33%		
ESSA	\$11.70	\$165.25	\$0.38	\$12.90	\$0.38	\$12.90	30.00x	90.70%	15.98%	90.70%	30.79x	\$0.20	1.71%	51.28%	\$1,034	17.62%	17.62%	NA	0.53%	2.94%	0.51%	2.87%		
ESBK	\$15.61	\$29.96	\$1.80	\$18.72	\$1.80	\$18.72	6.76x	83.39%	5.92%	131.40%	8.67x	\$0.80	5.12%	34.63%	\$506	10.73%	8.35%	NA	0.91%	8.82%	0.71%	6.87%		
LSBX	\$11.72	\$52.82	\$1.49	\$13.72	\$1.49	\$13.72	7.28x	85.42%	6.55%	85.42%	7.87x	\$0.28	2.39%	17.39%	\$807	9.46%	9.46%	NA	0.94%	10.46%	0.87%	9.68%		
MFLR	\$6.99	\$14.55	\$0.28	\$9.78	\$0.28	\$9.78	12.71x	71.47%	5.92%	71.47%	24.96x	\$0.24	3.43%	43.64%	\$246	8.28%	8.28%	NA	0.46%	5.80%	0.24%	2.95%		
NFSB	\$11.95	\$45.77	\$0.23	\$13.42	\$0.23	\$13.42	NM	89.05%	9.97%	89.05%	NM	\$0.00	0.00%	0.00%	\$459	11.20%	11.20%	NA	0.15%	1.31%	0.20%	1.68%		
ROME	\$8.55	\$58.58	\$0.44	\$8.81	\$0.44	\$8.81	19.00x	97.05%	17.76%	97.05%	19.43x	\$0.36	4.21%	NM	\$330	18.30%	18.30%	0.58%	0.92%	5.14%	0.90%	5.03%		
THRD	\$18.75	\$50.10	\$1.42	\$26.81	\$1.42	\$26.81	11.09x	69.94%	7.02%	74.67%	13.20x	\$0.80	4.27%	47.34%	\$714	10.04%	9.46%	NA	0.63%	6.44%	0.53%	5.41%		
WVFC	\$14.55	\$30.06	\$0.73	\$14.86	\$0.73	\$14.86	21.40x	97.91%	7.68%	97.91%	19.93x	\$0.64	4.40%	NM	\$392	7.84%	7.84%	0.42%	0.34%	4.52%	0.36%	4.85%		
WFD	\$8.29	\$247.30	\$0.21	\$9.29	\$0.21	\$9.29	NM	100.00%	20.76%	100.00%	39.48x	\$0.20	2.41%	NM	\$1,191	20.76%	20.76%	0.60%	0.46%	2.09%	0.54%	2.44%		

(1) Average of High/Low or Bid/Ask price per share.
(2) EPS (estimated 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/Code = 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: SNL Financial, L.C. and RP[®] Financial, L.C. 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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At the top of the super range, the Company's reported and core P/E multiples equaled 36.61 times and 48.46 times, respectively. In comparison to the Peer Group's average reported and core P/E multiples, the Company's P/E multiples at the top of the super range reflected premiums of 148.5% and 153.1%, respectively. In comparison to the Peer Group's median reported and core P/E multiples, the Company's P/E multiples at the top of the super range reflected premiums of 207.6% and 149.5%, respectively.

2. Price-to-Book ("P/B"): The application of the P/B valuation method requires calculating the Company's pro forma market value by applying a valuation P/B ratio, as derived from the Peer Group's P/B ratio, to the Company's pro forma book value. Based on the \$54.0 million midpoint valuation, the Company's pro forma P/B and P/TB ratios both equaled 56.79%. In comparison to the average P/B and P/TB ratios for the Peer Group of 84.34% and 89.61%, the Company's ratios reflected a discount of 32.7% on a P/B basis and a discount of 36.6% on a P/TB basis. In comparison to the Peer Group's median P/B and P/TB ratios of 87.23% and 89.87%, respectively, the Company's pro forma P/B and P/TB ratios at the midpoint value reflected discounts of 34.9% and 36.8%, respectively. At the top of the super range, the Company's P/B and P/TB ratios both equaled 65.23%. In comparison to the Peer Group's average P/B and P/TB ratios, the Company's P/B and P/TB ratios at the top of the super range reflected discounts of 22.7% and 27.2%, respectively. In comparison to the Peer Group's median P/B and P/TB ratios, the Company's P/B and P/TB ratios at the top of the super range reflected discounts of 25.2% and of 27.4%, respectively. RP Financial considered the discounts under the P/B approach to be reasonable, given the nature of the calculation of the P/B ratio which mathematically results in a ratio discounted to book value. The discounts reflected under the P/B approach were also supported by the premiums reflected in the Company's P/E multiples.

3. Price-to-Assets ("P/A"). The P/A valuation methodology determines market value by applying a valuation P/A ratio to the Company'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 \$54.0 million midpoint of the valuation

range, the Company's value equaled 10.26% of pro forma assets. Comparatively, the Peer Group companies exhibited an average P/A ratio of 10.31%, which implies a discount of 0.5% has been applied to the Company's pro forma P/A ratio. In comparison to the Peer Group's median P/A ratio of 7.35%, the Company's pro forma P/A ratio at the midpoint value reflects a premium of 39.6%.

Comparison to Recent Offerings

As indicated at the beginning of this chapter, RP Financial's analysis of recent conversion 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). As discussed previously, four standard conversion offerings were completed during the past three months. In comparison to the 54.6% average closing forma P/TB ratio of the recent standard conversions, the Company's P/TB ratio of 56.8% at the midpoint value reflects an implied premium of 4.0%. At the top of the superrange, the Company's P/TB ratio of 65.2% reflects an implied premium of 19.4% relative to the recent standard conversions. The current average P/TB ratio of the three recent standard conversions that are publicly-traded equaled 64.1%, based on closing stock prices as of February 26, 2010. In comparison to the current average P/TB ratio of the recent publicly-traded standard conversions, the Company's P/TB ratio at the midpoint value reflects an implied discount of 11.4% and at the top of the superrange reflects an implied premium of 1.7%.

Valuation Conclusion

Based on the foregoing, it is our opinion that, as of February 26, 2010, the estimated aggregate pro forma market value of the shares to be issued immediately following the conversion, including shares to be issued to the Foundation, equaled \$54,000,000 at the midpoint, equal to 5,400,000 shares offered at a per share value of

\$10.00. Pursuant to conversion guidelines, the 15% offering range indicates a minimum value of \$45,900,000 and a maximum value of \$62,100,000. Based on the \$10.00 per share offering price determined by the Board, this valuation range equates to total shares outstanding of 4,590,000 at the minimum and 6,210,000 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 \$71,415,000 without a resolicitation. Based on the \$10.00 per share offering price, the supermaximum value would result in total shares outstanding of 7,141,500. Based on this valuation range, the offering range is as follows: \$42,500,000 at the minimum, \$50,000,000 at the midpoint, \$57,500,000 at the maximum and \$66,125,000 at the supermaximum. Based on the \$10.00 per share offering price, the number of offering shares is as follows: 4,250,000 at the minimum, 5,000,000 at the midpoint, 5,750,000 at the maximum and 6,612,500 at the supermaximum. The pro forma valuation calculations relative to the Peer Group are shown in Table 4.4 and are detailed in Exhibit IV-7 and Exhibit IV-8.

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
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LIST OF EXHIBITS (continued)

<u>Exhibit Number</u>	<u>Description</u>
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III-2	Public Market Pricing of New England Thrift Institutions
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III-4	Peer Group Market Area Comparative Analysis
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IV-9	Peer Group Core Earnings Analysis
V-1	Firm Qualifications Statement

EXHIBIT I-1

**Peoples Federal Bancshares, Inc.
Map of Office Locations**

Exhibit I-1
Peoples Federal Bancshares, Inc.
Map of Office Locations

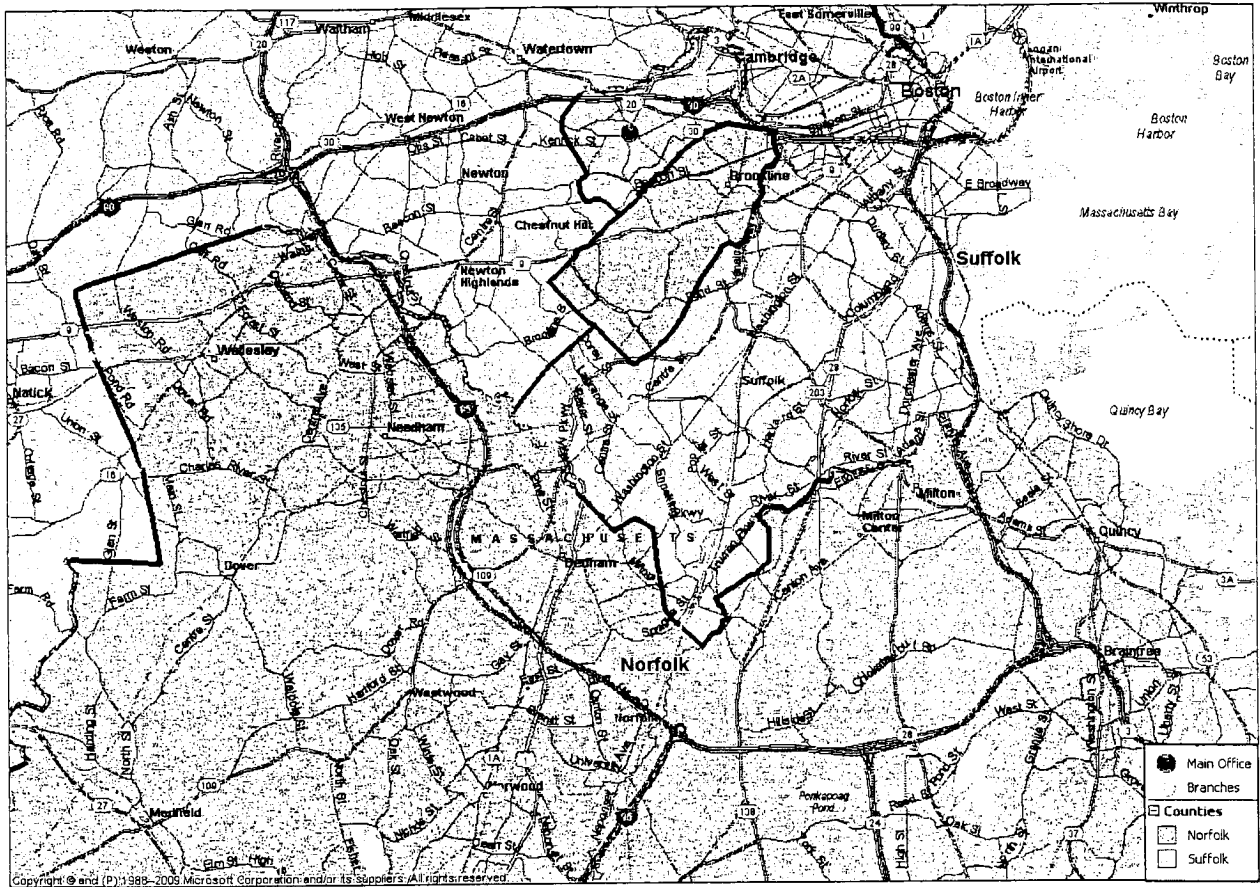


EXHIBIT I-2

**Peoples Federal Bancshares, Inc.
Audited Financial Statements
[Incorporated by Reference]**

EXHIBIT I-3

**Peoples Federal Bancshares, Inc.
Key Operating Ratios**

Exhibit I-3
Peoples Federal Bancshares, Inc.
Key Operating Ratios

	At or For the Three Months Ended December 31,		At or For the Years Ended September 30,				
	2009	2008	2009	2008	2007	2006	2005 ⁽¹⁾
(Unaudited)							
Selected Financial Ratios and Other Data:							
Performance Ratios:							
Return on assets (ratio of net income to average total assets) ⁽²⁾	0.71%	0.86%	0.59%	0.53%	0.48%	0.80%	0.99%
Return on equity (ratio of net income to average equity) ⁽²⁾	6.69%	7.64%	5.32%	4.38%	3.92%	6.85%	8.72%
Interest rate spread ⁽²⁾⁽³⁾	2.79%	3.14%	2.97%	3.02%	3.20%	3.59%	3.84%
Net interest margin ⁽²⁾⁽⁴⁾	3.02%	3.55%	3.31%	3.54%	3.66%	4.01%	4.14%
Efficiency ratio ⁽⁵⁾	65.22%	61.42%	71.54%	76.34%	78.62%	64.91%	61.15%
Noninterest expense to average total assets ⁽²⁾	2.18%	2.24%	2.50%	2.79%	2.94%	2.63%	2.64%
Average interest-earning assets to average interest-bearing liabilities	114.32%	117.91%	116.46%	120.20%	116.65%	118.23%	118.90%
Average equity to average total assets	10.57%	11.22%	11.16%	12.16%	12.28%	11.73%	11.40%
Asset Quality Ratios:							
Non-performing assets to total assets	1.08%	0.67%	1.19%	0.81%	0.35%	0.16%	0.01%
Non-performing loans to total loans	1.39%	0.79%	1.56%	0.94%	0.43%	0.21%	0.01%
Allowance for loan losses to non-performing loans	60.15%	110.43%	55.97%	90.21%	263.85%	557.65%	10,679.30%
Allowance for loan losses to total loans	0.83%	0.87%	0.88%	0.85%	1.15%	1.16%	1.09%
Net charge-offs to average loans outstanding ⁽¹⁾	0.01%	—%	0.04%	0.03%	0.01%	0.01%	0.02%
Capital Ratios:							
Total capital (to risk-weighted assets)	17.27%	16.73%	16.93%	16.13%	18.48%	18.02%	16.97%
Tier 1 capital (to risk-weighted assets)	16.30%	15.70%	15.95%	15.11%	17.23%	16.79%	15.78%
Tier 1 capital (to average assets)	10.68%	11.21%	10.48%	10.89%	12.60%	11.86%	11.29%
Other Data:							
Number of full service offices	6	6	6	6	6	6	6

(1) Information at and for the fiscal year ended September 30, 2005 is unaudited.

(2) Ratios for the three months ended December 31, 2009 and 2008 are annualized.

(3) The interest rate spread represents the difference between the weighted-average yield on interest-earning assets and the weighted-average cost of interest-bearing liabilities for the period.

(4) The net interest margin represents net interest income as a percent of average interest-earning assets for the period.

(5) The efficiency ratio represents noninterest expense divided by the sum of net interest income and noninterest income.

Source: Peoples Federal Bancshares' prospectus.

EXHIBIT I-4

**Peoples Federal Bancshares, Inc.
Investment Portfolio Composition**

Exhibit I-4
Peoples Federal Bancshares, Inc.
Investment Portfolio Composition

	At December 31, 2009		At September 30,					
			2009		2008		2007	
	Amortized Cost	Fair Value	Amortized Cost	Fair Value	Amortized Cost	Fair Value	Amortized Cost	Fair Value
	(In thousands)							
Securities held-to-maturity:								
Mortgage-backed securities	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 5,271	\$ 5,154
Total securities held-to-maturity	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 5,271	\$ 5,154

	At December 31, 2009		At September 30,					
			2009		2008		2007	
	Amortized Cost	Fair Value	Amortized Cost	Fair Value	Amortized Cost	Fair Value	Amortized Cost	Fair Value
	(In thousands)							
Securities available-for-sale:								
United States Government and agency debt securities	\$ —	\$ —	\$ —	\$ —	\$ 6,000	\$ 5,956	\$ 18,001	\$ 18,033
State and state agency debt securities..	—	—	—	—	—	—	200	202
Mortgage-backed securities	914	955	6,037	6,328	16,303	16,193	2,462	2,448
Total securities available-for-sale	\$ 914	\$ 955	\$ 6,037	\$ 6,328	\$ 22,303	\$ 22,149	\$ 20,663	\$ 20,683

Source: Peoples Federal Bancshares' prospectus.

EXHIBIT I-5

**Peoples Federal Bancshares, Inc.
Yields and Costs**

Exhibit I-5
Peoples Federal Bancshares, Inc.
Yields and Costs

	At December 31, 2009	For the Three Months Ended December 31,					
		2009			2008		
	Yield/ Rate	Average Outstanding Balance	Interest	Yield/ Rate ⁽¹⁾	Average Outstanding Balance	Interest	Yield/ Rate ⁽¹⁾
Interest-earning assets:							
Loans.....	5.64%	\$ 362,299	\$ 5,131	5.66%	\$ 369,946	\$ 5,721	6.19%
Taxable securities.....	5.20%	5,393	59	4.38%	21,465	230	4.29%
Tax-exempt securities.....	—%	—	—	—%	—	—	—%
Other interest-earning assets.....	0.10%	80,530	17	0.08%	13,287	7	0.21%
FHLB of Boston stock.....	—%	<u>4,339</u>	—	—%	<u>4,339</u>	<u>23</u>	2.12%
Total interest-earning assets.....	4.87%	452,561	5,207	4.60%	409,037	5,981	5.85%
Non-interest-earning assets.....		<u>33,125</u>			<u>26,742</u>		
Total assets.....		<u>\$ 485,686</u>			<u>\$ 435,779</u>		
Interest-bearing liabilities:							
Savings deposits.....	0.91%	\$ 44,374	113	1.02%	\$ 42,728	114	1.07%
Money market.....	1.38%	154,850	603	1.56%	55,767	380	2.73%
NOW accounts.....	0.15%	30,257	14	0.19%	31,134	15	0.19%
Certificates of deposit.....	1.99%	<u>110,468</u>	<u>590</u>	2.14%	<u>140,776</u>	<u>1,170</u>	3.32%
Total deposits.....	1.40%	339,949	1,320	1.55%	270,405	1,679	2.48%
Federal Home Loan Bank advances.....	3.36%	<u>55,935</u>	<u>473</u>	3.38%	<u>76,493</u>	<u>675</u>	3.53%
Total interest-bearing liabilities.....	1.67%	395,884	1,793	1.81%	346,898	2,354	2.71%
Demand deposits.....	—	31,890			33,515		
Non-interest-bearing liabilities.....		<u>6,579</u>			<u>6,451</u>		
Total liabilities.....		434,353			386,864		
Equity.....		<u>51,333</u>			<u>48,915</u>		
Total liabilities and equity.....		<u>\$ 485,686</u>			<u>\$ 435,779</u>		
Net interest income.....			<u>\$ 3,414</u>			<u>\$ 3,627</u>	
Net interest rate spread ⁽²⁾	3.20%			2.79%			3.14%
Net interest-earning assets ⁽³⁾		<u>\$ 56,677</u>			<u>\$ 62,139</u>		
Net interest margin ⁽⁴⁾	3.05%			3.02%			3.55%
Average interest-earning assets to interest-bearing liabilities.....	110.81%	114.32%			117.91%		

Exhibit I-5 (continued)
Peoples Federal Bancshares, Inc.
Yields and Costs

For the Years Ended September 30,

	2009			2008			2007		
	Average Outstanding Balance	Interest	Yield/Rate	Average Outstanding Balance	Interest	Yield/Rate	Average Outstanding Balance	Interest	Yield/Rate
(Dollars in thousands)									
Interest-earning assets:									
Loans.....	\$ 367,936	\$ 21,962	5.97%	\$ 308,995	\$ 20,060	6.49%	\$ 285,225	\$ 19,316	6.77%
Taxable securities.....	13,725	599	4.36%	24,930	1,114	4.47%	27,825	1,306	4.69%
Tax-exempt securities.....	—	—	—	153	7	4.58%	200	8	4.00%
Other interest-earning assets.....	34,759	30	0.09%	25,342	780	3.08%	31,734	1,594	5.02%
FHLB of Boston stock.....	4,339	23	0.53%	3,003	135	4.50%	2,822	171	6.06%
Total interest-earning assets.....	420,759	22,614	5.37%	362,423	22,096	6.10%	347,806	22,395	6.44%
Noninterest-earning assets.....	29,275			26,720			26,955		
Total assets.....	<u>\$ 450,034</u>			<u>\$ 389,143</u>			<u>\$ 374,761</u>		
Interest-bearing liabilities:									
Savings deposits.....	\$ 43,058	459	1.07%	\$ 43,802	462	1.05%	\$ 46,319	297	0.64%
Money market.....	89,519	2,060	2.30%	47,791	677	1.42%	39,530	1,410	3.57%
NOW accounts.....	31,210	69	0.22%	32,496	74	0.23%	37,885	186	0.49%
Certificates of deposit.....	126,822	3,612	2.85%	137,099	6,409	4.67%	139,477	6,075	4.36%
Total deposits.....	290,609	6,200	2.13%	261,188	7,622	2.92%	263,211	7,968	3.03%
FHLB of Boston advances.....	70,687	2,487	3.52%	40,318	1,650	4.09%	34,959	1,681	4.81%
Total interest-bearing liabilities..	361,296	8,687	2.40%	301,506	9,272	3.08%	298,170	9,649	3.24%
Demand deposits.....	32,150			34,757			25,914		
Noninterest-bearing liabilities.....	6,352			5,541			4,665		
Total liabilities.....	399,798			341,804			328,749		
Equity.....	50,236			47,339			46,012		
Total liabilities and equity.....	<u>\$ 450,034</u>			<u>\$ 389,143</u>			<u>\$ 374,761</u>		
Net interest income.....		<u>\$ 13,927</u>			<u>\$ 12,824</u>			<u>\$ 12,746</u>	
Net interest rate spread ⁽²⁾			2.97%			3.02%			3.20%
Net interest-earning assets ⁽³⁾	<u>\$ 59,463</u>			<u>\$ 60,917</u>			<u>\$ 49,636</u>		
Net interest margin ⁽⁴⁾			3.31%			3.54%			3.66%
Average of interest-earning assets to interest-bearing liabilities.....	116.46%			120.20%			116.65%		

(1) Yields and rates for the three months ended December 31, 2009 and 2008 are annualized.

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

(3) Net interest-earning assets represents total interest-earning assets less total interest-bearing liabilities.

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

Source: Peoples Federal Bancshares' prospectus.

EXHIBIT I-6

**Peoples Federal Bancshares, Inc.
Loan Loss Allowance Activity**

Exhibit I-6
Peoples Federal Bancshares, Inc.
Loan Loss Allowance Activity

	At or For the Three Months Ended December 31,		At or For the Years Ended September 30,				
	2009	2008	2009	2008	2007	2006	2005
	(Dollars in thousands)						
Balance at beginning of period	\$ 3,204	\$ 3,208	\$ 3,208	\$ 3,314	\$ 3,318	\$ 3,097	\$ 3,085
Charge-offs:							
Mortgage loans:							
One- to four-family residential	(54)	—	(127)	(17)	—	—	—
Multi-family	—	—	—	—	—	—	—
Commercial real estate	—	—	—	—	—	—	—
Construction	—	—	—	—	—	—	—
Consumer loans	—	—	(9)	(79)	(2)	(62)	(67)
Commercial loans	—	—	—	(77)	(25)	—	—
Total charge-offs	(54)	—	(136)	(173)	(27)	(62)	(67)
Recoveries:							
Mortgage loans:							
One- to four-family residential	—	—	—	—	—	—	—
Multi-family	—	—	—	—	—	—	—
Commercial real estate	—	—	—	—	—	—	—
Construction	—	—	—	—	—	—	—
Consumer loans	—	—	5	67	2	38	19
Commercial loans	—	—	—	—	1	—	—
Total recoveries	—	—	5	67	3	38	19
Net charge-offs	(54)	—	(131)	(106)	(24)	(24)	(48)
Provision for loan losses	—	—	127	—	20	245	60
Balance at end of year	<u>\$ 3,150</u>	<u>\$ 3,208</u>	<u>\$ 3,204</u>	<u>\$ 3,208</u>	<u>\$ 3,314</u>	<u>\$ 3,318</u>	<u>\$ 3,097</u>
Ratios:							
Net charge-offs to average loans outstanding	0.01%	—%	0.04%	0.03%	0.01%	0.01%	0.02%
Allowance for loan losses to non- performing loans at end of period	60.15%	110.43%	55.97%	90.21%	263.85%	557.65%	10,679.31%
Allowance for loan losses to total loans at end of period	0.83%	0.87%	0.88%	0.85%	1.15%	1.16%	1.09%

Source: Peoples Federal Bancshares' prospectus.

EXHIBIT I-7

**Peoples Federal Bancshares, Inc.
Interest Rate Risk Analysis**

Exhibit I-7
Peoples Federal Bancshares, Inc.
Interest Rate Risk Analysis

Change in Interest Rates (basis points) (1)	Estimated NPV (2) (Dollars in thousands)	Estimated Increase (Decrease) in NPV		NPV as a Percentage of Present Value of Assets (3)	
		Amount	Percent	NPV Ratio (4)	Increase (Decrease) (basis points)
+300	\$ 62,986	\$ (12,339)	(16)%	12.78%	(202)
+200	69,018	(6,307)	(8)%	13.80	(100)
+100	73,169	(2,156)	(3)%	14.48	(33)
0	75,325	—	—	14.80	—
-100	74,555	(770)	(1)%	14.64	(16)

- (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.

Source: Peoples Federal Bancshares' prospectus.

EXHIBIT I-8

**Peoples Federal Bancshares, Inc.
Fixed and Adjustable Rate Loans**

Exhibit I-8
Peoples Federal Bancshares, Inc.
Fixed and Adjustable Rate Loans

	Due After September 30, 2010		
	Fixed	Adjustable	Total
	(In thousands)		
Mortgage loans:			
One- to four-family residential.....	\$ 110,186	\$ 126,627	\$ 236,813
Multi-family.....	6,618	34,348	40,966
Commercial real estate.....	7,972	54,670	62,642
Construction.....	—	5,685	5,685
Consumer loans.....	1,966	410	2,376
Commercial loans.....	2,532	1,505	4,037
Total loans.....	<u>\$ 129,274</u>	<u>\$ 223,245</u>	<u>\$ 352,519</u>

Source: Peoples Federal Bancshares' prospectus.

EXHIBIT I-9

**Peoples Federal Bancshares, Inc.
Loan Portfolio Composition**

Exhibit I-9
Peoples Federal Bancshares, Inc.
Loan Portfolio Composition

	At September 30,									
	2009		2008		2007		2006		2005	
	Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent
(Dollars in thousands)										
Mortgage loans:										
One- to four-family residential ⁽¹⁾⁽²⁾	249,114	66.0%	249,833	66.3%	170,050	58.8%	172,514	60.2%	179,055	62.8%
Multi-family	40,018	10.6	46,659	12.4	44,830	15.5	39,898	13.9	30,716	10.8
Commercial real estate	63,850	16.9	54,062	14.4	53,691	18.6	43,773	15.3	36,368	12.7
Construction	17,312	4.6	18,890	5.0	13,777	4.8	23,771	8.3	34,116	11.9
Consumer loans	2,532	0.7	2,239	0.6	2,418	0.8	3,056	1.0	3,302	1.2
Commercial loans	4,536	1.2	4,928	1.3	4,293	1.5	3,621	1.3	1,687	0.6
Total loans	377,362	100.0%	376,681	100.0%	289,059	100.0%	286,633	100.0%	285,244	100.0%
Other items:										
Deferred loan origination fees, net	(40)		(164)		(839)		(958)		(1,103)	
Allowance for loan losses	(3,150)		(3,208)		(3,314)		(3,318)		(3,097)	
Total loans, net	\$ 374,172		\$ 373,309		\$ 284,906		\$ 282,357		\$ 281,044	

(1) Includes \$19.1 million, \$19.8 million, \$19.8 million, \$18.8 million, and \$18.7 million of home equity loans and lines of credit at December 31, 2009, September 30, 2009, 2008, 2007, 2006 and 2005, respectively.

(2) At December 31, 2009 and September 30, 2009, included \$ 105.8 million, \$ 108.2 million and 111.5 million of loans collateralized by non-owner occupied properties, all of which were located in our market area, respectively.

Source: Peoples Federal Bancshares' prospectus.

EXHIBIT I-10

**Peoples Federal Bancshares, Inc.
Contractual Maturity by Loan Type**

Exhibit I-10
Peoples Federal Bancshares, Inc.
Contractual Maturity by Loan Type

	One- to four-family residential		Multi-family		Commercial real estate		Construction loans	
	Amount	Weighted Average Rate	Amount	Weighted Average Rate	Amount	Weighted Average Rate	Amount	Weighted Average Rate
(Dollars in thousands)								
Due During the Years Ending September 30,								
2010.....	\$ 616	4.61%	\$ —	—%	\$ 1,219	5.47%	\$ 10,851	5.42%
2011.....	2,432	6.00	—	—	49	6.70	5,685	5.35
2012.....	835	5.10	92	7.60	2,183	6.34	—	—
2013 to 2014.....	3,815	5.72	319	6.87	3,373	5.76	—	—
2015 to 2019.....	20,979	5.73	7,906	6.08	2,041	5.79	—	—
2020 to 2024.....	28,585	5.44	3,835	4.75	10,847	6.06	—	—
2025 and beyond.....	180,167	5.70	28,814	5.78	44,149	6.15	—	—
Total.....	<u>\$ 237,429</u>	5.67%	<u>\$ 40,966</u>	5.75%	<u>\$ 63,861</u>	6.10%	<u>\$ 16,536</u>	5.40%

	Consumer loans		Commercial loans		Total	
	Amount	Weighted Average Rate	Amount	Weighted Average Rate	Amount	Weighted Average Rate
(Dollars in thousands)						
Due During the Years Ending September 30,						
2010.....	\$ 147	9.27%	\$ 793	4.82%	\$ 13,626	5.39%
2011.....	318	7.88	208	7.66	8,692	5.69
2012.....	630	9.80	216	7.41	3,956	6.72
2013 to 2014.....	730	7.04	1,823	6.69	10,060	6.04
2015 to 2019.....	369	5.36	1,611	6.56	32,906	5.85
2020 to 2024.....	—	—	93	8.50	43,360	5.54
2025 and beyond.....	329	15.98	86	17.46	253,545	5.80
Total.....	<u>\$ 2,523</u>	8.88%	<u>\$ 4,830</u>	6.64%	<u>\$ 366,145</u>	5.78%

Source: Peoples Federal Bancshares' prospectus.

EXHIBIT I-11

**Peoples Federal Bancshares, Inc.
Non-Performing Assets**

Exhibit I-11
Peoples Federal Bancshares, Inc.
Non-Performing Assets

	At December 31, 2009	At September 30,				
	2009	2008	2007	2006	2005	
	(Dollars in thousands)					
Non-accrual loans:						
Mortgage loans:						
One- to four-family residential.....	\$ 1,570	\$ 1,632	\$ 2,009	\$ 1,020	\$ 586	\$ —
Multi-family.....	258	258	—	—	—	—
Commercial real estate.....	1,842	1,911	—	—	—	—
Construction.....	1,541	1,540	1,500	206	—	—
Consumer loans.....	7	—	—	13	8	29
Commercial loans.....	19	—	47	16	—	—
Total non-performing loans.....	<u>5,237</u>	<u>5,341</u>	<u>3,556</u>	<u>1,255</u>	<u>594</u>	<u>29</u>
Loans delinquent 90 days or greater and still accruing:						
Mortgage loans:						
One- to four-family residential.....	—	384	—	—	—	—
Multi-family.....	—	—	—	—	—	—
Commercial real estate.....	—	—	—	—	—	—
Construction.....	—	—	—	—	—	—
Consumer loans.....	—	—	—	—	—	—
Commercial loans.....	—	—	—	1	1	—
Total loans delinquent 90 days or greater and still accruing.....	<u>—</u>	<u>384</u>	<u>—</u>	<u>1</u>	<u>1</u>	<u>—</u>
Total non-performing loans.....	<u>5,237</u>	<u>5,725</u>	<u>3,556</u>	<u>1,256</u>	<u>595</u>	<u>29</u>
Other real estate owned:	—	—	—	—	—	—
Total non-performing assets.....	<u>\$ 5,237</u>	<u>\$ 5,725</u>	<u>\$ 3,556</u>	<u>\$ 1,256</u>	<u>\$ 595</u>	<u>\$ 29</u>
Ratios:						
Non-performing loans to total loans.....	1.39%	1.56%	0.94%	0.43%	0.21%	0.01%
Non-performing assets to total assets.....	1.08%	1.19%	0.81%	0.35%	0.16%	0.01%

Source: Peoples Federal Bancshares' prospectus.

EXHIBIT I-12

**Peoples Federal Bancshares, Inc.
Deposit Composition**

Exhibit I-12
Peoples Federal Bancshares, Inc.
Deposit Composition

	For the Three Months Ended December 31, 2009			For the Year Ended September 30, 2009		
	Average Balance	Percent	Weighted Average Rate	Average Balance	Percent	Weighted Average Rate
	(Dollars in thousands)					
Deposit type:						
Demand deposits.....	\$ 31,890	8.6%	—%	\$ 32,150	10.0%	—%
NOW deposits.....	30,257	8.1	0.19	31,210	9.7	0.22
Money market deposits.....	154,850	41.7	1.56	89,519	27.7	2.30
Savings.....	44,374	11.9	1.00	43,058	13.3	1.07
Certificates of deposit.....	<u>110,468</u>	<u>29.7</u>	2.14	<u>126,822</u>	<u>39.3</u>	2.85
Total deposits.....	<u>\$ 371,839</u>	<u>100.0%</u>	1.42%	<u>\$ 322,759</u>	<u>100.0%</u>	1.92%

	For the Years Ended September 30,					
	2008			2007		
	Balance	Percent	Weighted Average Rate	Balance	Percent	Weighted Average Rate
	(Dollars in thousands)					
Deposit type:						
Demand deposits.....	\$ 34,757	11.7%	—%	\$ 25,914	9.0%	—%
NOW deposits.....	32,496	11.0	0.23	37,885	13.1	0.49
Money market deposits.....	47,791	16.2	1.42	39,530	13.7	3.57
Savings.....	43,802	14.8	1.05	46,319	16.0	0.64
Certificates of deposit.....	<u>137,099</u>	<u>46.3</u>	4.67	<u>139,477</u>	<u>48.2</u>	4.36
Total deposits.....	<u>\$ 295,945</u>	<u>100.0%</u>	2.57%	<u>\$ 289,125</u>	<u>100.0%</u>	2.76%

Source: Peoples Federal Bancshares' prospectus.

EXHIBIT I-13

**Peoples Federal Bancshares, Inc.
Maturity of Time Deposits**

Exhibit I-13
Peoples Federal Bancshares, Inc.
Maturity of Time Deposits

At September 30, 2009						
Period to Maturity						
	Less Than or Equal to One Year	More Than One to Two Years	More Than Two to Three Years	More Than Three Years	Total	Percent of Total
(Dollars in thousands)						
Interest Rate Range:						
Less than 2.00%.....	\$ 51,263	\$ 3,476	\$ 28	\$ —	\$ 54,767	48.75%
2.00% to 2.99%	26,194	5,888	1,336	1,127	34,545	30.75
3.00% to 3.99%	10,952	2,706	1,608	1,591	16,857	15.00
4.00% to 4.99%	4,383	1,684	76	8	6,151	5.48
5.00% to 5.99%	26	—	—	—	26	0.02
Total	<u>\$ 92,818</u>	<u>\$ 13,754</u>	<u>\$ 3,048</u>	<u>\$ 2,726</u>	<u>\$ 112,346</u>	<u>100.00%</u>

Source: Peoples Federal Bancshares' prospectus.

EXHIBIT I-14

**Peoples Federal Bancshares, Inc.
Borrowing Activity**

Exhibit I-14
Peoples Federal Bancshares, Inc.
Borrowing Activity

	At or For the Three Months Ended December 31,		At or For the Years Ended September 30,		
	2009	2008	2009	2008	2007
	(Dollars in thousands)				
Balance at end of period	\$ 54,000	\$ 76,039	\$ 58,000	\$ 80,060	\$ 28,639
Average balance during period	\$ 55,935	\$ 76,493	\$ 70,687	\$ 40,318	\$ 34,951
Maximum outstanding at any month end	\$ 58,000	\$ 76,053	\$ 76,053	\$ 80,060	\$ 41,209
Weighted average interest rate at end of period ...	3.35%	3.46%	3.43%	3.54%	4.84%
Average interest rate during period	3.38%	3.53%	3.52%	4.09%	4.81%

Source: Peoples Federal Bancshares' prospectus.

EXHIBIT II-1

**Peoples Federal Bancshares, Inc.
Description of Office Properties**

Exhibit II-1
Peoples Federal Bancshares, Inc.
Description of Office Properties

Address	Leased or Owned	Year Acquired or Leased
Main Office:		
435 Market Street Brighton, Massachusetts 02135	Owned	1977
Full Service Branches:		
ALLSTON		
229 North Harvard Street Allston, Massachusetts 02134	Owned	1996
BROOKLINE		
264 Washington Street Brookline, Massachusetts 02445	Owned	1955
JAMAICA PLAIN		
725 Centre Street Jamaica Plain, Massachusetts 02130	Leased ⁽¹⁾	2001
NORWOOD		
61 Lenox Street Norwood, Massachusetts 02062	Owned	2005
WEST ROXBURY		
1905 Centre Street West Roxbury, Massachusetts 02132	Owned	1997

⁽¹⁾ Lease expires in 2011, with an additional five-year option.

Source: Peoples Federal Bancshares' prospectus.

EXHIBIT II-2

Historical Interest Rates

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>
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%
2007: Quarter 1	8.25%	5.04%	4.90%	4.65%
Quarter 2	8.25%	4.82%	4.91%	5.03%
Quarter 3	7.75%	3.82%	4.05%	4.59%
Quarter 4	7.25%	3.36%	3.34%	3.91%
2008: Quarter 1	5.25%	1.38%	1.55%	3.45%
Quarter 2	5.00%	1.90%	2.36%	3.99%
Quarter 3	5.00%	0.92%	1.78%	3.85%
Quarter 4	3.25%	0.11%	0.37%	2.25%
2009: Quarter 1	3.25%	0.21%	0.57%	2.71%
Quarter 2	3.25%	0.19%	0.56%	3.53%
Quarter 3	3.25%	0.14%	0.40%	3.31%
Quarter 4	3.25%	0.06%	0.47%	3.85%
As of Feb. 26, 2010	3.25%	0.13%	0.32%	3.61%

(1) End of period data.

Sources: Federal Reserve and The Wall Street Journal.

EXHIBIT III-1

General Characteristics of Publicly-Traded Institutions

RP FINANCIAL, LC.
Financial Services Industry Consultants
1100 North Glebe Road, Suite 1100
Arlington, Virginia 22201
(703) 528-1700

Exhibit III-1
Characteristics of Publicly-Traded Thrifts
February 26, 2010

Ticker	Financial Institution	Exchg. Market	Primary Market	Operating Total Strat(1) Assets(2) (\$Mil)	Offices(2)	Fiscal Year	Conv. Date	Stock Price (\$)	Market Value (\$Mil)
California Companies									
PROV	Provident Fin. Holdings of CA (3)	NASDAQ	Riverside, CA	M.B. 1,415	13	06-30	06/96	3.25	37
BOFI	Bofi Holding, Inc. Of CA (3)	NASDAQ	San Diego, CA	Thrift 1,345	1	06-30	03/05	13.03	107
FPTB	First Fctrust Bancorp of CA (3)	NASDAQ	Chula Vista, CA	Thrift 894 S	9	12-31	08/02	6.25	27
KFED	K-Fed Bancorp MHC of CA (33-4)	NASDAQ	Covina, CA	Thrift 878	9	06-30	03/04	8.33	111
BYFC	Broadway Financial Corp. of CA (3)	NASDAQ	Los Angeles, CA	Thrift 520 S	4	12-31	01/96	5.95	10
Florida Companies									
BBX	BankAtlantic Bancorp Inc of FL (3)	NYSE	FortLauderdaleFL	M.B. 4,820	102	12-31	11/83	1.26	62
FCFL	First Community Bk Corp of FL (3)	NASDAQ	Pineellas Park FL	Thrift 561 S	8	12-31	05/03	3.01	12
Mid-Atlantic Companies									
HCBK	Hudson City Bancorp, Inc of NJ (3)	NASDAQ	Paramus, NJ	Thrift 60,268	119	12-31	06/05	13.52	7,118
NYB	New York Community Bcrp of NY (3)	NYSE	Westbury, NY	Thrift 42,167	220	12-31	11/93	15.49	6,710
AF	Astoria Financial Corp. of NY (3)	NYSE	Lake Success, NY	Thrift 20,252	86	12-31	11/93	13.27	1,288
FNFG	First Niagara Fin. Group of NY (3)	NASDAQ	Lockport, NY	Thrift 14,137 S	116	12-31	01/03	14.04	2,643
ISBC	Investors Bcrp MHC of NJ(43-5)	NASDAQ	Short Hills, NJ	Thrift 8,215 S	50	06-30	10/05	12.87	1,473
NWBI	Northwest Bancshares Inc of PA (3)	NASDAQ	Warren, PA	Thrift 8,025	167	06-30	12/09	11.82	1,308
PFS	Provident Fin. Serv. Inc of NJ (3)	NYSE	Jersey City, NJ	Thrift 6,669 J	86	12-31	01/03	10.96	656
BNCL	Beneficial Mut MHC of PA(44-1)	NASDAQ	Philadelphia, PA	Thrift 4,445 S	73	12-31	07/07	9.39	769
FFIC	Flushing Fin. Corp. of NY (3)	NASDAQ	Lake Success, NY	Thrift 4,177 S	15	12-31	11/95	12.69	395
DCOM	Dime Community Bancshares of NY (3)	NASDAQ	Brooklyn, NY	Thrift 3,952	21	12-31	06/96	12.14	418
TRST	TrustCo Bank Corp NY of NY (3)	NASDAQ	Glenville, NY	Thrift 3,680	105	12-31	/	6.05	464
WFSF	WFSF Financial Corp. of DE (3)	NASDAQ	Wilmington, DE	Div. 3,573 S	29	12-31	11/86	30.69	217
PNY	Provident NY Bcrp, Inc. of NY (3)	NASDAQ	Montebello, NY	Thrift 2,918	35	09-30	01/04	8.72	341
KRNY	Keary Fin Cp MHC of NJ (26-5)	NASDAQ	Fairfield, NJ	Thrift 2,203	26	06-30	02/05	10.03	692
ORIT	Ortiti Fin Cp MHC of NJ(25-7)	NASDAQ	Twship of WA NJ	Thrift 2,007	20	06-30	01/07	15.84	587
NFBK	Northfield Bcrp MHC of NY(45-1)	NASDAQ	Avenel, NY	Thrift 2,002	18	12-31	11/07	13.99	622
OCFC	OceanFirst Fin. Corp of NJ (3)	NASDAQ	Toms River, NJ	Thrift 1,989	23	12-31	07/96	10.22	192
ESBF	ESB Financial Corp. of PA (3)	NASDAQ	Ellwood City, PA	Thrift 1,979 S	23	12-31	06/90	12.53	151
PVSA	Parkvale Financial Corp of PA (3)	NASDAQ	Monroeville, PA	Thrift 1,916	48	06-30	07/87	7.41	41
ROMA	Roma Fin Corp MHC of NJ (27-0)	NASDAQ	Robbiansville, NJ	Thrift 1,266 S	10	12-31	07/06	12.22	378
ABBC	Abington Bancorp, Inc. of PA (3)	NASDAQ	Jenkinstown, PA	Thrift 1,238	19	12-31	06/07	7.69	162
FBCE	Fox Chase Bncp MHC of PA(41-0)	NASDAQ	Hatboro, PA	Thrift 1,174	12	12-31	10/06	9.25	126
BFED	Beacon Federal Bancorp of NY (3)	NASDAQ	East Syracuse NY	Thrift 1,070 S	8	12-31	10/07	9.00	59
CBNJ	Cape Bancorp, Inc. of NJ (3)	NASDAQ	Cape Mt Ct Hs,NJ	Thrift 1,067 S	20	12-31	02/08	7.27	97
CSBK	Clifton Svq Bp MHC of NJ(37-1)	NASDAQ	Clifton, NJ	Thrift 1,060	10	03-31	03/04	8.90	236
ESSA	ESSA Bancorp, Inc. of PA (3)	NASDAQ	Stroudsburg, PA	Thrift 1,034	13	03-30	04/07	11.70	165
SVBI	Severn Bancorp, Inc. of MD (3)	NASDAQ	Annapolis, MD	Thrift 996 S	4	12-31	/	4.20	42
HARL	Harleyville Svgs Fin Cp of PA (3)	NASDAQ	Harleysville, PA	Thrift 840	6	09-30	08/87	13.28	48
CARV	Carver Bancorp, Inc. of NY (3)	NASDAQ	New York, NY	Thrift 812	10	03-31	10/94	8.10	20
OSHC	Ocean Shore Holding Co. of NJ (3)	NASDAQ	Ocean City, NJ	Thrift 770 P	8	12-31	12/09	10.46	76
FSBI	Fidelity Bancorp, Inc. of PA (3)	NASDAQ	Pittsburgh, PA	Thrift 736	13	09-30	06/88	5.15	16
THRD	TF Fin. Corp. of Newtown PA (3)	NASDAQ	Newtown, PA	Thrift 714	15	12-31	07/94	18.75	50
MLVF	Malvern Fed Bncp MHC PA(45-0)	NASDAQ	Paoli, PA	Thrift 682	8	09-30	05/08	9.45	58
BCSB	BCSB Bancorp, Inc. of MD (3)	NASDAQ	Baltimore, MD	Thrift 586	18	09-30	04/08	9.97	31
ONFC	Onida Financ MHC of NY(44-9)	NASDAQ	Onida, NY	Thrift 574 S	13	12-31	12/98	9.99	78
COBK	Colonial Bank MHC of NJ (44-8)	NASDAQ	Bridgeton, NJ	Thrift 570 S	7	12-31	06/05	8.10	36
MGIR	Magyar Bancorp MHC of NJ(44-5)	NASDAQ	NW Brunswick, NJ	Thrift 558	5	09-30	01/06	4.00	23
FBFI	Farapo Bancorp, Inc. of NJ (3)	NASDAQ	Bayonne, NJ	Thrift 558	11	12-31	11/89	8.43	42
BFBS	Brooklyn Fed MHC of NY (24-7)	NASDAQ	Brooklyn, NY	Thrift 532	4	09-30	04/05	7.59	98
NECB	NE Coma Bncp MHC of NY (45-0)	NASDAQ	White Plains, NY	Thrift 510 S	6	12-31	07/06	6.90	91
PEIP	Prudential Bncp MHC PA (29-3)	NASDAQ	Philadelphia, PA	Thrift 506	7	09-30	03/05	9.85	102
FFFS	First Keystone Fin., Inc of PA (3)	NASDAQ	Media, PA	Thrift 506	8	09-30	01/95	11.15	27
ESBK	Elmira Svgs Bank, FSB of NY (3)	NASDAQ	Elmira, NY	Thrift 506 S	11	12-31	03/85	15.61	30
GCBC	Green Co Bcrp MHC of NY (43-9)	NASDAQ	Catskill, NY	Thrift 473	10	06-30	12/98	15.00	62
ALLS	Alliance Bank MHC of PA (42-0)	NASDAQ	Broomall, PA	Thrift 464	9	12-31	01/07	8.45	57
WSB	WSB Holdings, Inc. of Bowie MD (3)	NASDAQ	Bowie, MD	Thrift 447 S	5	12-31	08/88	3.99	31

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Exhibit III-1
 Characteristics of Publicly-Traded Thrifts
 February 26, 2010

Ticker	Financial Institution	Exchng. Market	Primary Market	Operating Total Strat(1) Assets(2) (\$Mil.)	Offices	Fiscal Year	Conv. Date	Stock Price (\$)	Market Value (\$Mil.)
Mid-Atlantic Companies (continued)									
LSBK	Laka Shore Bnp MHC of NY (41.3)	NASDAQ	Dunkirk, NY	Thrift 422 S	8	12-31	04/06	7.83	48
OBAF	OBAS Financial Serv. Inc of MD (3)	NASDAQ	Germanstown, MD	Thrift 397 P	5	06-30	01/10	10.51	49
WVFC	WVS Financial Corp. of PA (3)	NASDAQ	Pittsburgh, PA	Thrift 362	6	06-30	11/93	14.55	30
PBHC	Pachfinder BC MHC of NY (36.3)	NASDAQ	Oswego, NY	Thrift 395 S	8	12-31	11/95	5.50	14
MSBF	MSB Fin Corp MHC of NJ (41.8)	NASDAQ	Millington, NJ	Thrift 364	4	06-30	01/07	7.25	38
WFCO	FedFirst Fin MHC of PA (42.5)	NASDAQ	Mosses, PA	Thrift 354 S	9	12-31	04/05	4.99	32
ROME	ROMA Bancorp, Inc. of Rome NY (3)	NASDAQ	Rome, NY	Thrift 330	5	12-31	03/05	8.55	59
CMSB	CMS Bancorp Inc of W Plains NY (3)	NASDAQ	White Plains, NY	Thrift 227	6	09-30	04/07	7.35	14
IFSB	Independence FBS of DC (3)	NASDAQ	Washington, DC	Thrift 167 S	4	12-31	06/85	1.54	2
Mid-West Companies									
FBC	Flagstar Bancorp, Inc. of MI (3)	NYSE	Troy, MI	Thrift 14,823 S	164	12-31	04/97	0.65	305
TFSL	TFS Fin Corp MHC of OH (26.5)	NASDAQ	Cleveland, OH	Thrift 10,726	37	09-30	04/07	12.85	3,962
CFEN	Capitol Fd Fin MHC of KS (29.6)	NASDAQ	Topeka, KS	Thrift 8,375	38	09-30	04/99	34.62	2,563
ABCW	Anchor Bancorp Wisconsin of WI (3)	NASDAQ	Madison, WI	M.B. 4,459	79	03-31	07/92	1.13	25
BKMU	Bank Mutual Corp of WI (3)	NASDAQ	Milwaukee, WI	Thrift 3,512	78	12-31	10/03	6.49	300
FFFC	First Place Fin. Corp. of OH (3)	NASDAQ	Warren, OH	Thrift 3,259	47	06-30	01/99	3.45	59
TONR	TierOne Corp. of Lincoln NE (3)	NASDAQ	Lincoln, NE	Thrift 3,161 J	69	12-31	10/02	0.64	12
UCFC	United Community Fin. of OH (3)	NASDAQ	Youngstown, OH	Thrift 2,338	39	12-31	07/98	1.52	47
FDEF	First Defiance Fin. Corp of OH (3)	NASDAQ	Defiance, OH	Thrift 2,058	27	12-31	10/95	9.84	80
WSEF	Waterstone Fin MHC of WI(26.2)	NASDAQ	Wauwatosa, WI	Thrift 1,868	10	12-31	10/05	2.42	76
BFIN	BankFinancial Corp. of IL (3)	NASDAQ	Burr Ridge, IL	Thrift 1,575 S	18	12-31	06/05	9.60	206
NASB	NASH Fin, Inc. of Grandview MO (3)	NASDAQ	Grandview, MO	Thrift 1,560 S	9	09-30	09/85	18.99	149
PULB	Pulaski Fin Cp of St. Louis MO (3)	NASDAQ	St. Louis, MO	Thrift 1,434	12	09-30	12/98	6.40	65
MFSF	MutualFirst Fin. Inc. of IN (3)	NASDAQ	Muncie, IN	Thrift 1,397 S	21	12-31	12/99	5.89	41
HFFC	HF Financial Corp. of SD (3)	NASDAQ	Sioux Falls, SD	Thrift 1,175	33	06-30	04/92	10.23	71
CITZ	CFS Bancorp, Inc of Munster IN (3)	NASDAQ	Munster, IN	Thrift 1,082	21	12-31	07/98	3.56	38
HNNF	HNN Financial, Inc. of MN (3)	NASDAQ	Rochester, MN	Thrift 1,036	15	12-31	05/94	4.99	21
HFBC	Hopped Bancorp, Inc. of KY (3)	NASDAQ	Hopkinsville, KY	Thrift 1,022 S	19	12-31	02/98	11.45	41
CASH	Metc Financial Group of IA (3)	NASDAQ	Storck Lake, IA	Thrift 916	16	09-30	09/93	21.00	56
FVFC	PVF Capital Corp. of Solon OH (3)	NASDAQ	Solon, OH	R.E. 869	17	06-30	12/92	1.95	16
FLCF	First Clover Leaf Fin Cp of IL (3)	NASDAQ	Edwardsville, IL	Thrift 603 S	4	12-31	07/06	6.90	56
CZMI	Citizens Comm Bancorp Inc of WI (3)	NASDAQ	Eau Claire, WI	Thrift 567	12	09-30	11/06	4.00	20
FSFQ	First Savings Fin. Grp. of IN (3)	NASDAQ	Clarksville, IN	Thrift 491	7	09-30	12/08	10.84	26
FCAP	First Capital, Inc. of IN (3)	NASDAQ	Corydon, IN	Thrift 457 S	12	12-31	01/99	14.70	41
FFFD	North Central Bancshares of IA (3)	NASDAQ	Fort Dodge, IA	Thrift 455	11	12-31	03/96	14.29	19
LBCP	Liberty Bancorp, Inc. of MO (3)	NASDAQ	Liberty, MO	Thrift 406	6	09-30	07/06	7.43	27
WAYN	Wayte Savings Bancshares of OH (3)	NASDAQ	Wooster, OH	Thrift 403	11	03-31	01/03	6.91	21
UCBA	United Comm Bancp MHC IN (40.8)	NASDAQ	Lawrenceburg, IN	Thrift 398	6	06-30	03/06	6.65	52
LPBS	LaPorte Bancp MHC of IN(45.6)	NASDAQ	La Porte, IN	Thrift 388 S	7	12-31	10/07	5.48	25
RIVE	River Valley Bancorp of IN (3)	NASDAQ	Madison, IN	Thrift 385 S	8	12-31	12/96	13.05	20
LSBI	LSB Fin. Corp. of Lafayette IN (3)	NASDAQ	Lafayette, IN	Thrift 364 S	5	12-31	02/95	10.01	16
CHEV	Chevrolet Fin Cp MHC of OH(38.5)	NASDAQ	Cincinnati, OH	Thrift 342	7	12-31	01/04	8.30	74
FFHS	First Franklin Corp. of OH (3)	NASDAQ	Cincinnati, OH	Thrift 304 S	8	12-31	01/88	6.50	11
JXBS	Jacksonville Bcp MHC of IL(45.9)	NASDAQ	Jacksonville, IL	Thrift 295 S	8	12-31	04/95	11.88	23
CFBK	Central Federal Corp. of OH (3)	NASDAQ	Fairlawn, OH	Thrift 280 S	4	12-31	12/98	1.11	5
KFPB	KY Fst Fed Bp MHC of KY (39.9)	NASDAQ	Hazard, KY	Thrift 239 S	9	12-31	03/05	12.18	96
FFNM	First Fed of N. Michigan of MI (3)	NASDAQ	Alpena, MI	Thrift 239 S	4	12-31	04/05	1.66	5
FFED	Park Bancorp of Chicago IL (3)	NASDAQ	Chicago, IL	Thrift 222 S	4	12-31	08/96	4.49	5
FBSI	First Bancshares, Inc. of MO (3)	NASDAQ	Matn Grove, MO	Thrift 210	11	06-30	12/93	9.45	15
FFDP	FFD Financial Corp of Dover OH (3)	NASDAQ	Dover, OH	Thrift 198	4	06-30	04/96	13.01	13
New England Companies									
PBCT	Peoples United Financial of CT (3)	NASDAQ	Bridgeport, CT	Div. 21,255	303	12-31	04/07	15.75	5,434
NAL	NewAlliance Bancshares of CT (3)	NYSE	New Haven, CT	Thrift 8,434	89	12-31	04/04	11.98	1,270
BHLE	Berkshire Hills Bancorp of MA (3)	NASDAQ	Pittsfield, MA	Thrift 2,700	42	12-31	06/00	17.88	249
BREL	Brookline Bancorp, Inc. of MA (3)	NASDAQ	Brookline, MA	Thrift 2,616	17	12-31	07/02	10.28	607
DNBK	Danvers Bancorp, Inc. of MA (3)	NASDAQ	Danvers, MA	Thrift 2,500	15	12-31	01/08	14.17	308
RCKE	Rockville Fin MHC of CT (42.9)	NASDAQ	Vrn Rockville CT	Thrift 1,564 S	20	12-31	05/05	10.64	199

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Exhibit III-1
Characteristics of Publicly-Traded Thrifts
February 26, 2010

Ticker	Financial Institution	Exchg.	Primary Market	Operating Total Strat(1) Assets(2) (\$Mil)	Offices	Fiscal Year	Conv. Date	Stock Price (\$)	Market Value (\$Mil)
New England Companies (continued)									
UBNK	United Financial Bancorp of MA (3)	NASDAQ	W Springfield MA	1,247 S	13	12-31	12/07	13.09	220
ESSB	Meridian Fm Serv MHC MA (43.4)	NASDAQ	East Boston, MA	1,211	14	12-31	01/08	10.00	223
WFD	Westfield Fin. Inc. of MA (3)	NASDAQ	Westfield, MA	1,191	11	12-31	01/07	8.29	247
LESC	Legacy Bancorp, Inc. of MA (3)	NASDAQ	Pittsfield, MA	946	17	12-31	10/05	9.82	86
HIFS	Hingham Inst. for Sav. of MA (3)	NASDAQ	Hingham, MA	926	9	12-31	12/88	32.70	69
NHFB	NH Thrift Bancshares of NH (3)	NASDAQ	Newport, NH	903 S	28	12-31	05/86	10.36	60
SIFI	SI Fin Gp Inc MHC of CT (38.2)	NASDAQ	Williamantic, CT	872	20	12-31	10/04	5.44	64
LSBX	LSB Corp of No. Andover MA (3)	NASDAQ	North Andover, MA	807 S	7	12-31	05/86	11.72	53
HBNK	Hamden Bancorp, Inc. of MA (3)	NASDAQ	Springfield, MA	575	8	06-30	01/07	10.35	75
CBNK	Central Bancorp of Somerville MA (3)	NASDAQ	Somerville, MA	558	11	03-31	10/86	8.29	14
CHCO	Chicopee Bancorp, Inc. of MA (3)	NASDAQ	Chicopee, MA	544	6	12-31	07/06	12.80	82
MYSL	Naug Villy Fin MHC of CT (40.5)	NASDAQ	Naugatuck, CT	542 S	9	12-31	10/84	6.47	45
PSBH	PSB Hldgs Inc MHC of CT (42.9)	NASDAQ	Futnam, CT	480	7	06-30	10/04	3.50	23
NFSB	Newport Bancorp, Inc. of RI (3)	NASDAQ	Newport, RI	459	5	12-31	07/06	11.95	46
MFLR	Mayflower Bancorp, Inc. of MA (3)	NASDAQ	Middleboro, MA	246	7	04-30	12/87	6.99	15
North-West Companies									
WFSL	Washington Federal, Inc. of WA (3)	NASDAQ	Seattle, WA	12,663	136	09-30	11/82	19.49	2,191
FFNW	First Fin NW, Inc of Renton WA (3)	NASDAQ	Renton, WA	1,315	1	12-31	10/07	6.54	123
RVSB	Riverview Bancorp, Inc. of WA (3)	NASDAQ	Vancouver, WA	858	18	03-31	10/97	2.45	27
RPPG	Rainier Pacific Fin Grp of WA (3)	NASDAQ	Tacoma, WA	764 S	14	12-31	10/03	0.18	1
TSBK	Timberland Bancorp, Inc. of WA (3)	NASDAQ	Hoquiam, WA	716	22	09-30	01/98	4.12	29
South-East Companies									
FFCH	First Fin. Holdings Inc. of SC (3)	NASDAQ	Charleston, SC	3,476	53	09-30	11/83	11.96	198
SUPR	Superior Bancorp of AL (3)	NASDAQ	Birmingham, AL	3,222	69	12-31	12/98	2.90	34
ACFC	Atl Cst Fed Cp of GA MHC(35.1)	NASDAQ	Waycross, GA	945 S	13	12-31	10/04	1.61	22
CBBC	Citizens South Bnk Corp of NC (3)	NASDAQ	Gastonia, NC	792	14	12-31	10/02	5.23	39
TSH	Teche Hlding Cp of N Iberia LA (3)	AMEX	New Iberia, LA	757	20	09-30	04/95	31.70	67
FFBH	First Fed. Bancshares of AR (3)	NASDAQ	Harrison, AR	750	18	12-31	05/96	3.27	16
JFBI	Jefferson Bancshares Inc of TN (3)	NASDAQ	Morristown, TN	671	5	06-30	07/03	3.91	26
CFYC	Community Fin. Corp. of VA (3)	NASDAQ	Staunton, VA	541	10	03-31	03/88	3.90	17
HBCP	Home Bancorp Inc. Lafayette LA (3)	NASDAQ	Lafayette, LA	525	11	12-31	10/08	12.19	107
HBOS	Heritage Fm Op MHC of GA(24.4)	NASDAQ	Albany, GA	470 S	7	12-31	06/05	8.75	91
FABK	First Advantage Bancorp of TN (3)	NASDAQ	Clarksville, TN	353 S	4	12-31	11/07	10.50	47
LABC	Louisiana Bancorp, Inc. of LA (3)	NASDAQ	Metairie, LA	332 S	3	12-31	07/07	14.60	76
GSIA	GS Financial Corp. of LA (3)	NASDAQ	Metairie, LA	272	5	12-31	04/97	14.00	18
AFCB	Athens Bancshares, Inc. of TN (3)	NASDAQ	Athens, TN	269 P	8	12-31	01/10	10.97	30
South-West Companies									
VFPG	Viewpoint Finl MHC of TX(43.1)	NASDAQ	Plano, TX	2,350 S	31	12-31	10/06	14.61	364
OABC	Omnibancorp Bancorp Inc of TX (3)	NASDAQ	Fort Worth, TX	1,108 P	17	12-31	01/10	10.91	130
OSBK	Osage Bancshares, Inc. of OK (3)	NASDAQ	Pawhuska, OK	161	2	06-30	01/07	8.50	23
Western Companies (Excl CA)									
UWBK	United Western Banc, Inc of CO (3)	NASDAQ	Denver, CO	2,628 S	3	12-31	10/96	2.43	66
TBNK	Territorial Bancorp, Inc of HI (3)	NASDAQ	Honolulu, HI	1,390	26	12-31	07/09	19.78	242
HOME	Home Federal Bancorp Inc of ID (3)	NASDAQ	Nampa, ID	822	17	09-30	12/07	13.33	223
Other Areas									

NOTES: (1) Operating strategies are: Thrift-Traditional Thrift, M.B.-Mortgage Banker, R.E.-Real Estate Developer, D.V.-Diversified, and Ret.-Retail Banking.
(2) Most recent quarter end available (E-Estimated, and P-Pro Forma)

EXHIBIT III-2

Public Market Pricing of New England Thrift Institutions

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Exhibit III-2
Market Pricing Comparatives
Prices As of February 26, 2010

Financial Institution	Market Capitalization		Per Share Data		Pricing Ratios(3)				Dividends(4)		Financial Characteristics(5)									
	Price/Share (\$)	Market Value (\$M)	Core Book Value/Share (\$)	12-Mth EPS (\$)	P/E (x)	P/B (x)	P/A (x)	P/TB (x)	P/CORE (x)	Amount/Share (\$)	Yield (%)	Payout Ratio (%)	Total Assets (\$M)	Equity/Assets (%)	Tng Eq/Assets (%)	MPAs/Assets (%)	ROA (%)	ROE (%)		
All Public Companies	9.74	298.86	-0.11	12.25	18.28	82.69	10.09	91.50	19.96	0.26	2.17	33.18	2,705	11.36	10.56	3.24	-0.14	-0.14	-0.69	
Special Selection Grouping(6)	11.60	452.52	0.40	13.64	20.05	88.73	12.15	101.64	21.78	0.26	1.98	28.22	2,502	13.40	12.05	1.46	0.21	1.91	2.89	
Comparable Group																				
Special Comparative Group(8)																				
BHLB Berkshire Hills Bancorp of MA	17.88	248.82	-1.08	27.64	NM	64.69	9.21	119.36	NM	0.54	3.58	NM	2,700	14.24	8.26	NA	-0.54	-4.23	-3.71	
BRKL Brookline Bancorp, Inc. of MA	10.28	606.84	0.33	8.26	31.15	124.46	23.20	137.62	31.15	0.34	3.31	NM	2,616	18.71	17.25	NA	0.74	3.38	0.74	
CBNK Central Bancorp of Somerville MA	8.29	13.57	-0.10	20.78	NM	39.89	2.43	42.71	NA	0.20	2.41	NM	558	7.80	7.43	0.33	-0.07	-0.93	-0.94	
CBNK Chicopee Bancorp, Inc. of MA	12.80	81.65	-0.10	14.76	NM	86.72	15.01	86.72	NA	0.00	0.00	NM	544	17.30	17.30	NA	-0.30	-1.70	-0.12	
DNBK Danvers Bancorp, Inc. of MA	14.17	307.57	0.24	13.16	NM	107.67	12.30	123.65	NA	0.08	0.56	33.33	2,500	11.43	10.10	0.75	0.27	2.17	2.17	
DNBK Hampden Bancorp, Inc. of MA	10.35	75.02	-0.10	13.06	NM	79.25	13.05	79.25	NA	0.12	1.16	23.22	926	16.46	16.46	1.30	-0.14	-0.83	-0.75	
HIFS Hingham Inst. for Sav. of MA	32.70	69.45	3.77	30.74	8.63	106.38	7.50	106.38	8.67	0.88	2.59	17.33	807	7.05	7.95	NA	0.53	12.87	0.52	
LSBK LSB Corp of No. Andover MA	11.72	52.82	1.49	13.72	7.28	85.42	6.55	85.42	7.87	0.28	2.39	17.33	807	7.05	7.95	NA	0.53	12.87	0.52	
LEGC Legacy Bancorp, Inc. of MA	9.82	85.78	-0.15	13.89	NM	70.70	9.06	78.31	NA	0.20	4.04	NM	946	12.82	11.72	3.34	-0.82	-6.30	-1.06	
MFLR Mayflower Bancorp, Inc. of MA	6.99	14.55	0.28	9.78	12.71	71.47	5.52	71.47	24.36	0.24	3.43	43.64	246	8.26	8.26	NA	0.46	5.80	0.43	
EBSS Meridian Fin Serv MHC MA (43.4)	10.00	97.08	0.17	9.00	NM	111.11	18.38	111.11	NM	0.00	0.00	0.00	1,211	16.54	16.54	NA	0.33	1.95	1.95	
NHTB NH Thrift Bancshares of NH	10.36	59.80	0.75	13.62	9.01	76.06	6.52	121.60	13.81	0.52	5.02	45.22	903	9.81	6.77	NA	0.76	8.14	0.50	
NVTB Nev Vily Fin MHC of CT (40.5) (7)	6.47	18.40	0.39	7.04	17.03	91.90	8.38	92.17	16.59	0.12	1.85	31.56	542	9.12	9.09	NA	0.50	5.70	3.85	
NAL NewAlliance Bancshares of CT	11.98	1270.48	0.39	13.53	27.23	88.54	15.06	145.57	30.72	0.28	2.34	63.64	8,434	17.01	11.09	0.64	0.59	3.31	0.49	
NFBH Newport Bancorp, Inc. of RI	11.95	45.77	0.23	13.42	NM	89.05	9.97	89.05	NA	0.00	0.00	0.00	459	11.20	11.20	NA	0.15	1.31	0.20	
PBBH PBB Hldgs Inc MHC of CT (42.9)	3.50	9.80	0.39	6.75	NM	51.85	4.76	62.39	8.97	0.00	0.00	NM	480	9.18	7.75	2.36	-0.97	-10.53	0.33	
PBCT Peoples United Financial of CT	15.75	5433.75	0.28	14.78	NM	106.56	25.56	151.59	NM	0.51	3.87	NM	21,255	23.99	18.16	NA	0.52	2.08	0.47	
RCKE Rockville Fin MHC of CT (42.9)	10.64	85.39	0.49	8.18	24.74	130.07	12.73	131.03	21.71	0.24	2.46	55.81	1,564	9.78	9.72	1.13	0.52	5.40	0.59	
SIPI SI Fin Gr Inc MHC of CT (38.2)	5.44	24.49	0.05	6.57	NM	82.80	7.35	87.60	NM	0.00	0.00	0.00	872	8.88	8.88	NA	0.05	0.63	0.07	
UBNK United Financial Bancorp of MA	13.09	220.42	0.43	12.85	39.67	101.87	17.67	101.95	30.44	0.28	2.14	NM	1,287	17.35	17.35	NA	0.45	2.53	0.58	
WFD Westfield Fin. Inc. of MA	8.29	247.30	0.21	8.29	NM	100.00	20.76	100.00	39.48	0.20	2.41	NM	1,191	20.76	20.76	0.60	0.46	2.09	0.54	

(1) Average of High/Low or Bid/Ask price per share.
(2) EPS (estimate core basis) is based on actual trailing twelve month data, adjusted to omit non-operating items on a tax effected basis.
(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 estimated core earnings.
(4) Indicated twelve month dividend, based on last quarterly dividend declared.
(5) Indicated dividend as a percent of trailing twelve month estimated core earnings.
(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.
(8) Includes New England Companies,
Source: S&P Financial, LC. 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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EXHIBIT III-3

Public Market Pricing of Mid-Atlantic Thrift Institutions

EP FINANCIAL, LC.
 Financial Services Industry Consultants
 1100 North Glebe Road, Suite 1100
 Arlington, Virginia 22201
 (703) 528-1700

Exhibit III-3
 Market Pricing Comparatives
 Prices As of February 26, 2010

Financial Institution	Market Capitalization			Per Share Data			Pricing Ratios(3)			Dividends(4)			Financial Characteristics(5)			Core ROA				
	Price/Share(1)	Market Value (\$Mill)	EPS(2)	P/E (x)	P/B (%)	P/A (%)	P/TB (%)	F/CORE (x)	Amount/Share (\$)	Yield (%)	Ratio(5)	Total Assets (\$Mill)	Equity/Assets (%)	Tag Eq/Assets (%)	NPA/Assets (%)	Reported ROA (%)	ROA (%)	ROE (%)		
All Public Companies	9.74	298.86	-0.11	12.35	18.29	82.69	10.09	91.50	19.96	0.26	2.17	33.18	2.705	11.36	10.58	3.24	0.14	-0.42	-0.14	-0.69
Special Selection Grouping(8)	10.31	497.43	0.21	11.44	18.07	98.23	11.63	112.16	18.64	0.30	2.59	48.87	4.277	11.25	10.30	2.67	0.06	0.95	0.17	1.98
Comparable Group																				
Special Comparative Grouping(8)																				
ABC Abington Bank, Inc. of PA	7.69	161.87	-0.33	10.18	18.29	82.69	13.07	75.54	NM	0.20	2.60	NM	1,239	17.31	17.31	4.64	-0.59	-3.16	-0.58	-3.07
ABC Alliance Bancorp. of PA (42.0)	8.45	24.28	0.22	7.14	12.35	118.35	12.34	118.35	38.41	0.12	1.42	60.00	464	10.43	10.43	2.33	0.31	2.79	0.34	3.07
AF Astor Financial Corp. of NY	13.27	1288.30	0.31	12.45	18.07	98.23	6.36	125.90	NM	0.52	3.92	NM	20,252	5.97	5.10	NA	0.13	2.95	0.14	2.51
BCSB BCSB Bancorp. Inc. of MD	9.97	31.12	-0.59	15.93	9.57	58.44	5.31	62.70	NM	0.00	0.00	NM	586	10.48	10.48	NA	0.37	-3.61	-0.32	-3.09
BEFD Beacon Federal Bancorp of NY	9.00	58.87	1.11	15.40	9.57	58.44	5.50	58.44	8.04	0.20	2.22	21.28	1,070	9.42	9.42	NA	0.59	6.15	0.71	7.33
BNCI BancFirst Nat MHC of PA(44.1)	7.59	339.81	0.12	7.76	12.75	141.56	17.29	152.88	NM	0.00	0.00	0.00	4,445	11.67	11.67	3.49	0.20	1.32	0.22	1.46
BSYS Brooklyn Fed MHC of NY (24.7)	7.35	13.69	-0.33	11.42	18.07	98.23	18.36	118.35	31.63	0.44	5.80	0.00	532	15.50	15.50	11.76	0.27	1.67	0.59	3.64
CMSB CMS Bancorp. Inc. of NY	7.27	96.79	-3.73	9.36	18.07	98.23	6.02	65.51	NM	0.00	0.00	NM	227	9.20	9.20	NA	-0.15	-1.58	-0.27	-2.89
CNV Cape Bancorp. Inc. of NY	8.10	20.05	0.62	18.60	18.07	98.23	9.07	95.41	NM	0.00	0.00	NM	1,067	11.68	9.72	NA	-5.56	-42.09	-1.51	-34.13
CNBV Carver Bancorp. Inc. of NY	8.90	88.27	0.21	6.61	12.35	118.35	2.47	43.91	13.06	0.40	4.94	NM	812	8.01	7.98	4.12	0.05	0.64	0.19	2.50
CSBK Clifton SVg Bk MHC of NJ (37.1)	8.10	16.05	0.43	10.02	27.00	80.84	6.28	80.84	18.84	0.00	0.00	0.00	570	7.77	7.77	0.70	0.24	3.18	0.36	3.21
COBK Colonial Bank MHC of NY (44.8) (7)	12.14	417.57	0.93	8.57	15.97	141.56	10.56	174.88	13.05	0.56	4.61	73.68	3,952	7.46	6.13	0.35	0.66	9.18	0.80	11.23
DCOM Dime Community Bancshares of NY	12.53	151.07	1.08	13.87	12.75	141.56	7.63	121.65	11.60	0.40	3.19	40.82	1,979	8.48	6.45	NA	0.60	7.99	0.66	8.81
ESBF ESB Financial Corp. of PA	11.70	165.25	0.38	12.90	30.00	90.70	15.98	90.70	30.79	0.20	1.71	51.28	1,034	17.62	17.62	NA	0.53	2.94	0.51	6.87
ESSA ESSA Bancorp. Inc. of PA	15.61	29.96	1.80	18.72	6.76	83.39	5.92	131.40	8.67	0.80	5.12	34.63	506	10.73	8.35	NA	0.91	8.82	0.71	6.87
ESSA Eclair Svgs Bank, FSB of NY	4.99	13.41	0.24	6.62	NM	75.38	8.93	77.36	20.79	0.00	0.00	NM	354	11.59	11.59	NA	-0.58	-5.00	0.44	3.75
FFCO Fidelity Fin MHC of PA (42.5) (7)	11.15	27.13	-0.71	13.22	NM	39.02	2.13	41.80	NM	0.00	0.00	NM	736	6.04	6.04	2.51	-0.49	-7.50	0.03	0.44
FFFS First Niagara Fin. Inc. of PA	14.04	2642.54	0.48	12.66	36.00	110.90	18.69	182.81	29.25	0.56	3.99	NM	14,137	16.86	10.95	0.52	0.68	8.48	-0.33	5.24
FFFG First Niagara Fin., Inc. of PA(7)	14.04	2642.54	0.48	12.66	36.00	110.90	18.69	182.81	29.25	0.56	3.99	NM	14,137	16.86	10.95	0.52	0.68	8.48	-0.33	5.24
FFFC First Niagara Fin., Inc. of PA	14.04	2642.54	0.48	12.66	36.00	110.90	18.69	182.81	29.25	0.56	3.99	NM	14,137	16.86	10.95	0.52	0.68	8.48	-0.33	5.24
FFFC First Niagara Fin., Inc. of PA	14.04	2642.54	0.48	12.66	36.00	110.90	18.69	182.81	29.25	0.56	3.99	NM	14,137	16.86	10.95	0.52	0.68	8.48	-0.33	5.24
FFFC First Niagara Fin., Inc. of PA	14.04	2642.54	0.48	12.66	36.00	110.90	18.69	182.81	29.25	0.56	3.99	NM	14,137	16.86	10.95	0.52	0.68	8.48	-0.33	5.24
FFFC First Niagara Fin., Inc. of PA	14.04	2642.54	0.48	12.66	36.00	110.90	18.69	182.81	29.25	0.56	3.99	NM	14,137	16.86	10.95	0.52	0.68	8.48	-0.33	5.24
FFFC First Niagara Fin., Inc. of PA	14.04	2642.54	0.48	12.66	36.00	110.90	18.69	182.81	29.25	0.56	3.99	NM	14,137	16.86	10.95	0.52	0.68	8.48	-0.33	5.24
FFFC First Niagara Fin., Inc. of PA	14.04	2642.54	0.48	12.66	36.00	110.90	18.69	182.81	29.25	0.56	3.99	NM	14,137	16.86	10.95	0.52	0.68	8.48	-0.33	5.24
FFFC First Niagara Fin., Inc. of PA	14.04	2642.54	0.48	12.66	36.00	110.90	18.69	182.81	29.25	0.56	3.99	NM	14,137	16.86	10.95	0.52	0.68	8.48	-0.33	5.24
FFFC First Niagara Fin., Inc. of PA	14.04	2642.54	0.48	12.66	36.00	110.90	18.69	182.81	29.25	0.56	3.99	NM	14,137	16.86	10.95	0.52	0.68	8.48	-0.33	5.24
FFFC First Niagara Fin., Inc. of PA	14.04	2642.54	0.48	12.66	36.00	110.90	18.69	182.81	29.25	0.56	3.99	NM	14,137	16.86	10.95	0.52	0.68	8.48	-0.33	5.24
FFFC First Niagara Fin., Inc. of PA	14.04	2642.54	0.48	12.66	36.00	110.90	18.69	182.81	29.25	0.56	3.99	NM	14,137	16.86	10.95	0.52	0.68	8.48	-0.33	5.24
FFFC First Niagara Fin., Inc. of PA	14.04	2642.54	0.48	12.66	36.00	110.90	18.69	182.81	29.25	0.56	3.99	NM	14,137	16.86	10.95	0.52	0.68	8.48	-0.33	5.24
FFFC First Niagara Fin., Inc. of PA	14.04	2642.54	0.48	12.66	36.00	110.90	18.69	182.81	29.25	0.56	3.99	NM	14,137	16.86	10.95	0.52	0.68	8.48	-0.33	5.24
FFFC First Niagara Fin., Inc. of PA	14.04	2642.54	0.48	12.66	36.00	110.90	18.69	182.81	29.25	0.56	3.99	NM	14,137	16.86	10.95	0.52	0.68	8.48	-0.33	5.24
FFFC First Niagara Fin., Inc. of PA	14.04	2642.54	0.48	12.66	36.00	110.90	18.69	182.81	29.25	0.56	3.99	NM	14,137	16.86	10.95	0.52	0.68	8.48	-0.33	5.24
FFFC First Niagara Fin., Inc. of PA	14.04	2642.54	0.48	12.66	36.00	110.90	18.69	182.81	29.25	0.56	3.99	NM	14,137	16.86	10.95	0.52	0.68	8.48	-0.33	5.24
FFFC First Niagara Fin., Inc. of PA	14.04	2642.54	0.48	12.66	36.00	110.90	18.69	182.81	29.25	0.56	3.99	NM	14,137	16.86	10.95	0.52	0.68	8.48	-0.33	5.24
FFFC First Niagara Fin., Inc. of PA	14.04	2642.54	0.48	12.66	36.00	110.90	18.69	182.81	29.25	0.56	3.99	NM	14,137	16.86	10.95	0.52	0.68	8.48	-0.33	5.24
FFFC First Niagara Fin., Inc. of PA	14.04	2642.54	0.48	12.66	36.00	110.90	18.69	182.81	29.25	0.56	3.99	NM	14,137	16.86	10.95	0.52	0.68	8.48	-0.33	5.24
FFFC First Niagara Fin., Inc. of PA	14.04	2642.54	0.48	12.66	36.00	110.90	18.69	182.81	29.25	0.56	3.99	NM	14,137	16.86	10.95	0.52	0.68	8.48	-0.33	5.24
FFFC First Niagara Fin., Inc. of PA	14.04	2642.54	0.48	12.66	36.00	110.90	18.69	182.81	29.25	0.56	3.99	NM	14,137	16.86	10.95	0.52	0.68	8.48	-0.33	5.24
FFFC First Niagara Fin., Inc. of PA	14.04	2642.54	0.48	12.66	36.00	110.90	18.69	182.81	29.25	0.56	3.99	NM	14,137	16.86	10.95	0.52	0.68	8.48	-0.33	5.24
FFFC First Niagara Fin., Inc. of PA	14.04	2642.54	0.48	12.66	36.00	110.90	18.69	182.81	29.25	0.56	3.99	NM	14,137	16.86	10.95	0.52	0.68	8.48	-0.33	5.24
FFFC First Niagara Fin., Inc. of PA	14.04	2642.54	0.48	12.66	36.00	110.90	18.69	182.81	29.25	0.56	3.99	NM	14,137	16.86	10.95	0.52	0.68	8.48	-0.33	5.24
FFFC First Niagara Fin., Inc. of PA	14.04	2642.54	0.48	12.66	36.00	110.90	18.69	182.81	29.25	0.56	3.99	NM	14,137	16.86	10.95	0.52	0.68	8.48	-0.33	5.24
FFFC First Niagara Fin., Inc. of PA	14.04	2642.54	0.48	12.66	36.00	110.90	18.69	182.81	29.25	0.56	3.99	NM	14,137	16.86	10.95	0.52	0.68	8.48	-0.33	5.24
FFFC First Niagara Fin., Inc. of PA	14.04	2642.54	0.48	12.66	36.00	110.90	18.69	182.81	29.25	0.56	3.99	NM	14,137	16.86	10.95	0.52	0.68	8.48	-0.33	5.24
FFFC First Niagara Fin., Inc. of PA	14.04	2642.54	0.48	12.66	36.00	110.90	18.69	182.81	29.25	0.56	3.99	NM	14,137	16.86	10.95	0.52	0.68	8.48	-0.33	5.24
FFFC First Niagara Fin., Inc. of PA	14.04	2642.54	0.48	12.66	36.00	110.90	18.69	182.81	29.25	0.56	3.99	NM	14,137	16.86	10.95	0.52	0.68	8.48	-0.33	5.24
FFFC First Niagara Fin., Inc. of PA	14.04	2642.54	0.48	12.66	36.00	110.90	18.69	182.81	29.25	0.56	3.99	NM	14,137	16.86	10.95	0.52	0.68	8.48	-0.33	5.24
FFFC First Niagara Fin., Inc. of PA	14.04	2642.54	0.48	12.66	36.00	110.90	18.69	182.81	29.25	0.56	3.99	NM	14,137	16.86	10.95					

(7) Excludes from averages those companies the subject of actual or rumored acquisition activities or unusual operating characteristics.
(8) Includes Mid-Atlantic Companies,

Source: ENR Financial, LC, 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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EXHIBIT III-4

Peer Group Market Area Comparative Analysis

Exhibit III-4
Peer Group Market Area Comparative Analysis

Institution	County	Population		Proj. Pop. 2014 (000)	2000-2009 % Change	2009-2014 % Change	Per Capita Income		Deposit Market Share(1)
		2000 (000)	2009 (000)				2009 Amount	% State Average	
Beacon Federal Bancorp - NY	Onondaga	458	456	453	-0.5%	-0.7%	27,590	92.3%	4.9%
ESSA Bancorp, Inc. - PA	Monroe	139	175	192	25.9%	10.0%	23,928	88.9%	19.5%
Elmira Savings Bank - NY	Chemung	91	88	86	-3.0%	-2.3%	23,177	77.5%	22.0%
LSB Corp. - MA	Essex	723	744	749	2.9%	0.6%	34,164	97.9%	2.5%
Mayflower Bancorp, Inc. - MA	Plymouth	473	499	508	5.5%	1.8%	32,877	94.2%	3.1%
Newport Bancorp, Inc. - RI	Newport	85	84	82	-1.8%	-2.6%	34,587	127.2%	11.5%
Rome Bancorp, Inc. - NY	Oneida	235	233	232	-0.9%	-0.6%	23,181	77.5%	7.2%
TF Financial Corp. - PA	Bucks	598	634	648	6.1%	2.2%	36,801	136.7%	1.6%
WVS Financial Corp. - PA	Allegheny	1,282	1,230	1,202	-4.1%	-2.3%	28,655	106.5%	0.2%
Westfield Financial - MA	Hampden	456	460	458	0.8%	-0.4%	24,215	69.4%	8.2%
	Averages:	454	460	461	3.1%	0.6%	28,918	96.8%	8.1%
	Medians:	457	458	456	0.1%	-0.5%	28,123	93.2%	6.1%
	Suffolk	690	695	700	0.8%	0.6%	30,700	88.0%	0.5%

(1) Total institution deposits in headquarters county as percent of total county deposits as of June 30, 2009.

EXHIBIT IV-1

**Stock Prices:
As of February 26, 2010**

Financial Institution	Market Capitalization			Price Change Data			Change From			Current Per Share Financials			
	Price/ Shares (1) and Institution (9)	Shares (1) (000) (\$MIL)	Market Capitalization (9)	High (\$)	Low (\$)	Last Week (\$)	Last 52 Wks Most Recent Week (%)	Last 52 Wks Most Recent Week (%)	Trailing 12 Mo. EPS (3) (\$)	12 Mo. Core EPS (3) (\$)	Book Value/Share (4) (\$)	Book Assets/Share (5) (\$)	
All Public Companies (110)	9.79	32,757	353.9	12.26	6.81	9.71	1.30	20.54	4.38	-0.16	13.78	12.64	149.66
NYSE Traded Companies (6)	8.94	202,357	1,715.2	10.95	5.32	8.91	2.16	23.70	3.57	-0.89	9.47	6.24	104.42
AMEX Traded Companies (1)	31.70	2,099	66.5	35.75	26.25	31.69	0.03	17.32	0.03	3.46	34.46	32.69	360.77
NASDAQ Listed OTC Companies (103)	9.62	22,788	274.3	12.10	6.70	9.54	1.26	20.38	4.47	-0.15	12.83	12.82	149.20
California Companies (4)	7.12	6,394	45.2	10.21	3.69	7.08	0.67	38.77	16.09	0.47	-0.01	13.34	139.32
Florida Companies (2)	2.14	26,686	37.3	6.82	1.21	1.92	9.73	26.46	10.91	-2.69	2.86	5.24	116.51
Mid-Atlantic Companies (34)	10.85	54,820	716.3	12.54	7.16	10.63	3.70	20.78	7.37	0.06	0.22	13.43	152.57
Mid-West Companies (32)	7.77	23,012	58.2	11.09	5.12	7.80	-0.29	28.67	3.64	-0.33	-0.61	14.18	131.50
New England Companies (16)	12.90	39,668	552.1	14.99	10.01	12.81	1.20	15.19	1.81	0.40	0.43	15.14	139.50
North-West Companies (15)	6.56	31,105	474.3	8.44	4.11	6.50	3.26	-7.18	-3.08	-2.26	-1.12	9.57	86.82
South-East Companies (12)	11.11	5,868	58.2	13.69	8.74	11.18	1.86	15.29	2.19	-0.14	-0.29	15.87	142.74
South-West Companies (2)	9.71	7,333	76.7	11.30	8.68	9.75	-0.36	11.22	-2.91	0.08	-0.01	12.56	123.36
Western Companies (Excl CA) (3)	11.85	18,759	177.0	14.99	7.60	11.94	-2.86	41.22	-2.91	0.42	0.07	12.53	86.31
Thrift Strategy (104)	9.75	30,214	314.3	12.14	6.80	9.68	1.35	21.70	4.31	-0.11	-0.11	13.76	124.63
Mortgage Banker Strategy (3)	2.16	30,308	49.5	8.59	1.55	1.55	5.36	-15.34	7.34	-2.01	-2.81	6.91	6.75
Real Estate Strategy (1)	1.95	7,979	15.6	4.39	1.20	2.27	-14.10	-6.70	0.52	-0.30	-2.50	6.71	108.95
Diversified Strategy (2)	23.22	176,040	2,825.5	26.20	15.60	22.53	2.30	11.50	7.03	-0.04	-0.04	22.08	293.17
Companies Issuing Dividends (70)	14.27	81.9	11.71	1.01	22.55	1.66	0.35	0.26	14.93	0.26	14.93	13.52	162.55
Companies Without Dividends (40)	5.91	21,590	47.1	8.36	4.12	5.83	1.86	16.63	9.66	-1.15	-1.05	11.54	101.62
Equity/Assets < 6% (12)	6.01	63,698	177.3	8.84	2.52	5.96	4.43	12.58	1.37	-0.03	-1.03	9.45	8.99
Equity/Assets 6-12% (67)	9.44	17,412	182.3	12.35	6.43	9.37	1.01	22.28	6.19	-0.03	-0.16	14.55	131.59
Equity/Assets > 12% (31)	11.73	54,952	770.7	13.39	8.99	11.65	0.89	19.45	1.56	0.04	0.05	13.55	81.07
Converted Last 3 Mths (no MHC) (5)	10.93	27,452	318.6	11.48	8.62	10.78	1.56	28.21	9.13	0.22	1.25	15.09	14.78
Actively Traded Companies (6)	16.83	27,447	505.0	19.33	9.64	16.98	-1.17	59.87	3.88	1.42	1.07	13.84	18.44
Market Value Below \$20 Million (22)	6.17	3,440	12.2	9.27	4.38	6.19	-0.40	4.60	3.88	1.42	1.07	13.84	18.44
Market Value \$20-\$50 Million (104)	5.59	34,365	371.1	12.12	6.75	8.53	0.66	12.57	2.68	-0.42	-0.26	13.34	131.16
Holding Company Structures (104)	10.19	67,012	736.5	13.10	8.82	10.15	0.62	28.06	2.08	-0.43	-0.28	13.10	113.37
Assets \$500-\$1 Billion (59)	9.72	5,621	46.3	11.74	6.39	8.67	0.53	15.02	5.43	-0.34	-0.14	14.12	131.17
Assets \$250-\$500 Million (18)	10.25	3,864	31.6	12.16	8.33	10.06	4.13	17.06	3.15	0.27	0.16	15.37	151.15
Assets less than \$250 Million (8)	6.62	1,862	11.5	9.54	5.00	6.52	1.66	17.31	10.54	-0.48	-0.53	12.50	125.78
Goodwill Companies (64)	10.28	43,125	554.0	11.30	6.63	9.01	1.47	22.77	3.08	-0.22	-0.17	14.03	125.97
Non-Goodwill Companies (45)	9.06	18,462	72.5	11.30	6.63	9.01	1.47	17.68	6.24	-0.07	-0.21	13.35	138.13
Acquirers of FSLIC Cases (2)	10.52	56,996	1,096.9	12.83	5.36	10.51	2.25	12.22	1.72	0.09	-0.02	10.93	9.80

(1) Average of high/low or bid/ask price per share.
(2) Or since offering price if converted or first listed 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.
(6) Annualized dividend as a percent of trailing twelve month earnings.
(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.
* 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: S&P Financial, LC. 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-1 (continued)
Weekly Thrift Market Line - Part One
Prices As Of February 26, 2010

Financial Institution	Market Capitalization		Price Change Data				Current Per Share Financials						
	Shares	Market Price/Outstanding (\$/Share)	High (\$)	Low (\$)	Last Week (\$)	Last 52 Wks % Change	Trailing 12 Mo. EPS (\$)	12 Mo. Core EPS (\$)	Book Value/Share (\$)	Tangible Assets/Share (\$)			
All Public Companies(38)	9.58	30,231	11.68	7.14	9.34	3.49	14.44	0.07	0.12	7.89	7.43	69.85	
NASDAQ Listed OTC Companies(38)	9.58	30,231	11.68	7.14	9.34	3.49	14.44	0.07	0.12	7.89	7.43	69.85	
California Companies(1)	8.33	13,292	10.33	6.15	8.02	3.87	18.32	0.20	0.22	6.94	6.63	66.02	
Mid-Atlantic Companies(21)	9.35	25,654	11.36	7.24	9.16	2.53	11.87	0.10	0.19	7.89	7.43	69.37	
Mid-West Companies(8)	11.80	55,550	14.50	8.89	11.36	6.01	21.80	0.24	0.34	8.75	8.07	70.59	
New England Companies(5)	7.40	14,823	9.44	4.65	7.20	1.87	28.30	0.00	0.28	7.63	7.23	71.40	
South-East Companies(2)	5.16	11,919	14.9	17.02	3.13	5.20	-17.69	-0.85	-0.80	5.47	5.42	57.79	
South-West Companies(1)	14.61	24,229	157.0	18.13	10.47	14.49	0.83	6.72	0.08	-0.08	8.04	54.26	
Thrift Struc(38)	3.58	30,231	127.3	11.68	7.14	9.34	3.49	14.44	0.07	0.12	7.89	7.43	69.85
Companies With Dividends(26)	10.31	30,095	129.4	13.25	8.24	10.67	2.57	13.95	0.27	0.28	8.09	7.66	68.75
Companies Without Dividends(12)	6.40	30,358	121.4	7.52	4.52	6.13	5.71	15.95	-0.42	-0.26	7.43	6.89	72.48
Equity/Assets >14%(22)	9.72	19,612	104.1	12.30	7.26	9.52	3.09	12.74	0.01	0.12	8.11	7.67	88.24
Equity/Assets >14%(16)	9.40	43,682	156.8	11.34	7.00	9.09	4.01	16.59	0.14	0.13	7.62	7.13	46.55
Market Value Below \$20 Million(1)	5.50	2,485	5.0	8.00	4.75	5.50	0.00	-7.79	0.70	0.71	9.00	7.45	146.87
Holding Company Structure(35)	9.63	31,559	134.6	11.70	7.13	9.39	3.60	15.56	0.07	0.12	8.05	7.55	71.61
Assets Over \$1 Billion(14)	12.45	66,177	296.9	14.79	9.20	12.25	2.02	17.96	0.12	0.17	7.89	7.62	62.32
Assets \$500 Million-\$1 Billion(11)	7.02	10,519	26.1	9.56	5.47	6.65	7.13	4.74	-0.25	-0.19	7.08	6.64	69.00
Assets \$250-\$500 Million(12)	8.05	5,910	17.8	9.44	5.84	8.01	0.83	17.66	0.28	0.34	8.61	8.04	83.01
Assets less than \$250 Million(1)	12.18	7,861	38.2	15.00	9.75	10.22	19.18	20.59	0.00	0.00	7.38	5.49	30.46
Goodwill Companies(21)	9.27	41,371	162.5	10.98	6.57	8.92	4.40	15.77	0.04	0.04	7.71	6.88	69.06
Non-Goodwill Companies(17)	9.97	16,120	82.8	12.57	7.87	9.86	2.35	12.76	0.10	0.13	8.13	8.13	70.84
MHC Institutions(38)	9.58	30,231	127.3	11.68	7.14	9.34	3.49	14.44	0.07	0.12	7.89	7.43	69.85

(1) Average of high/low or bid/ask price per share.
(2) Or such offering price if converted or first listed 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.
(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.

* 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: S&P Financial, LC. 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-1 (continued)
 Weekly Thrift Market Line - Part One
 Prices As Of February 26, 2010

Financial Institution	Market Capitalization				Price Change Data				Current Per Share Financials				
	Price/ Shares(1) anding (000)	Market Capitalization(2) (\$M)	High (\$)	Low (\$)	Last Week (\$)	% Change From Last 52 Wks (3) (%)	% Change From Week Ago(2) (%)	Trailing 12 Mo. EPS(3) (\$)	12 Mo. Core EPS(3) (\$)	Book Value/Share(4) (\$)	Book Value/Share(4) (\$)	Assets/Share(5) (\$)	
													Shares(1) (000)
NASDAQ Listed OTC Companies (continued)													
FBT First Pacific Bancorp of CA*	6.25	4,248	8.52	4.44	5.50	-3.85	7.02	16.82	-0.41	-0.49	18.34	210.56	
FPFC First Place Fin. Corp. of OH*	3.45	1,673	6.23	3.31	4.23	43.15	24.55		-1.12	-1.75	12.26	11.67	
FFSG First Savings Fin. Corp. of IN*	10.84	2,415	8.39	10.40	4.23	20.31	3.73		-0.04	-0.02	21.80	18.26	
FFIC First Interstate Bancorp. of NY*	12.65	3,128	14.18	4.03	12.89	-1.55	92.86	12.70	0.84	0.81	11.18	10.60	
FFCB Fox Chase Bancorp. of PA(1.0)	9.25	13,609	11.00	8.05	9.23	0.22	4.05	-2.84	-0.08	-0.16	9.08	86.25	
GSFA GS Financial Corp. of LA*	14.00	1,258	17.44	11.99	14.00	0.00	12.00	-6.60	0.70	0.31	22.27	215.90	
CEBC Green CO Bancorp. of NY (43.9)	15.00	4,115	16.00	10.43	15.01	-0.07	42.86	-2.47	1.13	1.39	10.36	114.96	
HFPC HF Financial Corp. of SD*	10.23	6,939	6.85	4.24	5.09	-1.96	122.77	18.81	-2.95	-3.31	17.94	179.94	
HMFH HMF Financial, Inc. of MN*	4.99	4,245	11.30	7.77	9.80	5.61	22.38	-2.82	-0.11	-0.10	13.06	79.32	
HMMK Hampden Bancorp, Inc. of MA*	10.35	7,248	16.22	10.35	13.68	-2.92	6.24	-4.18	1.25	1.40	13.97	13.97	
HMLL Harleville Svcs Fin Cp of PA*	13.28	3,645	10.79	5.08	8.90	1.69	12.18	20.69	0.03	0.02	6.04	5.95	
HROS Heritage Fin Gp MHC of GA(24.4)	8.75	10,339	10.79	22.10	32.83	-0.58	25.82	6.55	3.79	3.77	30.74	30.74	
HSCP Home Bancorp Inc. of NY*	12.19	8,775	12.65	9.25	12.26	-0.57	30.93	0.00	0.53	0.64	15.13	15.13	
HOMR Home Federal Bancorp Inc of ID*	13.33	16,698	14.12	6.63	13.46	-0.97	77.26	0.15	0.52	-0.44	12.48	12.48	
HFCP Hypofed Bancorp, Inc. of KY*	11.45	3,595	11.74	8.13	10.98	4.28	30.86	22.59	0.13	-0.34	17.46	17.11	
HCBK Hudson City Bancorp, Inc of NJ*	13.52	526,494	14.77	7.46	13.16	2.74	24.49	-1.53	1.00	1.00	10.14	9.84	
IFSB Independence FSB of DC*	1.54	1,552	4.61	0.97	1.47	4.76	46.53	2.87	-0.07	-0.21	6.43	107.91	
IBSC Investors Bcrp MHC of NJ(43.5)	12.87	114,449	13.11	6.75	12.11	6.28	78.01	17.64	-0.52	0.35	7.28	7.09	
JZSB Jacksonville Bcrp MHC of IL(45.9)	11.88	1,921	13.66	7.84	11.89	-0.08	35.00	26.38	0.62	0.27	13.34	11.92	
JFBI Jefferson Bancshares Inc of TN*	3.91	6,704	7.94	3.65	4.45	-12.13	-33.16	-17.51	0.19	0.20	11.98	8.32	
KFED K-Fed Bancorp MHC of CA (33.4)	8.33	13,292	10.33	6.25	8.02	3.87	18.32	-5.23	0.20	0.22	6.94	6.63	
KFBP KY Fed Bcrp MHC of KY (39.9)	12.18	7,861	15.00	9.75	10.22	19.18	20.59	10.73	0.00	0.00	7.38	5.49	
KRNY Kearny Fin Cp MHC of NJ (26.5)	10.03	68,978	12.40	7.78	9.89	1.42	2.56	-0.40	0.08	0.09	6.97	5.77	
LSBX LSB Corp of No. Andover MA*	11.72	4,507	12.20	7.35	11.95	-1.92	33.49	20.70	1.61	1.49	13.72	13.72	
LSBI LSB F.N. Corp. of Lafayette IN*	10.01	1,554	14.40	8.27	10.00	1.10	11.81	2.14	0.61	0.17	22.06	22.06	
LSBL Lake Shore Bcrp MHC of NY(41.3)	7.83	6,170	8.25	5.67	8.00	-2.12	42.36	0.36	0.36	0.40	10.50	9.56	
LSBC Legacy Bancorp, Inc. of MA*	9.82	8,735	13.46	7.90	9.33	5.25	14.59	-0.41	-0.89	-0.13	13.93	12.54	
LSCP Liberty Bancorp, Inc. of MO*	7.43	1,610	8.35	5.80	7.75	4.13	9.26	-1.07	0.60	0.46	12.23	11.74	
LSMC Louisiana Bancorp, Inc. of LA*	14.60	2,600	16.58	12.05	14.93	9.18	20.66	8.69	0.50	0.54	15.22	15.22	
MSBF MSB F.N. Corp MHC of NJ (41.8)	7.25	2,660	7.96	7.23	7.92	3.20	-23.68	-8.65	0.06	0.08	7.62	6.92	
MGRN Magyar Bancorp MHC of NJ(44.5)	4.00	5,767	7.50	2.31	3.35	13.40	0.00	0.00	-1.61	-1.74	6.91	6.91	
MVFP Mayview Fed Bancorp MHC PA(45.0)	9.45	6,103	10.80	7.50	8.43	0.00	10.53	-1.46	0.25	0.30	11.36	11.36	
MFIR Mayflower Bancorp, Inc. of MA*	6.99	2,082	8.36	4.92	6.70	4.33	35.73	4.33	0.57	0.58	9.78	118.16	
ESSB Meridian Fin Serv MHC MA (43.4)	10.00	22,258	10.10	6.34	9.85	1.52	39.66	14.94	0.17	0.17	9.00	9.00	
MSBB Meta Bancorp, Inc. of IA*	21.00	2,644	24.50	5.72	21.00	0.00	148.52	0.48	-0.36	-0.66	16.61	16.66	
MFSP MetLife First Fin. Inc. of IN*	5.89	6,985	10.50	3.50	6.01	-2.00	21.69	-1.51	-2.54	-2.72	14.22	13.33	
MASB MAB Fin. Inc. of Grandview MO*	18.99	7,868	33.84	12.48	20.75	-8.48	25.84	-18.46	2.38	-0.38	21.15	20.81	
NECB NE Corna Bncorp MHC of NY (45.0)	6.90	13,225	9.49	5.52	5.94	16.16	-2.82	5.02	0.01	0.02	8.29	8.15	
NETB NH Thrift Bancshares of NH*	10.36	5,772	10.98	6.12	10.00	3.60	37.22	6.91	1.15	0.75	13.62	8.52	
NVSL Nav Villy Fin MHC of CT (40.5) (8)	6.47	7,023	7.42	4.11	5.80	11.55	12.52	12.72	0.38	0.39	7.04	7.02	
NFBS Newport Bancorp, Inc. of RI*	11.95	3,830	12.99	10.91	11.75	1.70	4.82	-2.45	0.18	0.23	13.42	13.42	
FFPD North Central Bancshares of IA*	14.29	1,348	17.16	11.00	14.84	-3.71	26.57	-10.52	1.98	1.92	28.31	28.31	
NFBK Northfield Bcrp MHC of NY(45.1)	13.99	44,465	14.25	8.18	13.62	2.72	40.60	3.48	0.27	0.27	8.81	8.44	
NWBI Northwest Bancshares Inc of PA*	11.82	110,642	12.04	5.81	11.89	-0.59	74.08	4.88	0.30	0.37	11.90	10.31	
OBAF OBA Financial Serv. Inc of MD*	10.51	4,629	10.69	9.95	10.30	2.04	5.10	5.10	-0.26	-0.09	16.92	16.92	
OSHC Ocean Shore Holding Co. of NJ*	10.46	7,308	10.46	6.65	9.81	6.63	43.09	9.48	0.58	0.72	13.01	13.01	
OCFC OceanFirst Fin. Corp of NY*	10.22	18,822	12.44	7.13	10.00	2.20	6.20	16.87	0.66	0.63	9.75	9.75	
OABC OmniAmerican Bancorp Inc of TX*	10.91	11,903	12.35	10.12	10.99	-0.73	9.10	9.10	-0.05	-0.28	16.22	16.22	
ONFC Oneida Financi MHC of NY(44.9)	9.99	7,834	11.75	7.06	9.50	5.16	32.32	11.62	0.58	0.58	6.97	3.78	
ORIT Orriti Fin Cp MHC of NJ(25.7) (8)	15.84	3,741	16.15	9.98	13.80	14.78	49.01	15.37	0.28	0.32	6.69	6.69	
OSBK Ossage Bancshares, Inc. of OK*	8.50	2,763	10.25	7.25	8.50	0.00	13.33	-14.91	0.22	0.27	8.90	54.18	
PFVC Parkville Fin. Corp of MO*	3.50	6,529	5.48	2.61	3.79	-7.65	-12.50	2.94	-0.64	0.39	6.75	5.61	
PFBI Park Bancorp of Chicago IL*	1.95	7,979	4.39	1.20	2.27	-14.10	-6.70	0.52	0.71	-2.50	6.71	113.01	
PPCI Park Bancorp of Chicago IL*	8.43	4,936	10.86	6.02	8.10	4.07	25.07	6.71	-1.34	-0.45	9.77	9.77	
PVSA Parkville Financial Corp of PA*	7.41	5,511	10.95	2.85	4.20	6.90	12.25	38.15	-2.37	-1.78	21.48	21.48	
PRCT Peoples United Financial of CT*	4.49	1,192	5.4	4.11	7.30	1.51	-10.72	6.62	-2.00	-1.02	21.73	16.47	
PRHC Parkville Financial Corp of NY (36.3)	5.50	2,485	8.00	4.75	5.50	0.00	-7.09	-1.79	0.70	0.71	9.00	7.45	
PROV Provident Fin. Holdings of CA*	15.75	345,000	18.54	14.72	15.80	-0.32	-8.43	5.69	-0.31	-0.38	14.78	10.39	
PROV Provident Fin. Holdings of CA*	3.25	11,395	10.49	4.43	3.10	4.84	-26.14	17.75	-0.33	-1.73	10.85	124.15	
PRNY Provident NY Bancorp, Inc. of NY*	8.72	3,061	10.60	7.30	8.48	2.83	-0.57	3.32	0.66	0.68	10.76	6.51	
PRPB Prudential Banc MHC PA (29.3)	9.85	10,332	12.51	8.05	9.47	4.01	-6.19	3.47	-0.17	0.08	5.41	5.41	
PRPB Prudential Banc MHC PA (29.3)	6.40	10,180	8.95	3.93	6.30	1.59	15.73	4.48	0.35	-0.30	8.49	8.08	
PFLB Rainier Pacific Fin Grp of WA*	0.18	6,294	1.50	0.15	0.16	12.50	-81.05	-18.18	-9.13	-3.34	2.04	1.59	

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Exhibit IV-1 (continued)
Weekly Thrift Market Line - Part One
Prices As Of February 26, 2010

Financial Institution	Market Capitalization		Price Change Data			Current Per Share Financials							
	Shares Outstanding (\$)	Market Capitalization (\$M)	52 Week High (\$)	52 Week Low (\$)	Last Week (\$)	Last 52 Wks % Chg	Trailing 12 Mo. EPS (\$)	Book Value/Share (\$)	Assets/Share (\$)				
RIVER Valley Bancorp of IN*	1,504	19.6	18.68	10.00	12.42	5.07	13.58	4.40	1.05	0.67	16.94	16.92	256.16
RVSB RiverView Bancorp, Inc. of WA*	10,924	26.8	4.39	2.13	2.59	-5.41	-23.44	9.38	-0.13	-0.13	8.11	5.74	78.51
RCSB Rockville Fin MHC of CT (42.9)	18,714	85.4	14.79	6.17	10.15	4.83	23.15	1.33	0.43	0.49	8.18	8.12	83.60
ROMA Roma Fin Corp MHC of NJ (27.0)	30,933	102.0	14.05	9.70	11.98	2.00	13.67	1.13	0.12	0.13	6.91	6.89	40.94
ROME Roma Bancorp, Inc. of Rome NY*	6,852	58.6	9.70	7.00	8.75	-2.29	11.04	7.41	0.45	0.44	8.81	8.81	48.15
SIFI SI Fin Gp Inc MHC of CT (38.2)	11,789	24.5	6.58	3.46	5.00	8.80	62.87	3.62	0.04	0.05	6.57	6.21	74.00
SIVI Severn Bancorp, Inc. of MD*	10,067	42.3	4.75	1.55	4.15	1.20	14.75	66.67	-1.27	-1.41	8.20	8.17	98.93
SUPR Superior Bancorp of AL(8)*	11,668	33.8	5.75	1.50	2.94	-1.36	9.85	-11.85	-1.65	-1.80	16.43	15.00	276.13
THRD TP Fin. Corp. of NewTowa PA*	2,672	50.1	20.45	15.95	18.90	-0.79	17.19	-1.16	1.69	1.43	26.81	25.11	269.11
TFSL TFS Fin Corp MHC of OH (26.5)	308,315	1,051.6	13.04	10.25	12.88	-0.23	9.36	5.85	0.71	0.83	17.96	17.96	113.60
TBKK Territorial Bancorp, Inc of HI*	12,333	242.0	20.00	14.00	19.71	0.36	97.80	9.58	0.71	-1.79	13.55	13.33	175.26
TOBE Timberland Bancorp, Inc. of MA*	18,034	11.5	4.05	0.59	0.67	-4.48	-67.01	1.54	-1.53	-1.79	10.16	9.26	101.70
TSBK Timberland Bancorp, Inc. of NY*	7,045	29.0	6.14	3.06	3.90	5.64	5.10	-7.21	-0.15	-0.08	3.21	3.20	48.01
TRST TrustCo Bank Corp NY of NY*	76,551	463.7	7.08	4.71	5.97	1.34	-3.51	-3.97	0.37	0.36	7.05	7.05	50.77
UCBA United Coma Bncp MHC IN (40.8)	7,847	21.3	7.55	4.00	6.42	3.58	66.25	8.13	0.10	0.06	7.05	7.05	75.68
UCFC United Community Fin. of OH*	30,898	47.0	2.72	0.46	1.54	-1.30	166.67	4.83	-0.54	-0.83	7.11	7.09	75.68
UBNK United Financial Bancp of MA*	16,839	220.4	14.69	11.31	13.43	-2.53	0.69	-0.15	0.33	0.43	12.85	12.84	74.88
UMBK United Western Bancp, Inc of CO*	27,346	66.5	10.85	2.17	2.64	-7.95	-51.40	-11.96	0.02	-0.18	7.14	7.14	96.09
VPEQ ViewPoint Finl MHC of TX(43.1)	24,929	157.0	16.13	10.47	14.49	0.83	6.72	1.39	0.08	-0.08	8.09	8.04	94.46
WBB WBB Holdings, Inc. of Bowie MD*	7,850	31.3	4.08	1.65	2.45	62.86	34.34	71.98	-0.71	-0.73	6.77	6.77	56.34
WFSB WFSB Financial Corp. of DE*	7,080	217.3	33.85	15.47	29.25	4.92	31.43	19.74	-0.38	-0.53	33.36	33.77	508.73
WFSF WFSF Financial Corp. of PA*	2,066	30.1	17.45	13.76	13.86	4.32	6.43	2.11	0.88	0.73	14.86	14.86	189.52
WFSL Washington Federal, Inc. of WA*	142,480	2,191.5	21.05	13.75	13.54	-0.24	70.36	0.78	0.25	0.16	15.42	13.16	112.52
WSPF Watersone Fin MHC of WI(26.2)	31,250	19.8	5.71	1.75	2.47	6.81	19.80	18.05	-0.28	-0.38	5.44	5.44	59.79
WAYN Wayne Savings Bancshares of OH*	3,004	20.8	7.37	4.58	6.30	9.88	15.36	18.93	0.65	0.63	12.19	11.49	134.34
WFD Westfield Fin. Inc. of MA*	29,831	247.3	10.10	7.81	8.34	-0.50	-12.93	0.48	0.18	0.21	8.29	8.29	39.34

Exhibit IV-1
Weekly Thrift Market Line - Part Two
Prices As Of February 26, 2010

Financial Institution	Key Financial Ratios					Asset Quality Ratios					Pricing Ratios					Dividend Data (6)	
	Equity/Assets (%)	Tang. Assets (%)	ROA(5) (%)	Reported Earnings ROE(5) (%)	Core Earnings ROE(5) (%)	NPAs Assets (%)	Resvs/Assets (%)	Loans Assets (%)	Price/Earnings (X)	Price/Book (%)	Price/Book (%)	Price/Tang. Book (%)	Price/Book Earnings (%)	Ind. Div./Share (\$)	Dividend Yield (%)	Payout Ratio(7) (%)	
Market Averages - All Public Companies (no MHCs)	10.83	10.01	-0.21	-0.58	1.99	3.40	53.51	1.57	17.79	70.60	8.16	79.28	18.55	0.26	2.17	32.84	
All Public Companies(110)	9.10	6.16	-1.26	0.69	-1.48	1.13	61.70	2.38	21.68	85.50	8.42	126.39	21.37	0.37	2.79	63.64	
NYSE Traded Companies(6)	9.55	9.11	0.96	10.04	10.91	1.58	64.83	1.29	9.16	91.99	8.79	96.97	8.23	1.42	4.48	41.04	
AMEX Traded Companies(1)	10.95	10.25	-0.16	0.75	2.05	3.56	52.84	1.52	17.81	69.48	8.13	76.24	18.55	0.24	2.11	31.82	
NASDAQ Listed OTC Companies(103)	7.16	7.16	0.25	3.93	2.64	4.70	36.54	2.04	7.34	56.34	3.68	56.34	8.78	0.11	1.95	12.50	
California Companies(4)	4.30	4.14	-2.39	-16.57	0.00	8.62	0.00	4.71	NM	41.25	1.76	43.81	NM	0.00	0.00	0.00	
Florida Companies(2)	10.44	9.33	0.01	1.01	0.63	2.31	66.29	1.17	17.80	95.12	8.98	100.34	16.54	0.35	2.91	51.52	
Mid-Atlantic Companies(34)	8.91	8.47	-0.43	-3.10	2.20	3.93	38.20	1.84	19.36	87.42	12.49	102.54	23.39	0.30	2.33	32.35	
Mid-West Companies(32)	13.69	12.12	0.27	2.55	2.45	1.36	71.79	1.19	19.36	87.42	12.49	102.54	23.39	0.30	2.33	32.35	
New England Companies(16)	10.61	9.47	-2.04	-4.15	-2.55	7.43	27.43	2.42	NM	51.97	6.90	60.09	NM	0.12	1.44	0.00	
North-West Companies(5)	13.35	12.90	0.19	3.23	6.39	2.44	67.53	1.45	17.75	95.32	8.38	88.10	17.82	0.22	1.27	13.77	
South-West Companies(12)	16.30	16.05	0.16	0.89	1.06	0.00	0.00	0.85	38.94	81.36	13.18	93.69	31.48	0.17	2.00	0.00	
West-Coast Companies(1)	18.20	16.20	0.61	3.36	2.77	1.80	88.48	2.48	15.75	83.66	15.67	23.89	21.83	0.14	0.89	23.49	
West-Coast Companies (Excl CN)(3)	10.88	10.08	-0.18	-0.33	2.17	3.33	53.48	1.49	17.79	71.16	8.19	79.75	18.55	0.26	2.21	32.84	
Thrift Strategy(104)	8.98	8.73	-1.84	-3.23	-10.15	8.84	44.27	4.55	NM	26.13	1.59	38.75	NM	0.02	0.62	0.00	
Mortgage Backed Strategy(3)	8.16	6.16	-1.52	-24.08	0.00	0.00	0.00	4.51	NM	23.06	1.79	23.06	NM	0.00	0.00	0.00	
Real Estate Strategy(1)	19.50	12.44	0.22	0.52	9.37	2.23	63.94	1.66	NM	96.65	18.82	121.23	NM	0.54	2.72	0.00	
Diversified Strategy(12)	11.17	10.14	0.21	2.42	3.07	0.13	1.75	0.33	17.71	81.84	9.46	93.71	18.57	0.39	3.48	42.38	
Companies Without Dividends(70)	10.16	9.74	-1.04	-7.36	-1.45	4.93	58.09	1.66	18.33	48.75	5.63	51.22	18.41	0.00	0.00	0.00	
Companies Including Dividends(40)	4.54	4.33	-1.61	-2.80	-1.33	-0.32	-2.45	4.37	7.44	54.56	2.62	58.24	10.91	0.17	1.62	25.00	
Equity/Assets <6%(12)	8.66	8.11	-0.17	-1.00	3.18	-0.46	-2.11	3.76	13.39	64.70	5.55	70.12	14.72	0.26	2.15	33.01	
Equity/Assets >12%(31)	17.41	15.81	0.15	0.89	0.71	2.42	1.94	1.35	26.39	98.16	15.41	105.26	25.99	0.27	2.37	33.14	
Equity/Assets >18%(1)	16.78	16.41	0.24	3.61	2.01	1.03	113.75	1.04	25.92	74.42	12.31	77.48	22.26	0.13	1.14	20.69	
Converted Last 3 Mths (no MHC)(5)	6.57	7.93	0.57	6.70	7.54	3.46	45.59	1.52	7.59	85.27	7.89	92.27	8.27	0.35	2.04	17.53	
Actively Traded Companies(6)	7.51	7.43	-0.25	-0.93	1.88	-0.28	-1.57	3.31	42.34	3.32	42.77	16.78	0.14	1.99	25.56	25.56	
Market Value Below \$20 Million(22)	10.91	10.07	-0.25	-0.93	1.88	-0.28	-1.57	3.31	42.34	3.32	42.77	16.78	0.14	1.99	25.56	25.56	
Holding Company Structure(104)	11.24	9.92	-0.15	0.68	2.51	3.28	55.03	1.70	19.64	80.58	9.51	95.35	21.08	0.25	2.51	41.32	
Assets Over \$1 Billion(50)	9.56	8.97	-0.43	-2.26	1.26	3.43	57.84	1.66	13.06	62.31	6.52	67.83	11.86	0.29	1.95	29.10	
Assets \$250-\$500 Million(18)	12.36	12.06	0.07	0.32	2.46	-0.32	-2.27	2.86	13.06	62.31	6.52	67.83	11.86	0.29	1.95	29.10	
Assets \$50-\$250 Million(11)	10.20	10.07	-0.39	-3.21	0.40	-0.43	-3.97	1.11	22.75	53.78	5.75	54.50	28.45	0.22	1.90	15.23	
Assets less than \$250 Million(8)	10.22	8.81	-0.22	-0.26	1.60	3.18	49.57	1.53	18.51	73.76	7.95	88.59	19.31	0.32	2.60	39.59	
Goodwill Companies(64)	11.50	11.50	-0.20	-1.04	2.69	3.76	60.45	1.66	16.57	66.25	8.35	66.25	17.28	0.18	1.59	24.60	
Non-Goodwill Companies(45)	9.83	8.94	0.08	0.26	-1.63	6.06	19.10	1.63	NM	75.17	9.37	86.03	NM	0.51	0.00	0.00	
Acquirers of FSILC Cases(2)																	

(1) Average of high/low or bid/ask price per share.
(2) Or since offering price if converted or first listed 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/cash dividend announcement.
(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.

* 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: SMI Financial, LC, 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.

Exhibit IV-1 (continued)
Weekly Thrift Market Line - Part Two
Prices As Of February 26, 2010

Financial Institution	Key Financial Ratios				Asset Quality Ratios				Pricing Ratios				Dividend Data (6)				
	Equity/ Assets (%)	Tang. Assets (%)	ROA(5) (%)	ROE(5) (%)	Reported Earnings ROA(5) (%)	ROE(5) (%)	NPAs Assets (%)	Revs/ NPAs (%)	Revs/ Loans (%)	Earning Price/Book (%)	Price/ Assets (%)	Price/ Tang. Book (%)	Core Book Earnings (%)	Div./ Share (\$)	Yield Ratio(7) (%)		
Market Averages - MRC Institutions	12.78	12.11	0.08	0.08	1.14	0.17	1.01	2.74	39.93	1.22	21.14	120.35	16.11	129.62	25.19	2.19	34.32
All Public Companies(38)	12.78	12.11	0.08	0.08	1.14	0.17	1.01	2.74	39.93	1.22	21.14	120.35	16.11	129.62	25.19	2.19	34.32
NASDAQ Listed OTC Companies(38)	12.78	12.11	0.08	0.08	1.14	0.17	1.01	2.74	39.93	1.22	21.14	120.35	16.11	129.62	25.19	2.19	34.32
California Companies(1)	10.51	10.09	0.31	2.87	2.40	0.34	3.16	2.61	46.87	1.40	NM	120.03	12.62	125.64	37.86	0.44	5.28
Mid-Atlantic Companies(21)	13.03	12.36	0.16	0.86	2.28	0.30	2.09	3.34	40.22	1.24	19.02	121.53	18.34	133.16	23.92	0.20	2.03
Mid-West Companies(8)	14.53	13.52	0.23	1.84	0.78	0.12	0.81	1.85	33.34	1.10	23.48	131.44	20.06	141.35	33.78	0.48	3.14
New England Companies(5)	11.09	10.61	0.01	-0.64	-2.95	0.38	3.83	1.76	45.34	0.82	24.74	93.96	10.80	98.03	15.34	0.06	0.56
South-East Companies(2)	10.16	10.07	-1.14	-14.38	0.34	-1.10	-13.60	6.74	23.18	2.17	NM	88.86	10.82	89.99	NM	2.06	0.00
South-West Companies(1)	8.58	8.53	0.09	1.01	0.55	-0.09	-1.01	0.67	59.16	0.74	NM	180.59	15.50	181.72	NM	0.20	1.37
Thrift Strategy(38)	12.78	12.11	0.08	0.08	1.14	0.17	1.01	2.74	39.93	1.22	21.14	120.35	16.11	129.62	25.19	2.19	34.32
Companies Issuing Dividends(36)	13.71	13.05	0.34	2.99	2.55	0.37	3.23	2.49	44.47	1.16	21.88	135.92	18.92	146.28	24.95	3.11	51.49
Companies Without Dividends(12)	10.54	9.85	-0.52	-6.90	-0.67	-0.15	-4.23	3.47	47.20	1.33	15.22	83.34	9.35	89.55	25.99	0.00	0.00
Equity/Assets < 12%(16)	9.37	8.92	-0.07	-1.22	0.67	0.10	0.23	2.14	44.12	1.15	21.90	114.12	11.17	123.18	24.40	0.26	1.85
Market Value Below \$20 Million(1)	17.10	15.13	0.28	1.73	1.67	0.53	0.93	3.62	34.16	1.31	18.49	128.25	22.56	137.79	27.81	2.63	25.19
Market Value Above \$20 Million(1)	6.13	5.13	0.48	8.02	12.72	0.70	8.43	0.00	0.00	1.17	7.86	61.11	3.74	72.93	7.75	0.12	2.18
Holding Company Structures(35)	12.73	12.97	0.08	0.00	1.16	0.16	0.86	2.62	39.59	1.25	21.14	117.91	15.89	127.90	24.13	0.25	2.10
Assets Over \$1 Billion(14)	13.95	13.43	0.13	1.05	-0.01	0.26	1.67	2.09	40.14	1.08	30.40	152.18	21.44	158.11	31.27	0.28	1.51
Assets \$500 Million-\$1 Billion(11)	11.25	10.66	-0.23	-4.40	1.67	-1.37	-3.37	4.57	35.00	1.45	26.11	100.44	11.65	115.21	28.97	0.20	2.32
Assets \$250-\$500 Million(12)	11.61	11.10	0.27	2.60	2.26	0.37	3.24	1.88	44.03	1.26	15.45	94.97	11.28	99.37	19.62	0.25	2.80
Assets less than \$250 Million(1)	24.23	19.21	0.00	0.00	0.00	0.00	0.00	1.42	47.45	0.84	NM	165.04	39.99	221.86	NM	0.40	3.28
Goodwill Companies(21)	13.11	11.91	0.04	-0.20	1.18	0.16	1.18	16.84	123.16	1.18	16.84	123.16	17.30	139.75	22.89	0.19	1.87
Non-Goodwill Companies(17)	12.57	12.37	0.14	0.43	1.08	0.19	0.80	3.28	38.62	1.27	26.52	116.80	14.60	116.80	27.87	0.33	2.61
MRC Institutions(38)	12.78	12.11	0.08	0.08	1.14	0.17	1.01	2.74	39.93	1.22	21.14	120.35	16.11	129.62	25.19	2.19	34.32

(1) Average of high/low or bid/ask price per share.

(2) Or since offering price if converted or first listed 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.

* 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.

Sources: SMI Financial, LC. 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-1 (continued)
Weekly Thrift Market Line - Part Two
Prices As Of February 26, 2010

Financial Institution	Key Financial Ratios						Asset Quality Ratios			Pricing Ratios			Dividend Data(6)				
	Tang. Equity/Assets (%)	ROA(5) (%)	ROE(5) (%)	ROI(5) (%)	Reported Earnings (%)	Core Earnings (%)	ROA(5) (%)	ROE(5) (%)	NPAs Assets (%)	Resps/Loans (%)	Price/Earning (%)	Price/Book (%)	Price/Tang. Book (%)	Price/Core Earnings (%)	Ind. Div./Share (\$)	Divid. Yield (%)	Payout Ratio(7) (%)
NYSSE Traded Companies																	
AP Astoria Financial Corp. of NY*	5.97	5.10	0.13	2.35	2.19	0.14	2.51	NA	NA	1.23	NM	106.59	6.36	125.90	NM	0.52	3.32
BK BancFirst Bancorp. Inc. of FL*	3.03	2.71	-3.43	NM	NM	-3.62	NM	NA	NA	4.71	NM	42.42	1.29	47.55	NM	0.00	0.00
BC First Bancorp. Inc. of MD*	2.72	2.72	4.23	NM	NM	-5.77	NM	NA	NA	5.41	NM	75.39	2.06	75.39	NM	0.00	0.00
NYB New York Community Bancorp. of NY*	17.01	17.17	1.20	9.28	6.20	1.64	12.67	1.41	21.49	0.45	16.14	124.72	15.31	236.13	11.82	1.00	6.46
NL New Alliance Bancshares of CT*	12.03	11.09	0.55	3.31	3.67	0.49	3.93	1.64	26.77	1.10	27.23	88.34	15.06	145.57	30.72	0.28	2.34
PPS Provident Fin. Serv. Inc. of NJ*	13.08	8.14	-1.73	-12.18	-17.73	-1.76	-11.93	1.33	66.85	1.39	NM	75.17	9.83	127.59	NM	0.44	4.01
AMEX Traded Companies																	
TSH Teche Holding Co of N Iberia LA*	9.55	9.11	0.96	10.04	10.91	1.07	11.17	1.58	64.83	1.29	9.16	91.99	8.79	96.97	8.23	1.42	4.48
NASDAQ Listed OTC Companies																	
ABCC Abington Bancorp. Inc. of PA*	17.31	17.31	-0.59	-3.16	-4.42	-0.58	-3.07	4.64	15.83	1.17	NM	75.54	13.07	75.54	NM	0.20	2.60
ALLB Alliance Bank MFC of PA (42.0)	10.43	10.43	0.31	2.79	2.37	0.34	3.07	2.33	32.41	1.21	NM	118.35	12.34	118.35	39.41	0.12	1.42
ABCW Anchor Bancorp. of WI (8)	0.07	-0.10	-3.02	NM	NM	-3.40	NM	10.63	34.72	4.59	NM	NM	0.55	NM	NM	0.00	0.00
AFBC Athens Bancshares, Inc. of TN*	18.02	18.02	0.56	NM	4.92	0.56	NM	6.74	23.18	2.21	20.31	32.97	11.35	62.97	20.31	0.00	0.00
AFCC Atl. Fed. Co. of GA (35.1)	6.97	6.95	-2.35	-29.25	NM	-2.16	-26.87	NM	NM	1.05	NM	32.86	2.29	32.92	NM	0.00	0.00
BCSB BCSB Bancorp. Inc. of MD*	8.49	8.47	0.37	3.61	6.92	-0.32	-3.09	NA	NA	1.21	NM	62.59	5.31	62.70	NM	0.00	0.00
BLMU Bank Mutual Corp. of NY*	11.46	10.08	0.40	3.43	4.62	1.12	1.03	1.72	28.25	1.11	21.63	74.43	8.53	85.96	NM	0.28	4.31
BFBN BankFinancial Corp. of IL*	16.91	15.45	0.57	3.31	4.27	0.60	3.48	2.75	39.11	1.35	23.41	77.23	13.06	86.02	22.33	0.28	2.92
BFEF Beacon Federal Bancorp. of NY*	9.42	9.42	0.59	6.15	10.44	0.71	7.33	NA	NA	1.88	9.57	58.44	5.50	58.44	8.04	0.20	2.22
BNCL Berkshire Nat MFC of PA (44.1)	14.29	11.67	0.20	1.32	1.06	-0.56	-1.22	3.49	28.15	1.64	NM	121.01	17.29	152.68	NM	0.00	0.00
BHLB Berkshire Hills Bancorp. of MA*	14.24	8.26	-0.64	-4.23	-6.88	-0.71	NA	NA	NA	1.62	NM	64.59	9.21	119.36	NM	0.64	3.58
BOFI BoFi Holding, Inc. of CA*	6.90	6.90	1.14	16.33	13.81	1.34	13.43	1.24	32.65	0.81	7.24	115.00	7.93	115.00	8.90	0.00	0.00
BVFC Broadway Financial Corp. of CA*	4.30	4.30	0.31	4.47	3.98	0.26	3.80	2.84	47.91	1.51	7.44	46.34	1.99	46.34	8.75	0.20	3.36
BRKL Brookline Bancorp. Inc. of MA*	18.64	17.16	0.74	3.98	3.21	1.45	3.98	1.44	31.15	1.51	31.15	124.46	23.20	137.62	31.15	0.34	3.31
BPB Brookline Fed MFC of NY (24.7)	15.50	15.50	0.27	1.67	1.67	1.45	0.59	3.64	34.70	2.68	NM	118.59	18.30	118.59	31.63	0.44	5.80
CITZ CPB Bancorp. Inc. of Munster IN*	10.21	10.21	-0.15	-1.58	-2.45	-0.27	-2.89	NA	NA	2.55	NM	34.73	3.55	34.73	NM	0.04	1.12
CMSB CMS Bancorp. Inc. of W. Plains NY*	9.20	9.20	-0.15	-1.58	-2.45	-0.27	-2.89	NA	NA	2.55	NM	34.73	3.55	34.73	NM	0.04	1.12
CPNJ Cape Bancorp. Inc. of NJ*	11.68	9.72	-0.56	-42.09	NM	-4.51	-34.13	11.76	18.95	1.44	18.95	34.73	3.55	34.73	NM	0.00	0.00
CFPN Capital Fed Fin. MFC of KS (29.6)	11.25	11.25	0.86	7.69	2.77	0.87	7.85	0.64	22.74	1.22	36.06	271.96	30.60	271.96	35.33	0.00	0.00
CRV Carver Bancorp. Inc. of NY*	5.67	5.64	0.05	0.64	1.98	0.19	2.50	4.12	26.78	1.30	NM	43.55	2.47	43.55	13.06	0.40	4.94
CRK Central Federal Corp. of MA*	6.09	5.71	-0.07	-0.33	-2.90	-0.04	-0.47	0.93	53.85	0.59	NM	39.89	2.43	42.71	NM	0.20	2.41
CRK Central Federal Corp. of MA*	6.56	6.56	-2.69	-25.35	NM	-2.89	-27.47	4.37	37.66	1.93	4.37	24.72	1.62	24.72	NM	0.00	0.00
CHSV Chevrolet Fin. Co. of OH (38.5)	20.10	20.10	0.31	1.55	1.45	0.29	1.42	NA	NA	NA	NM	107.10	21.53	107.10	NM	0.44	5.30
CHS Capital Fed Fin. MFC of OH (38.5)	17.30	17.30	-0.30	-1.70	-1.95	-0.12	-0.68	NA	NA	0.95	NM	86.72	15.01	86.72	NM	0.00	0.00
CHS Capital Fed Fin. MFC of OH (38.5)	17.30	17.30	-0.30	-1.70	-1.95	-0.12	-0.68	NA	NA	0.95	NM	86.72	15.01	86.72	NM	0.00	0.00
CHS Capital Fed Fin. MFC of OH (38.5)	17.30	17.30	-0.30	-1.70	-1.95	-0.12	-0.68	NA	NA	0.95	NM	86.72	15.01	86.72	NM	0.00	0.00
CHS Capital Fed Fin. MFC of OH (38.5)	17.30	17.30	-0.30	-1.70	-1.95	-0.12	-0.68	NA	NA	0.95	NM	86.72	15.01	86.72	NM	0.00	0.00
CHS Capital Fed Fin. MFC of OH (38.5)	17.30	17.30	-0.30	-1.70	-1.95	-0.12	-0.68	NA	NA	0.95	NM	86.72	15.01	86.72	NM	0.00	0.00
CHS Capital Fed Fin. MFC of OH (38.5)	17.30	17.30	-0.30	-1.70	-1.95	-0.12	-0.68	NA	NA	0.95	NM	86.72	15.01	86.72	NM	0.00	0.00
CHS Capital Fed Fin. MFC of OH (38.5)	17.30	17.30	-0.30	-1.70	-1.95	-0.12	-0.68	NA	NA	0.95	NM	86.72	15.01	86.72	NM	0.00	0.00
CHS Capital Fed Fin. MFC of OH (38.5)	17.30	17.30	-0.30	-1.70	-1.95	-0.12	-0.68	NA	NA	0.95	NM	86.72	15.01	86.72	NM	0.00	0.00
CHS Capital Fed Fin. MFC of OH (38.5)	17.30	17.30	-0.30	-1.70	-1.95	-0.12	-0.68	NA	NA	0.95	NM	86.72	15.01	86.72	NM	0.00	0.00
CHS Capital Fed Fin. MFC of OH (38.5)	17.30	17.30	-0.30	-1.70	-1.95	-0.12	-0.68	NA	NA	0.95	NM	86.72	15.01	86.72	NM	0.00	0.00
CHS Capital Fed Fin. MFC of OH (38.5)	17.30	17.30	-0.30	-1.70	-1.95	-0.12	-0.68	NA	NA	0.95	NM	86.72	15.01	86.72	NM	0.00	0.00
CHS Capital Fed Fin. MFC of OH (38.5)	17.30	17.30	-0.30	-1.70	-1.95	-0.12	-0.68	NA	NA	0.95	NM	86.72	15.01	86.72	NM	0.00	0.00
CHS Capital Fed Fin. MFC of OH (38.5)	17.30	17.30	-0.30	-1.70	-1.95	-0.12	-0.68	NA	NA	0.95	NM	86.72	15.01	86.72	NM	0.00	0.00
CHS Capital Fed Fin. MFC of OH (38.5)	17.30	17.30	-0.30	-1.70	-1.95	-0.12	-0.68	NA	NA	0.95	NM	86.72	15.01	86.72	NM	0.00	0.00
CHS Capital Fed Fin. MFC of OH (38.5)	17.30	17.30	-0.30	-1.70	-1.95	-0.12	-0.68	NA	NA	0.95	NM	86.72	15.01	86.72	NM	0.00	0.00
CHS Capital Fed Fin. MFC of OH (38.5)	17.30	17.30	-0.30	-1.70	-1.95	-0.12	-0.68	NA	NA	0.95	NM	86.72	15.01	86.72	NM	0.00	0.00
CHS Capital Fed Fin. MFC of OH (38.5)	17.30	17.30	-0.30	-1.70	-1.95	-0.12	-0.68	NA	NA	0.95	NM	86.72	15.01	86.72	NM	0.00	0.00
CHS Capital Fed Fin. MFC of OH (38.5)	17.30	17.30	-0.30	-1.70	-1.95	-0.12	-0.68	NA	NA	0.95	NM	86.72	15.01	86.72	NM	0.00	0.00
CHS Capital Fed Fin. MFC of OH (38.5)	17.30	17.30	-0.30	-1.70	-1.95	-0.12	-0.68	NA	NA	0.95	NM	86.72	15.01	86.72	NM	0.00	0.00
CHS Capital Fed Fin. MFC of OH (38.5)	17.30	17.30	-0.30	-1.70	-1.95	-0.12	-0.68	NA	NA	0.95	NM	86.72	15.01	86.72	NM	0.00	0.00
CHS Capital Fed Fin. MFC of OH (38.5)	17.30	17.30	-0.30	-1.70	-1.95	-0.12	-0.68	NA	NA	0.95	NM	86.72	15.01	86.72	NM	0.00	0.00
CHS Capital Fed Fin. MFC of OH (38.5)	17.30	17.30	-0.30	-1.70	-1.95	-0.12	-0.68	NA	NA	0.95	NM	86.72	15.01	86.72	NM	0.00	0.00
CHS Capital Fed Fin. MFC of OH (38.5)	17.30	17.30	-0.30	-1.70	-1.95	-0.12	-0.68	NA	NA	0.95	NM	86.72	15.01	86.72	NM	0.00	0.00
CHS Capital Fed Fin. MFC of OH (38.5)	17.30	17.30	-0.30	-1.70	-1.95	-0.12	-0.68	NA	NA	0.95	NM	86.72	15.01	86.72	NM	0.00	0.00
CHS Capital Fed Fin. MFC of OH (38.5)	17.30	17.30	-0.30	-1.70	-1.95	-0.12	-0.68	NA	NA	0.95	NM	86.72	15.01	86.72	NM	0.00	0.00
CHS Capital Fed Fin. MFC of OH (38.5)	17.30	17.30	-0.30	-1.70	-1.95	-0.12	-0.68	NA	NA	0.95	NM	86.72	15.01	86.72	NM	0.00	0.00
CHS Capital Fed Fin. MFC of OH (38.5)	17.30	17.30	-0.30	-1.70	-1.95	-0.12	-0.68	NA	NA	0.95	NM	86.72	15.01	86.72	NM	0.00	0.00
CHS Capital Fed Fin. MFC of OH (38.5)	17.30	17.30	-0.30	-1.70	-1.95	-0.12	-0.68	NA	NA	0.95	NM	86.72	15.01	86.72	NM	0.00	0.00
CHS Capital Fed Fin. MFC of OH (38.5)	17.30	17.30	-0.30	-1.70	-1.95	-0.12	-0.68	NA	NA	0.95	NM	86.72	15.01	86.72	NM	0.00	0.00
CHS Capital Fed Fin. MFC of OH (38.5)	17.30	17.30	-0.30	-1.70	-1.95	-0.12	-0.68	NA	NA	0.95	NM	86.72	15.01	86.72	NM	0.00	0.00
CHS Capital Fed Fin. MFC of OH (38.5)	17.30	17.30	-0.30	-1.70	-1.95												

Exhibit IV-1 (continued)
Weekly Thrift Market Line - Part Two
Prices As of February 26, 2010

Financial Institution	Key Financial Ratios				Asset Quality Ratios				Pricing Ratios				Dividend Data (\$)	
	Equity/Assets (%)	Tang. Assets (%)	Reported Earnings ROA(3) (%)	Reported Earnings ROE(5) (%)	NPAs Assets (%)	Resvs/Assets (%)	Resvs/Loans (%)	Price/Book (%)	Price/Book Assets (%)	Price/Tang. Book (%)	Price/Core Earnings (x)	Ind. Div./Share (\$)	Divid. Yield (%)	Payout Ratio(7) (%)
MASDAQ List: OTC Companies (continued)														
FFFC First Place Fin. Corp. of OH	6.39	6.10	-0.57	-7.04	NM	-0.90	-11.01	5.32	30.28	1.94	NM	28.14	1.80	29.56
FFFG First Savings Fin. Corp. of IN	10.71	9.13	-0.02	-0.16	0.37	-0.01	-0.09	NA	NA	1.10	NA	49.72	5.33	59.36
FFFC Flushing Fin. Corp. of IN	8.33	7.93	0.66	8.32	6.62	0.63	8.02	2.32	21.10	0.63	15.11	113.51	9.46	119.72
FXCA Fox Chase Bancorp. of PA(41.0)	10.53	10.53	-0.10	-0.88	-0.86	-0.19	-1.72	2.87	31.44	1.65	NM	101.87	10.72	101.87
GSLA GS Financial Corp. of LA	10.31	10.31	0.34	3.14	5.00	0.15	1.39	NA	1.28	1.65	20.00	62.86	6.48	62.86
GCSC Green Co. Bancorp. of NY (43.9)	9.01	9.01	1.01	11.53	7.53	1.24	14.18	0.78	99.84	1.28	13.27	144.79	13.05	144.79
HFCC HF Financial Corp. of SD	7.85	7.46	0.47	6.66	7.82	0.41	5.74	NA	1.01	0.41	13.79	76.92	6.04	81.25
HMFN HFN Financial, Inc. of NM	7.35	7.35	-1.16	-12.00	NM	-1.31	-13.47	NA	2.88	2.88	NM	79.25	2.04	27.81
HMKM Hamden Bancorp. Inc. of MA	16.46	16.46	-0.14	-0.83	-1.06	-0.13	-0.75	1.90	57.14	1.51	10.62	95.06	5.76	95.06
HARL Harleyville Svcs Fin. Cp. of PA	6.06	6.06	0.55	9.20	9.41	0.62	10.31	NA	NA	0.43	10.62	144.87	19.34	147.06
HBOS Heritage Fin. Op. MHC of GA(24.4)	13.35	13.18	0.06	0.50	0.34	-0.04	-0.33	NA	2.12	2.12	14.87	19.34	17.50	106.38
HIFB Hingham Inst. for Sav. of MA	7.05	7.05	0.93	12.87	11.59	1.06	4.31	0.43	148.91	0.99	23.00	80.57	20.39	80.57
HBCF Home Bancorp. Inc. Lafayette LA	25.31	25.31	0.88	3.57	4.35	1.06	4.31	3.29	104.04	5.33	25.63	106.81	27.08	106.81
HOKE Home Federal Bancorp. Inc. of ID	25.35	25.35	1.16	4.24	3.90	-0.98	-3.59	6.04	67.05	1.36	13.52	133.33	11.81	137.40
HFPC HopFed Bancorp. Inc. of KY	6.14	6.03	0.05	0.62	1.14	-0.13	-1.63	1.28	107.05	1.36	NM	65.58	4.03	66.92
HCBK Hudson City Bancorp. Inc. of NJ	8.86	8.62	0.92	10.22	7.40	0.92	10.22	NA	0.44	0.44	13.52	133.33	11.81	137.40
IFBS Independence FSB of DC	5.96	5.96	-0.06	-1.23	-4.55	-0.18	-3.70	6.39	11.95	1.15	NM	23.95	1.43	23.95
IIAB Investors Bancorp. of NJ(43.5)	10.14	9.90	0.78	7.42	4.04	0.53	4.99	NA	NA	0.82	NM	176.79	17.93	181.52
ITSB Johnsonville Bcp. MHC of IL(45.9)	8.69	7.84	0.40	4.93	5.22	0.18	2.15	0.81	NA	NA	19.16	89.06	3.74	89.06
JFBI Jefferson Bancshares Inc. of TN	11.98	8.63	0.19	1.60	4.86	0.20	1.68	3.55	21.77	1.11	20.58	32.64	3.91	47.00
KFBD K-Fed Bancorp. MHC of CA (35.4)	10.51	10.09	0.31	2.87	2.40	0.34	3.16	2.61	46.87	1.40	12.03	120.03	13.62	125.64
KFBP KY Fed Bcp MHC of KY (33.9)	24.23	19.21	0.00	0.00	0.00	0.00	0.00	1.42	47.45	0.84	NM	165.04	33.99	231.86
KRNY Kearny Fin. Cp. MHC of NJ (26.5)	21.82	18.76	0.26	1.15	0.00	0.29	1.30	NA	0.72	0.72	NM	143.90	31.40	132.83
LSBK Lehigh Valley Bancorp. of PA	7.66	7.66	0.94	10.46	32.74	0.87	9.68	NA	1.34	1.34	7.76	82.52	6.59	82.52
LSBI LSB Fin. Corp. of Lafayette IN	9.43	9.43	0.23	2.77	6.09	0.07	0.77	3.60	28.08	1.44	16.11	45.38	4.28	45.38
LFBS LePorte Bancorp. MHC of IN(45.6)	12.87	10.49	0.44	3.55	6.57	0.21	1.67	1.89	33.51	1.00	15.22	51.70	6.55	64.02
LSBK Lake Shore Bcp MHC of NY(41.3)	13.25	13.25	0.54	4.10	4.80	-0.14	-1.06	NA	NA	1.67	21.75	96.42	13.45	96.42
LEGC Legacy Bancorp. Inc. of MA	12.82	11.72	-0.82	-6.30	-9.08	0.43	3.80	1.83	53.25	1.31	12.38	80.46	6.69	83.25
LBCC Liberty Bancorp. Inc. of MO	20.82	23.82	0.82	3.16	3.42	0.83	3.22	NA	NA	0.84	23.40	55.93	22.85	55.93
LASC Louisiana Bancorp. Inc. of LA	11.02	11.02	0.66	0.77	0.83	0.12	1.03	NA	0.90	0.90	NM	95.14	10.48	95.14
MGFR Magvar Bancorp. MHC of NJ (41.8)	7.14	7.14	-1.66	-23.30	NM	-1.80	-25.18	NA	1.52	1.52	35.00	83.19	8.45	83.19
MVFB Mayflower Fed Bcp MHC of NJ(44.5)	10.16	10.16	0.24	2.38	2.86	0.27	2.64	3.42	26.88	1.02	17.71	71.47	2.94	44.13
MVFB Mayflower Fed Bcp MHC PA(45.0)	8.28	8.28	0.46	5.80	7.87	0.24	2.95	NA	NA	1.02	12.71	71.47	5.92	91.17
MFRB Meridian Fin. Serv. MHC MA (43.4)	16.54	16.54	0.33	3.95	1.70	0.33	1.95	NA	1.12	1.12	NM	119.25	6.06	136.05
CASH Meta Financial Group of IA	5.08	4.82	-0.11	-2.04	-1.71	-0.26	-4.88	1.65	80.40	0.82	NM	111.25	18.39	111.11
MFSF MutualFirst Fin. Inc. of IN	7.11	6.69	-1.27	-13.77	NM	-1.36	-14.74	2.86	41.00	1.54	7.98	89.79	9.58	91.25
NASB NASB Fin. Inc. of Grandview MO	10.67	10.52	1.21	11.61	12.53	-0.19	-1.89	4.75	27.92	1.54	NM	83.23	17.90	84.66
NSCB NE Comm. Bancorp. MHC of NY (45.0)	21.50	21.22	0.03	0.12	0.14	0.06	0.24	1.54	52.06	1.03	9.01	76.06	6.62	121.60
NHBS NH Thrift Bancshares of NH	8.71	5.63	0.76	8.14	11.10	0.50	5.31	NA	NA	1.51	17.03	91.90	8.38	92.17
NVSL Nug Villy Fin. MHC of CT (40.5) (8)	11.20	11.20	0.15	1.31	1.51	0.20	1.68	NA	0.84	0.84	NM	89.05	9.97	89.05
NFBS Newport Bancorp. Inc. of RI	8.39	8.39	0.57	5.93	13.86	0.56	5.75	NA	NA	1.88	7.22	50.48	4.23	50.48
NPFB Northfield Bcp MHC of NY(45.1)	19.56	18.90	0.64	4.32	1.93	0.64	3.07	2.55	30.22	2.11	NM	159.80	31.07	165.76
NWFB Northwest Bancshares Inc. of PA	16.41	14.53	0.46	4.32	2.54	0.57	5.33	39.40	99.33	1.33	39.40	99.33	16.30	114.65
OBNA OBA Financial Serv. Inc. of MD	12.34	12.34	-0.30	NM	-2.47	-0.10	NM	NA	0.41	0.41	NM	62.12	13.25	62.12
OCBC Ochsenschlager Holding Co. of NJ	9.23	9.23	0.65	7.87	6.46	0.62	7.51	1.55	47.60	0.89	18.03	80.40	9.92	80.40
ONBC Oneida National Bancorp. Inc. of NY	17.42	17.42	-0.05	-0.65	-0.46	-0.30	-3.66	NA	1.18	1.18	15.48	104.82	9.67	104.82
ONFC Oneida Fin. Cp. MHC of NY(44.9)	9.51	5.39	0.82	8.45	5.81	0.95	9.77	NA	NA	1.61	17.22	143.33	13.63	264.29
ONFC Oneida Fin. Cp. MHC of NY(25.7) (8)	12.35	12.35	0.55	4.24	1.77	0.63	4.85	NA	0.46	0.46	NM	236.77	29.24	236.77
OSBK Orange Bancshares, Inc. of CT	14.68	14.68	0.38	2.44	2.59	0.47	2.89	2.38	19.32	0.41	38.64	95.51	14.60	100.12
OSBK Orange Bancshares, Inc. of OH	6.16	6.16	-1.52	-24.08	NM	-2.23	-35.41	NA	4.51	4.51	NM	29.06	1.79	29.06
OSBK Orange Bancshares, Inc. of OH	9.18	8.65	-1.14	-12.67	-15.90	-0.38	-4.30	NA	0.76	0.76	NM	86.28	7.46	86.28
OSBK Orange Bancshares, Inc. of OH	11.55	11.55	-1.27	-10.81	-15.90	-0.95	-8.01	5.53	8.88	0.76	NM	20.90	2.42	20.90
OSBK Orange Bancshares, Inc. of OH	6.25	4.81	-0.58	-7.19	-26.99	0.30	3.67	NA	NA	1.76	7.86	61.11	3.74	73.83
OSBK Orange Bancshares, Inc. of OH	6.13	5.11	-0.49	-8.02	-12.73	0.50	8.13	NA	NA	1.17	7.86	61.11	3.74	73.83
OSBK Orange Bancshares, Inc. of OH	23.99	18.16	0.52	2.08	1.97	0.47	1.88	NA	1.21	1.21	NM	106.56	25.56	151.59
OSBK Orange Bancshares, Inc. of OH	14.74	8.74	-0.25	-3.23	-10.15	-1.30	-16.94	8.84	44.27	4.38	NM	29.95	2.62	29.95
OSBK Orange Bancshares, Inc. of OH	11.04	9.24	0.88	6.12	7.57	0.44	3.06	1.01	101.77	1.79	13.21	81.04	11.67	133.95
OSBK Orange Bancshares, Inc. of OH	6.03	5.75	0.28	3.14	-1.73	0.16	1.48	1.34	42.16	1.11	16.41	75.38	4.54	79.21
OSBK Orange Bancshares, Inc. of OH	1.68	1.31	-6.95	NM	6.09	-0.21	-2.78	5.51	29.00	1.76	NM	182.07	20.10	182.07
OSBK Orange Bancshares, Inc. of OH	6.61	6.61	0.42	6.33	8.05	0.27	4.04	NA	0.92	0.92	NM	8.82	4.15	11.32
OSBK Orange Bancshares, Inc. of OH	10.33	7.54	-0.16	-1.59	-5.31	-0.16	-1.59	6.93	30.66	2.46	NM	30.21	3.12	42.68

Exhibit IV-1 (continued)
Weekly Thrift Market Line - Part Two
Prices As Of February 26, 2010

Financial Institution	Key Financial Ratios				Asset Quality Ratios				Pricing Ratios				Dividend Data(\$)		
	Equity/ Assets (%)	Tang. Assets (%)	ROA(5) ROI(5) (%)	Reported Earnings ROA(5) ROE(5) (%)	Core Earnings ROA(5) ROE(5) (%)	NPAs Assets (%)	Revs/ Assets (%)	Revs/ Loans (%)	Price/ Earning (X)	Price/ Book (%)	Price/ Assets (%)	Price/ Tang. Book (%)	Price/ Core Earnings (X)	Ind. Divi- Share/ Yield (%)	Divid. Payout Ratio(7) (%)
NASDAQ Listed OTC Companies (continued)															
RCKX Rockville Fin MHC of CT (42.9)	9.78	9.72	0.52	5.40	4.04	1.13	71.36	0.92	24.74	130.07	12.73	131.03	21.71	0.24	2.26
ROME Roma Fin Corp of NJ (27.0)	16.88	16.84	0.32	1.73	0.98	NA	NA	0.73	NA	176.85	29.85	177.36	NA	0.32	2.62
ROME Roma Bancorp, Inc. of Rome NY*	18.30	18.30	0.92	5.14	5.26	0.58	111.33	0.74	19.00	97.05	17.76	97.05	19.43	0.36	4.21
SIFI SI Fin Gp Inc MHC of CT (38.2)	8.88	8.43	0.05	0.63	0.74	NA	NA	0.80	NA	82.80	7.35	87.60	NA	0.00	0.00
SVBI Severn Bancorp, Inc. of MD*	8.29	8.26	-1.30	-11.28	NA	NA	NA	4.06	NA	51.22	4.25	51.31	NA	0.00	0.00
SUPR Superior Bancorp of AL(8)*	5.95	5.46	0.61	6.44	9.01	6.52	15.26	1.65	NA	17.65	1.05	19.33	NA	0.00	0.00
THRD TF Fin Corp. of Newtown PA*	10.04	9.46	0.63	6.44	9.01	3.25	27.94	0.87	11.09	59.94	7.02	74.67	13.20	0.80	4.27
TFSL TFS Fin Corp. MHC of OH (26.5)	16.33	16.25	0.11	0.70	0.31	0.11	169.73	0.48	27.86	226.23	36.94	227.43	NA	0.28	2.18
TFRK Territorial Bancorp, Inc. of HI*	15.81	15.81	0.43	5.42	3.59	0.19	17.58	2.28	NA	110.13	17.41	110.13	23.83	0.20	1.01
TONE TisOne Corp. of Lincoln NE*	7.73	7.62	-0.85	-10.44	NA	7.23	28.74	2.66	NA	4.72	0.37	4.80	NA	0.00	0.00
TSEK Timberland Bancorp, Inc. of WA*	9.93	9.19	0.18	-1.19	-2.64	0.09	0.64	0.77	16.35	188.57	4.05	44.49	16.81	0.04	0.97
TRST TrustCo Bank Corp NY CR NY (40.8)	13.65	13.65	0.78	11.78	6.42	3.08	34.67	1.55	NA	94.33	13.10	94.33	NA	0.25	4.13
UCBA United Comm Bancp MHC IN (40.8)	13.89	13.89	0.20	1.42	1.50	7.03	25.71	2.20	NA	21.38	2.01	21.44	NA	0.00	0.00
UCFC United Community Fin. of OH*	9.39	9.37	-0.47	-7.16	NA	-1.03	-11.01	0.84	39.67	104.97	17.67	104.95	30.44	0.00	0.00
UNBK United Financial Bancp of IN*	17.35	17.35	0.45	2.53	2.52	NA	NA	0.74	NA	34.03	2.53	34.03	NA	0.28	2.14
VFPQ ViewPoint Finl MHC of TX(43.1)	7.43	7.43	0.82	0.43	0.55	2.01	51.61	1.91	NA	180.59	15.50	181.72	NA	0.00	0.00
WSB WSB Holdings, Inc. of Bowie MD*	11.89	11.89	-1.23	-10.23	-17.79	0.67	59.16	0.74	NA	58.94	7.01	58.94	NA	0.00	0.00
WSFB WSFS Financial Corp. of DE*	7.01	6.71	-0.08	-1.04	-1.24	7.91	NA	2.11	21.40	97.91	7.68	97.91	19.93	0.20	1.37
WVFC Washington Federal, Inc. of WA*	7.84	7.84	0.34	4.52	4.67	2.23	63.94	2.11	NA	86.74	6.08	90.88	NA	0.48	1.56
WFSL Washington Federal, Inc. of WA*	13.69	11.92	0.23	1.74	1.28	0.42	39.30	1.07	NA	126.39	17.31	148.10	NA	0.20	1.03
WSBF Waterstone Fin MHC of WI(26.2)	9.10	9.10	-0.46	-5.10	-11.57	5.73	26.25	2.11	NA	44.49	4.05	44.49	NA	0.00	0.00
WAYN Wayne Savings Bancshares of OH*	9.08	8.60	0.48	5.53	9.41	1.41	53.18	1.19	10.63	56.69	5.15	60.14	10.97	0.20	2.89
WFD Westfield Fin. Inc. of MA*	20.76	20.76	0.46	2.09	2.17	0.60	107.19	1.60	NA	100.00	20.76	100.00	39.48	0.20	2.41

EXHIBIT IV-2

Historical Stock Price Indices

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>
2000: Quarter 1	10921.9	1498.6	4572.8	545.6	421.24
Quarter 2	10447.9	1454.6	3966.1	567.8	387.37
Quarter 3	10650.9	1436.5	3672.8	718.3	464.64
Quarter 4	10786.9	1320.3	2470.5	874.3	479.44
2001: Quarter 1	9878.8	1160.3	1840.3	885.2	459.24
Quarter 2	10502.4	1224.4	2160.5	964.5	493.70
Quarter 3	8847.6	1040.9	1498.8	953.9	436.60
Quarter 4	10021.5	1148.1	1950.4	918.2	473.67
2002: Quarter 1	10403.9	1147.4	1845.4	1006.7	498.30
Quarter 2	9243.3	989.8	1463.2	1121.4	468.91
Quarter 3	7591.9	815.3	1172.1	984.3	396.80
Quarter 4	8341.6	879.8	1335.5	1073.2	419.10
2003: Quarter 1	7992.1	848.2	1341.2	1096.2	401.00
Quarter 2	8985.4	974.5	1622.8	1266.6	476.07
Quarter 3	9275.1	996.0	1786.9	1330.9	490.90
Quarter 4	10453.9	1112.0	2003.4	1482.3	548.60
2004: Quarter 1	10357.7	1126.2	1994.2	1585.3	562.20
Quarter 2	10435.5	1140.8	2047.8	1437.8	546.62
Quarter 3	10080.3	1114.6	1896.8	1495.1	556.00
Quarter 4	10783.0	1211.9	2175.4	1605.6	595.10
2005: Quarter 1	10503.8	1180.6	1999.2	1516.6	551.00
Quarter 2	10275.0	1191.3	2057.0	1577.1	563.27
Quarter 3	10568.7	1228.8	2151.7	1527.2	546.30
Quarter 4	10717.5	1248.3	2205.3	1616.4	582.80
2006: Quarter 1	11109.3	1294.8	2339.8	1661.1	595.50
Quarter 2	11150.2	1270.2	2172.1	1717.9	601.14
Quarter 3	11679.1	1335.9	2258.4	1727.1	634.00
Quarter 4	12463.2	1418.3	2415.3	1829.3	658.60
2007: Quarter 1	12354.4	1420.9	2421.6	1703.6	634.40
Quarter 2	13408.6	1503.4	2603.2	1645.9	622.63
Quarter 3	13895.6	1526.8	2701.5	1523.3	595.80
Quarter 4	13264.8	1468.4	2652.3	1058.0	492.85
2008: Quarter 1	12262.9	1322.7	2279.1	1001.5	442.5
Quarter 2	11350.0	1280.0	2293.0	822.6	332.2
Quarter 3	10850.7	1166.4	2082.3	760.1	414.8
Quarter 4	8776.4	903.3	1577.0	653.9	268.3
2009: Quarter 1	7608.9	797.9	1528.6	542.8	170.1
Quarter 2	8447.0	919.3	1835.0	538.8	227.6
Quarter 3	9712.3	1057.1	2122.4	561.4	282.9
Quarter 4	10428.1	1115.1	2269.2	587.0	260.8
As of Feb. 26, 2010	10325.3	1104.5	2238.3	600.3	274.7

(1) End of period data.

Sources: SNL Financial and The Wall Street Journal.

EXHIBIT IV-3

Historical Thrift Stock Indices

Index Values

	Index Values				Price Appreciation (%)		
	01/29/10	12/31/09	12/31/09	01/30/09	1 Month	YTD	LTM
All Pub. Traded Thrifts	588.0	587.0	587.0	561.6	0.18	0.18	4.70
MHC Index	3,017.6	2,962.4	2,962.4	3,094.3	1.86	1.86	-2.48
Stock Exchange Indexes							
NYSE-Alt Thrifts	326.0	331.6	331.6	298.1	-1.70	-1.70	9.37
NYSE Thrifts	113.9	110.2	110.2	101.9	3.40	3.40	11.81
OTC Thrifts	1,587.9	1,597.4	1,597.4	1,550.7	-0.60	-0.60	2.40
Geographic Indexes							
Mid-Atlantic Thrifts	2,421.3	2,420.4	2,420.4	2,178.5	0.04	0.04	11.14
Midwestern Thrifts	2,173.1	2,084.0	2,084.0	2,389.2	4.28	4.28	-9.04
New England Thrifts	1,638.6	1,682.2	1,682.2	1,645.6	-2.59	-2.59	-0.42
Southeastern Thrifts	241.6	238.6	238.6	327.9	1.23	1.23	-26.33
Southwestern Thrifts	345.7	339.0	339.0	415.0	2.00	2.00	-16.68
Western Thrifts	55.8	56.6	56.6	41.2	-1.42	-1.42	35.23
Asset Size Indexes							
Less than \$250M	805.1	810.0	810.0	777.0	-0.60	-0.60	3.61
\$250M to \$500M	2,272.9	2,247.4	2,247.4	2,159.0	1.13	1.13	5.27
\$500M to \$1B	1,095.4	1,096.7	1,096.7	1,119.3	-0.12	-0.12	-2.13
\$1B to \$5B	1,371.7	1,393.3	1,393.3	1,411.1	-1.54	-1.54	-2.79
Over \$5B	303.6	301.5	301.5	282.3	0.68	0.68	7.53
Pink Indexes							
Pink Thrifts	143.1	142.1	142.1	153.9	0.69	0.69	-7.02
Less than \$75M	411.5	406.8	406.8	495.0	1.15	1.15	-16.86
Over \$75M	143.8	142.8	142.8	153.7	0.68	0.68	-6.42
Comparative Indexes							
Dow Jones Industrials	10,067.3	10,428.1	10,428.1	8,000.9	-3.46	-3.46	25.83
S&P 500	1,073.9	1,115.1	1,115.1	825.9	-3.70	-3.70	30.03

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

Market Area Acquisition Activity

**Exhibit IV-4
Massachusetts Thrift Acquisitions 2006-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 (%)	TE/A (%)	ROAA (%)	ROAE (%)	NPA's/Assets (%)	Rsvs/NPLs (%)	Deal Value (\$M)	Value/Share (\$)	P/B (%)	P/TB (%)	P/E (x)	P/A (%)	Prem/Cdeps (%)										
10/09/2009	01/01/2010	Bridgewater Financial, MHC	MA East Bridgewater Savings Bank	MA	138,438	8.42	8.42	-0.26	-2.94	0.00	0.00	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA		
07/20/2009	01/04/2010	Meridian Interstate Bncp (MHC)	MA Mt. Washington Co-operative Bank	MA	517,875	6.12	6.12	-0.85	-13.02	2.29	32.87	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	
01/28/2009	01/28/2009	Investor group	MA Lowell Co-operative Bank	MA	87,536	5.51	5.51	-3.88	-51.08	6.11	24.56	5.0	NA	103.73	103.73	NM	5.71	0.34									
12/08/2008	07/01/2009	Middlesex Bancorp MHC	MA Service Bancorp, Inc. (MHC)	MA	402,560	4.29	4.29	-2.59	-37.64	1.81	75.61	21.9	28,000	268.20	268.20	NM	5.43	2.26									
11/08/2008	04/10/2009	Independent Bank Corp.	MA Benjamin Franklin Bancorp, Inc.	MA	980,737	10.86	7.48	0.47	4.34	1.02	68.60	124.8	15,771	114.20	171.98	25.03	12.73	9.64									
08/20/2008	11/19/2008	Hyde Park Co-operative Bank	MA Commonwealth Co-operative Bank	MA	42,742	9.45	9.45	-0.50	-5.04	0.00	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	
05/23/2008	11/19/2008	Hyde Park Co-operative Bank	MA Lafayette Federal Savings Bank	MA	113,837	10.15	10.15	0.20	1.95	0.06	581.69	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	
03/10/2008	09/03/2008	Mechanics Co-operative Bank	MA MASSBANK Corp.	MA	801,799	13.59	13.47	0.96	7.21	0.02	687.94	171.9	40,000	155.70	157.28	22.47	21.44	11.37									
12/28/2007	05/16/2008	Mt. Washington Co-operative Bk	MA Roxbury-Highland Co-operative Bank	MA	25,443	11.19	11.19	-0.13	-1.15	1.31	48.50	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	
06/19/2007	11/01/2007	Mechanics Co-operative Bank	MA Bridgewater Co-operative Bank	MA	14,387	10.34	10.34	0.47	4.61	0.00	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	
05/31/2007	11/01/2007	Martha's Vnyrd Co-Op Bk/Tisbury	MA Dukes County Savings Bank	MA	294,578	11.61	11.61	0.62	5.63	0.10	466.67	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	
01/30/2007	06/29/2007	Inst for Svgs in Newburyport	MA Ipswich Co-operative Bank	MA	238,716	6.76	6.76	0.64	10.13	0.00	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	
01/25/2007	05/12/2007	Eastern Bank Corporation	MA Sharon Co-operative Bank	MA	68,328	10.46	10.46	0.15	1.48	0.00	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	
11/13/2006	08/24/2007	Assabet Valley Bancorp	MA Westborough Financial Services, Inc. (MHC)	MA	299,672	9.34	9.34	0.03	0.28	0.28	93.08	20.6	35,000	199.50	199.50	NM	19.27	NA									
11/03/2006	03/30/2007	Needham Valley Bancorp	MA Dedham Co-operative Bank	MA	86,930	14.91	14.91	0.26	1.80	0.00	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	
10/27/2006	02/23/2007	Danvers Bancorp Inc.	MA BankMalden Co-operative Bank	MA	49,941	8.17	8.17	0.06	0.71	0.34	75.00	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	
07/12/2006	11/11/2006	Mutual FSB Plymouth County	MA Security Federal Savings Bank	MA	115,556	10.88	10.88	0.01	0.08	0.00	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	
			Average:		251,699	9.53	9.33	-0.25	-4.27	0.78	215.45			168.27	180.14	23.75	12.92	5.90									
			Median:		115,556	10.15	9.45	0.06	0.71	0.06	75.31			155.70	171.98	23.75	12.73	5.95									

Source: SNL Financial, L.C.

EXHIBIT IV-5

**Peoples Federal Bancshares, Inc.
Director and Senior Management Summary Resumes**

Exhibit IV-5
Peoples Federal Bancshares, Inc.
Director and Senior Management Summary Resumes

Directors:

The business experience for the past five years of each of our directors and executive officers is set forth below. Unless otherwise indicated, directors and executive officers have held their positions for the past five years.

Maurice H. Sullivan, Jr. is our Chairman and Chief Executive Officer. Mr. Sullivan has served as a board member of Peoples Federal Savings Bank since 1971, has served as Chairman of the Board since 1987 and has served as the Chairman and Chief Executive Officer of Peoples Federal MHC and Peoples Federal Bancorp, Inc. since their inception in 2005. Mr. Sullivan was a practicing attorney from 1971 until his retirement from legal practice in 2007. Mr. Sullivan is the father of board member Maurice H. Sullivan, III.

Thomas J. Leetch, Jr. is our President and Chief Operating Officer and is the President and Chief Executive Officer of Peoples Federal Savings Bank, positions he has held at the Bank since his initial hire in 1980. Prior to joining Peoples Federal Savings Bank in 1980, Mr. Leetch worked as a senior manager in the Audit Banking Division of a certified public accounting firm as well as serving as Executive Vice President and Treasurer of a Massachusetts-based savings bank. Mr. Leetch has over 35 years of experience in banking.

D. Randolph Berry is a private investor and consulting engineer. He has been associated with Foster-Miller, Inc, (a subsidiary of QinetiQ, a world-wide technology development firm) since 1970.

Myron Fox is a practicing attorney and is the principal of the law firm Rollins, Rollins & Fox, Wellesley, Massachusetts. Mr. Fox joined Rollins, Rollins & Fox upon his graduation from Boston College Law School in 1969 and became the firm's principal partner in 1978.

Hugh Gallagher is the owner of Center Realty, Inc., a real estate development firm located in Brighton, Massachusetts.

William Giudice is President and Chief Executive Officer of Xikota Devices, Inc., a semiconductor company that develops high performance components for wireless applications, located in Waltham, Massachusetts. From 2003 until 2007, Mr. Giudice was Vice President and General Manager of Analog Devices. Mr. Giudice has more than 30 years of technology-industry experience.

Vincent Mannering is an Executive Director of the Boston Water & Sewer Commission, a position he has held since 1995. From 1992 until 1995, Mr. Mannering was a State Representative for the Commonwealth of Massachusetts. Mr. Mannering practiced law in private practice from 1985 until 1995, and prior to this, Mr. Mannering was an Assistant District Attorney for the Commonwealth of Massachusetts from 1978 until 1985.

Norman Posner is a certified public accountant and is the managing partner of Samet and Company, a certified public accounting firm, located in Chestnut Hill, Massachusetts. Mr. Posner has been a certified public accountant since 1972.

Exhibit IV-5 (continued)
Peoples Federal Bancshares, Inc.
Director and Senior Management Summary Resumes

John F. Reen, Jr. is the Owner of Lehman & Reen Funeral Home, a funeral home located in Brighton, Massachusetts which Mr. Reen has owned since its establishment in 1974.

Frederick Taw is the owner of Golden Temple restaurant in Brookline, Massachusetts.

Maurice H. Sullivan, III is a partner in the Boston, Massachusetts office of Bingham McCutchen, an international law firm. Mr. Sullivan's primary practice area is commercial real estate. Mr. Sullivan is the son of Maurice H. Sullivan, Jr., our Chairman and Chief Executive Officer.

Executive Officers Who Are Not Also Directors:

James J. Gavin is our Executive Vice President and is the Executive Vice President/Chief Operating Officer and Chief Lending Officer of Peoples Federal Savings Bank. He has been employed at Peoples Federal Savings Bank since 1994. Prior to his employment at Peoples Federal Savings Bank, from 1986 until 1994, Mr. Gavin was an Examiner-in-Charge at the Federal Home Loan Bank Board which became the Office of Thrift Supervision in 1989.

Christopher Lake is the Senior Vice President and Chief Financial Officer of Peoples Federal Bancshares, Inc. and Peoples Federal Savings Bank. He has been employed at Peoples Federal Savings Bank since 2000. Prior to his employment with Peoples Federal Savings Bank, from 1988 until 1994 Mr. Lake was an Examiner-in-Charge at the Federal Home Loan Bank Board which became the Office of Thrift Supervision in 1989. Thereafter, Mr. Lake was employed with another community banking institution as well as KPMG, where he served from 1997 until 2000 as a senior consultant.

Lee Ann Coté is our Senior Vice President – Retail Banking and Human Resources. She has been employed at Peoples Federal Savings Bank since 1994 when she began her employment at Peoples Federal Savings Bank as a part-time teller. Ms. Coté began her full-time employment with Peoples Federal Savings Bank upon being graduated from Boston College in 1994.

EXHIBIT IV-6

**Peoples Federal Bancshares, Inc.
Pro Forma Regulatory Capital Ratios**

Exhibit IV-6
Peoples Federal Bancshares, Inc.
Pro Forma Regulatory Capital Ratios

	Peoples Federal Savings Bank Historical at December 31, 2009		Pro Forma at December 31, 2009, Based Upon the Sale in the Offering of (5)							
	Amount	Percent of Assets (2)	4,250,000 Shares		5,000,000 Shares		5,750,000 Shares		6,612,500 Shares (1)	
			Amount	Percent of Assets (2)	Amount	Percent of Assets (2)	Amount	Percent of Assets (2)	Amount	Percent of Assets (2)
			(Dollars in thousands)							
Equity	\$ 51,550	10.68%	\$ 66,468	13.22%	\$ 69,212	13.66%	\$ 71,956	14.10%	\$ 75,111	14.60%
Tangible capital (3)(4).....	\$ 51,510	10.68%	\$ 66,428	13.21%	\$ 69,172	13.65%	\$ 71,916	14.09%	\$ 75,071	14.59%
Tangible requirement.....	<u>7,237</u>	<u>1.50%</u>	<u>7,543</u>	<u>1.50%</u>	<u>7,599</u>	<u>1.50%</u>	<u>7,655</u>	<u>1.50%</u>	<u>7,719</u>	<u>1.50%</u>
Excess.....	<u>\$ 44,273</u>	<u>9.18%</u>	<u>\$ 58,885</u>	<u>11.71%</u>	<u>\$ 61,573</u>	<u>12.15%</u>	<u>\$ 64,261</u>	<u>12.59%</u>	<u>\$ 67,352</u>	<u>13.09%</u>
Core capital (3)(4).....	\$ 51,510	10.68%	\$ 66,428	13.21%	\$ 69,172	13.65%	\$ 71,916	14.09%	\$ 75,071	14.59%
Core requirement.....	<u>19,298</u>	<u>4.00</u>	<u>20,115</u>	<u>4.00</u>	<u>20,264</u>	<u>4.00</u>	<u>20,413</u>	<u>4.00</u>	<u>20,584</u>	<u>4.00</u>
Excess.....	<u>\$ 32,212</u>	<u>6.68%</u>	<u>\$ 46,313</u>	<u>9.21%</u>	<u>\$ 48,908</u>	<u>9.65%</u>	<u>\$ 51,503</u>	<u>10.09%</u>	<u>\$ 54,487</u>	<u>10.59%</u>
Tier 1 risk-based capital.....	\$ 51,510	16.30%	\$ 66,428	20.36%	\$ 69,172	21.08%	\$ 71,916	21.79%	\$ 75,071	22.60%
Risk-based requirement..	<u>12,642</u>	<u>4.00</u>	<u>13,051</u>	<u>4.00</u>	<u>13,125</u>	<u>4.00</u>	<u>13,200</u>	<u>4.00</u>	<u>13,285</u>	<u>4.00</u>
Excess.....	<u>\$ 38,868</u>	<u>12.30%</u>	<u>\$ 53,377</u>	<u>16.36%</u>	<u>\$ 56,047</u>	<u>17.08%</u>	<u>\$ 58,716</u>	<u>17.79%</u>	<u>\$ 61,786</u>	<u>18.60%</u>
Total risk-based capital (3).....	\$ 54,570	17.27%	\$ 69,488	21.30%	\$ 72,232	22.01%	\$ 74,976	22.72%	\$ 78,131	23.52%
Risk-based requirement..	<u>25,285</u>	<u>8.00</u>	<u>26,102</u>	<u>8.00</u>	<u>26,251</u>	<u>8.00</u>	<u>26,399</u>	<u>8.00</u>	<u>26,570</u>	<u>8.00</u>
Excess.....	<u>\$ 29,285</u>	<u>9.27%</u>	<u>\$ 43,386</u>	<u>13.30%</u>	<u>\$ 45,981</u>	<u>14.01%</u>	<u>\$ 48,577</u>	<u>14.72%</u>	<u>\$ 51,561</u>	<u>15.52%</u>
Reconciliation of capital infused into Peoples Federal Savings Bank:										
Net proceeds			\$ 20,426		\$ 24,142		\$ 27,858		\$ 32,131	
Less: Common stock acquired by employee stock ownership plan.....			(3,672)		(4,320)		(4,968)		(5,713)	
After-tax contribution of shares to charitable foundation.....			<u>(1,836)</u>		<u>(2,160)</u>		<u>(2,484)</u>		<u>(2,857)</u>	
Pro forma increase			<u>\$ 14,918</u>		<u>\$ 17,662</u>		<u>\$ 20,406</u>		<u>\$ 23,561</u>	

- (1) As adjusted to give effect to an increase in the number of shares which could occur due to a 15% increase in the offering range to reflect demand for the shares or changes in market conditions following the commencement of the offering.
- (2) The current Office of Thrift Supervision core capital requirement for financial institutions is 3% of total adjusted assets for financial institutions that receive the highest supervisory rating for safety and soundness and a 4% to 5% core capital ratio requirement for all other financial institutions.
- (3) Tangible and core capital levels are shown as a percentage of total adjusted assets. Risk-based capital levels are shown as a percentage of risk-weighted assets.
- (4) Pro forma capital levels assume that the employee stock ownership plan purchases 8% of the shares of common stock to be outstanding immediately following the stock offering (including shares contributed to the charitable foundation) with funds borrowed from Peoples Federal Bancshares, Inc. or a subsidiary. Pro forma generally accepted accounting principles ("GAAP") and regulatory capital have been reduced by the amount required to fund this plan. See "Management of Peoples Federal Bancshares, Inc." for a discussion of the employee stock ownership plan.
- (5) Pro forma amounts and percentages assume net proceeds are invested in assets that carry a 50% risk weighting.

Source: Peoples Federal Bancshares' prospectus.

EXHIBIT IV-7

**Peoples Federal Bancshares, Inc.
Pro Forma Analysis Sheet**

Exhibit IV-7
PRO FORMA ANALYSIS SHEET
Peoples Federal Bancshares, Inc.
Prices as of February 26, 2010

Price Multiple	Symbol	Subject (1)	Peer Group		Massachusetts Companies		All Publicly-Traded	
			Mean	Median	Mean	Median	Mean	Median
Price-earnings ratio (x)	P/E	25.65 x	14.73x	11.90x	19.89x	12.71x	17.79x	15.97x
Price-core earnings ratio (x)	P/Core	33.17 x	19.15x	19.43x	23.76x	27.70x	18.55x	16.19x
Price-book ratio (%)	= P/B	56.79%	84.34%	87.23%	86.54%	86.07%	70.60%	70.70%
Price-tangible book ratio (%)	= P/TB	56.79%	89.61%	89.87%	94.40%	93.36%	79.28%	77.13%
Price-assets ratio (%)	= P/A	10.26%	10.31%	7.35%	11.89%	10.76%	8.16%	6.52%

Valuation Parameters

Pre-Conversion Earnings (Y)	\$2,596,000	ESOP Stock Purchases (E)	8.00% (5)
Pre-Conversion Earnings (CY)	\$2,119,000	Cost of ESOP Borrowings (S)	0.00% (4)
Pre-Conversion Book Value (B)	\$51,652,000	ESOP Amortization (T)	20.00 years
Pre-Conv. Tang. Book Val. (TB)	\$51,652,000	RRP Amount (M)	4.00%
Pre-Conversion Assets (A)	\$482,758,000	RRP Vesting (N)	5.00 years (5)
Reinvestment Rate (2)(R)	1.70%	Foundation (F)	7.41%
Est. Conversion Expenses (3)(X)	3.43%	Tax Benefit (Z)	1,608,000
Tax Rate (TAX)	40.20%	Percentage Sold (PCT)	100.00%
		Option (O1)	10.00% (6)
		Estimated Option Value (O2)	54.40% (6)
		Option vesting (O3)	5.00 (6)
		Option pct taxable (O4)	25.00% (6)

Calculation of Pro Forma Value After Conversion

1. $V = \frac{P/E * (Y)}{1 - P/E * PCT * ((1-X-E-M-F)*R*(1-TAX) - (1-TAX)*E/T - (1-TAX)*M/N) - (1-(TAX*O4))*(O1*O2)/O3}$	V=	\$54,000,000
2. $V = \frac{P/Core * (Y)}{1 - P/core * PCT * ((1-X-E-M-F)*R*(1-TAX) - (1-TAX)*E/T - (1-TAX)*M/N) - (1-(TAX*O4))*(O1*O2)/O3}$	V=	\$54,000,000
3. $V = \frac{P/B * (B+Z)}{1 - P/B * PCT * (1-X-E-M-F)}$	V=	\$54,000,000
4. $V = \frac{P/TB * (TB+Z)}{1 - P/TB * PCT * (1-X-E-M-F)}$	V=	\$54,000,000
5. $V = \frac{P/A * (A+Z)}{1 - P/A * PCT * (1-X-E-M-F)}$	V=	\$54,000,000

Conclusion	Shares Issued	Price Per Share	Gross Offering Proceeds	Shares	Total Shares Issued	Aggregate
	To the Public			Issued To Foundation		Market Value of Shares Issued
Supermaximum	6,612,500	10.00	\$ 66,125,000	529,000	7,141,500	\$ 71,415,000
Maximum	5,750,000	10.00	57,500,000	460,000	6,210,000	62,100,000
Midpoint	5,000,000	10.00	50,000,000	400,000	5,400,000	54,000,000
Minimum	4,250,000	10.00	42,500,000	340,000	4,590,000	45,900,000

- (1) Pricing ratios shown reflect the midpoint value.
(2) Net return reflects a reinvestment rate of 1.70 percent and a tax rate of 40.2 percent.
(3) Offering expenses shown at estimated midpoint value.
(4) No cost is applicable since holding company will fund the ESOP loan.
(5) ESOP and MRP amortize over 20 years and 5 years, respectively; amortization expenses tax effected at 40.2 percent.
(6) 10 percent option plan with an estimated Black-Scholes valuation of 54.40 percent of the exercise price, including a 5 year vesting with 25 percent of the options (granted to directors) tax effected at 40.2 percent.

EXHIBIT IV-8

**Peoples Federal Bancshares, Inc.
Pro Forma Effect of Conversion Proceeds**

Exhibit IV-8
PRO FORMA EFFECT OF CONVERSION PROCEEDS
Peoples Federal Bancshares, Inc.
At the Minimum

1.	Pro Forma Market Capitalization	\$45,900,000
	Less: Foundation Shares	<u>3,400,000</u>
2.	Offering Proceeds	\$42,500,000
	Less: Estimated Offering Expenses	<u>1,648,280</u>
	Net Conversion Proceeds	\$40,851,720

3. Estimated Additional Income from Conversion Proceeds

Net Conversion Proceeds	\$40,851,720
Less: Cash Contribution to Foundation	(0)
Less: Non-Cash Stock Purchases (1)	<u>5,508,000</u>
Net Proceeds Reinvested	\$35,343,720
Estimated net incremental rate of return	<u>1.02%</u>
Reinvestment Income	\$359,304
Less: Estimated cost of ESOP borrowings (2)	0
Less: Amortization of ESOP borrowings (3)	109,793
Less: Amortization of Options (4)	449,203
Less: Recognition Plan Vesting (5)	<u>219,586</u>
Net Earnings Impact	(\$419,277)

	<u>Before Conversion</u>	<u>Net Earnings Increase</u>	<u>After Conversion</u>
4. Pro Forma Earnings			
12 Months ended December 31, 2009 (reported)	\$2,596,000	(\$419,277)	\$2,176,723
12 Months ended December 31, 2009 (core)	\$2,119,000	(\$419,277)	\$1,699,723
5. Pro Forma Net Worth	<u>Before Conversion</u>	<u>Net Cash Proceeds</u>	<u>Tax Benefit Of Contribution</u>
December 31, 2009	\$51,652,000	\$35,343,720	\$1,366,800
December 31, 2009 (Tangible)	\$51,652,000	\$35,343,720	\$1,366,800
6. Pro Forma Assets	<u>Before Conversion</u>	<u>Net Cash Proceeds</u>	<u>Tax Benefit Of Contribution</u>
December 31, 2009	\$482,758,000	\$35,343,720	\$1,366,800
			\$519,468,520

- (1) Includes ESOP and RRP stock purchases equal to 8.0 and 4.0 percent of total shares issued, respectively.
(2) ESOP stock purchases are internally financed by a loan from the holding company.
(3) ESOP borrowings are amortized over 20 years, amortization expense is tax-effected at a 40.2 percent rate.
(4) Option valuation based on Black-Scholes model, 5 year vesting, and assumes 25 percent is taxable.
(5) RRP is amortized over 5 years, and amortization expense is tax effected at 40.2 percent.

Exhibit IV-8
PRO FORMA EFFECT OF CONVERSION PROCEEDS
Peoples Federal Bancshares, Inc.
At the Midpoint

1.	Pro Forma Market Capitalization	\$54,000,000
	Less: Foundation Shares	<u>4,000,000</u>
2.	Offering Proceeds	\$50,000,000
	Less: Estimated Offering Expenses	<u>1,716,800</u>
	Net Conversion Proceeds	\$48,283,200
3.	Estimated Additional Income from Conversion Proceeds	
	Net Conversion Proceeds	\$48,283,200
	Less: Cash Contribution to Foundation	(0)
	Less: Non-Cash Stock Purchases (1)	<u>6,480,000</u>
	Net Proceeds Reinvested	\$41,803,200
	Estimated net incremental rate of return	<u>1.02%</u>
	Reinvestment Income	\$424,971
	Less: Estimated cost of ESOP borrowings (2)	0
	Less: Amortization of ESOP borrowings (3)	129,168
	Less: Amortization of Options (4)	528,474
	Less: Recognition Plan Vesting (5)	<u>258,336</u>
	Net Earnings Impact	(\$491,007)

	<u>Before Conversion</u>	<u>Net Cash Proceeds</u>	<u>Net Earnings Increase</u>	<u>After Conversion</u>
4. Pro Forma Earnings				
12 Months ended December 31, 2009 (reported)	\$2,596,000		(\$491,007)	\$2,104,993
12 Months ended December 31, 2009 (core)	\$2,119,000		(\$491,007)	\$1,627,993
5. Pro Forma Net Worth				
December 31, 2009	\$51,652,000	\$41,803,200	\$1,608,000	\$95,063,200
December 31, 2009 (Tangible)	\$51,652,000	\$41,803,200	\$1,608,000	\$95,063,200
6. Pro Forma Assets				
December 31, 2009	\$482,758,000	\$41,803,200	\$1,608,000	\$526,169,200

- (1) Includes ESOP and RRP stock purchases equal to 8.0 and 4.0 percent of total shares issued, respectively.
(2) ESOP stock purchases are internally financed by a loan from the holding company.
(3) ESOP borrowings are amortized over 20 years, amortization expense is tax-effected at a 40.2 percent rate.
(4) Option valuation based on Black-Scholes model, 5 year vesting, and assumes 25 percent is taxable.
(5) RRP is amortized over 5 years, and amortization expense is tax effected at 40.2 percent.

Exhibit IV-8
PRO FORMA EFFECT OF CONVERSION PROCEEDS
Peoples Federal Bancshares, Inc.
At the Supermaximum Value

1. Pro Forma Market Capitalization		\$71,415,000
Less: Foundation Shares		<u>5,290,000</u>
2. Offering Proceeds		\$66,125,000
Less: Estimated Offering Expenses		<u>1,864,118</u>
Net Conversion Proceeds		\$64,260,882
3. Estimated Additional Income from Conversion Proceeds		
Net Conversion Proceeds		\$64,260,882
Less: Cash Contribution to Foundation		(0)
Less: Non-Cash Stock Purchases (1)		<u>8,569,800</u>
Net Proceeds Reinvested		\$55,691,082
Estimated net incremental rate of return		<u>1.02%</u>
Reinvestment Income		\$566,156
Less: Estimated cost of ESOP borrowings (2)		0
Less: Amortization of ESOP borrowings (3)		170,825
Less: Amortization of Options (4)		698,907
Less: Recognition Plan Vesting (5)		<u>341,649</u>
Net Earnings Impact		(\$645,226)

	<u>Before Conversion</u>	<u>Net Earnings Increase</u>	<u>After Conversion</u>
4. Pro Forma Earnings			
12 Months ended December 31, 2009 (reported)	\$2,596,000	(\$645,226)	\$1,950,774
12 Months ended December 31, 2009 (core)	\$2,119,000	(\$645,226)	\$1,473,774
5. Pro Forma Net Worth	<u>Before Conversion</u>	<u>Net Cash Proceeds</u>	<u>Tax Benefit Of Contribution</u>
December 31, 2009	\$51,652,000	\$55,691,082	\$2,126,580
December 31, 2009 (Tangible)	\$51,652,000	\$55,691,082	\$2,126,580
6. Pro Forma Assets	<u>Before Conversion</u>	<u>Net Cash Proceeds</u>	<u>Tax Benefit Of Contribution</u>
December 31, 2009	\$482,758,000	\$55,691,082	\$2,126,580
			\$540,575,662

- (1) Includes ESOP and RRP stock purchases equal to 8.0 and 4.0 percent of total shares issued, respectively.
(2) ESOP stock purchases are internally financed by a loan from the holding company.
(3) ESOP borrowings are amortized over 20 years, amortization expense is tax-effected at a 40.2 percent rate.
(4) Option valuation based on Black-Scholes model, 5 year vesting, and assumes 25 percent is taxable.
(5) RRP is amortized over 5 years, and amortization expense is tax effected at 40.2 percent.

EXHIBIT IV-9

Peer Group Core Earnings Analysis

Exhibit IV-8
PRO FORMA EFFECT OF CONVERSION PROCEEDS
Peoples Federal Bancshares, Inc.
At the Maximum Value

1.	Pro Forma Market Capitalization	\$62,100,000
	Less: Foundation Shares	<u>4,600,000</u>
2.	Offering Proceeds	\$57,500,000
	Less: Estimated Offering Expenses	<u>1,785,320</u>
	Net Conversion Proceeds	\$55,714,680
3.	Estimated Additional Income from Conversion Proceeds	
	Net Conversion Proceeds	\$55,714,680
	Less: Cash Contribution to Foundation	(0)
	Less: Non-Cash Stock Purchases (1)	<u>7,452,000</u>
	Net Proceeds Reinvested	\$48,262,680
	Estimated net incremental rate of return	<u>1.02%</u>
	Reinvestment Income	\$490,638
	Less: Estimated cost of ESOP borrowings (2)	0
	Less: Amortization of ESOP borrowings (3)	148,543
	Less: Amortization of Options (4)	607,745
	Less: Recognition Plan Vesting (5)	<u>297,086</u>
	Net Earnings Impact	(\$562,737)

	<u>Before Conversion</u>	<u>Net Cash Proceeds</u>	<u>Net Earnings Increase</u>	<u>After Conversion</u>
4. Pro Forma Earnings				
12 Months ended December 31, 2009 (reported)	\$2,596,000		(\$562,737)	\$2,033,263
12 Months ended December 31, 2009 (core)	\$2,119,000		(\$562,737)	\$1,556,263
5. Pro Forma Net Worth				
December 31, 2009	\$51,652,000	\$48,262,680	\$1,849,200	\$101,763,880
December 31, 2009 (Tangible)	\$51,652,000	\$48,262,680	\$1,849,200	\$101,763,880
6. Pro Forma Assets				
December 31, 2009	\$482,758,000	\$48,262,680	\$1,849,200	\$532,869,880

- (1) Includes ESOP and RRP stock purchases equal to 8.0 and 4.0 percent of total shares issued, respectively.
(2) ESOP stock purchases are internally financed by a loan from the holding company.
(3) ESOP borrowings are amortized over 20 years, amortization expense is tax-effected at a 40.2 percent rate.
(4) Option valuation based on Black-Scholes model, 5 year vesting, and assumes 25 percent is taxable.
(5) RRP is amortized over 5 years, and amortization expense is tax effected at 40.2 percent.

Exhibit IV-9
Core Earnings Analysis
Comparable Institution Analysis
For the 12 Months Ended December 31, 2009

<u>Comparable Group</u>	<u>Net Income to Common</u> (\$000)	<u>Less: Net Gains(Loss)</u> (\$000)	<u>Tax Effect @ 34%</u> (\$000)	<u>Less: Extraordinary Items</u> (\$000)	<u>Estimated Core Income to Common</u> (\$000)	<u>Shares</u> (000)	<u>Estimated Core EPS</u> (\$)
BFED Beacon Federal Bancorp of NY (1)	\$6,172	\$1,719	(\$584)	\$0	\$7,307	6,541	\$1.12
ESSA ESSA Bancorp, Inc. of PA	\$5,520	(\$257)	\$87	\$0	\$5,350	14,124	\$0.38
ESBK Elmira Savings Bank, FSB of NY (1)	\$3,151	\$451	(\$153)	\$0	\$3,449	1,919	\$1.80
LSBX LSB Corp. of No. Andover MA (1)	\$6,665	\$61	(\$21)	\$0	\$6,705	4,507	\$1.49
MFLR Mayflower Bancorp, Inc. of MA	\$1,155	(\$873)	\$297	\$0	\$579	2,082	\$0.28
NFSB Newport Bancorp, Inc. of RI	\$708	\$271	(\$92)	\$0	\$887	3,830	\$0.23
ROME Rome Bancorp, Inc. of Rome NY	\$3,087	(\$86)	\$29	\$0	\$3,030	6,852	\$0.44
THRD TF Financial Corp. of Newtown PA	\$4,514	(\$1,089)	\$370	\$0	\$3,795	2,672	\$1.42
WVFC WVS Financial Corp. of PA	\$1,413	\$148	(\$50)	\$0	\$1,511	2,066	\$0.73
WFD Westfield Financial Inc. of MA	\$5,459	\$1,114	(\$379)	\$0	\$6,194	29,831	\$0.21

(1) Financial information is for the quarter ending September 30, 2009.

Source: SNL Financial, L.C. and RP® Financial, L.C. 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 V-1

**RP[®] Financial, LC.
Firm Qualifications Statement**

FIRM QUALIFICATION STATEMENT

RP[®] Financial ("RP[®]") provides financial and management consulting, merger advisory and valuation services to the financial services industry nationwide. We offer a broad array of services, high quality and prompt service, hands-on involvement by principals and senior staff, careful structuring of strategic initiatives and sophisticated valuation and other analyses consistent with industry practices and regulatory requirements. Our staff maintains extensive background in financial and management consulting, valuation and investment banking. Our clients include commercial banks, thrifts, credit unions, mortgage companies and other financial services companies.

STRATEGIC PLANNING SERVICES

RP[®]'s strategic planning services are designed to provide effective feasible plans with quantifiable results. We analyze strategic options to enhance shareholder value, achieve regulatory approval or realize other objectives. Such services involve conducting situation analyses; establishing mission/vision statements, strategic goals and objectives; and identifying strategies to enhance franchise and/or market value, capital management, earnings enhancement, operational matters and organizational issues. Strategic recommendations typically focus on: capital formation and management, asset/liability targets, profitability, return on equity and stock pricing. Our proprietary financial simulation models provide the basis for evaluating the impact of various strategies and assessing their feasibility and compatibility with regulations.

MERGER ADVISORY SERVICES

RP[®]'s merger advisory services include targeting potential buyers and sellers, assessing acquisition merit, conducting due diligence, negotiating and structuring merger transactions, preparing merger business plans and financial simulations, rendering fairness opinions, preparing mark-to-market analyses and supporting the implementation of post-acquisition strategies. RP[®] is also expert in de novo charters, shelf charters and negotiating acquisitions of troubled institutions. Through financial simulations, comprehensive data bases, valuation proficiency and regulatory familiarity, RP[®]'s merger advisory services center on enhancing shareholder returns.

VALUATION SERVICES

RP[®]'s extensive valuation practice includes bank and thrift mergers, thrift mutual-to-stock conversions, goodwill impairment, insurance company demutualizations, ESOPs, subsidiary companies, purchase accounting and other purposes. We are highly experienced in performing appraisals which conform to regulatory guidelines and appraisal standards. RP[®] is the nation's leading valuation firm for thrift mutual-to-stock conversions, with appraised values ranging up to \$4 billion.

OTHER CONSULTING SERVICES

RP[®] offers other consulting services including evaluating the impact of regulatory changes (TARP, etc.), branching and diversification strategies, feasibility studies and special research. We assist banks/thrifts in preparing CRA plans and evaluating wealth management activities on a de novo or merger basis. Our other consulting services are aided by proprietary valuation and financial simulation models.

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