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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, DC 20549

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JUN 18 2004



Naugatuck Valley Financial Corporation (in organization)
Exact Name of Registrant as Specified in Charter

0001293413
Registrant CIK Number

Exhibit 99.1 to the Form S-1
Electronic Report, Schedule or Registration
Statement of Which the Documents Are a Part (give
period of report)

333-116627
SEC File Number, if available

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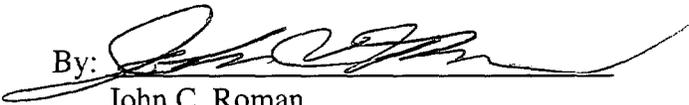
THOMSON
FINANCIAL

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 Borough of Naugatuck, State of Connecticut, on June 15, 2004.

NAUGATUCK VALLEY FINANCIAL CORPORATION
(in organization)

By: 

John C. Roman
President and Chief Executive Officer

CONVERSION VALUATION APPRAISAL REPORT

Prepared for:

**Naugatuck Valley Financial Corporation
Naugatuck, Connecticut**

As Of:
May 21, 2004

Prepared By:

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June 16, 2004

Board of Directors
Naugatuck Valley Savings & Loan
333 Church Street
Naugatuck, Connecticut 06770

To the Board:

We hereby submit an independent appraisal of the pro forma market value of the to-be-issued stock of Naugatuck Valley Financial Corporation ("Corporation"), which is the mid-tier holding company of Naugatuck Valley Savings and Loan, Naugatuck, Connecticut ("Naugatuck Valley" or the "Bank"). The Corporation is a subsidiary of Naugatuck Valley Mutual Holding Company. Such stock is to be issued in connection with the application to complete a minority stock offering by the Corporation with Naugatuck Valley Mutual Holding Company, to own 55.0 percent of the Corporation. This appraisal was prepared and provided to the Bank in accordance with the appraisal requirements and regulations of the Office of Thrift Supervision of the United States Department of the Treasury.

Keller & Company, Inc. is an independent, financial institution consulting firm that serves both thrift institutions and banks. The firm is a full-service consulting organization, as described in more detail in Exhibit A, specializing in business and strategic plans, stock valuations, conversion and reorganization appraisals, market studies and fairness opinions for thrift institutions and banks. The firm has affirmed its independence in this transaction with the preparation of its Affidavit of Independence, a copy of which is included as Exhibit C.

Our appraisal is based on the assumption that the data provided to us by Naugatuck Valley and the material provided by the independent auditors, Snyder & Haller, P.C., Hartford, Connecticut are both accurate and complete. We did not verify the financial statements provided to us, nor did we conduct independent valuations of the Bank's assets and liabilities. We have also used information from other public sources, but we cannot assure the accuracy of such material.

In the preparation of this appraisal, we held discussions with the management of Naugatuck Valley, with the law firm of Muldoon Murphy Faucette & Aguggia LLP, Washington, D.C., the Bank's conversion counsel, and with Snyder & Haller, P.C. Further, we viewed the Bank's local economy and primary market area. We did not review the Bank's most recent Business Plan as part of our review process.

Board of Directors
Naugatuck Valley Savings and Loan
June 16, 2004
Page 2

This valuation must not be considered to be a recommendation as to the purchase of stock in the Corporation, and we can provide no guarantee or assurance that any person who purchases shares of the Corporation's stock will be able to later sell such shares at a price equivalent to the price designated in this appraisal.

Our valuation will be updated as required and will give consideration to any new developments in the Bank's operation that have an impact on operations or financial condition. Further, we will give consideration to any changes in general market conditions and to specific changes in the market for publicly-traded thrift institutions. Based on the material impact of any such changes on the pro forma market value of the Corporation as determined by this firm, we will make necessary adjustments to the Corporation's appraised value in such appraisal update.

It is our opinion that as of May 21, 2004, the pro forma market value or appraised value of the Corporation is \$50,000,000 at the midpoint, with a minority offering level of \$21,500,000 or 2,150,000 shares at \$10 per share, representing 43.0 percent of the total valuation and a 2.0 percent stock issuance to Naugatuck Valley Charitable Foundation, representing \$1,000,000 or 100,000 shares. The pro forma valuation range of the Corporation is from a minimum of \$42,500,000 to a maximum of \$57,500,000, with a maximum, as adjusted, of \$66,125,000, representing offering levels, excluding the Foundation, of \$18,275,000 at the minimum to a maximum of \$24,725,000, with a maximum, as adjusted, of \$28,433,750, representing 1,827,500 shares, 2,472,500 shares and 2,843,375 shares at \$10 per share at the minimum, maximum, and maximum, as adjusted, respectively.

The pro forma appraised value of Naugatuck Valley Financial Corporation, as of May 21, 2004, is \$50,000,000, at the midpoint with a midpoint offering level of \$21,500,000, excluding the Foundation.

Very truly yours,

KELLER & COMPANY, INC.

A handwritten signature in cursive script, appearing to read "Keller & Company, Inc.", is written over the typed name of the firm.

CONVERSION VALUATION APPRAISAL REPORT

Prepared for:

**Naugatuck Valley Financial Corporation
Naugatuck, Connecticut**

As Of:

May 21, 2004

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INTRODUCTION

Keller & Company, Inc. is an independent appraisal firm for financial institutions and has prepared this Conversion Valuation Appraisal Report ("Report") to provide the pro forma market value of the to-be-issued common stock of Naugatuck Valley Financial Corporation (the "Corporation"), a Delaware corporation, formed as a mid-tier holding company to own all of the common stock of Naugatuck Valley Savings and Loan ("Naugatuck Valley" or the "Bank"), Naugatuck, Connecticut. The Corporation will be majority owned by Naugatuck Valley Mutual Holding Company, a federally-chartered mutual holding company. Under the Plan of Conversion, the Corporation will be majority owned by Naugatuck Valley Mutual Holding Company, which will own 55.0 percent of the Corporation. The Corporation will sell 43.0 percent on the appraised value of the Corporation as determined in this Report in a minority stock offering and will issue the remaining 2.0 percent to a newly formed foundation, the Naugatuck Valley Charitable Foundation ("Foundation").

The Application is being filed with the Office of Thrift Supervision ("OTS") of the Department of the Treasury and the Securities and Exchange Commission ("SEC"). Such Application for Conversion has been reviewed by us, including the Prospectus and related documents, and discussed with the Bank's management and the Bank's conversion counsel, Muldoon Murphy Faucette & Aguggia LLP, Washington, D.C.

This conversion appraisal was prepared based on the guidelines provided by OTS entitled "Guidelines for Appraisal Reports for the Valuation of Savings Institutions Converting from the Mutual to Stock Form of Organization", in accordance with the OTS application requirements of Regulation §563b and the OTS's Revised Guidelines for Appraisal Reports, and represents a full appraisal report. The Report provides detailed exhibits based on the Revised Guidelines and a discussion on each of the fourteen factors that need to be considered. Our valuation will be updated in accordance with the Revised Guidelines and will consider any changes in market conditions for thrift institutions.

Introduction (cont.)

We define the pro forma market value as the price at which the stock of the Corporation after conversion would change hands between a typical willing buyer and a typical willing seller when the former is not under any compulsion to buy and the latter is not under any compulsion to sell, and with both parties having reasonable knowledge of relevant facts in an arm's-length transaction. The appraisal assumes the Bank is a going concern and that the shares issued by the Corporation in the conversion are sold in noncontrol blocks.

As part of our appraisal procedure, we have reviewed the financial statements for the five fiscal years ended December 31, 1999 through 2003, and for the three months ended March 31, 2003 and 2004, and discussed them with Naugatuck Valley's management and with Naugatuck Valley's independent auditors, Snyder & Haller, P.C., Hartford, Connecticut. We have also discussed and reviewed with management other financial matters and have reviewed internal projections. We have reviewed the Corporation's preliminary Form SB-2 and the Bank's preliminary Form MHC and discussed them with management and with the Bank's conversion counsel.

To gain insight into the Bank's local market condition, we have visited Naugatuck Valley's main office and have traveled the surrounding area. We have studied the economic and demographic characteristics of the primary market area, and analyzed the Bank's primary market area relative to Connecticut and the United States. We have also examined the competitive market within which Naugatuck Valley operates, giving consideration to the area's numerous financial institution offices, mortgage banking offices, and credit union offices and other key market area characteristics, both positive and negative.

We have given consideration to the market conditions for securities in general and for publicly-traded thrift stocks in particular. We have examined the performance of selected publicly-traded thrift institutions and compared the performance of Naugatuck Valley to those selected institutions.

Introduction (cont.)

Our valuation is not intended to represent and must not be interpreted to be a recommendation of any kind as to the desirability of purchasing the to-be-outstanding shares of common stock of the Corporation. Giving consideration to the fact that this appraisal is based on numerous factors that can change over time, we can provide no assurance that any person who purchases the stock of the Corporation in the minority stock offering in this mutual-to-stock conversion will subsequently be able to sell such shares at prices similar to the pro forma market value of the Corporation as determined in this conversion appraisal.

I. DESCRIPTION OF NAUGATUCK VALLEY SAVINGS AND LOAN

GENERAL

Naugatuck Valley was organized in 1922 as a state-chartered mutual savings and loan with the name *Naugatuck Building and Loan* and then changed its name to *Savings and Loan Association of Naugatuck, Inc.* in 1951. Then in 1974, the Bank changed its name to *Naugatuck Valley Savings And Loan Association, Inc.* Naugatuck Valley converted from a state-chartered savings association to a state-chartered savings bank in 2003 with the name *Naugatuck Valley Savings and Loan, S.B.* and then converted to a federally-chartered stock savings bank in 2004 with the name *Naugatuck Valley Savings and Loan*. The Bank also formed a mid-tier stock holding company in 2004 with the name *Naugatuck Valley Financial Corporation*, which will own all of the stock of the Bank. The Bank's mutual holding company *Naugatuck Valley Mutual Holding Company*, will own 55.0 percent of *Naugatuck Valley Financial Corporation*.

Naugatuck Valley conducts its business from its main office in Naugatuck, Connecticut and its four branch offices in Fairfield and New Haven Counties. The Bank serves its customers from these five offices. The Bank's primary market area is focused on New Haven County, where four of its five offices are located.

Naugatuck Valley's deposits are insured up to applicable limits by the Federal Deposit Insurance Corporation ("FDIC") in the Savings Association Insurance Fund ("SAIF"). The Bank is also subject to certain reserve requirements of the Board of Governors of the Federal Reserve Bank (the "FRB"). Naugatuck Valley is a member of the Federal Home Loan Bank (the "FHLB") of Boston and will be regulated by the OTS and by the FDIC. As of March 31, 2004, Naugatuck Valley had assets of \$242,148,000, deposits of \$187,474,000 and equity of \$21,656,000.

Naugatuck Valley has been principally engaged in the business of serving the financial needs of the public in its local communities and throughout its primary market area as a community-oriented institution. Naugatuck Valley has been involved in the origination of residential mortgage loans secured by one- to four-family dwellings, including construction

General (cont.)

loans, which represented 77.3 percent of its loan originations during the fiscal year ended March 31, 2004. Consumer loan originations represented a moderate 14.2 percent and a strong 26.4 percent of total originations for the same respective time periods. At March 31, 2004, 69.7 percent of its gross loans consisted of residential real estate loans on one- to four-family dwellings, excluding construction and home equity loans, compared to a larger 86.4 percent at December 31, 1999, with the primary sources of funds being retail deposits from residents in its local communities and FHLB advances. The Bank is also an originator of multi-family and commercial real estate loans, construction loans, consumer loans, and commercial business loans. Consumer loans include home equity loans and lines of credit, automobile loans, loans on deposit accounts and other secured and unsecured personal loans.

The Bank had cash and investments of \$44.8 million, or a moderate 18.5 percent of its assets, excluding FHLB stock which totaled \$1.8 million or 0.7 percent of assets. The Bank had \$10.2 million of its investments in mortgage-backed and related securities representing 4.2 percent of assets, excluding \$4.7 million in collateralized mortgage obligations. Deposits, FHLB advances and equity have been the primary sources of funds for the Bank's lending and investment activities.

The total amount of stock to be sold by the Corporation in the minority stock offering will be \$21.5 million or 2,150,000 shares at \$10 per share based on the midpoint of the appraised value of \$50.0 million, representing 43.0 percent of the total value, excluding the 2.0 percent to the Foundation. The net conversion proceeds will be \$20.7 million, reflecting conversion expenses of approximately \$795,000. The actual cash proceeds to the Bank of \$10.3 million will represent 50 percent of the net conversion proceeds. The ESOP will represent 8 percent of the gross shares issued in the minority offering and to the Foundation, or 180,000 shares at \$10 per share, representing \$1,800,000. The Bank's net proceeds will be used to fund new loans, to open new branches and to invest in securities following their initial deployment to short term investments. The Bank may also use the proceeds to expand services, expand operations or acquire other financial service organizations, diversity into other businesses, or for any other

General (cont.)

purposes authorized by law. The Corporation will use its proceeds to fund the ESOP, to purchase short- and intermediate-term government or federal agency securities or to invest in short-term deposits and can use the proceeds to pay dividends and buy back shares of common stock in the future.

The Bank has experienced a moderate deposit increase over the past four fiscal years with deposits increasing 39.9 percent from December 31, 1999 to December 31, 2003, or an average of 10.0 percent per year. From December 31, 2003, to March 31, 2004, deposits increased by 2.2 percent or 8.8 percent, annualized, compared to a 5.9 percent growth rate in fiscal 2003. The Bank has focused on increasing its residential real estate loan, construction loan, commercial real estate and multi-family loans, home equity loans and commercial loan activity during the past five years, monitoring its net interest margin and earnings and strengthening its equity to assets ratio. Equity to assets increased from 8.33 percent of assets at December 31, 1999, to 8.70 percent at December 31, 2003, and then increased slightly to 8.94 percent at March 31, 2004, due to a steady rise in earnings combined with moderate growth in assets.

The primary lending strategy of Naugatuck Valley has been to focus on the origination of adjustable-rate and fixed-rate one-to four-family loans, the origination of construction loans, the origination of commercial mortgage and multi-family loans, and the origination of consumer loans, including home equity loans.

The Bank's share of one- to four-family mortgage loans has decreased moderately, from 86.4 percent of gross loans at December 31, 1999, to 69.7 percent as of March 31, 2004. Commercial real estate and multi-family loans increased from 0.6 percent of loans to 8.2 percent from December 31, 1999, to March 31, 2004, respectively, while construction loans increased from 2.2 percent to 7.9 percent during the same time period. All types of real estate loans as a group decreased slightly from 89.1 percent of gross loans at December 31, 1999, to 85.8 percent at March 31, 2004. The decrease in real estate loans was partially offset by the Bank's increases in commercial business loans and consumer loans. The Bank's share of commercial loans

General (cont.)

witnessed an increase in their share of loans from 0.1 percent at December 31, 1999, to 2.3 percent at March 31, 2004, and the dollar level of commercial business loans increased from \$194,000 to \$4.2 million. Consumer loans also witnessed an increase in their share of loans from 10.7 percent at December 31, 1999, to 12.0 percent at March 31, 2004. Management's internal strategy has also included continued emphasis on maintaining an adequate and appropriate level of allowance for loan losses relative to loans and nonperforming assets in recognition of the more stringent requirements within the industry to establish and maintain a higher level of general valuation allowances and also in recognition of the Bank's rising level of higher risk loans and higher charge-offs. At December 31, 1999, Naugatuck Valley had \$1,935,000 in its loan loss allowance or 1.38 percent of gross loans and 103.1 percent of nonperforming assets, which decreased to \$1,811,000 and represented a lower 0.98 percent of gross loans but a higher 184.8 percent of nonperforming assets at March 31, 2004.

The basis of earnings for the Bank has been interest income from loans and investments with the net interest margin being the key determinant of net earnings with a rising emphasis on noninterest income. With a primary dependence on net interest margin for earnings, current management will focus on continuing to strengthen the Bank's net interest margin without undertaking excessive credit risk combined with controlling the Bank's interest risk position and continuing to strive to increase noninterest income.

PERFORMANCE OVERVIEW

The financial position of Naugatuck Valley at year end December 31, 1999 through December 31, 2003, and at March 31, 2004, is shown in Exhibits 1 through 4. Exhibit 5 provides selected financial data at December 31, 1999, through 2003 and at March 31, 2004. Naugatuck Valley has focused on growing its asset base combined with strengthening its equity ratio, increasing its loan portfolio and investment securities, and growing retail deposits. The impact of these trends, recognizing the change in interest rates, has been a rise in net interest rate spread from 3.64 percent at December 31, 1999, to 3.77 percent at December 31, 2003, and then a decrease to 3.72 percent for the three months ended March 31, 2004.

With regard to the Bank's financial condition, Naugatuck Valley has experienced a relatively strong increase in assets from December 31, 1999, through March 31, 2004, with a similar increase in deposits, a moderate increase in FHLB advances and a moderate increase in the dollar level of equity over the past five periods.

The Bank witnessed a total increase in assets of \$74.3 million or 43.7 percent for the period of December 31, 1999, to December 31, 2003, representing an average annual increase in assets of 10.9 percent. For the year ended December 31, 2003, assets increased \$16.0 million or 7.0 percent. For the three months ended March 31, 2004, the Bank's assets decreased \$1.8 million or 0.7 percent. Over the past four fiscal periods, the Bank experienced its largest dollar rise in assets of \$26.9 million in fiscal year 2002, which represented a strong 13.3 percent increase in assets funded by a rise in deposits of \$15.6 million and a rise in FHLB advances of \$7.7 million. This increase in assets was succeeded by a \$16.0 million or 7.0 percent increase in assets in fiscal year 2003 and then a \$1.8 million decrease or 0.7 percent from December 31, 2003, to March 31, 2004.

Naugatuck Valley's loan portfolio, which included mortgage loans and non-mortgage loans, increased from \$138.2 million at December 31, 1999, to \$182.3 million at March 31, 2004, and represented a total increase of \$44.1 million, or 73.2 percent. The average annual increase during that period was 7.5 percent. For the year ended December 31, 2003, loans

Performance Overview (cont.)

increased \$14.3 million or 8.6 percent. For the three months ended March 31, 2004, net loans increased \$1.9 million or 1.1 percent, representing 4.4 percent, annualized.

Naugatuck Valley has obtained funds through deposits and FHLB advances in response to the demand for loans and secondary market activity. The Bank's competitive rates for deposits in its local market in conjunction with its focus on service and a modest network of offices have been the sources for attracting retail deposits. Deposits increased \$52.3 million or 39.9 percent from 1999 to 2003, with an average annual rate of increase of 10.0 percent. For the three months ended March 31, 2004, deposits increased by \$4.0 million or 2.2 percent, annualized to 8.8 percent. The Bank's largest fiscal year deposit growth was in 2001, when deposits increased \$20.2 million or a relatively strong 14.8 percent. The Bank's FHLB advances increased from \$21.7 million at December 31, 1999, to \$35.0 million at December 31, 2003, and then decreased to \$30.1 million at March 31, 2004.

The Bank has been able to increase its equity level each fiscal year from 1999 through 2003 and in the three months ended March 31, 2004. At December 31, 1999, the Bank had equity of \$14.1 million, representing a 8.33 percent equity to assets ratio and then increased to \$21.2 million at December 31, 2003, representing a higher 8.70 percent equity to assets ratio due to the Bank's higher earnings. At March 31, 2004, equity was a higher \$21.7 million and a higher 8.94 percent of assets due to the Bank's moderate earnings and shrinkage in assets.

The overall rise in the equity to assets ratio from 1999 to 2003 is the result of the Bank's overall rising earnings performance impacted by the Bank's growth in assets. The dollar level of equity increased 50.1 percent from December 31, 1999, to December 31, 2003, representing an average annual increase of 12.5 percent and increased 2.1 percent for the three months ended March 31, 2004, or 8.3 percent, annually.

INCOME AND EXPENSE

Exhibit 6 presents selected operating data for Naugatuck Valley, reflecting the Bank's income and expense trends. This table provides key income and expense figures in dollars for the fiscal years of 1999 through 2003 and for the three months ended March 31, 2004.

Naugatuck Valley witnessed an overall increase in its dollar level of interest income from December 31, 1999, to December 31, 2002, and then a decrease for the year ended December 31, 2003 and for the three months ended March 31, 2004, due to the decrease in interest rates in the market and at the Bank. Interest income was \$11.4 million in 1999 and a higher \$13.2 million in 2002. This trend was a rising trend that continued each year from 1999 through 2002. For the year ended December 31, 2003, interest income was a lesser \$12.6 million, compared to a higher \$13.2 million in 2002. For the three months ended March 31, 2004, interest income was \$3.0 million compared to a higher \$3.3 million for the three months ended March 31, 2003.

The Bank's interest expense experienced a similar trend with an overall increase from fiscal year 1999 to 2001, and then decreased in 2002 and 2003. Interest expense increased \$906,000 or 17.2 percent from 1999 to 2001, compared to a larger dollar increase in interest income of \$1.4 million but a smaller 11.2 percent increase for the same time period. Interest expense then decreased \$879,000 or 14.2 percent from 2001 to 2002, compared to an increase in interest income of \$547,000 or 4.3 percent. Such increase in interest income in 2002, notwithstanding the decrease in interest expense, resulted in a larger dollar increase in annual net interest income of \$1.4 million or 22.1 percent for the fiscal year ended December 31, 2002, and a moderate increase in net interest margin. Interest expense decreased \$1.1 million or 20.0 percent in 2003, compared to a smaller \$534,000 decrease in interest income with a modest decrease in net interest margin.

In summary, net interest income increased from \$6.1 million in 1999, to \$8.4 million in 2003. Then, for the three months ended March 31, 2004, Naugatuck Valley's actual net interest income was \$2,090,000 or \$8.4 million, annualized, which was similar to the \$2,084,000 for the three months ended March 31, 2004, or \$8.3 million, annualized.

Income and Expense (cont.)

The Bank has made provisions for loan losses in each of the past five fiscal years of 1999 through 2003 but not in the three months ended March 31, 2004. The amounts of those provisions were determined in recognition of the Bank's levels of nonperforming assets, charge-offs, repossessed assets, the Bank's rise in lending activity, and industry norms. The loan loss provisions were \$110,000 in 1999, \$73,000 in 2000, \$80,000 in 2001, \$231,000 in 2002 and \$45,000 in 2003. The higher provision in 2002 was related to the need to strengthen the allowance for loan losses after higher charge-offs in 1999 and 2000. The impact of these loan loss provisions has been to provide Naugatuck Valley with a general valuation allowance of \$1,811,000 at March 31, 2004, or 0.98 percent of gross loans and 184.8 percent of nonperforming assets.

Total other income or noninterest income indicated a rising trend from fiscal year 1999 through 2003. The highest level of noninterest income was in fiscal year 2003 at \$1.1 million or 0.46 percent of assets, including only \$14,000 in gains on the sale of loans. The lowest level of noninterest income was \$523,000 in 1999, representing 0.31 percent of assets. The average noninterest income level for the past five fiscal years was \$791,000 or 0.39 percent of average assets. In the three months ended March 31, 2004, noninterest income was \$333,000 or 0.55 percent of assets on an annualized basis. Noninterest income consists primarily of service charges and loan fees, income from bank-owned life insurance, income from investment advisory services, and other income and gains on the sale of loans and investments.

The Bank's general and administrative expenses or noninterest expenses increased from \$4.2 million for the fiscal year of 1999 to \$6.8 million for the fiscal year ended December 31, 2003. The largest dollar increase in noninterest expenses was \$1.0 million from 2002 to 2003. This larger increase in noninterest expenses was due primarily to the Bank's office expansion and the addition of new staffing combined with the normal rise in overhead expenses. On a percent of average assets basis, operating expenses increased from 2.49 percent of average assets for the fiscal year ended December 31, 1999, to 2.94 percent for the fiscal year ended December 31,

Income and Expense (cont.)

2003. For the three months ended March 31, 2004, Naugatuck Valley's ratio of operating expenses to average assets was a higher 3.16 percent.

The net earnings position of Naugatuck Valley has indicated volatility from 1999 to 2003, and then a decrease in performance in the three months ended March 31, 2004. The annual net income figures for the fiscal years of 1999 to 2003 were \$829,000, \$1,619,000, \$1,182,000, \$1,920,000 and \$1,806,000, respectively, representing returns on average assets of 0.50 percent, 0.96 percent, 0.65 percent, 0.91 percent and 0.77 percent for fiscal years 1999 through 2003, respectively. For the three months ended March 31, 2004, net earnings were \$378,000, representing an annualized return on average assets of 0.63 percent.

Exhibit 7 provides the Bank's normalized earnings or core earnings for the twelve months ended March 31, 2004 and the fiscal year 2003. The Bank's normalized earnings eliminate any nonrecurring income and expense items. There were two adjustments, one to income to reduce the Bank's gain on sale of investments and one adjustment to expenses to reduce the credit on the sale of foreclosed real estate.

The key performance indicators comprised of selected performance ratios, asset quality ratios and capital ratios are shown in Exhibit 8 to reflect the results of performance. The Bank's return on assets increased from 0.50 percent in 1999, to 0.96 percent in fiscal year 2000, then decreased to 0.65 percent in fiscal year 2001. It then increased to 0.91 percent in 2002 and was a lower 0.77 percent in 2003. It was still lower for the three months ended March 31, 2004, at 0.63 percent, annualized, due primarily to the Bank's decrease in its net interest margin and rise in noninterest expenses.

The Bank's net interest rate spread increased from 3.64 percent in 1999 to 3.78 percent in 2000, then decreased to 3.50 percent in 2001 and then rose to 3.77 percent in fiscal year 2002 and remained at 3.77 percent in fiscal 2003. For the three months ended March 31, 2004, net interest spread decreased to 3.72 percent, annualized. The Bank's net interest margin indicated

Income and Expense (cont.)

a similar overall trend, increasing from 3.88 percent in 1999 to 3.98 percent in 2000, and then decreased to 3.71 percent in 2001, rising to 3.90 percent in fiscal year 2002, and then decreasing to 3.85 percent in fiscal year 2003 and then decreasing further to 3.77 percent for the three months ended March 31, 2004, annualized. Naugatuck Valley's net interest rate spread increased 13 basis points from 1999 to 2003 to 3.77 percent from 3.64 percent in 1999. The Bank's net interest margin followed a more stable trend, decreasing 3 basis points to 3.85 percent in 2003 from 3.88 percent in 1999. For the three months ended March 31, 2004, Naugatuck Valley's annualized net interest spread decreased 5 basis points to 3.72 percent, and its net interest margin decreased 8 basis points to 3.77 percent.

The Bank's return on average equity increased from 1999 to 2003. The return on average equity increased from 5.98 percent in 1999 to 8.59 percent in fiscal year 2003. For the three months ended March 31, 2004, return on average equity was a lesser 6.99 percent, annualized, due to the Bank's lower earnings, resulting in a lower return on equity.

Naugatuck Valley's ratio of interest-earning assets to interest-bearing liabilities decreased modestly from 107.34 percent at December 31, 1999, to 103.69 percent at December 31, 2003, and continued to decrease to 102.93 percent at March 31, 2004. The Bank's decrease in its ratio of interest-earning assets to interest-bearing liabilities is primarily the result of the Bank's purchase of \$4.7 million in bank-owned life insurance in 2003.

The Bank's ratio of noninterest expenses to average assets increased from 2.49 percent in fiscal year 1999 to a higher 2.94 percent in fiscal year 2003, due to the Bank's stronger growth in assets combined with moderate increases in noninterest expenses. For the three months ended March 31, 2004, noninterest expenses to assets further increased to 3.16 percent related to office expansion costs. Another key noninterest expense ratio reflecting efficiency of operation is the ratio of noninterest expenses to noninterest income plus net interest income referred to as the "efficiency ratio." The industry norm is 57.3 percent with the lower the ratio indicating higher efficiency. The Bank has been characterized with a lower level of efficiency historically

Income and Expense (cont.)

reflected in its higher efficiency ratio, which increased from 62.0 percent in 1999 to 71.62 percent in 2003. The ratio then increased to 77.2 percent for the three months ended March 31, 2004, due to a rise in noninterest expenses discussed previously.

Earnings performance can be affected by an institution's asset quality position. The ratio of nonperforming assets to total assets is a key indicator of asset quality. Naugatuck Valley witnessed a decrease in its nonperforming asset ratio from 1999 to 2003, and the ratio was below the industry norm in 2003 and at March 31, 2004. Nonperforming assets consist of loans delinquent 90 days or more, nonaccruing loans, real estate owned and repossessed assets. Naugatuck Valley's nonperforming assets consisted of nonaccrual loans and real estate owned in 1999 through 2003 and at March 31, 2004. The ratio of nonperforming assets to total assets was 1.11 percent at December 31, 1999, then decreased to 0.46 percent at December 31, 2003. At March 31, 2004, Naugatuck Valley's ratio of nonperforming assets to total assets decreased slightly to 0.40 percent of assets.

Two other indicators of asset quality are the Bank's ratios of allowance for loan losses to total loans and also to nonperforming loans. The Bank's allowance for loan losses was 1.38 percent of loans at December 31, 1999, and decreased to 0.99 percent at December 31, 2003, and then decreased to 0.98 percent of loans at March 31, 2004, with the decrease due to the Bank's higher charge-offs in 2003 combined with growth in loans. As a percentage of nonperforming loans, Naugatuck Valley's allowance for loan losses was 130.22 percent in 1999 and 199.78 percent in 2003. At March 31, 2004, the ratio was a higher 213.31 percent.

Exhibit 9 provides the changes in net interest income due to rate and volume changes for the fiscal years of 2002 and 2003 and for the three months ended March 31, 2004. In fiscal year 2002, net interest income increased \$1,426,000, due to an increase in interest income of \$547,000 accented by a \$879,000 decrease in interest expense. The increase in interest income was due to an increase due to volume of \$1,426,000, reduced by a decrease due to rate of \$879,000.

Income and Expense (cont.)

For the fiscal year ended December 31, 2003, net interest income increased \$524,000 due to a \$1,058,000 decrease in interest expense reduced by a \$534,000 decrease in interest income. The decrease in interest income was due to a \$1,120,000 decrease due to rate reduced by a \$586,000 increase due to volume. The decline in interest expense was the result of a decrease due to rate of \$986,000 accented by a decrease due to volume of \$72,000.

For the three months ended March 31, 2004, compared to the three months ended March 31, 2003, net interest income increased \$6,000 due to a \$236,000 decrease in interest income reduced by a \$230,000 decrease in interest expense. The decrease in interest income was due to a \$431,000 decrease due to rate reduced by a \$195,000 increase due to volume. The decline in interest expense was the result of a decrease due to rate of \$457,000 reduced by an increase due to volume of \$227,000.

YIELDS AND COSTS

The overview of yield and cost trends for the years ended December 31, 2001, 2002 and 2003, for the three months ended March 31, 2003 and 2004, and at March 31, 2004, can be seen in Exhibit 10, which offers a summary of key yields on interest-earning assets and costs of interest-bearing liabilities.

Naugatuck Valley's weighted average yield on its loan portfolio decreased 113 basis points from fiscal year 2001 to 2003, from 7.56 percent to 6.431 percent, and then decreased 54 basis points to 5.89 percent for the three months ended March 31, 2004, compared to a higher 6.75 percent for the three months ended March 31, 2003. The yield on investment securities decreased 134 basis points from 5.12 percent in 2001 to 3.78 percent in fiscal year 2003 and then increased 8 basis points to 3.86 percent for the three months ended March 31, 2004, compared to a higher 4.11 percent for the three months ended March 31, 2003. The yield on Fed funds sold decreased 289 basis points from fiscal year 2001 to 2003, from 3.95 percent to 1.06 percent and then decreased another 18 basis points to 0.88 percent for the three months ended March 31, 2004, compared to a higher 1.10 percent for the three months ended March 31, 2003. The combined weighted average yield on all interest-earning assets decreased 148 basis points to 5.79 percent from fiscal year 2001 to 2003, reflecting the Bank's higher yield on loans. The yield on interest-earning assets for the three months ended March 31, 2004, was a lower 5.46 percent, compared to a higher 6.12 percent for the three months ended March 31, 2003.

Naugatuck Valley's weighted average cost of interest-bearing liabilities decreased 175 basis points to 2.01 percent from fiscal year 2001 to 2003, which was greater than the Bank's 148 basis point increase in yield, resulting in an increase in the Bank's interest rate spread of 27 basis points from 3.51 percent to 3.78 percent from 2001 to 2003. For the three months ended March 31, 2004, the Bank's cost of funds decreased 27 basis points to 1.74 percent, compared to a 33 basis point decrease in yield on interest-earning assets, resulting in a lower net interest rate spread by 6 basis points to 3.72 percent compared to 3.81 percent for the three months ended March 31, 2003. The Bank's net interest margin increased from 3.71 percent in fiscal year 2001 to 3.90 percent in fiscal year 2002, and then decreased to 3.85 percent in fiscal year 2003. The

Yields and Costs (cont.)

Bank's net interest margin for the three months ended March 31, 2004, decreased to 3.77 percent compared to a higher 3.92 percent for the three months ended March 31, 2003. The Bank's yield on earning assets decreased 14 basis points to 5.32 percent at March 31, 2004, compared to 5.46 percent for the three months ended March 31, 2004. The Bank's cost of funds decreased to 1.71 percent at March 31, 2004, compared to 1.74 percent for the three months ended March 31, 2003. The resultant net interest rate spread decreased 11 basis points to 3.61 percent at March 31, 2004, compared to 3.72 percent for the three months ended March 31, 2004.

INTEREST RATE SENSITIVITY

Naugatuck Valley has monitored its interest rate sensitivity position and focused on maintaining a reasonable level of rate sensitive assets. Naugatuck Valley has recognized the thrift industry's historically higher interest rate risk exposure, which caused a negative impact on earnings and market value of equity as a result of significant fluctuations in interest rates, specifically rising rates. Such exposure was due to the disparate rate of maturity and/or repricing of assets relative liabilities commonly referred to as an institution's "gap." The larger an institution's gap, the greater the risk (interest rate risk) of earnings loss due to a decrease in net interest margin and a decrease in market value of equity or portfolio loss.

In response to the potential impact of interest rate volatility and negative earnings impact, many institutions have taken steps during the past five years to reduce their gap position. This frequently results in a decline in the institution's net interest margin and overall earnings performance. Naugatuck Valley has responded to the interest rate sensitivity issue by originating more adjustable-rate commercial real estate and multi-family and residential mortgage loans.

The Bank measures its interest rate risk through the use of the calculation of its change in annual net interest income under rising and falling interest rate assumptions and by the determination of its cumulative interest-rate gap and corresponding ratio of cumulative interest-rate gap as a percentage of interest-earning assets. The cumulative interest-rate gap for the Bank is calculated on a quarterly basis by an outside firm. Such cumulative interest-rate gaps based on different maturities are reflective of the Bank's interest rate risk exposure.

There are numerous factors which have a measurable influence on interest rate sensitivity in addition to changing interest rates. Such key factors to consider when analyzing interest rate sensitivity include the loan payoff schedule, accelerated principal payments, deposit maturities, interest rate caps on adjustable-rate loans and deposit withdrawals.

Exhibit 11 provides the Bank's cumulative interest-rate gap as of March 31, 2004, and the ratio of cumulative interest rate sensitivity gap to total assets. Such calculations are prepared by

Interest Rate Sensitivity (cont.)

an outside firm, and the focus of this exposure table is the cumulative one-year and three-year interest rate gap levels for the Bank.

The Bank's one-year cumulative interest rate gap at March 31, 2004, was a negative 11.71 percent, representing a cumulative dollar negative gap of \$28,363,000. The Bank's three-year cumulative interest rate gap ratio at March 31, 2004, was a negative 13.24 percent, representing a dollar negative gap of a larger \$32,056,000. In both calculations, all of the Bank's \$25.0 million in money market deposit accounts was categorized as maturing in one year or less in contrast to many other calculations by outside firms that prepare interest rate risk reports which assume only a portion of these accounts mature in one year or less. Such variance in assumption could reduce the Bank's negative one-year, cumulative gap ratio, due to the fact that the Bank has \$25.0 million in this category. However, all of the Bank's savings and NOW accounts, which totaled \$76.0 million, were categorized in the over ten year maturity in contrast to many other reports which spread these accounts over the ten year period with regard to maturity.

The Bank is aware of its moderate interest rate risk position. Due to Naugatuck Valley's recognition of the need to control its interest rate risk, the Bank has focused on being more active in the origination of adjustable-rate commercial real estate and multi-family loans, adjustable-rate residential mortgage loans and shorter term consumer loans, construction loans and commercial business loans and plans to continue this lending strategy combined with selling a portion of its fixed-rate, residential mortgage loans in the future.

LENDING ACTIVITIES

Naugatuck Valley has focused its lending activity on the origination of conventional mortgage loans secured by one- to four-family dwellings, commercial real estate loans, including multi-family loans, construction loans, commercial business loans and consumer loans. Exhibit 12 provides a summary of Naugatuck Valley's loan portfolio, by loan type, at December 31, 1999 through 2003, and at March 31, 2004.

The primary loan type for Naugatuck Valley has been residential loans secured by one- to four-family dwellings, representing 69.7 percent of the Bank's gross loans as of March 31, 2004. This share of these loans has seen a moderate decrease from 86.4 percent at December 31, 1999. The second largest real estate loan type as of March 31, 2004, was commercial real estate loans, including multi-family loans, which comprised a modest 8.2 percent of gross loans compared to 0.6 percent as of December 31, 1999. The third key real estate loan type was construction loans, which represented 7.9 percent of gross loans as of March 31, 2004, compared to a lower 2.2 percent at December 31, 1999. These three real estate loan categories represented a strong 85.8 percent of gross loans at March 31, 2004, compared to a larger 89.1 percent of gross loans at December 31, 1999.

Commercial business loans represent a smaller size loan category for Naugatuck Valley. Commercial business loans totaled \$4.2 million and represented 2.3 percent of gross loans at March 31, 2004, compared to a lesser 0.1 percent at December 31, 1999.

The consumer loan category was the other key loan category at March 31, 2004, and represented a moderate 12.0 percent of gross loans compared to 10.7 percent at December 31, 1999. Consumer loans were the second largest overall loan type at March 31, 2004, and also at December 31, 1999, surpassing construction loans and commercial real estate and multi-family loans. The Bank's consumer loans include home equity loans, home equity lines of credit, automobile loans, savings account loans and secured and unsecured personal loans. The overall mix of loans has witnessed modest changes from fiscal year-end 1999 to March 31, 2004, with the Bank having decreased its share of residential mortgage loans to offset its increases in

Lending Activities (cont.)

construction loans, commercial real estate and multi-family loans, commercial business loans and consumer loans, primarily comprised of home equity loans.

The emphasis of Naugatuck Valley's lending activity is the origination of conventional mortgage loans secured by one- to four-family residences. Such residences are located in Naugatuck Valley's primary market area, which includes Fairfield and New Haven Counties. At March 31, 2004, 69.7 percent of Naugatuck Valley's gross loans consisted of loans secured by one- to four-family residential properties.

The Bank offers several types of adjustable-rate mortgage loans, ("ARMs") with adjustment periods of one year, three years, five years and seven years. The interest rates on ARMs are generally indexed to the one-year Treasury constant maturity index. ARMs have a maximum rate adjustment of 2.0 percent at each adjustment period and 6.0 percent for the life of the loan. Rate adjustments are computed by adding a stated margin to the index, generally 2.75 percent. The Bank retains all ARMs which it originates. The majority of ARMs have terms of 15 to 20 years with a maximum term of 30 years.

The Bank periodically offers adjustable-rate mortgage loans with discounted or teaser rates at rates below those which would prevail under normal computations based upon a determination of market factors and competitive rates in the market. On such discounted loans, the borrower is qualified at both the initial rate and the fully-indexed rate.

The Bank's one- to four-family mortgage loans remain outstanding for shorter periods than their contractual terms, because borrowers have the right to refinance or prepay. These mortgage loans contain "due on sale" clauses which permit the Bank to accelerate the indebtedness of the loan upon transfer of ownership of the mortgage property.

The Bank's other key mortgage loan product is a fixed-rate mortgage loan with a share of Naugatuck Valley's new fixed-rate mortgage loans being sold in the secondary market. The

Lending Activities (cont.)

Bank has historically retained most of its fixed-rate mortgage loans. Fixed-rate mortgage loans have a maximum term of 30 years. The Bank's fixed-rate mortgage loans conform to FHLMC underwriting standards.

The normal loan-to-value ratio for conventional mortgage loans to purchase or refinance one-to four-family dwellings generally does not exceed 80 percent at Naugatuck Valley, even though the Bank is permitted to make loans up to a 97 percent loan-to-value ratio. While the Bank does make loans up to 97 percent of loan-to-value, the Bank generally requires private mortgage insurance or additional collateral for the amount in excess of the 80.0 percent loan-to-value ratio. Mortgage loans originated by the Bank include due-on-sale clauses enabling the Bank to adjust rates on fixed-rate loans in the event the borrower transfers ownership.

Naugatuck Valley has also been an originator of adjustable-rate and fixed-rate commercial real estate loans and multi-family loans in the past and will continue to make multi-family and commercial real estate loans. The Bank had a total of \$15.3 million in commercial real estate and multi-family loans at March 31, 2004, or 8.2 percent of gross loans, compared to only \$773,000 or 0.6 percent of gross loans at December 31, 1999.

The major portion of commercial real estate and multi-family loans are secured by condominiums, apartment buildings, small retail establishments and office buildings and other owner-occupied properties used for business. Most of the multi-family and commercial real estate loans are fully amortizing with a term of up to 20 years for adjustable-rate loans with one-year, three-year or five-year adjustment periods. There are no interest rate caps. The maximum loan-to-value ratio is normally 80 percent.

The Bank also originates construction loans to individuals and to a lesser extent to builders for the construction of residential projects, including condominiums, apartments, and single-family subdivisions as well as owner-occupied properties used for business. The Bank had \$14.8 million or 7.9 percent of gross loans in construction loans. Construction loans

Lending Activities (cont.)

normally have a term of nine months for the construction period with a fixed interest rate for the term of the loan and a loan-to-value ratio of no more than 80.0 percent. The construction loan normally converts to a permanent loan at the end of the construction period. The Bank will originate commercial construction loans for a loan-to-value ratio of up to 75.0 percent with a term of nine months to two years. The Bank also originates land loans to individuals, area homebuilders and developers. Land loans normally have rates tied to the one-year constant maturity Treasury index with a margin of 3.75 percent with terms of up to twenty years. The maximum loan-to-value ratio is 75.0 percent. Land loan rates adjust annually after a five-year initial period.

Naugatuck Valley is an originator of commercial business loans with these loans totaling \$4.2 million at March 31, 2004, and representing 2.3 percent of gross loans. Commercial business loans are normally secured by business assets such as inventory or business equipment. These loans have a maximum loan-to-value ratio of 75.0 percent of the personal property. These loans have terms of one to seven years.

Naugatuck Valley has also been involved in consumer lending. Consumer loans originated consist primarily of home equity loans and lines of credit, which represented a total of \$21.5 million or 96.0 percent of consumer loans at March 31, 2004, up from \$13.7 million or 90.0 percent of consumer loans at December 31, 1999. Total consumer loans were \$22.4 million or 12.0 percent of gross loans at March 31, 2004, and a lesser \$15.2 million or 10.7 percent of gross loans at December 31, 1999. Naugatuck Valley offers home equity loans and lines of credit with a maximum loan-to-value ratio of 80.0 percent. These loans have a term of up to ten years with rates generally tied to the current prime rate.

Exhibit 13 provides a loan maturity schedule and breakdown and summary of Naugatuck Valley's fixed- and adjustable-rate loans, indicating a majority of fixed-rate loans. At March 31, 2004, 16.9 percent of the Bank's loans due after March 31, 2005, were adjustable-rate and 83.1

Lending Activities (cont.)

percent were fixed-rate. The Bank has a moderate 25.2 percent of its loans at March 31, 2004, due in one year or less with another 9.6 percent due in one to five years.

As indicated in Exhibit 14, Naugatuck Valley experienced a significant increase in its one-to four-family loan originations and total loan originations from fiscal year 2001 to 2003. Total loan originations in fiscal year 2001 were \$62.6 million compared to \$101.0 million in fiscal year 2003, reflective of a higher level of real estate loans accented by higher levels of construction loans and consumer loans. The increase in one- to four-family real estate loan originations from 2001 to 2003 of \$29.6 million constituted 77.2 percent of the \$38.4 million aggregate increase in total loan originations from 2001 to 2003, with construction loans increasing \$5.8 million, representing 15.0 percent of the total increase in loan originations. Consumer loans increased \$3.7 million from 2001 to 2003.

Loan originations for the three months ended March 31, 2004, were \$13.7 million, representing a lesser \$54.8 million on an annualized basis, indicating a significant decrease in loan origination activity. Loan originations on residential real estate loans represented 56.0 percent of total loan originations in fiscal year 2001, and 64.0 percent in fiscal year 2003. Residential real estate loan originations decreased to 41.6 percent of total loan originations for the three months ended March 31, 2004. Consumer loans represented 17.0 percent of total loan originations in 2001 and a lesser 14.2 percent in 2003. For the three months ended March 31, 2004, these loans represented a larger 26.4 percent of total originations. Construction loans represented a moderate 12.3 percent of total loan originations in 2001 and a similar 13.3 percent in 2003. For the three months ended March 31, 2004, construction loans represented a larger 20.5 percent of total loan originations. The Bank had no loan purchases from December 31, 2001, through March 31, 2004.

Overall, loan originations and purchases exceeded principal payments, loans sales, loan repayments and other deductions in each of the periods. In fiscal 2001, loan originations exceeded reductions by \$12.6 million, increasing to \$15.3 million in 2003. For the three months

Lending Activities (cont.)

ended March 31, 2004, loan originations were greater than total reductions by \$1.7 million with total loan sales representing \$1.9 million.

NONPERFORMING ASSETS

Naugatuck Valley understands asset quality risk and the direct relationship of such risk to delinquent loans and nonperforming assets, including real estate owned. The quality of assets has been a key concern to financial institutions throughout many regions of the country. A number of financial institutions have been confronted with rapid increases in their levels of nonperforming assets and have been forced to recognize significant losses, setting aside major valuation allowances.

A sharp increase in nonperforming assets has often been related to specific regions of the country and has frequently been associated with higher risk loans, including purchased commercial real estate loans and multi-family loans. Naugatuck Valley has not been faced with such problems in the past and has made a concerted effort to control its nonperforming assets, recognizing the depressed nature of its local economy, and has been successful.

Exhibit 15 provides a summary of Naugatuck Valley's delinquent loans at December 31, 2001 through 2003, and at March 31, 2004, indicating an overall increase in delinquent loans from December 31, 2001, to December 31, 2003, and then a decrease by March 31, 2004. The Bank had \$845,000 in loans delinquent 60 to 89 days at March 31, 2004. Loans delinquent 30 to 59 days totaled \$797,000 at March 31, 2004, with these two categories representing 0.88 percent of gross loans with most of them real estate loans. At December 31, 2003, delinquent loans of 30 to 89 days totaled \$2,159,000 or 1.17 percent of gross loans compared to a lesser \$1,549,000 or 0.98 percent of gross loans at December 31, 2001.

It is normal procedure for Naugatuck Valley's board to review most loans delinquent 30 days or more on a monthly basis, to assess their collectibility and to initiate any direct contact with borrowers. When a loan is delinquent 15 days, the Bank sends the borrower a late payment notice. The Bank then initiates both written and oral communication with the borrower if the loan remains delinquent and sends additional notices after 30 days and 60 days of delinquency. When the loan becomes delinquent at least 90 days, the Bank will normally commence foreclosure proceedings. The Bank does not normally accrue interest on loans past due 90 days

Nonperforming Assets (cont.)

or more unless the loan is adequately collateralized and in the process of collection. Most loans delinquent 90 days or more are placed on a nonaccrual status, and at that point in time the Bank pursues foreclosure procedures.

Exhibit 16 provides a summary of Naugatuck Valley's nonperforming assets at March 31, 2004, and at December 31, 1999 through 2003. Nonperforming assets normally consist of loans 90 days or more past due, nonaccruing loans and repossessed assets. The Bank had no loans 90 days or more past due during these periods. The Bank has normally carried a moderate level of nonperforming assets. Naugatuck Valley's level of nonperforming assets ranged from a high dollar amount of \$1,877,000 or 1.11 percent of total assets at December 31, 1999, to a low dollar amount of \$1,114,000 or 0.46 percent of assets at December 31, 2003. The Bank's nonperforming assets totaled \$1,332,000 at December 31, 2002, representing 0.58 percent of assets and have decreased to \$980,000 at March 31, 2004, representing 0.40 percent of assets.

Naugatuck Valley's level of nonperforming assets was less than its level of classified assets. The Bank's level of classified assets was \$2,618,000 or 1.08 percent of assets at March 31, 2004 (reference Exhibit 17). The Bank's classified assets consisted of \$2,595,000 in substandard assets, \$21,000 in assets classified as doubtful and \$2,000 classified as loss.

Exhibit 18 shows Naugatuck Valley's allowance for loan losses at March 31, 2003 and 2004, and for fiscal years ended 1999 through 2003, indicating the activity and the resultant balances. Naugatuck Valley has witnessed a modest decrease in its balance of allowance for loan losses from \$1,935,000 at December 31, 1999 to \$1,810,000 at December 31, 2003. The balance in allowance for loan losses then increased slightly to \$1,811,000 at March 31, 2004, with provisions of \$110,000 in 1999, \$72,000 in 2000, \$80,000 in 2001, \$231,000 in 2002, \$45,000 in fiscal 2003, with no provisions in the first three months ended March 31, 2004.

The Bank had net charge-offs of \$451,000 in fiscal 1999, \$258,000 in fiscal 2000, \$93,000 in 2002 and \$229,000 in 2003 with net recoveries of \$27,000 in 2001 and \$1,000 for

Nonperforming Assets (cont.)

the three months ended March 31, 2004. The Bank's ratio of allowance for loan losses to gross loans was 1.38 percent at December 31, 1999, and a lower 0.99 percent at December 31, 2003, due to higher net charge-offs. The allowance for loan losses to gross loans decreased to 0.98 percent of loans at March 31, 2004, due to no provisions and modest loan growth. Allowance for loan losses to nonperforming assets was 103.1 percent at December 31, 1999, and a larger 162.5 percent at December 31, 2003. The ratio of allowance for loan losses to nonperforming assets was a modestly higher 184.8 percent at March 31, 2004.

INVESTMENTS

The investment and securities portfolio, excluding interest-bearing deposits, has been comprised of U.S. government and federal agency obligations, mortgage-backed securities, Fed funds, and collateralized mortgage obligations. Exhibit 19 provides a summary of Naugatuck Valley's investment portfolio at December 31, 2001, 2002 and 2003 and at March 31, 2004, excluding FHLB stock. The exhibit also includes a summary of the Bank's mortgage-backed securities. Investment securities totaled \$32.9 million at March 31, 2004, compared to \$38.7 million at December 31, 2003, and \$21.0 million at December 31, 2001. Included in these totals are \$2.5 million in interest-bearing and U.S. government securities that are held-to-maturity at March 31, 2004, a lesser \$1.6 million at December 31, 2003, and a lesser \$596,000 at December 31, 2001.

The primary component of investment securities at March 31, 2004, was U.S. government and federal agency obligations, representing 47.1 percent of total investments, excluding FHLB stock compared to a larger 82.7 percent at December 31, 2001. The Bank also had interest-bearing deposits totaling \$11.9 million at March 31, 2004, and a greater \$12.6 million at December 31, 2001. The Bank had \$1,757,000 in FHLB stock at March 31, 2004. The weighted average yield on investment securities was 3.91 percent at March 31, 2004.

DEPOSIT ACTIVITIES

The mix of deposits by amount from December 31, 2001, to March 31, 2004, is provided in Exhibit 20. There has been a moderate change in both total deposits and in the deposit mix during this period. Total deposits have increased from \$156.7 million at December 31, 2001, to \$187.5 million at March 31, 2004, representing an increase of \$30.8 million or 19.7 percent. Certificates of deposit have decreased from \$89.7 million at December 31, 2001, to \$86.4 million at March 31, 2004, representing a decrease of \$3.3 million or 3.6 percent, while savings, NOW, MMDA and noninterest-bearing accounts have increased \$34.1 million from \$67.0 million at December 31, 2001, to \$101.0 million at March 31, 2004 or 50.9 percent.

The Bank's share of certificates of deposit witnessed a decrease since 2001, declining from a moderate 57.3 percent of deposits at December 31, 2001, to a lower 46.1 percent of deposits at March 31, 2004. The major component of certificates at March 31, 2004, had rates between 1.00 percent and 1.99 percent and represented 37.8 percent of certificates. At December 31, 2001, the major component of certificates was the 4.00 percent to 4.99 percent category with a lesser 29.4 percent of certificates. The category witnessing the strongest growth from December 31, 2001, to March 31, 2004, was certificates with rates between 1.00 percent and 1.99 percent, which increased \$32.7 million during this time period. The category witnessing the largest decrease from December 31, 2001, to March 31, 2004, was certificates with rates between 4.00 percent and 4.99 percent, which declined \$18.5 million.

Exhibit 21 provides a breakdown of certificates by maturity as of March 31, 2004. A strong 60.8 percent of the Bank's certificates of deposit mature in one year or less. The largest category of certificates based on interest rate was certificates with rates from 1.00 percent to 1.99 percent, totaling \$32.7 million, representing 37.8 percent of certificates.

Exhibit 22 shows the Bank's deposit activity for the three years ended December 31, 2001, 2002 and 2003, and for the three months ended March 31, 2003 and 2004. Excluding interest credited, Naugatuck Valley experienced net increases in deposits in each fiscal year and for the three months ended March 31, 2003 and 2004. In fiscal year 2001, there was a net increase in

Deposit Activity (cont.)

deposits of \$15.1 million, then a lesser \$7.4 million in 2003 and \$3.4 million for the three months ended March 31, 2004. Including interest credited, there was a larger net increase in deposits. In fiscal year 2001, there was a net increase in deposits of \$20.2 million resulting in a 14.8 percent increase in deposits, including interest credited; and in 2003, there was a net increase in deposits of \$10.2 million or 5.9 percent. For the three months ended March 31, 2004, a net increase in deposits of \$4.0 million produced a net rise in deposits of 2.2 percent, or 8.8 percent, annualized.

BORROWINGS

Naugatuck Valley has made regular use of FHLB advances from December 31, 1999, to March 31, 2004. The Bank had \$30.1 million in FHLB advances at March 31, 2004, with an average rate of 4.78 percent compared to a lesser \$23.4 million at December 31, 2001, with an average rate of 6.51 percent (reference Exhibit 23).

SUBSIDIARIES

Naugatuck Valley had one wholly-owned subsidiary at March 31, 2004, Naugatuck Valley Mortgage Servicing Corporation. Naugatuck Valley Mortgage Servicing Corporation was established in 1999 to service mortgage loans originated by the Bank, and at March 31, 2004, the Mortgage Servicing Corporation had \$152.2 million in assets. Naugatuck Valley Mortgage Servicing Corporation qualifies as a "passive investment company," which exempts it from Connecticut income tax.

OFFICE PROPERTIES

Naugatuck Valley had five offices at March 31, 2004, located in New Haven and Fairfield Counties (reference Exhibit 24). Naugatuck Valley owns three offices and leases two offices. The Bank's net investment in its office premises totaled \$4.7 million or 1.93 percent of assets at March 31, 2004, and the Bank's investment in fixed assets was \$6.2 million or 2.56 percent of assets at March 31, 2004.

MANAGEMENT

The president and chief executive officer of Naugatuck Valley is John C. Roman, who is also a director. Mr. Roman joined the Bank to serve as vice president and chief lending officer. He was then appointed president and chief executive officer in 1999 and was also appointed a director. Prior to joining Naugatuck Valley, Mr. Roman was vice president of MidConn Bank, Kensington, Connecticut, from 1994 to 1998 and served as assistant vice president of Eagle Bank, Bristol, Connecticut, the successor to MidConn Bank as the result of a merger. Dominic J. Alegi, Jr. is executive vice president in charge of retail banking. He joined the Bank in 1970. Mr. Alegi is also executive vice president of Naugatuck Valley Financial and Naugatuck Valley Mutual Holding Company. Mr. Alegi became executive vice president in 1989, previously serving the Bank as senior vice president. Jane H. Walsh is senior vice president and also a director. She joined the Bank in 1974 and is responsible for operations. Mr. William C. Nimons is senior vice president and joined the Bank in 2001. Mr. Lee R. Schlesinger is vice president and controller of the Bank. He joined the Bank in 1983 and has served in his present position since 2003.

II. DESCRIPTION OF PRIMARY MARKET AREA

Naugatuck Valley's retail market area encompasses all of Fairfield and New Haven Counties, Connecticut ("market area") where the Bank's offices are located, with the two largest offices located in Naugatuck in New Haven County. The Bank has five offices, one in Fairfield County and four in New Haven County with New Haven County being the core of the Bank's market area.

Exhibit 26 provides a summary of key demographic data and trends for Naugatuck and Fairfield and New Haven Counties, Connecticut and the United States. Overall, from 1990 to 2000, population increased in all areas. The population increased by only 1.2 percent in Naugatuck, 2.5 percent in New Haven County, 6.6 percent in Fairfield County, 3.6 percent in Connecticut and 13.2 percent in the United States. Future population projections indicate that population will continue to increase in all areas from 2000 through the year 2008. Naugatuck's population is projected to increase by 3.7 percent with the populations of Fairfield and New Haven Counties, Connecticut and the United States projected to increase by 4.3 percent, 2.5 percent, 3.6 percent and 9.9 percent, respectively. New Haven County is projected to have the smallest population increase.

Consistent with its slightly rising trend in population, Naugatuck witnessed a smaller increase in households (families) of 4.4 percent from 1990 to 2000. During that same time period, the number of households increased in New Haven County by 4.9 percent, in Fairfield County by 6.2 percent, in Connecticut by 5.8 percent and in the United States by 14.7 percent. From 2000 through 2008, Naugatuck's households are projected to continue to increase by 5.4 percent, while the number of households are expected to increase by 5.5 percent in Fairfield County, 4.7 percent in New Haven County, 5.7 percent in Connecticut and by 11.0 percent in the United States. New Haven County indicates the smallest projected growth in households.

In 1990, the per capita income in Naugatuck and New Haven County were lower than Connecticut, but higher than the United States. Naugatuck had a 1990 per capita

Description of Primary Market Area (cont.)

income of \$16,691, New Haven County had a per capita income level of \$17,666; while Fairfield County, Connecticut and the United States had 1990 per capita income levels of \$26,161, \$20,189 and \$14,420, respectively. From 1990 to 2000, per capita income increased in all areas, with the United States having the greatest percent increase of 49.7 percent to \$21,587. Naugatuck's per capita income increased from 1990 to 2000 by 36.3 percent to \$22,757. Per capita income increased by 46.6 percent in Fairfield County to \$38,350, by 38.3 percent in New Haven County to \$24,439 and by 42.5 percent in Connecticut to \$28,766.

The 1990 median household income of \$39,902 in Naugatuck was lower than the median household income in Connecticut at \$41,721. New Haven County's median household income was \$38,471 in 1990, which was also lower than Connecticut. Fairfield County had a 1990 median household income of \$49,891, which was higher than all other median household income levels in Exhibit 26. From 1990 to 2000, median household income increased in all areas, with the United States indicating the highest rate of increase and New Haven County the lowest. Median household income increased by 28.4 percent to \$51,247 in Naugatuck, by 26.9 percent to \$48,834 in New Haven County, by 30.8 percent to \$65,249 in Fairfield County, compared to a 29.3 percent increase to \$53,935 in Connecticut and a 39.7 percent increase to \$41,994 in the United States. From 2000 to 2008, median household income is projected to increase by 22.2 percent in Naugatuck, by 26.3 percent in New Haven County, by 37.5 percent in Fairfield County, while increasing by 27.4 percent in Connecticut and 29.3 percent in the United States. Based on those rates of increase, by 2008, median household income is expected to be \$62,608 in Naugatuck, \$61,659 in New Haven County, \$89,694 in Fairfield County, \$68,740 in Connecticut, and \$54,319 in the United States. Naugatuck and New Haven County continue to indicate the lowest median household income levels.

Exhibit 27 provides a summary of key housing data for Naugatuck, Fairfield County, New Haven County, Connecticut and the United States. In 1990, Naugatuck had a rate of owner-occupancy of 67.1 percent, higher than Connecticut at 65.6 percent and higher than the United

Description of Primary Market Area (cont.)

States at 64.2 percent, with New Haven County at 62.9 percent and Fairfield County at 68.2 percent. As a result, Naugatuck indicated a rate of renter-occupied housing of 32.9 percent, compared to 37.1 percent for New Haven County, 31.8 percent for Fairfield County, 34.4 percent for Connecticut and 35.8 percent for the United States. In 2000, owner-occupied housing increased in all the areas except Naugatuck. The owner-occupancy rates in 2000 rose to 69.2 percent, 63.1 percent, 66.8 percent and 66.2 percent in Fairfield County, New Haven County, Connecticut and the United States, respectively. Naugatuck's owner-occupancy rate decreased to 66.5 percent. Conversely, the renter-occupancy rates decreased in to levels of 30.8 percent, 39.6 percent, 33.2 percent and 33.8 percent in Fairfield County, New Haven County, Connecticut and the United States, respectively, while Naugatuck's renter-occupancy rate increased to 33.5 percent. New Haven County continued to indicate the lowest owner-occupancy rate and the highest renter-occupancy rate.

Naugatuck's 1990 median housing value was \$142,000, lower than Connecticut's median housing value of \$176,700. New Haven County had a median housing value of a lower \$164,400, much lower than Fairfield County's \$248,300. The 1990 average median rent of Naugatuck was \$578. Fairfield and New Haven Counties had median rent of \$709 and \$585, while Connecticut had a median rent of \$598 and the United States had a lower median rent level of \$374. In 2000, median housing value had decreased in Naugatuck, New Haven County and Connecticut. Naugatuck had a 2000 median housing value of \$133,000 with New Haven County at a higher \$151,900, Fairfield County at \$288,900, Connecticut at \$166,900 and the United States having risen to \$119,600. In contrast, median rent levels had risen from 1990 to 2000 in all areas, with Fairfield County continuing to have the highest level at \$838. The other 2000 median rent levels were \$631, \$666, \$681 and \$602 in Naugatuck, New Haven County, Connecticut and the United States, respectively.

In 1990, the major source of employment for Naugatuck by industry group, based on share of employment, was the services industry at 30.6 percent with the manufacturing group a close second at 29.2 percent and the wholesale/retail sales group at 20.2 percent. The services industry

Description of Primary Market Area (cont.)

was responsible for 36.1 percent of jobs in Fairfield County, 37.8 percent in New Haven County, 36.4 percent in Connecticut and 34.0 percent in the United States (reference Exhibit 28). The manufacturing industry was also the second major employer in both counties and Connecticut at 20.4 percent, 21.1 percent and 20.5 percent, respectively. In the United States, the wholesale/retail trade group was the second largest employer at 27.5 percent. The wholesale/retail trade group was the third major overall employer in Fairfield and New Haven Counties and in Connecticut at 20.2 percent, 20.2 percent and 19.6 percent, respectively, while manufacturing was the third largest group in the United States at 19.2 percent. The construction group, finance, insurance and real estate group, transportation/utilities group, and the agriculture/mining group combined to provide 20.3 percent of employment in Naugatuck, 23.3 percent of employment in Fairfield County, 20.9 percent in New Haven County, 23.5 percent of employment in Connecticut and 19.3 percent in the United States.

In 2000, the services industry, manufacturing industry and wholesale/retail trade industry provided the first, second and third highest levels of employment, respectively, for Naugatuck, New Haven County and Connecticut but not Fairfield County or the United States where the services industry, wholesale/retail trade and manufacturing industries provided the first, second and third highest levels of employment. The services industry accounted for 42.4 percent, 46.1 percent, 49.0 percent, 47.3 percent and 46.7 percent in Naugatuck, Fairfield and New Haven Counties, Connecticut and the United States, respectively. The manufacturing industry provided for 23.6 percent, 13.2 percent, 15.9 percent, 14.8 percent and 14.1 percent in the same respective areas. The wholesale/retail trade group provided 15.3 percent, 14.3 percent, 14.7 percent, 14.4 percent and 15.3 percent of employment in Naugatuck, Fairfield and New Haven Counties, Connecticut and the United States, respectively.

Description of Primary Market Area (cont.)

Naugatuck's major employer is the Peter Paul Division of Hershey with 282 persons employed. Some of the other large employers in the nearby areas of Waterbury, Southbury, Cheshire and Watertown are listed below.

<u>Employer</u>	<u>Number of Employees</u>
Webster Bank (Corporate)	2,200
IBM	1,825
St. Mary's Hospital	1,825
The Waterbury Hospital	1,325
Bozzuto's	1,000
Pratt & Whitney Eagle Service	800
The Siemon Company	700
Webster Bank (Regional)	635
Connecticut Light & Power	595
Cheshire Direct	575
United Parcel Service	550
The Torrington Company	550
VNA Health Care	500
Crompton Corporation	500
SBC/SNET - Regional	500
Quassy Amusement Park	400
First Union National Bank (Regional)	350
New Opportunities for Waterbury	335
Filene's	330
Bristol Babcock, Inc.	325
Eyelematic Manufacturing Co.	300
Republican-American	300
Timex Corporation	300
Naugatuck Valley Community	290

The unemployment rate is another key economic indicator. Exhibit 29 shows the unemployment rates in Fairfield and New Haven Counties, Connecticut and the United States in 2000 through March 2004. New Haven County has been characterized by higher unemployment rates than Connecticut and similar to the United States. New Haven County's unemployment has been above Connecticut's and lower than the United States' until 2003. In 2000, Fairfield County had an unemployment rate of 1.9 percent, compared to unemployment

Description of Primary Market Area (cont.)

rates of 2.5 percent , 2.2 percent and 4.0 percent in New Haven County, Connecticut and the United States, respectively. Fairfield County's unemployment rate increased in 2001 to 3.1 percent, compared to 2.5 percent in New Haven County, 3.3 percent in Connecticut and a higher 4.8 percent in the United States. In 2002, Fairfield County again increased its rate of unemployment to 4.0 percent. New Haven County and Connecticut also increased to 4.8 percent and 4.3 percent, and the United States increased to 5.8 percent. In 2003, all areas had increases in their unemployment rates. Fairfield County's unemployment rate increased to 4.8 percent, and the unemployment rates in New Haven County, Connecticut and the United States increased to 6.0 percent, 5.5 percent and 6.0 percent, respectively. By March 2004, the unemployment rate decreased to 4.4 percent in Fairfield County, decreased to 5.6 percent in New Haven County, decreased to 5.2 percent in Connecticut and decreased to 5.4 percent in the United States.

Exhibit 30 provides deposit data for banks and thrifts in Naugatuck Valley's two market area counties of Fairfield and New Haven Counties. Naugatuck Valley's deposit base was \$188.8 million or a 1.0 percent share of the \$18.6 billion total thrift deposits but only a 0.5 percent share of the total deposits, which were \$36.4 billion as of June 30, 2003. It is evident from the size of the thrift deposits and bank deposits that Naugatuck Valley has a small deposit share, with the Bank having a minimal level of market penetration for thrift deposits and also for total deposits.

Exhibit 31 provides interest rate data for each quarter for the years 2001 through 2003 and for the first quarter of 2004. The interest rates tracked are the Prime Rate, as well as 90-Day, One-Year and Thirty-Year Treasury Bills. Short term interest rates experienced a declining trend in 2001 and 2002 and then a flat trend in 2003. This trend indicates some increase in One-Year Treasury Bills and 30-Year Treasury Notes in the first quarter of 2004.

SUMMARY

To summarize, Naugatuck represents an area with slightly rising population and household trends during the 1990s and early 2000s. Such growth is projected to continue through 2008. Naugatuck displayed a lower per capita income and lower household income than Connecticut. In 1990, the median rent level of Naugatuck was lower than Connecticut's median rent. By 2000, the median rent level of Naugatuck was still lower than Connecticut's median rent. In 1990, Naugatuck's median housing value was also lower than Connecticut's but higher than in the United States, and in 2000, Naugatuck's median housing value was again lower than Connecticut's median housing value. The market area counties have had similar unemployment rates to Connecticut's. Finally, Naugatuck Valley is in a very competitive financial institution market slightly dominated by savings institutions and a total market deposit base for banks and thrifts in the market area counties that is \$36.4 billion in deposits.

III. COMPARABLE GROUP SELECTION

Introduction

Integral to the valuation of the Corporation is the selection of an appropriate group of publicly-traded thrift institutions, hereinafter referred to as the "comparable group". This section identifies the comparable group and describes each parameter used in the selection of each institution in the group, resulting in a comparable group based on such specific and detailed parameters, current financials and recent trading prices. The various characteristics of the selected comparable group provide the primary basis for making the necessary adjustments to the Corporation's pro forma value relative to the comparable group. There is also a recognition and consideration of financial comparisons with all publicly-traded, FDIC-insured thrifts in the United States and all publicly-traded, FDIC-insured thrifts in the New England region and in Connecticut.

Exhibits 32 and 33 present Thrift Stock Prices and Pricing Ratios and Key Financial Data and Ratios, respectively, both individually and in aggregate, for the universe of 233 publicly-traded, FDIC-insured thrifts in the United States ("all thrifts"), excluding mutual holding companies, used in the selection of the comparable group and other financial comparisons. Exhibits 32 and 33 also subclassify all thrifts by region, including the 16 publicly-traded New England thrifts ("New England thrifts") and the 2 publicly-traded thrifts in Connecticut ("Connecticut thrifts"), and by trading exchange. Exhibit 34 presents prices, pricing ratios and price trends for all FDIC-insured thrifts completing their conversions between January 1, 2003, and May 21, 2004.

The selection of the comparable group was based on the establishment of both general and specific parameters using financial, operating and asset quality characteristics of Naugatuck Valley as determinants for defining those parameters. The determination of parameters was also based on the uniqueness of each parameter as a normal indicator of a thrift institution's operating philosophy and perspective. The parameters established and defined are considered to be both reasonable and reflective of Naugatuck Valley's basic operation.

Introduction (cont.)

Inasmuch as the comparable group must consist of at least ten institutions, the parameters relating to asset size and geographic location have been expanded as necessary in order to fulfill this requirement.

GENERAL PARAMETERS

Merger/Acquisition

The comparable group will not include any institution that is in the process of a merger or acquisition due to the price impact of such a pending transaction. The following thrift institutions were potential comparable group candidates but had to be eliminated due to their involvement in a merger/acquisition.

<u>Institution</u>	<u>State</u>
Falmouth Bancorp, Inc.	Massachusetts
First Security Fed Financial	Illinois
GA Financial, Inc.	Pennsylvania
Warwick Community Bancorp	New York

There are no pending merger/acquisition transactions involving thrift institutions in Naugatuck Valley's city, county or market area, as indicated in Exhibit 35.

Mutual Holding Companies

The comparable group will not include any mutual holding companies. The percentage of public ownership of individual mutual holding companies indicates a wide range from minimal to 49.0 percent, the largest permissible percentage, causing them to demonstrate certain

Mutual Holding Companies (cont.)

varying individual characteristics different among themselves and from conventional, publicly-traded companies. A further reason for the elimination of mutual holding companies as potential comparable group candidates relates to the presence of a mid-tier, publicly-traded holding company in some, but not all, mutual holding company structures. The presence of mid-tier holding companies can also result in inconsistent and unreliable comparisons among the relatively small universe of 38 publicly-traded mutual holding companies as well between those 38 entities and the larger universe of conventional, publicly-traded thrift institutions. As a result of the foregoing and other factors, mutual holding companies typically demonstrate higher pricing ratios that relate to their minority ownership structure and are inconsistent in their derivation with those calculated for conventionally structured, publicly-traded institutions. In our opinion, it is appropriate to limit individual comparisons to institutions that are 100 percent publicly owned. Exhibit 37 presents pricing ratios and Exhibit 38 presents key financial data and ratios for the 38 publicly-traded, FDIC-insured mutual holding companies in the United States. The following thrift institutions were potential comparable group candidates, but were not considered due to their mutual holding company form:

<u>Institution</u>	<u>State</u>
AJS Bancorp Inc., MHC	Illinois
BCSB Bankcorp Inc., MHC	Maryland
Eureka Financial Corp, MHC	Pennsylvania
Greater Delaware Valley, MHC	Pennsylvania
Greene County Bancorp, Inc., MHC	New York
Gouverneur Bancorp, MHC	New York
Jacksonville Bancorp, MHC	Illinois
Mid-Southern Savings Bank, MHC	Indiana
New England Bancshares, MHC	Connecticut
Oneida Financial Corp., MHC	New York
Pathfinder Bancorp, Inc., MHC	New York
Roebing Financial Corp, MHC	New Jersey
Rome Bancorp Inc., MHC	New York
Service Bancorp, Inc. MHC	Massachusetts
Westborough Financial Services, MHC	Massachusetts
Westfield Financial Inc., MHC	Massachusetts

Trading Exchange

It is necessary that each institution in the comparable group be listed on one of the three major stock exchanges, the New York Stock Exchange, the American Stock Exchange, or the National Association of Securities Dealers Automated Quotation System (NASDAQ). Such a listing indicates that an institution's stock has demonstrated trading activity and is responsive to normal market conditions, which are requirements for listing. Of the 271 publicly-traded, FDIC-insured savings institutions, including the 38 mutual holding companies, 17 are traded on the New York Stock Exchange, 18 are traded on the American Stock Exchange and 180 are traded on NASDAQ. There were an additional 48 institutions traded on the OTC Bulletin Board and 8 listed in the Pink Sheets, but they were not considered for the comparable group selection.

IPO Date

Another general parameter for the selection of the comparable group is the initial public offering ("IPO") date, which must be at least four quarterly periods prior to the trading date of May 21, 2004, used in this report, in order to insure at least four consecutive quarters of reported data as a publicly-traded institution. The resulting parameter is a required IPO date prior to March 31, 2003.

Geographic Location

The geographic location of an institution is a key parameter due to the impact of various economic and thrift industry conditions on the performance and trading prices of thrift institution stocks. Although geographic location and asset size are the two parameters that have been developed incrementally to fulfill the comparable group requirements, the geographic location parameter has nevertheless eliminated regions of the United States distant to Naugatuck Valley, including the western, southwestern and southeastern states.

Geographic Location (cont.)

The geographic location parameter consists of Connecticut and its surrounding states of Massachusetts, Rhode Island and New York, as well as the states of Delaware, Indiana, Illinois, Kentucky, Maryland, Maine, New Hampshire, New Jersey, Ohio, Pennsylvania and West Virginia for a total of sixteen states. To extend the geographic parameter beyond those states could result in the selection of similar thrift institutions with regard to financial conditions and operating characteristics, but with different pricing ratios due to their geographic regions. The result could then be an unrepresentative comparable group with regard to price relative to the parameters and, therefore, an inaccurate value.

Asset Size

Asset size was another key parameter used in the selection of the comparable group. The range of total assets for any potential comparable group institution was \$100 million to \$1.0 billion, due to the general similarity of asset mix and operating strategies of institutions within this asset range, compared to Naugatuck Valley, with assets of approximately \$242 million. Such an asset size parameter was necessary to obtain an appropriate comparable group of at least ten institutions.

In connection with asset size, we did not consider the number of offices or branches in selecting or eliminating candidates, since that characteristic is directly related to operating expenses, which are recognized as an operating performance parameter.

SUMMARY

Exhibits 38 and 39 show the 58 institutions considered as comparable group candidates after applying the general parameters, with the shaded lines denoting the institutions ultimately selected for the comparable group using the balance sheet, performance and asset quality

Summary (cont.)

parameters established in this section. It should be noted that the comparable group candidates may be members of either the Bank Insurance Fund (BIF) or the Savings Association Insurance Fund (SAIF), since many members of each fund hold significant balances of deposits insured by the other fund.

BALANCE SHEET PARAMETERS

Introduction

The balance sheet parameters focused on seven balance sheet ratios as determinants for selecting a comparable group, as presented in Exhibit 38. The balance sheet ratios consist of the following:

1. Cash and investments to assets
2. Mortgage-backed securities to assets
3. One- to four-family loans to assets
4. Total net loans to assets
5. Total net loans and mortgage-backed securities to assets
6. Borrowed funds to assets
7. Equity to assets

The parameters enable the identification and elimination of thrift institutions that are distinctly and functionally different from Naugatuck Valley with regard to asset mix. The balance sheet parameters also distinguish institutions with a significantly different capital position from Naugatuck Valley. The ratio of deposits to assets was not used as a parameter as it is directly related to and affected by an institution's equity and borrowed funds ratios, which are separate parameters.

Cash and Investments to Assets

The Bank's ratio of cash and investments to asset, excluding mortgage-backed securities, was 12.4 percent at March 31, 2004, and reflects Naugatuck Valley's share of investments modestly lower than national and regional averages. The Bank's investments have consisted primarily of U.S. government and federal agency securities, state and municipal obligations, debt securities, equity securities and federal funds sold. For its three most recent calendar years ended December 31, 2003, Naugatuck Valley's average ratio of cash and investments to assets was a similar 11.3 percent, ranging from a high of 18.9 percent in 2002 to a low of 10.4 percent in 2003, with modest change. It should be noted that, for the purposes of comparable group selection, Naugatuck Valley's \$1.8 million balance of Federal Home Loan Bank stock at March 31, 2004, is included in the other assets category, rather than in cash and investments, in order to be consistent with reporting requirements and sources of statistical and comparative analysis related to the universe of comparable group candidates and the final comparable group.

The parameter range for cash and investments is fairly broad, in spite of Naugatuck Valley's modestly higher balance of cash and investments, related to the general volatility of this parameter and institutions' varying liquidity options and approaches, including the purchase of mortgage-backed and mortgage derivative securities. The range has been defined as 25.0 percent or less of assets, with a midpoint of 13.0 percent.

Mortgage-Backed Securities to Assets

At March 31, 2004, Naugatuck Valley's ratio of mortgage-backed securities to assets was a lower 6.2 percent compared to the regional average of 11.5 percent and the national average of 12.5 percent for publicly-traded thrifts. The Bank's three most recent calendar year average is 5.6 percent, also lower than industry averages. Inasmuch as many institutions purchase mortgage-backed securities as an alternative to both lending, relative to cyclical loan demand and prevailing interest rates, and other investment vehicles, this parameter is also fairly broad at 25.0 percent or less of assets and a midpoint of 13.0 percent.

One- to Four-Family Loans to Assets

Naugatuck Valley's lending activity is focused on the origination of residential mortgage loans secured by one- to four-family dwellings. One- to four-family loans, including construction loans, represented 54.65 percent of the Bank's assets at March 31, 2004, which is modestly higher than the national average of 46.0 percent. The parameter for this characteristic requires any comparable group institution to have from 30.0 percent to 70.0 percent of its assets in one- to four-family loans with a midpoint of 50.0 percent.

Total Net Loans to Assets

At March 31, 2004, Naugatuck Valley had a 75.3 percent ratio of total net loans to assets and a similar three calendar year average of 75.2 percent, both being higher than the national average of 67.6 percent and the regional average of 61.5 percent for publicly-traded thrifts. The Bank's ratio of total net loans to assets has decreased since 2001. The parameter for the selection of the comparable group is from 50.0 percent to 90.0 percent with a midpoint of 70.0 percent. The lower end of the parameter range relates to the fact that, as the referenced national and regional averages indicate, many institutions hold greater volumes of investment securities and/or mortgage-backed securities as cyclical alternatives to lending, but may otherwise be similar to Naugatuck Valley.

Total Net Loans and Mortgage-Backed Securities to Assets

As discussed previously, Naugatuck Valley's shares of mortgage-backed securities to assets and total net loans to assets were 6.1 percent and 75.3 percent, respectively, for a combined share of 81.4 percent. Recognizing the industry and regional ratios of 12.5 percent and 11.5 percent, respectively, of mortgage-backed securities to assets, the parameter range for the comparable group in this category is 70.0 percent to 95.0 percent, with a midpoint of 83.0 percent.

Borrowed Funds to Assets

Naugatuck Valley had a \$30.1 million balance of borrowed funds at March 31, 2004, consisting of FHLB advances, representing 12.5 percent of assets. The average ratio of borrowed funds to assets for the past three years was 13.2 percent. The use of borrowed funds by some thrift institutions indicates an alternative to retail deposits and may provide a source of term funds for lending. The federal insurance premium on deposits has also increased the attractiveness of borrowed funds.

The use of borrowed funds by some institutions indicates an alternative to retail deposits and may provide a source of longer term funds. The federal insurance premium on deposits has also increased the attractiveness of borrowed funds. The institutional demand for borrowed funds increased overall from 1997 through 2003 and then subsiding in early 2004. The rise was due to the greater competition for deposits and lower cost funds, resulting in an increase in borrowed funds by many institutions as an alternative to higher cost and/or longer term certificates. In 2002 and 2003, however, lower interest rates resulted in some moderation of borrowings by financial institutions, particularly among nonpublicly-traded institutions. The ratio of borrowed funds to assets, therefore, does not typically indicate higher risk or more aggressive lending, but primarily an alternative to retail deposits.

The range of borrowed funds to assets is 40.0 percent or less with a midpoint of 20.0 percent.

Equity to Assets

Naugatuck Valley's equity to assets ratio was 8.9 percent at March 31, 2004, and 8.7 percent at December 31, 2003, averaging 8.7 percent for the three calendar years ended December 31, 2003. After conversion, based on the midpoint value of \$50.0 million and a 43 percent minority public offering of \$21.5 million, with 50.0 percent of the net proceeds of the public offering going to the Bank, Naugatuck Valley's equity is projected to stabilize in the

Equity to Assets (cont.)

area of 12.5 percent of assets. Based on those equity ratios, we have defined the equity ratio parameter to be 6.0 percent to 18.0 percent with a midpoint ratio of 12.0 percent.

PERFORMANCE PARAMETERS

Introduction

Exhibit 39 presents five parameters identified as key indicators of Naugatuck Valley's earnings performance and the basis for such performance both historically and during the four quarters ended March 31, 2004. The primary performance indicator is the Bank's core return on average assets (ROAA). The second performance indicator is the Bank's core return on average equity (ROAE). To measure the Bank's ability to generate net interest income, we have used net interest margin. The supplemental source of income for the Bank is noninterest income, and the parameter used to measure this factor is the ratio of noninterest income to average assets. The final performance indicator is the Bank's ratio of operating expenses or noninterest expenses to average assets, a key factor in distinguishing different types of operations, particularly institutions that are aggressive in secondary market activities, which often results in much higher operating costs and overhead ratios.

Return on Average Assets

The key performance parameter is the core ROAA. For the twelve months ended March 31, 2004, Naugatuck Valley's core ROAA was 0.72 percent based on adjusted core earnings after taxes of \$1,697,000, as detailed in Item I of this Report. The Bank's average ROAA over its most recent five calendar years of 1999 to 2003, based on net earnings, was a higher 0.91 percent, ranging from a low of 0.50 percent in 1999 to a high of 0.96 percent in 2000.

Return on Average Assets (cont.)

Considering the historical and current earnings performance of Naugatuck Valley, the range for the ROAA parameter based on core income has been defined as 0.60 percent to a high of 1.10 percent with a midpoint of 0.85 percent.

Return on Average Equity

The ROAE has been used as a secondary parameter to eliminate any institutions with an unusually high or low ROAE that is inconsistent with the Bank's position. This parameter does not provide as much meaning for a newly converted thrift institution as it does for established stock institutions, due to the unseasoned nature of the capital structure of the newly converted thrift and the inability to accurately reflect a mature ROAE for the newly converted thrift relative to other stock institutions.

Prior to conversion, the Bank's core ROAE for the twelve months ended March 31, 2004, was 8.11 percent based on adjusted core income. In its most recent five calendar years, the Bank's average ROAE, based on net earnings, was a lower 8.49 percent, ranging from a low of 5.98 percent in 1999 to a high of 10.71 percent in 2000.

The parameter range for ROAE for the comparable group, based on core income, is from 4.0 percent to 12.0 percent with a midpoint of 8.0 percent.

Net Interest Margin

Naugatuck Valley had a net interest margin of 3.69 percent for the twelve months ended March 31, 2004, representing net interest income as a percentage of average interest-earning assets. The Bank's net interest margin in calendar years 1999 through 2003 averaged 3.86

Net Interest Margin (cont.)

percent, indicating a volatile trend from 1999 to 2003, reaching 3.98 percent in 2000 and dropping to 3.71 percent in 2001.

The parameter range for the selection of the comparable group is from a low of 2.75 percent to a high of 4.50 percent with a midpoint of 3.63 percent.

Operating Expenses to Assets

For the twelve months ended March 31, 2004, Naugatuck Valley had a higher than average 2.99 percent ratio of operating expense to average assets. In fiscal year 2003, the Bank's expense ratio was 2.94 percent, representing increases from 2.75 percent in 2002, 2.96 percent in 2001, 2.68 percent in 2000 and 2.49 percent in 1999. For its five most recent calendar years ended December 31, 2003, Naugatuck Valley's operating expense ratio averaged 2.76 percent. It should be noted that the Bank's operating expense ratio in 2003 was higher than the averages of 2.38 percent for all FDIC-insured savings institutions and 2.29 percent for all publicly-traded savings institutions.

The operating expense to assets parameter for the selection of the comparable group is from a low of 2.00 percent to a high of 4.00 percent with a midpoint of 3.00 percent.

Noninterest Income to Assets

Compared to publicly-traded thrifts, Naugatuck Valley has historically experienced a lower but increasing average dependence on noninterest income as a source of additional income. Naugatuck Valley's ratio of noninterest income to average assets was 0.31 percent in 1999, 0.34 percent in 2000, 0.37 percent in 2001, 0.43 percent in 2002 and 0.46 percent in 2003, all of

Noninterest Income to assets (cont.)

which are much lower than the 1.36 percent average for publicly-traded thrift institutions for the most recent four quarters.

The range for this parameter for the selection of the comparable group is 1.25 percent of average assets or less, with a midpoint of 0.63 percent.

ASSET QUALITY PARAMETERS

Introduction

The final set of financial parameters used in the selection of the comparable group are asset quality parameters, also shown in Exhibit 39. The purpose of these parameters is to insure that any thrift institution in the comparable group has an asset quality position similar to that of Naugatuck Valley. The three defined asset quality parameters are the ratios of nonperforming assets to total assets, repossessed assets to total assets and loan loss reserves to total assets at the end of the most recent period.

Nonperforming Assets to Assets

Naugatuck Valley's ratio of nonperforming assets to assets was 0.40 percent at March 31, 2004, which was much lower than the national average of 0.73 percent for publicly-traded thrifts but higher than the 0.10 percent for New England thrifts. Consistently lower than national averages, the Bank's ratio of nonperforming assets to total assets was 1.11 percent in 1999, 0.65 percent in 2000, 0.72 percent in 2001, 0.58 percent in 2002 and 0.46 percent in 2003, averaging 0.70 percent for its five most recent calendar years ended December 31, 2003.

Repossessed Assets to Assets

The parameter range for nonperforming assets to assets has been defined as 1.00 percent of assets or less with a midpoint of 0.50 percent.

Naugatuck Valley had \$131,000 in repossessed assets, representing 0.05 percent of assets. National and regional averages were 0.13 percent and 0.01 percent, respectively, for publicly-traded thrift institutions at March 31, 2004.

The range for the repossessed assets to total assets parameter is 0.20 percent of assets or less with a midpoint of 0.10 percent.

Loans Loss Reserves to Assets

Naugatuck Valley had an allowance for loan losses of \$1,811,000, representing a loan loss allowance to total assets ratio of 0.75 percent at March 31, 2004, which was slightly higher than its 0.74 percent ratio at December 31, 2003. For the five calendar years of 1999 to 2003, the Bank's loan loss reserve averaged 0.93 percent of assets with a downward trend from a high of 1.14 percent in 1999 to a low of 0.74 percent in 2003.

The loan loss allowance to assets parameter range used for the selection of the comparable group required a minimum ratio of 0.20 percent of assets.

THE COMPARABLE GROUP

With the application of the parameters previously identified and applied, the final comparable group represents ten institutions identified in Exhibits 40, 41 and 42. The comparable group institutions range in size from \$151.7 million to \$917.6 million with an average asset size of \$463.0 million and have an average of 7.3 offices per institution. One of

The Comparable Group (cont.)

the comparable group institutions was converted in 1993, one in 1995, two in 1996, two in 1998, three in 1999 and one in 2002. Eight of the ten of the comparable group institutions are traded on NASDAQ, with two traded on the American Stock Exchange. The comparable group institutions as a unit have a ratio of equity to assets of 8.9 percent, which is 7.3 percent higher than all publicly-traded thrift institutions in the United States but 5.4 percent lower than publicly-traded thrift institutions in Connecticut; and for the most recent four quarters indicated a core return on average assets of 0.80 percent, lower than all publicly-traded thrifts at 1.07 percent and lower than publicly-traded Connecticut thrifts at 0.82 percent.

IV. ANALYSIS OF FINANCIAL PERFORMANCE

This section reviews and compares the financial performance of Naugatuck Valley to all publicly-traded thrifts, to publicly-traded thrifts in the New England region and to Connecticut thrifts, as well as to the ten institutions constituting Naugatuck Valley's comparable group, as selected and described in the previous section. The comparative analysis focuses on financial condition, earning performance and pertinent ratios as presented in Exhibits 43 through 48.

As presented in Exhibits 43 and 44, at March 31, 2004, Naugatuck Valley's total equity of 8.94 percent of assets was lower than the 11.52 percent for the comparable group, the 8.33 percent for all thrifts, the 11.33 percent for New England thrifts and the 9.45 percent ratio for Connecticut thrifts. The Bank had a 75.29 percent share of net loans in its asset mix, slightly higher than the comparable group at 72.56 percent, all thrifts at 67.63 percent, New England thrifts at 61.49 percent and Connecticut thrifts at 47.22 percent. Naugatuck Valley's share of net loans, higher than industry averages, is primarily the result of its slightly lower 12.36 percent share of cash and investments and significantly lower than average 6.15 percent share of mortgage-backed securities. The comparable group had a modestly lower 10.56 percent share of cash and investments and a higher 11.48 percent share of mortgage-backed securities. All thrifts had 12.54 percent of assets in mortgage-backed securities and 15.38 percent in cash and investments. Naugatuck Valley's 77.42 percent share of deposits was higher than the comparable group, all thrifts and New England thrifts but lower than Connecticut thrifts, reflecting the Bank's lower than average 12.45 percent ratio of borrowed funds to assets. The comparable group had deposits of 66.16 percent and borrowings of 20.92 percent. All thrifts averaged a 56.66 percent share of deposits and 33.16 percent of borrowed funds, while New England thrifts had a 69.14 percent share of deposits and a 18.57 percent share of borrowed funds. Connecticut thrifts averaged an 80.44 percent share of deposits and an 8.93 percent share of borrowed funds. Naugatuck Valley had 0.01 percent in intangible assets at March 31, 2004, compared to 0.17 percent for the comparable group, 0.50 percent for all thrifts, 0.56 percent for New England thrifts and 0.61 percent for Connecticut thrifts.

Analysis of Financial Performance (cont.)

Operating performance indicators are summarized in Exhibits 45, 46 and 47 and provide a synopsis of key sources of income and key expense items for Naugatuck Valley in comparison to the comparable group, all thrifts, and regional thrifts for the trailing four quarters.

As shown in Exhibit 47, for the twelve months ended March 31, 2004, Naugatuck Valley had a yield on average interest-earning assets slightly below the comparable group but higher than all thrifts, New England thrifts and Connecticut thrifts. The Bank's yield on interest-earning assets was 5.44 percent compared to the comparable group at 5.73 percent, all thrifts at 5.09 percent, New England thrifts at 5.07 percent and Connecticut thrifts at 4.90 percent.

The Bank's cost of funds for the twelve months ended March 31, 2004, was lower than the comparable group, all thrifts and Connecticut thrifts, but higher than Connecticut thrifts. Naugatuck Valley had an average cost of interest-bearing liabilities of 1.87 percent compared to 2.73 percent for the comparable group, 2.31 percent for all thrifts, 2.36 percent for New England thrifts and 1.72 percent for Connecticut thrifts. The Bank's similar yield on interest-earning assets and slightly lower interest cost resulted in a net interest spread of 3.57 percent, which was higher than the comparable group at 3.00 percent, moderately higher than all thrifts at 2.91 percent, higher than New England thrifts at 2.70 percent and Connecticut thrifts at 3.18 percent. Naugatuck Valley generated a net interest margin of 3.69 percent for the twelve months ended March 31, 2004, based on its ratio of net interest income to average interest-earning assets, which was moderately higher than the comparable group ratio of 3.32 percent. All thrifts averaged a lower 3.14 percent net interest margin for the trailing four quarters, as did New England thrifts at 3.19 percent and Connecticut thrifts at a higher 3.48 percent.

Naugatuck Valley's major source of earnings is interest income, as indicated by the operations ratios presented in Exhibit 46. The Bank made no provision for loan losses during the twelve months ended March 31, 2004. The comparable group indicated a provision representing 0.11 percent of assets, with all thrifts at 0.10 percent, New England thrifts at 0.09 percent and Connecticut thrifts at 0.01 percent.

Analysis of Financial Performance (cont.)

The Bank's noninterest income was \$1.2 million or 0.50 percent of average assets for the twelve months ended March 31, 2004, including only \$27,000 in gains on the sale of assets. Such a ratio of noninterest income to average assets was lower than the comparable group, which had a ratio of 0.72 percent, with all thrifts at 1.36 percent, New England thrifts at 0.56 percent and Connecticut thrifts at 0.61 percent. For the twelve months ended March 31, 2004, Naugatuck Valley's operating expense ratio was 2.99 percent of average assets, which was higher than the comparable group at 2.49 percent and higher than all thrifts at 2.29 percent, New England thrifts at 2.27 percent and Connecticut thrifts at 2.43 percent.

The overall impact of Naugatuck Valley's income and expense ratios is reflected in the Bank's net income and return on assets. For the twelve months ended March 31, 2004, the Bank had net ROAA of 0.74 percent and core ROAA of 0.72 percent. For its most recent four quarters, the comparable group had a higher net and core ROAA of 0.83 percent and 0.80 percent, respectively. All publicly-traded thrifts averaged a higher net ROAA of 1.27 percent and a higher 1.07 percent core ROAA, with New England thrifts at a 0.79 percent core ROAA and Connecticut thrifts at a 0.82 percent core ROAA.

V. MARKET VALUE ADJUSTMENTS

This is a conclusive section where adjustments are made to determine the pro forma market value or appraised value of the Corporation based on a comparison of Naugatuck Valley with the comparable group. These adjustments will take into consideration such key items as earnings performance, primary market area, financial condition, asset and deposit growth, dividend payments, subscription interest, liquidity of the stock to be issued, management, and market conditions or marketing of the issue. It must be noted that all of the institutions in the comparable group have their differences among themselves and relative to the Bank, and, as a result, such adjustments become necessary.

EARNINGS PERFORMANCE

In analyzing earnings performance, consideration was given to net interest income, the amount and volatility of interest income and interest expense relative to changes in market area conditions and to changes in overall interest rates, the quality of assets as it relates to the presence of problem assets which may result in adjustments to earnings, due to charge-offs, the balance of current and historical classified assets and real estate owned, the balance of valuation allowances to support any problem assets or nonperforming assets, the amount and volatility of noninterest income, and the amount and ratio of noninterest expenses.

As discussed earlier, the Bank has historically focused on increasing its net interest income and net income; maintaining its low ratio of nonperforming assets; monitoring and strengthening its ratio of interest sensitive assets relative to interest sensitive liabilities, thereby maintaining its overall interest rate risk; and maintaining adequate allowances for loan losses to reduce the impact of any unforeseen charge-offs. The Bank has also closely monitored its higher than average overhead expenses, which have increased in recent years as a result of branching. During the past five years, Naugatuck Valley's ratio of noninterest expense to average assets has indicated from 2.49 percent in 1999, which was generally in line with industry averages, to

Earnings Performance (cont.)

2.94 percent in 2003 and 2.99 percent for the twelve months ended March 31, 2004, which are significantly higher than the current industry average of 2.29 percent for all publicly-traded thrifts. Following reorganization, the Bank will endeavor to maintain its higher net interest spread and net interest margin; increase its non-interest income; strengthen its net income and its lower return on assets; maintain its lower balances of non-performing and classified assets; closely monitor its interest rate gap; and reduce its operating expenses.

Earnings are often related to an institution's ability to generate loans.

The Bank was an active originator of both mortgage and non-mortgage loans in 2001, 2002 and 2003 and during the three months ended March 31, 2004. Naugatuck Valley's highest volume of originations occurring in 2003, reflecting the very low interest rate environment. In 2003, the predominant component of the Bank's one- to four-family residential mortgage loan originations was the refinancing of existing loans and consequently, its balance of such loans decreased by 0.59 percent or \$781,000. That shrinkage was offset by substantial increases of 104.6 percent or \$7.2 million for construction loans, 38.8 percent or \$4.0 million for commercial real estate loans and 12.6 percent or \$2.4 million for consumer loans, predominantly home equity loans. The Bank's lending activities in 2003 resulted in its overall loan growth of 9.0 percent in 2003, following growth of 4.8 percent in 2002 and 8.4 percent in 2001. For the three months ended March 31, 2004, total loan originations were considerably lower than in the first quarter of 2003, and annualized were also much lower than during 2003, with all real estate loans increasing \$408,000 or \$1.6 million annualized, compared to \$10.4 million in 2003. During the first quarter of 2004, commercial business loans remained generally flat, compared to a \$2.5 million increase in 2003; and consumer loans increased by \$1.3 million or \$5.2 million annualized, compared to \$2.4 million in 2003.

Total loan originations were at \$64.3 million and \$101.0 million during 2002 and 2003, respectively, decreasing to \$13.7 million or \$54.8 million annualized, during the three months ended March 31, 2004. For the three months ended March 31, 2004, real estate loans,

Earnings Performance (cont.)

commercial business loans and consumer loans, predominantly home equity loans, represented 66.4 percent, 7.1 percent, and 26.4 percent, respectively, of total loan originations. In comparison, during 2003, real estate loans, commercial business loans and consumer loans represented 82.7 percent, 3.2 percent and 14.2 percent, respectively, of total loan originations, indicating a significant annualized decrease in real estate loans and increases in commercial business loans and consumer loans in the first quarter of 2004.

Total mortgage and non-mortgage loan originations were \$13.7 million for the three months ended March 31, 2004, reduced by repayments and loan sales of \$12.0 million, resulting in a net increase of \$1.7 million in gross loans receivable to \$186.7 million at March 31, 2004, compared to \$185.0 million at December 31, 2003. In 2003, total loan originations were \$101.1 million, reduced by repayments and loan sales of \$85.7 million, resulting in a net increase of \$15.3 million in gross loans receivable to \$185.1 million at December 31, 2003, compared to \$169.7 million at December 31, 2002.

The impact of Naugatuck Valley's primary lending efforts has been to generate a yield on average interest-earning assets of 5.44 percent for the twelve months ended March 31, 2004, compared to a higher 5.73 percent for the comparable group, a lower 5.21 percent for all thrifts and a lower 5.07 percent for New England thrifts. The Bank's ratio of interest income to average assets was 5.25 percent for the twelve months ended March 31, 2004, lower than the comparable group at 5.30 percent, but higher than all thrifts at 4.65 percent and New England thrifts at 4.62 percent, reflecting the Bank's similar ratio of nonperforming assets and higher ratio of interest-earning assets.

Naugatuck Valley's 1.87 percent cost of interest-bearing liabilities for the twelve months ended March 31, 2004, was lower than the comparable group at 2.73 percent, all thrifts at 2.31 and New England thrifts at 2.36 percent, but modestly higher than the two Connecticut thrifts at 1.72 percent. The Bank's resulting net interest spread of 3.57 percent for the twelve months ended March 31, 2004, was higher than the comparable group at 3.00 percent, all thrifts at 2.91

Earnings Performance (cont.)

percent and New England thrifts at 2.70. The Bank's net interest margin of 3.69 percent, based on average interest-earning assets for the twelve months ended March 31, 2004, was higher than the comparable group at 3.32 percent, all thrifts at 3.14 percent and New England thrifts at 3.19 percent.

The Bank's ratio of noninterest income to assets was 0.50 percent, including gains, for the twelve months ended March 31, 2004, lower than the comparable group at 0.72 percent, and more notably lower than all thrifts at 1.36 percent and modestly lower than New England thrifts at 0.56 percent. A small 2.3 percent of the Bank's noninterest income was comprised of gains on the sale of loans and other assets.

The Bank's operating expenses were significantly higher than the comparable group, all thrifts and New England thrifts. For the twelve months ended March 31, 2004, Naugatuck Valley had an operating expenses to assets ratio of 2.99 percent compared to 2.49 percent for the comparable group, 2.29 percent for all thrifts and 2.27 percent for New England thrifts. Such higher operating expenses relate in part to the Bank's lower \$37.5 million average deposits per branch, compared to the comparable group average of \$40.9 million in deposits per branch, as well as its less favorable 73.7 percent efficiency ratio for the twelve months ended March 31, 2004, compared to the comparable group with an efficiency ratio of 65.03 percent.

For the twelve months ended March 31, 2004, Naugatuck Valley generated a lower ratio of noninterest income, a higher ratio of noninterest expenses and a higher net interest margin relative to its comparable group. The Bank was absent a provision for loan losses during the twelve months ended March 31, 2004, compared to 0.11 percent ratio to assets for the comparable group, 0.10 percent for all thrifts and 0.09 percent for New England thrifts. The Bank's absence of a provision for loan losses during the twelve months ended March 31, 2004, reflected a decreasing trend in both nonperforming assets and charge-offs in recent periods, as well as a ratio of allowance for loan losses to total loans higher than the comparable and similar

Earnings Performance (cont.)

to all thrifts. The Bank's ratio of reserves to nonperforming assets was moderately lower than the comparable group and very similar to all thrifts.

As a result of its operating characteristics, the Bank's net income and core income were lower than the comparable group for the twelve months ended March 31, 2004. Based on net earnings, the Bank had a return on average assets of 0.50 percent, 0.96 percent, 0.65 percent, 0.91 percent, 0.77 percent in 1999, 2000, 2001, 2002, and 2003, respectively, and 0.72 percent for the twelve months ended March 31, 2004. For the trailing twelve months, the comparable group had a higher net ROAA of 0.83 percent, while all thrifts indicated a still higher ROAA of 1.27 percent. The Bank's core or normalized earnings, as shown in Exhibit 7, were lower than its net earnings and resulted in a 0.72 percent core return on assets for the twelve months ended March 31, 2004. That core ROAA was also lower than the comparable group at 0.81 percent, all thrifts at 1.07 percent and New England thrifts at 0.79 percent.

Following its reorganization, Naugatuck Valley's earnings will continue to be dependent on a combination of the overall trends in interest rates, the consistency, reliability and variation of its noninterest income and overhead expenses, its asset quality, its future needs for provisions for loan losses and the continuation of lower charge-offs and nonperforming assets. The Bank's noninterest income increased significantly in 2002 and 2003 due to higher originations, primarily refinances at lower interest rates, but it is likely that a rising interest rate environment will flatten and, perhaps, reduce that trend. Overhead expenses indicate a moderate annual increases from 1999 to 2003, with such expenses in the first quarter of 2004 annualizing to a 9.8 percent increase in 2004 compared to 2003 and remaining significantly higher than industry averages. The Bank's net interest margin, higher than the comparable group, has been the result of its lower yield on assets offset by its lower cost of funds. The impact of this trend has been a generally stable net interest margin with only mild fluctuation during the last five years and the three months ended March 31, 2004.

Earnings Performance (cont.)

In recognition of the foregoing earnings related factors, considering Naugatuck Valley's current performance measures, a downward adjustment has been made to the Corporation's pro forma market value for earnings performance.

MARKET AREA

Naugatuck Valley's primary market area for both retail deposits and lending consists of the Connecticut counties of Fairfield and New Haven. The Bank's home office and three of its four branches are in New Haven County and one branch is in Fairfield County.

As discussed in Section II, from 1990 to 2000, population increased in all areas. The population increased by a modest 1.2 percent in Naugatuck and 2.5 percent in New Haven County, a moderate 6.6 percent in Fairfield County, 3.6 percent in Connecticut and 13.2 percent in the United States. From 2000 to 2008, Naugatuck's population is projected to increase by 3.7 percent with the populations of Fairfield and New Haven Counties, Connecticut and the United States projected to increase by 4.3 percent, 2.5 percent, 3.6 percent and 9.9 percent, respectively.

Naugatuck experienced a smaller 4.4 percent increase in households from 1990 to 2000. During that period, households increased by 4.9 percent in New Haven County, 6.2 percent in Fairfield County, 5.8 percent in Connecticut and 14.7 percent in the United States. From 2000 through 2008, Naugatuck's households are projected to continue to increase by 5.4 percent, while the increase is projected to be 5.5 percent in Fairfield County, 4.7 percent in New Haven County, 5.7 percent in Connecticut and 11.0 percent in the United States. That historical and projected population and household growth was generally lower than Connecticut and the United States and moderately lower than the comparable group markets.

In 2000, the median housing values in Naugatuck and New Haven County indicated decreases of 6.0 percent and 7.6 percent, respectively, from 1990, while Fairfield County

Market Area (cont.)

indicated an increase of 16.4 percent during that ten year period. With the exception of segments of Fairfield County, the median housing values in Naugatuck Valley's market area were lower than in Connecticut, but higher than in the United States. The median housing values in the Bank's market area, although higher in dollar value than the average of the comparable group markets due to regional characteristics, indicate lower growth relative to the comparable group markets.

The average 2000 unemployment rate in the Bank's primary market area was 1.9 percent in Fairfield County and 2.5 percent in New Haven County, with Connecticut at 2.2 percent and the United States at 4.0 percent. By April, 2004, the unemployment rate increased to 4.4 percent in Fairfield County and a higher 5.6 percent in New Haven County, while Connecticut's unemployment rate increased to 5.2 percent and the rate in the United States increased to 5.4 percent. In April, 2004, the average unemployment of the comparable group markets was modestly lower than in either of the Bank's two market area counties

Naugatuck Valley's primary market area is both suburban to Waterbury and exurban, also including smaller communities that are generally less affluent than the averages for Fairfield and New Haven Counties. For perspective, it should be noted that Fairfield County demographics include a number of very affluent residential and resort communities, such as Greenwich and Westport, which are geographically remote to the Bank's operations, which are concentrated in the Waterbury and New Haven County areas. In the Bank's primary market area counties, the services sector represented the primary source of employment in 2000 by a moderate margin, followed by the manufacturing and wholesale/retail sectors, generally consistent with state and national proportions. By 2000, however, the wholesale/retail sector and the manufacturing sector both experienced significant declines as employment sources, with the services sector growing to more than three times the employment of either the wholesale/retail and the manufacturing sectors.

Market Area (cont.)

Based on both deposits and loan originations, the financial competition in Naugatuck Valley's primary market area is significant, with competition from both regional institutions and national bank holding companies such as Bank of America, Wachovia and J.P. Morgan Chase. As of June 30, 2003, the Bank held a modest 1.2 percent of deposits in New Haven County and 0.09 percent of deposits in Fairfield County. Total bank and thrift deposits were \$14.7 billion and \$21.7 billion in New Haven County and Fairfield County, respectively, with banks and thrifts holding similar shares of deposits.

In recognition of the foregoing factors, we believe that a downward adjustment is warranted for the Bank's primary market area relative to the comparable group.

FINANCIAL CONDITION

The financial condition of Naugatuck Valley is discussed in Section I and shown in Exhibits 1, 2, 5, and 12 through 23, and is compared to the comparable group in Exhibits 42, 43 and 44. The Bank's ratio of total equity to total assets was 8.94 percent at March 31, 2004, which was lower than the comparable group at 11.52 percent, all thrifts at 10.46 percent and New England thrifts at 11.33 percent. With the minority offering completed at the midpoint of the valuation range, the Corporation's pro forma equity to assets ratio will increase to approximately 15.14 percent, and the Bank's pro forma equity to assets ratio will increase to approximately 11.50 percent.

The Bank's mix of assets and liabilities indicates both similarities to and variations from its comparable group. Naugatuck Valley had a modestly higher 75.3 percent ratio of net loans to total assets at March 31, 2004, compared to the comparable group at 72.6 percent. All thrifts indicated a lower 67.6 percent, as did New England thrifts at 61.5 percent. The Bank's 12.4 percent share of cash and investments was higher than the comparable group at 10.6 percent, while all thrifts were at 15.4 percent and New England thrifts were at a higher 26.2 percent.

Financial Condition (cont.)

Naugatuck Valley's 6.2 percent ratio of mortgage-backed securities to total assets was lower than the comparable group at 11.5 percent and similarly lower than all thrifts at 12.5 percent. The Bank's 77.4 percent ratio of deposits to total assets was higher than the comparable group at 66.2 percent, all thrifts at 56.7 percent and New England thrifts at 69.1 percent. Naugatuck Valley's 12.5 percent ratio of borrowed funds to assets was lower than the comparable group at 20.9 percent, much lower than all thrifts at 33.2 percent and lower than New England thrifts at 18.6 percent.

Naugatuck Valley had intangible assets of 0.01 percent of assets, consisting of mortgage servicing rights, and had repossessed real estate of 0.05 percent of assets, compared to ratios of 0.17 percent and 0.04 percent of intangible assets and real estate owned, respectively, for the comparable group. All thrifts had intangible assets of 0.50 percent and real estate owned of 0.13 percent.

The financial condition of Naugatuck Valley is affected by its \$980,000 million balance of nonperforming assets or 0.40 percent of assets at March 31, 2004, compared to a similar 0.38 percent for the comparable group, a higher 0.73 percent for all thrifts and a lower 0.10 percent for New England thrifts. Historically, the Bank's ratio of nonperforming assets to total assets has been similar to or somewhat higher than industry averages, but has decreased considerably in both dollars and ratio since December 31, 1999. The Bank's ratio of nonperforming assets to total assets was 1.11 percent, 0.65 percent, 0.72 percent, 0.58 percent and 0.46 percent at December 31, 1999, 2000, 2001, 2002, and 2003, respectively, decreasing slightly to 0.40 percent at March 31, 2004.

The Bank had a lower 6.8 percent share of high risk real estate loans, compared to 17.8 percent for the comparable group and 21.1 percent for all thrifts. The regulatory definition of high risk real estate loans is all mortgage loans other than those secured by one- to four-family residential properties.

Financial Condition (cont.)

At March 31, 2004, Naugatuck Valley had \$1,811,000 of allowances for loan losses, which represented 0.75 percent of assets and 0.97 percent of total loans. The comparable group indicated allowances equal to 0.51 percent of assets and a smaller 0.67 percent of total loans, while all thrifts had allowances that averaged a lower 0.65 percent of assets, but a similar 0.98 percent of total loans. Also significant, however, is an institution's ratio of allowances for loan losses to nonperforming assets, since a portion of nonperforming assets might eventually be charged off. Naugatuck Valley's \$1,811,000 of allowances for loan losses, represented 184.8 percent of nonperforming assets at March 31, 2004, compared to the comparable group's slightly higher 209.7 percent, with all thrifts at a similar 183.2 percent and New England thrifts at a much higher 509.2 percent. Naugatuck Valley's ratio of net charge-offs to average total loans was 0.11 percent for the twelve months ended March 31, 2004, compared to a lower 0.05 percent for the comparable group, 0.22 percent for all thrifts and 0.06 percent for New England thrifts. This ratio reflects the Bank's maintenance of a generally average ratio of reserves to loans, and a similar ratio of reserves to nonperforming assets. In 2003, the Bank's net charge-offs of \$229,000 followed net charge-offs of \$93,000 in 2002, net recoveries of \$27,000 in 2001 and higher net charge-off of \$258,000 and \$451,000 in 2000 and 1999, respectively. For the three months ended March 31, 2004, the Bank had a recovery of \$1,000 with no charge-offs. For the twelve months ended March 31, 2004, Naugatuck Valley took no provision for loan losses, but had net charge-offs of \$195,000. Based on available information, the comparable group had a ratio of provisions for loan losses to net charge-offs of 227.17 percent, with all thrifts at 167.35 percent and New England thrifts at 151.21 percent.

Naugatuck Valley has a minimal level of interest rate risk, evidenced by its modestly negative one year cumulative gap of 11.7 percent. The Bank's three year gap was also a modestly negative 13.2 percent.

Compared to the comparable group, we believe that no adjustment is warranted for Naugatuck Valley's current financial condition.

ASSET, LOAN AND DEPOSIT GROWTH

During its most recent five calendar years, Naugatuck Valley has been characterized by lower average rates of growth in assets, loans and deposits relative to its comparable group. The Bank's average annual asset growth rate from 1999 to 2003, was 7.3 percent, compared to a higher 10.1 percent for the comparable group, a significantly higher 14.9 percent for all thrifts, and a modestly higher 10.6 percent for New England thrifts. The Bank's somewhat lower asset growth rate is reflective primarily of its smaller increase in loans during that five year period combined with mildly declining earnings trend. The Bank's loan portfolio indicates an average annual increase of 6.7 percent from 1999 to 2003, compared to average growth rates of 14.1 percent for the comparable group, 12.8 percent for all thrifts and 9.5 percent for New England thrifts.

Naugatuck Valley's deposits indicate an average annual increase of 7.2 percent from 1999 to 2003. Annual deposit growth was from a low of 0.76 percent in 1999 to a high of 14.8 percent in 2001, compared to average growth rates of 8.3 percent for the comparable group, 11.0 percent for all thrifts and 9.3 percent for New England thrifts. Notwithstanding its lower rate of deposit growth, the Bank had a lower 17.7 percent five year average ratio of borrowed funds to assets, compared to the comparable group at 25.2 percent. The Bank's combined lower deposit growth and borrowed funds ratio reflects and confirms its smaller loan growth and funding needs

Considering the demographics and competition in its market area, the Bank's ability to increase its asset, loan and deposit bases in the future is, to a great extent, dependent on its being able to competitively price its loan and savings products, to maintain a high quality of service to its customers, to increase its market share and to strengthen its loan origination activity. Naugatuck Valley's primary market area has experienced a relatively modest increase in population and households between 1990 and 2000 and those increases are projected to continue at rates similar to or lower than state and national rates through 2008. The Bank's primary market area indicates 2000 per capita income and median household income lower than Connecticut but higher than the United States for Naugatuck and New Haven County. In 2000, housing values in Naugatuck and New Haven County were also lower than Connecticut but

Asset, Loan and Deposit Growth (cont.)

higher than the United States. As previously noted, the Bank's operations are concentrated in New Haven County, the location of Naugatuck and four of the Bank's five offices.

Notwithstanding the proceeds of the contemplated minority offering, the Bank's primary dependence on its operations in New Haven County could result in the continuation of lower asset growth in the future as a result of its competitive operating environment in a market area with modest growth in population and households, projected to remain lower than state and national levels and growth in the future. Naugatuck Valley's competitive operating environment is likely to result in the continuation of lower loan and deposit growth and systemic asset growth for the Bank relative to the comparable group.

Based on the foregoing factors, we have concluded that a downward adjustment to the Association's pro forma value is warranted.

DIVIDEND PAYMENTS

The Corporation has not committed to pay an initial cash dividend on its common stock. The future payment of cash dividends will depend upon such factors as earnings performance, financial condition, capital position, growth, asset quality and regulatory limitations. Each of the ten institutions in the comparable group paid cash dividends during the twelve months ended March 31, 2003, for an average dividend yield of 2.31 percent and an average payout ratio of 38.94 percent. During that twelve month period, the average dividend yield was 1.20 percent and the average payout ratio was 34.64 percent for the two Connecticut thrifts; and the average dividend was 1.94 percent and the average payout ratio was 40.13 percent for all thrifts.

In our opinion, a downward adjustment to the pro forma market value of the Corporation is warranted related to dividend payments.

SUBSCRIPTION INTEREST

In 2003 and to date in 2004, investors' interest in new issues has been generally positive and subscription levels have been consistently high, although a few issues have received a less than strong reaction from the marketplace. Overall, although the reaction of IPO investors appears generally to be related to a number of analytical factors, including the financial performance and condition of the converting thrift institution, the strength of the local economy, general market conditions, aftermarket price trends and the anticipation of continuing merger/acquisition activity in the thrift industry, the smaller number of offerings appears to have concentrated greater subscription activity beyond the stronger institutions.

Naugatuck Valley will direct its offering primarily to depositors and residents in its market area. The board of directors and officers anticipate purchasing approximately \$1.0 million or 4.7 percent of the stock offered to the public based on the appraised midpoint valuation. At all ranges of the offering, 2.0 percent of the shares issued to the public and to Naugatuck Valley Mutual will be contributed to Naugatuck Valley Charitable Foundation. The Bank will form an ESOP, which plans to purchase 8.4 percent of the total shares issued in the current offering, including the shares issued to Naugatuck Valley Mutual and the charitable foundation. Additionally, the Prospectus restricts to 15,000 shares, based on the \$10.00 per share purchase price, the total number of shares in the conversion that may be purchased by a single person, and to 20,000 shares by persons and associates acting in concert.

The Bank has secured the services of Ryan Beck & Co. ("Ryan Beck") to assist in the marketing and sale of the conversion stock.

Based on the size of the offering, recent market movement and current market conditions, local market interest, the terms of the offering and recent subscription levels for initial mutual holding company offerings, we believe that an upward adjustment is warranted for the Bank's anticipated subscription interest.

LIQUIDITY OF THE STOCK

The Corporation will offer its shares through a subscription offering and, if required, a subsequent community offering with the assistance of Ryan Beck. The stock of the Corporation will trade on the NASDAQ National Market and the Corporation will pursue at least two market makers for its stock.

The Bank's total public offering is considerably smaller in size to the average market value of the comparable group. The comparable group has an average market value of \$62.6 million for the stock outstanding compared to a midpoint public offering of \$21.5 million for the Corporation, less the ESOP and the estimated 100,000 shares to be purchased by officers and directors, which will reduce the Corporation's public market capitalization to approximately \$18.7 million. Of the ten institutions in the comparable group, eight trade on NASDAQ and two trade on the American Stock Exchange, with those ten institutions indicating an average daily trading volume of 2,851 shares during the last four quarters.

In further examining and analyzing the market for publicly-traded thrift stocks, we compared various characteristics of the 38 mutual holding companies with the 233 stock companies. Our findings indicate that both entity types have generally similar average market capitalization, with mutual holding companies at \$415 million and stock companies at \$515 million; and that both entity types have a generally similar average number of shares outstanding, with mutual holding companies averaging 15.0 million shares and stock companies averaging 17.1 million shares. We find it significant, however, notwithstanding the foregoing similarities, that the average daily trading volume of mutual holding companies was 20,796 during the past twelve months, while stock companies indicated a much higher average daily volume of 76,757 shares.

Based on the average market capitalization, shares outstanding and daily trading volume of the comparable group, as well as the relative trading volume of publicly-traded mutual holding companies, we have concluded that a downward adjustment to the Corporation's pro forma market value is warranted relative to the anticipated liquidity of its stock.

MANAGEMENT

The president and chief executive officer of Naugatuck Valley is John C. Roman, who is also a director. Mr. Roman joined the Bank as vice president and chief lending officer and was appointed president and chief executive officer and was elected to the board in 1999. Prior to joining Naugatuck Valley, Mr. Roman was vice president of MidConn Bank, Kensington, Connecticut, from 1994 to 1998 and served as assistant vice president of Eagle Bank, Bristol, Connecticut, the successor to MidConn Bank as the result of a merger. Dominic J. Alegi, Jr. is executive vice president in charge of retail banking and has been with the Bank since 1970. Mr. Alegi is also executive vice president of Naugatuck Valley Financial and Naugatuck Valley Mutual Holding Company. Mr. Alegi became executive vice president in 1989, previously serving the Bank as senior vice president. Jane H. Walsh is senior vice president and a director, currently responsible for operations, and has been with the Bank since 1974.

During the past five years and in the first quarter of 2004, Naugatuck Valley has been able to increase its deposit base, total assets and total equity, maintain a stable net interest margin, control nonperforming assets, classified loans and charge-offs, maintain an acceptable gap position, and maintain its market share in spite of increasing competition. Although the Bank's earnings and return on assets have been below comparable group and industry averages, and its operating expenses have been higher than such averages, management is confident that its branch network is well positioned for reasonable growth and enhanced profitability following its public offering.

Overall, we believe the Bank to be professionally and knowledgeably managed, as are the comparable group institutions. It is our opinion that no adjustment to the pro forma market value of the Corporation is warranted for management.

MARKETING OF THE ISSUE

The necessity to build a new issue discount into the stock price of a converting thrift institution continues to be a closely examined issue in recognition of uncertainty among investors as a result of the thrift industry's dependence on interest rate trends, recent volatility in the stock market and pending federal legislation related to the regulation of financial institutions. Increased merger/acquisition activity, as well as the presence of new competitors in the financial institution industry, such as de novo institutions, investment firms, insurance companies and mortgage companies, have resulted in increased pressure on an individual institution's ability to attract retail deposits at normal rates rather than premium rates and to deploy new funds in a timely and profitable manner.

Although we believe that a new issue discount applied to the price to book valuation approach is appropriate and necessary in some public offerings, in our opinion, various characteristics of the Corporation's reorganization transaction, as well as recent market trends, cause us to conclude that such a discount is not warranted in the case of this particular offering. Consequently, at this time we have made no adjustment to the Corporation's pro forma market value related to a new issue discount.

VI. VALUATION METHODS

Historically, the most frequently used method for determining the pro forma market value of common stock for thrift institutions by this firm has been the price to book value ratio method, due to the volatility of earnings in the thrift industry in the early to mid-1990s. As earnings in the thrift industry stabilized and improved in the late 1990s, more emphasis was placed on the price to earnings method, particularly considering increases in stock prices during those years. During the past few years, however, as decreasing interest rates have had varying effects on individual institutions, depending on the nature of their operations, the price to book value method has again become pertinent and meaningful in the objective of discerning commonality and comparability among institutions. In determining the pro forma market value of the Corporation, primary emphasis has been placed on the price to book value method, with additional analytical and correlative attention to the price to earnings and price to core earnings methods.

In recognition of the volatility and variance in earnings due to fluctuations in interest rates, the continued differences in asset and liability repricing and the frequent disparity in value between the price to book approach and the price to earnings approach, a third valuation method, the price to net assets method, has also been used. The price to assets method is used less often for valuing ongoing institutions, but becomes more useful in valuing converting institutions when the equity position and earnings performance of the institutions under consideration are different.

In addition to the pro forma market value, we have defined a valuation range with the minimum of the range being 85.0 percent of the pro forma market value, the maximum of the range being 115.0 percent of the pro forma market value, and a super maximum being 115.0 percent of the maximum. The pro forma market value or appraised value will also be referred to as the "midpoint value". Inasmuch as the ownership of Naugatuck Valley will remain in the mutual holding company form, the public offering of the Corporation will be based on the sale of shares to the public aggregating 43 percent of the fully converted pro forma market value of the Corporation at each of the valuation ranges defined in this Report with 2 percent

Valuation Methods (cont.)

of the fully converted valuation being issued to the Foundation for a combined total of 45.0 percent issued to the public and to the Foundation.

It should be noted that the fewer number of shares offered to the public and the lower proceeds resulting from that offering will result in actual pricing ratios considerably higher than those determined in the fully converted valuation of the Corporation where higher proceeds are assumed; and it should be noted that such higher pricing ratios, presented in detail in the offering prospectus, are pertinent to the prospective minority shareholders and their evaluation of the offering.

In applying each of the valuation methods, consideration was given to the adjustments to the Bank's pro forma market value discussed in Section V. Downward adjustments were made for the Bank's earnings performance, market area, asset, loan and deposit growth, dividends, and liquidity of the stock. An upward adjustment was made for subscription interest. No adjustments were made for the Bank's financial condition, management and marketing of the issue.

PRICE TO BOOK VALUE METHOD

In the valuation of thrift institutions, the price to book value method focuses on an institution's financial condition, and does not give as much consideration to the institution's long term performance and value as measured by earnings. Due to the earnings volatility of many thrift stocks, the price to book value method is frequently used by investors who rely on an institution's financial condition rather than earnings performance. Although this method is, under certain circumstances, considered somewhat less meaningful for institutions that provide a consistent earnings trend, it remains significant and reliable when an institution's performance or general economic conditions are experiencing volatile or uncustomary trends related to

Price to Book Value Method (cont.)

internal or external factors, and serves as a complementary and correlative analysis to the price to earnings and price to assets approaches.

It should be noted that the prescribed formulary computation of value using the pro forma price to book value method returns a price to book value ratio below market value on a fully converting institution. As noted previously, however, in the case of an initial mutual holding company minority offering where a majority of the shares will not be held by the public, the application of the prescribed formulary computation to the sale of all the shares based on the full valuation of the institution necessarily returns a higher book value per share and a lower price to book value ratio than is reflective of the actual number of shares to be owned by the public and the proceeds generated by such a smaller offering. In most instances, nevertheless, such a value remains below current comparable market values.

Exhibit 50 shows the average and median price to book value ratios for the comparable group which were 120.40 percent and 117.5 percent, respectively. The full comparable group indicated a moderately wide range, from a low of 92.58 percent (Lincoln Bancorp) to a high of 140.87 percent (Wayne Savings Bancshares). The comparable group had slightly higher average and median price to tangible book value ratios of 121.89 percent and 119.36 percent, respectively, with the range of 95.15 percent to a higher 140.87 percent. Excluding the low and the high in the group, the comparable group's price to book value range narrowed from a low of 108.69 percent to a high of 139.69 percent; and the comparable group's price to tangible book value range also narrowed from a low of 109.77 percent to a high of 140.00.

Considering the foregoing factors in conjunction with the adjustments made in Section V, we have determined a fully converted pro forma price to book value ratio of 74.91 percent and a price to tangible book value ratio of 75.24 percent at the midpoint. The price to book value ratio increases from 70.93 percent at the minimum to 81.08 percent at the super maximum, while the price to tangible book value ratio increases from 71.32 percent at the minimum to 81.41

Price to Book Value Method (cont.)

percent at the super maximum. The price to book value ratio is 74.97 percent without recognition of the 2.0 percent foundation and is a higher \$51.7 million value at the midpoint.

The Corporation's pro forma price to book value and price to tangible book value ratios of 74.91 percent and 75.24 percent, respectively, as calculated using the prescribed formulary computation indicated in Exhibit 49, are influenced by the Bank's equity level and local market, as well as subscription interest in thrift stocks and overall market and economic conditions. Further, the Corporation's ratio of equity to assets after conversion at the midpoint of the valuation range will be approximately 12.67 percent compared to 11.52 percent for the comparable group. Based on the price to book value ratio and the Bank's total equity of \$21,656,000 at March 31, 2004, the indicated fully converted pro forma market value of the Corporation using this approach is \$50,116,051 at the midpoint (reference Exhibit 49).

PRICE TO EARNINGS METHOD

The foundation of the price to earnings method is the determination of the earnings base to be used, followed by the determination of an appropriate price to earnings multiple. As indicated in Exhibit 3, Naugatuck Valley's after tax net earnings for the twelve months ended March 31, 2004, were \$1,755,000, and the Bank's core earnings for that period were a lesser \$1,697,000, based on the adjustments shown in Exhibit 7. To determine the pro forma market value of the Corporation by using the price to earnings method, we applied the core earnings base of \$1,697,000.

In determining the price to core earnings multiple, we reviewed the range of price to core earnings and price to net earnings multiples for the comparable group and all publicly-traded thrifts. The average price to core earnings multiple for the comparable group was 17.78, while the median was 14.94. The average price to net earnings multiple was a similar 15.11 and the median multiple was 16.97. The comparable group's price to core earnings multiple was lower

Price to Earnings Method (cont.)

than the 23.31 average multiple for all publicly-traded, FDIC-insured thrifts and higher than their median of 17.09. The range in the price to core earnings multiple for the comparable group was from a low of 11.68 (LSB Financial Corp.) to a high of 23.02 (First Bancorp of Indiana). The range in the price to core earnings multiple for the comparable group, excluding the high and low ranges, was from a low multiple of 14.25 to a high of 22.21 times earnings for eight of the ten institutions in the group, indicating a modest narrowing of the range.

Consideration was given to the adjustments to the Corporation's pro forma market value discussed in Section V. In recognition of those adjustments, we have determined a fully converted price to core earnings multiple of 28.16 at the midpoint, based on Naugatuck Valley's core earnings of \$1,697,000 for twelve months ended March 31, 2004.

Based on the Bank's core earnings base of \$1,697,000 (reference Exhibit 49), the fully converted pro forma market value of the Corporation using the price to earnings method is \$49,901,388 at the midpoint.

PRICE TO ASSETS METHOD

The final valuation method is the price to assets method. This method is not frequently used, since the calculation incorporates neither an institution's equity position nor its earnings base. Additionally, the prescribed formulary computation of value using the pro forma price to net assets method does not recognize the runoff of deposits concurrently allocated to the purchase of conversion stock, returning a pro forma price to net assets ratio below its true level following conversion. Further, once again as previously noted, the prescribed formulary computation of fully converted pro forma value does not recognize the lower pro forma asset base resulting from small offering proceeds.

Price to Assets Method (cont.)

Exhibit 50 indicates that the average price to assets ratio for the comparable group was 13.65 percent and the median was 13.16 percent. The range in the price to assets ratios for the comparable group varied from a low of 9.75 percent (LSB Financial Corp.) to a high of 18.10 percent (Atlantic Liberty Financial). The range narrows modestly with the elimination of the two extremes in the group to a low of 10.89 percent and a high of 16.80 percent.

Consistent with the previously noted adjustments, it is our opinion that an appropriate price to assets ratio for the Corporation is 17.43 percent at the midpoint, which ranges from a low of 16.55 percent at the minimum to 24.93 percent at the super maximum.

Based on the Bank's March 31, 2004, asset base of \$242,148,000, the indicated pro forma market value of the Corporation using the price to assets method is \$50,025,458 at the midpoint (reference Exhibit 49).

VALUATION CONCLUSION

Exhibit 55 provides a summary of the valuation premium or discount for each of the valuation ranges when compared to the comparable group based on each of the fully converted valuation approaches. At the midpoint value, the fully converted price to book value ratio of 74.91 percent for the Corporation represents a discount of 37.78 percent relative to the comparable group and decreases to 32.66 percent at the super maximum. As presented Exhibits 51 through 54 of this Report and as further detailed in the offering prospectus, however, recognizing the lower actual proceeds to be realized by the offering to the public of only 43 percent of the pro forma fully converted shares, the Corporation's pro forma book value and pro forma book value per share will be significantly lower and its corresponding price to book value ratio will be higher at the offering price of \$10.00 per share. Specifically, the sale to the public of 43 percent of the shares, with 2 percent issued to the Foundation and the remaining 55 percent of the shares retained by the Corporation, results in a price to book value ratio of 116.14 percent,

EXHIBITS

NUMERICAL

EXHIBITS

Valuation Conclusion (cont.)

127.23 percent, 136.80 percent and 146.20 percent at the minimum, midpoint, maximum and adjusted maximum of the actual offering range, respectively. Those ratios represent a discount at the minimum and premiums at the midpoint, the maximum and adjusted maximum relative to the average of the comparable group of 3.54 percent, for the discount, and 5.67 percent, 13.62 percent and 21.43 percent for the premiums at the minimum, midpoint, maximum and adjusted maximum of the actual offering range, respectively.

The price to core earnings multiple of 28.16 for the Corporation at the midpoint value indicates a premium of 58.43 percent, increasing to a premium of 106.39 percent at the super maximum. The price to assets ratio at the midpoint of 17.43 percent represents a premium of 27.74 percent, increasing to a premium of 82.69 percent at the super maximum.

It is our opinion that as of May 21, 2004, the fully converted pro forma market value of the Corporation, is \$50,000,000 at the midpoint, representing 5,000,000 shares at \$10.00 per share. The fully converted pro forma valuation range of the Corporation is from a minimum of \$42,500,000 or 4,250,000 shares at \$10.00 per share to a maximum of \$57,500,000 or 5,750,000 shares at \$10.00 per share, with such range being defined as 15 percent below the appraised value to 15 percent above the appraised value. The maximum, as adjusted, defined as 15 percent above the maximum of the range, is \$66,125,000 or 6,612,500 shares at \$10.00 per share (reference Exhibits 51 to 54).

The fully converted pro forma appraised value of Naugatuck Valley Financial Corporation as of May 21, 2004, is \$50,000,000 at the midpoint.

EXHIBIT 1

NAUGATUCK VALLEY SAVINGS AND LOAN, S.B. NAUGATUCK, CONNECTICUT

Consolidated Statements of Financial Condition At March 31, 2004 and December 31, 2003

	<u>March 31,</u> 2004	<u>December 31,</u> 2003
	(Unaudited)	
	(In thousands)	
ASSETS		
Cash and due from depository institutions	\$ 6,207	\$ 4,752
Investment in federal funds	5,711	5,023
Investment securities	32,914	38,727
Loans receivable, net	182,311	180,378
Accrued income receivable	1,029	1,071
Foreclosed real estate, net	131	208
Premises and equipment, net	6,209	6,119
Deferred income taxes	395	427
Bank owned life insurance asset	4,782	4,734
Other assets	2,459	2,517
	<u>242,148</u>	<u>243,956</u>
Total assets	<u>\$ 242,148</u>	<u>\$ 243,956</u>
LIABILITIES AND CAPITAL ACCOUNTS		
LIABILITIES		
Deposits	\$ 187,474	\$ 183,455
Advances from FHLB of Boston	30,138	34,990
Mortgagors' escrow accounts	1,530	2,634
Other liabilities	1,350	1,660
	<u>220,492</u>	<u>222,739</u>
Total liabilities	<u>220,492</u>	<u>222,739</u>
CAPITAL ACCOUNTS		
Retained earnings	21,325	20,947
Accumulated other comprehensive income	331	270
	<u>21,656</u>	<u>21,217</u>
Total capital	<u>21,656</u>	<u>21,217</u>
Total liabilities and capital accounts	<u>\$ 242,148</u>	<u>\$ 243,956</u>

Source: Naugatuck Valley Savings and Loan, S.B.'s unaudited and audited financial statements

EXHIBIT 2

NAUGATUCK VALLEY SAVINGS AND LOAN, S.B. NAUGATUCK, CONNECTICUT

Consolidated Statements of Financial Condition At December 31, 1999 through 2002

	December 31,			
	2002	2001	2000	1999
	(In thousands)			
ASSETS				
Cash and due from depository institutions	\$ 5,038	\$ 5,419	\$ 4,750	\$ 5,348
Investment in federal funds	13,120	7,224	6,492	5,400
Investment securities	33,876	21,003	12,855	12,788
Loans receivable, net	166,046	1,335	1,278	1,224
Accrued income receivable	1,045	158,456	145,831	138,171
Foreclosed real estate, net	108	1,031	993	839
Premises and equipment, net	6,126	160	136	390
Deferred income taxes	371	5,452	4,092	4,270
Bank owned life insurance asset	-	497	488	568
Other assets	2,268	528	534	712
	<u>\$ 227,998</u>	<u>\$ 201,105</u>	<u>\$ 177,449</u>	<u>\$ 169,710</u>
LIABILITIES AND CAPITAL ACCOUNTS				
LIABILITIES				
Deposits	\$ 173,231	\$ 156,662	\$ 136,451	\$ 131,153
Advances from FHLB of Boston	31,119	23,372	22,036	21,690
Mortgagors' escrow accounts	2,362	2,051	1,916	1,752
Other liabilities	1,436	1,523	1,062	980
Total liabilities	<u>208,148</u>	<u>183,608</u>	<u>161,465</u>	<u>155,575</u>
CAPITAL ACCOUNTS				
Retained earnings	19,141	17,221	16,038	14,419
Accumulated other comprehensive income	709	276	(54)	(284)
Total retained earnings	<u>19,850</u>	<u>17,497</u>	<u>15,984</u>	<u>14,135</u>
Total liabilities and retained earnings	<u>\$ 227,998</u>	<u>\$ 201,105</u>	<u>\$ 177,449</u>	<u>\$ 169,710</u>

Source: Naugatuck Valley Savings and Loan, S.B.'s audited financial statements

EXHIBIT 3

NAUGATUCK VALLEY SAVINGS AND LOAN, S.B. NAUGATUCK, CONNECTICUT

Consolidated Statements of Income For the Three Months Ended March 31, 2003 and 2004 and For the Year Ended December 31, 2003 and

	Three Months Ended		For the Year Ended
	March 31, 2004 (Unaudited)	March 31, 2003 (Unaudited) (In thousands)	December 31, 2003
Interest and dividend income			
Interest on loans	\$ 2,695	\$ 2,877	\$ 11,052
Interest and dividends on investments and deposits	331	379	1,592
Total interest income	3,026	3,256	12,644
Interest expense			
Interest on deposits	570	819	2,848
Interest on borrowed funds	366	353	1,393
Total interest expense	936	1,172	4,241
Net interest income	2,090	2,084	8,403
 Provision for loan losses	 -	 45	 45
 Net interest income after provision for loan losses	 2,090	 2,039	 8,358
Noninterest income			
Loan fees and service charges	211	221	851
Income from bank owned life insurance	48	-	133
Gain on sale of mortgages	5	17	14
Gain on sale of investments	24	-	1
Income from investment advisory services, net	31	-	45
Other income	14	19	71
Total noninterest income	333	257	1,115
Noninterest expense			
Compensation, taxes and benefits	1,122	885	4,024
Office occupancy	283	270	1,041
Computer processing	146	115	507
Federal insurance premiums	7	7	28
(Gain) loss on foreclosed real estate, net	(32)	4	2
Other expenses	353	369	1,243
Total noninterest expense	1,879	1,650	6,845
 Income before provision for income taxes	 544	 646	 2,628
 Provision for income taxes	 166	 217	 822
 Net income	 \$ 378	 \$ 429	 \$ 1,806

Source: Naugatuck Valley Savings and Loan, S.B.'s unaudited and audited financial statements

EXHIBIT 4

SI BANCORP, INC. AND SUBSIDIARIES WILLIMANTIC, CONNECTICUT

Consolidated Statements of Income For the Years Ended December 31, 1999 through 2002

	Year Ended December 31,			
	2002	2001	2000	1999
	(In thousands)			
Interest and dividend income				
Interest on loans	\$ 11,841	\$ 11,630	\$ 11,267	\$ 10,390
Interest and dividends on investments and deposits	1,337	1,001	1,051	968
Total interest income	<u>13,178</u>	<u>12,631</u>	<u>12,318</u>	<u>11,358</u>
Interest expense				
Interest on deposits	3,914	5,105	4,786	4,332
Interest on borrowed funds	1,385	1,073	1,137	939
Total interest expense	<u>5,299</u>	<u>6,178</u>	<u>5,923</u>	<u>5,271</u>
Net interest income	<u>7,879</u>	<u>6,453</u>	<u>6,395</u>	<u>6,087</u>
Provision for loan losses	231	80	73	110
Net interest income after provision for loan losses	<u>7,648</u>	<u>6,373</u>	<u>6,322</u>	<u>5,977</u>
Noninterest income				
Loan fees and service charges	793	673	545	496
Income from bank owned life insurance	--	--	--	(9)
Gain (loss) on sale of mortgages	100	--	--	--
Gain on sale of investments	3	--	--	--
Income from investment advisory services, net	--	--	--	--
Other income	76	70	56	36
Total noninterest income	<u>972</u>	<u>743</u>	<u>601</u>	<u>523</u>
Noninterest expense				
Compensation, taxes and benefits	3,304	3,181	2,450	2,190
Office occupancy	877	737	660	636
Computer processing	446	395	343	358
Federal insurance premiums	28	26	27	90
(Gain) loss on foreclosed real estate, net	51	9	43	63
Other expenses	1,114	1,044	974	820
Total noninterest expense	<u>5,820</u>	<u>5,392</u>	<u>4,497</u>	<u>4,157</u>
Income before provision for income taxes	2,800	1,724	2,426	2,342
Provision for income taxes	<u>880</u>	<u>542</u>	<u>807</u>	<u>1,513</u>
Net income	<u>1,920</u>	<u>1,182</u>	<u>1,619</u>	<u>829</u>

Source: Naugatuck Valley Savings and Loan Association, S.B.'s audited financial statements

EXHIBIT 5

Selected Financial Information At March 31, 2004, and At December 31, 1999 through 2003

Selected Financial Condition Data:	At March 31, 2004	At December 31,				
	2003	2002	2001	2000	1999	
	(In thousands)					
Total assets	\$ 242,148	\$ 243,956	\$ 227,998	\$ 201,105	\$ 177,449	\$ 169,710
Securities held-to-maturity	2,511	1,561	1,364	596	723	1,004
Securities available-for-sale	30,403	37,166	32,512	20,407	12,132	11,784
Loans receivable, net	182,311	180,378	166,046	158,456	145,831	138,171
Cash and cash equivalents	11,918	9,775	18,158	12,643	11,242	10,748
Deposits	187,474	183,455	173,231	156,662	136,452	131,153
FHLB advances	30,138	34,990	31,119	23,372	22,036	21,690
Total capital	21,656	21,217	19,850	17,497	15,984	14,135

Source: Naugatuck Valley Financial Corporation's Prospectus

EXHIBIT 6

Income and Expense Trends For the Three Months Ended March 31, 2003 and 2004, and For the Years Ended December 31, 1999 through 2003

	For the Three Months Ended March 31,		At December 31,				
	2004	2003	2003	2002	2001	2000	1999
	(In thousands)						
Operating Data:							
Interest and dividend income	\$ 3,026	\$ 3,256	\$ 12,644	\$ 13,178	\$ 12,631	\$ 12,318	\$ 11,358
Interest expense	936	1,172	4,241	5,299	6,178	5,923	5,272
Net interest income	2,090	2,084	8,403	7,879	6,453	6,395	6,086
Provision for loan losses	—	45	45	231	80	73	110
Net interest income after provision for loan losses	2,090	2,039	8,358	7,648	6,373	6,322	5,976
Noninterest income	333	257	1,115	972	743	601	523
Noninterest expense	1,879	1,650	6,845	5,820	5,392	4,497	4,157
Income before provision for income taxes	544	646	2,628	2,800	1,724	2,426	2,342
Provision for income taxes	166	217	822	880	542	807	1,513
Net income	<u>\$ 378</u>	<u>\$ 429</u>	<u>\$ 1,806</u>	<u>\$ 1,920</u>	<u>\$ 1,182</u>	<u>\$ 1,619</u>	<u>\$ 829</u>

Source: Naugatuck Valley Financial Corporation's Prospectus

EXHIBIT 7

Normalized Earnings Trends For the Twelve Months Ended March 31, 2004 and the Fiscal Year Ended December 31, 2003

	Twelve Months Ended March 31, 2004	Year Ended December 31, 2003
	(In thousands)	
Net income before taxes	\$ 2,516	2,628
Expense adjustments		
Loss on foreclosed real estate	(36)	--
Income adjustments		
Gain on sale of investments	(24)	--
Normalized earnings before taxes	2,456	2,628
Taxes	<u>759</u> ⁽¹⁾	<u>822</u>
Normalized earnings after taxes	<u>\$ 1,697</u>	<u>1,806</u>

⁽¹⁾ Based on tax rate of 30.9 percent.

Source: Naugatuck Valley's audited and unaudited financial statements

EXHIBIT 8

Performance Indicators At or for The Three Months Ended March 31, 2003 and 2004, and At or for the Years Ended December 31, 1999 through 2003

	Three Months Ended		Years Ended				
	March 31,		December 31,				
	2004	2003	2003	2002	2001	2000	1999
Performance Ratios ⁽¹⁾:							
Return on average assets	0.63%	0.76%	0.77%	0.91%	0.65%	0.96%	0.50%
Return on average equity	6.99%	8.45%	8.59%	10.23%	6.95%	10.71%	5.98%
Interest rate spread ⁽²⁾	3.72%	3.81%	3.77%	3.77%	3.50%	3.78%	3.64%
Net interest margin ⁽³⁾	3.77%	3.92%	3.85%	3.90%	3.71%	3.98%	3.88%
Noninterest expense to average assets	3.16%	2.94%	2.94%	2.75%	2.96%	2.68%	2.49%
Efficiency ratio ⁽⁴⁾	77.20%	70.21%	71.62%	65.20%	74.43%	63.58%	62.01%
Average interest-earning assets to average interest-bearing liabilities	102.93%	104.77%	103.69%	105.20%	105.87%	105.57%	107.34%
Average equity to average assets	9.08%	9.04%	9.02%	8.86%	9.35%	9.01%	8.31%
Capital Ratios:							
Total capital to risk-weighted assets	16.26%	16.27%	16.21%	15.37%	14.74%	15.50%	15.13%
Tier 1 capital to risk-weighted assets	15.01%	15.02%	14.96%	14.12%	13.47%	14.25%	13.88%
Tier 1 capital to average assets	8.83%	8.59%	8.64%	8.30%	8.40%	8.83%	8.25%
Asset Quality Ratios:							
Allowance for loan losses as a percent of total loans	0.98%	1.17%	0.99%	1.19%	1.16%	1.18%	1.38%
Allowance for loan losses as a percent of nonperforming loans	213.31%	206.17%	199.78%	162.91%	144.66%	171.14%	130.22%
Net charge-offs (recoveries) to average outstanding loans during the period	0.00%	0.02%	0.13%	0.05%	(0.02)%	0.18%	0.34%
Nonperforming loans as a percent of total loans	0.46%	0.57%	0.50%	0.73%	0.80%	0.69%	1.06%
Nonperforming assets as a percent of total assets	0.40%	0.44%	0.46%	0.58%	0.72%	0.65%	1.11%

⁽¹⁾ Performance ratios for the three months ended March 31, 2004 and 2003 are annualized.

⁽²⁾ Represents the difference between the weighted average yield on average interest-earning assets and the weighted average cost of interest-bearing liabilities.

⁽³⁾ Represents net interest income as a percent of average interest-earning assets.

⁽⁴⁾ Represents noninterest expense divided by the sum of net interest income and noninterest income, excluding gains or losses on the sale of securities.

Source: Naugatuck Valley Financial Corporation's Prospectus

EXHIBIT 9

Volume/Rate Analysis For the Three Months Ended March 31, 2003 and 2004, and For the Years Ended December 31, 2002 and 2003

	Three Months Ended March 31, 2004 vs. 2003			Years Ended December 31, 2003 vs 2002			Years Ended December 31, 2002 vs 2001					
	Increase (Decrease) Due to	Volume (Dollars in thousands)	Rate (Dollars in thousands)	Total	Increase (Decrease) Due to	Volume (Dollars in thousands)	Rate (Dollars in thousands)	Total	Increase (Decrease) Due to	Volume (Dollars in thousands)	Rate (Dollars in thousands)	Total
Interest income:												
Loans	\$ 246	\$ (428)	\$ (182)	\$ (789)	\$ 171	\$ (960)	\$ (789)	\$ 828	\$ (617)	\$ 211		
Fed Funds sold	(5)	(3)	(8)	8	15	(7)		97	(140)	(43)		
Investment securities	(16)	(21)	(37)	250	392	(142)		497	(90)	407		
Federal Home Loan Bank stock	2	(5)	(3)	(3)	8	(11)		5	(33)	(28)		
Total interest income	\$ 227	\$ (457)	\$ (230)	\$ (534)	\$ 586	\$ (1,120)		\$ 1,427	\$ (880)	\$ 547		
Interest expense:												
Certificate accounts	\$ (28)	\$ (175)	\$ (203)	\$ (870)	\$ 26	\$ (896)	\$ (870)	\$ 260	\$ (1,329)	\$ (1,069)		
Regular savings accounts	6	(32)	(26)	(152)	40	(192)		53	(188)	(135)		
Checking and NOW accounts	(2)	(11)	(13)	(18)	9	(27)		88	(129)	(41)		
Money market savings accounts	186	(193)	(7)	(26)	(198)	172		83	(29)	54		
Total deposit expense	\$ 162	\$ (411)	\$ (249)	\$ (1,066)	\$ (123)	\$ (943)		\$ 484	\$ (1,675)	\$ (1,191)		
FHLB advances	33	(20)	13	8	50	(42)		425	(113)	312		
Total interest expense	195	(431)	(236)	(1,058)	(73)	(985)		909	(1,788)	(879)		
Net interest income	\$ 32	\$ (26)	\$ 6	\$ 524	\$ 659	\$ (135)		\$ 518	\$ 908	\$ 1,426		

EXHIBIT 10

Yield and Cost Trends At March 31, 2004, and For the Three Months Ended March 31, 2003 and 2004, and For the Years Ended December 31, 2001, 2002 and 2003

	At March 31, 2004		Three Months Ended March 31, 2003		Years ended December 31,				
					2003		2002		2001
	Yield/ Cost	Yield/ Cost	Yield/ Cost	Yield/ Cost	Yield/ Cost	Yield/ Cost	Yield/ Cost	Yield/ Cost	Yield/ Cost
Assets:									
Interest-earning assets:									
Loans	5.74%	5.89%	6.75%	6.43%	6.99%	7.56%			
Fed Funds sold	0.90%	0.88%	1.10%	1.06%	1.58%	3.95%			
Investment securities	3.91%	3.86%	4.11%	3.78%	4.46%	5.12%			
Federal Home Loan Bank stock	2.15%	2.28%	3.33%	3.07%	3.63%	5.98%			
Total interest-earning assets	5.32%	5.46%	6.12%	5.79%	6.53%	7.27%			
Liabilities and equity:									
Interest-bearing liabilities:									
Certificate accounts	2.15%	2.10%	2.91%	2.57%	3.57%	5.04%			
Regular savings accounts	0.39%	0.45%	0.76%	0.56%	1.02%	1.51%			
Checking and NOW accounts	0.16%	0.19%	0.40%	0.27%	0.38%	0.70%			
Money market savings accounts	0.91%	0.89%	1.31%	1.03%	1.65%	2.15%			
Total interest-bearing deposits	1.22%	1.23%	1.87%	1.56%	2.34%	3.46%			
FHLB advances	4.77%	4.78%	5.12%	5.02%	5.68%	6.51%			
Total interest-bearing liabilities	1.71%	1.74%	2.31%	2.01%	2.76%	3.76%			
Interest rate spread	3.61%	3.72%	3.81%	3.77%	3.77%	3.50%			
Net interest margin	3.73%	3.77%	3.92%	3.85%	3.90%	3.71%			
Average interest-earning assets to average interest-bearing liabilities	102.40%	102.93%	104.77%	103.69%	105.20%	105.87%			

EXHIBIT 11

Gap Analysis
At March 31, 2004

	Within Six Months	6 Months to One Year	1-3 Years	3-5 Years	5-10 Years	Over 10 Years	Total
	(In thousands)						
Interest-earning assets:							
Fixed-rate mortgage loans	\$ 2	\$ 5	\$ 208	\$ 1,134	\$ 7,263	\$ 102,247	\$ 110,859
Adjustable-rate mortgage loans	4,042	4,199	3,153	3,704	8,362	--	23,460
Other loans	30,749	3,015	5,695	5,327	6,076	1,559	52,421
Investment securities and interest-bearing deposits	7,491	5,076	12,320	1,634	4,987	906	32,414
Total interest-earning assets	\$ 42,284	\$ 12,295	\$ 21,376	\$ 11,799	\$ 26,688	\$ 104,712	\$ 219,154
Interest-bearing liabilities:							
Regular savings and NOW accounts	--	--	--	--	--	\$ 76,040	\$ 76,040
Money market deposit accounts	\$ 25,003	--	--	--	--	--	25,003
Certificates of deposit	35,665	\$ 16,874	\$ 18,819	\$ 15,073	--	--	86,431
FHLB advances	3,650	1,750	6,250	8,878	\$ 9,610	--	30,138
Total interest-bearing liabilities	\$ 64,318	\$ 18,624	\$ 25,069	\$ 23,951	\$ 9,610	\$ 76,040	\$ 217,612
Interest rate sensitivity gap	\$ (22,034)	\$ (6,329)	\$ (3,693)	\$ (12,152)	\$ 17,078	\$ 28,672	\$ 1,542
Cumulative interest rate sensitivity gap	\$ (22,034)	\$ (28,363)	\$ (32,056)	\$ (44,208)	\$ (27,130)	\$ 1,542	
Cumulative interest rate sensitivity gap ratio	65.74%	65.80%	70.32%	66.50%	80.84%	100.71%	
Interest rate sensitivity gap to total assets	(9.10)%	(2.61)%	(1.53)%	(5.02)%	7.05%	11.84%	
Ratio of cumulative interest rate sensitivity gap to total assets	(9.10)%	(11.71)%	(13.24)%	(18.26)%	(11.20)%	0.64%	

Source: Naugatuck Valley Financial Corporation's Prospectus

EXHIBIT 12

Loan Portfolio Composition At March 31, 2004 and At December 31, 1999 through 2003

	At March 31, 2004		2003		2002		2001		2000		1999	
	Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent
(Dollars in thousands)												
Real estate loans:												
Residential	\$ 130,057	69.65%	\$ 131,353	70.98%	\$ 132,134	77.85%	\$ 126,482	78.07%	\$ 123,170	82.41%	\$ 122,452	86.41%
Construction	14,790	7.92%	14,094	7.62%	6,888	4.06%	6,526	4.03%	4,762	3.19%	3,078	2.17%
Multi-family and commercial real estate	15,281	8.18%	14,273	7.71%	10,285	6.06%	7,172	4.42%	2,599	1.74%	773	0.55%
Commercial business loans	4,215	2.26%	4,240	2.29%	1,693	1.00%	875	0.54%	520	0.35%	194	0.14%
Consumer loans:												
Savings accounts	585	0.31%	592	0.32%	519	0.31%	738	0.46%	596	0.40%	644	0.45%
Personal	183	0.10%	139	0.08%	153	0.08%	116	0.07%	126	0.08%	361	0.25%
Automobile	121	0.06%	143	0.08%	181	0.11%	291	0.18%	508	0.34%	518	0.37%
Home equity	21,508	11.52%	20,212	10.92%	17,873	10.53%	19,815	12.23%	17,170	11.49%	13,696	9.66%
Total loans	186,740	100.00%	185,046	100.00%	169,726	100.00%	162,015	100.00%	149,451	100.00%	141,716	100.00%
Less: Allowance for loan losses	1,811		1,810		1,994		1,856		1,749		1,935	
Undisbursed construction loans	2,191		2,519		1,168		1,071		1,260		988	
Deferred loan origination fees	427		339		518		632		611		622	
Loans receivable, net	\$ 182,311		\$ 180,378		\$ 166,046		\$ 158,456		\$ 145,831		\$ 138,171	

Source: Naugatuck Valley Financial Corporation's Prospectus

EXHIBIT 13

**Loan Maturity Schedule
At March 31, 2004**

Term of Maturity:	Real Estate	Commercial	Consumer	Total Loans
	Loans	Business Loans	Loans	
	(In thousands)			
One year or less	\$ 30,085	\$ 2,740	\$ 14,256	\$ 47,081
More than one to five years	14,998	1,406	1,442	17,846
More than five years	115,045	69	6,699	121,813
Total	<u>\$ 160,128</u>	<u>\$ 4,215</u>	<u>\$ 22,397</u>	<u>\$ 186,740</u>

Due after March 31, 2005

	Fixed	Adjustable	Total
	Rates	Rates	
	(In thousands)		
Real estate loans:			
Residential	\$ 99,941	\$ 13,509	\$ 113,450
Construction	5,505	520	6,025
Multi-family and commercial real estate	1,814	8,754	10,568
Commercial business loans	810	665	1,475
Consumer loans	7,991	150	8,141
Total loans	<u>\$116,061</u>	<u>\$23,598</u>	<u>\$ 139,659</u>

Source: Naugatuck Valley Financial Corporation's Prospectus

EXHIBIT 14

Loan Originations and Purchases For The Three Months Ended March 31, 2003 and 2004, and For the Years Ended December 31, 2001 through 2003

	For the Three Months Ended March 31,		Years Ended December 31,		
	2004	2003	2003 (In thousands)	2002	2001
Total loans at beginning of period	\$ 185,046	\$ 169,726	\$ 169,726	\$ 162,015	\$ 149,451
Loans originated:					
Real estate					
Residential	5,701	15,066	64,689	41,395	35,053
Construction	2,812	3,088	13,489	7,844	7,722
Multi-family and commercial real estate	590	622	5,365	3,823	8,266
Commercial business	978	582	3,196	976	970
Consumer loans	3,621	1,931	14,307	10,255	10,626
Total loans originated	<u>13,702</u>	<u>21,289</u>	<u>101,046</u>	<u>64,293</u>	<u>62,637</u>
Deduct:					
Real estate loan principal repayments	(7,116)	(12,381)	(67,857)	(35,560)	(35,591)
Loan sales	(1,927)	(1,564)	(8,851)	(6,971)	-
Other repayments	<u>(2,965)</u>	<u>(3,481)</u>	<u>(9,018)</u>	<u>(14,051)</u>	<u>(14,482)</u>
Net loan activity	<u>1,694</u>	<u>3,863</u>	<u>15,320</u>	<u>7,711</u>	<u>12,564</u>
Total loans at end of period	<u>\$ 186,740</u>	<u>\$ 173,589</u>	<u>\$ 185,046</u>	<u>\$ 169,726</u>	<u>\$ 162,015</u>

Source: Naugatuck Valley Financial Corporation's Prospectus

EXHIBIT 15

Delinquent Loans At March 31, 2004 and At December 31, 2001, 2002 and 2003

	At March 31,		At December 31,					
	2004		2003		2002		2001	
	30-59 Days Past Due	60-89 Days Past Due						
	(In Thousands)							
Real estate loans	\$ 693	\$ 770	\$ 999	\$ 670	\$ 931	\$ 715	\$ 1,100	\$ 249
Multi-family and commercial real estate	-	-	272	62	-	-	116	-
Commercial business loans	103	-	20	-	-	-	-	-
Consumer loans	1	75	61	75	138	40	113	16
Total loans	<u>\$ 797</u>	<u>\$ 845</u>	<u>\$ 1,352</u>	<u>\$ 807</u>	<u>\$ 1,069</u>	<u>\$ 755</u>	<u>\$ 1,329</u>	<u>\$ 265</u>

Source: Naugatuck Valley Financial Corporation's Prospectus

EXHIBIT 16

Nonperforming Assets At March 31, 2004 and at December 31, 1999 through 2003

	At March 31,	At December 31,				
	2004	2003	2002	2001	2000	1999
	(Dollars in thousands)					
Nonaccrual loans:						
Real estate	\$ 609	\$ 500	\$ 1,041	\$ 1,217	\$ 985	\$ 1,386
Commercial business	240	330	117	--	--	--
Consumer	--	76	66	66	37	100
Total	<u>\$ 849</u>	<u>\$ 906</u>	<u>\$ 1,224</u>	<u>\$ 1,283</u>	<u>\$ 1,022</u>	<u>\$ 1,486</u>
Accruing loans past due 90 days or more:						
Real estate	--	--	--	--	--	--
Commercial business	--	--	--	--	--	--
Consumer	--	--	--	--	--	--
Total	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Total of nonaccrual and 90 days or more past due loans	849	906	1,224	1,283	1,022	1,486
Real estate owned	131	208	108	160	136	391
Other nonperforming assets	--	--	--	--	--	--
Total nonperforming assets	<u>980</u>	<u>1,114</u>	<u>1,332</u>	<u>1,443</u>	<u>1,158</u>	<u>1,877</u>
Troubled debt restructurings	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Troubled debt restructurings and total nonperforming assets	<u>\$ 980</u>	<u>\$ 1,114</u>	<u>\$ 1,332</u>	<u>\$ 1,443</u>	<u>\$ 1,158</u>	<u>\$ 1,877</u>
Total nonperforming loans to total loans	0.46%	0.50%	0.73%	0.80%	0.69%	1.06%
Total nonperforming loans to total assets	0.35%	0.37%	0.54%	0.64%	0.58%	0.88%
Total nonperforming assets and troubled debt restructurings to total assets	0.40%	0.46%	0.58%	0.72%	0.65%	1.11%

Source: Naugatuck Valley Financial Corporation's Prospectus

EXHIBIT 17

Classified Assets At March 31, 2004 and at December 31, 2002 and 2003

	At March 31, 2004	At December 31,	
		2003	2002
		(In thousands)	
Classified Assets:			
Substandard assets	2,595	\$ 2,745	2,756
Doubtful assets	21	23	--
Loss assets	2	--	--
Total classified assets	<u>\$ 2,618</u>	<u>\$ 2,768</u>	<u>\$ 2,756</u>

Source: Naugatuck Valley Financial Corporation's Prospectus

EXHIBIT 18

Allowance for Loan Losses At or for the Three Months Ended March 31, 2003 and 2004 and For the Years Ended December 31, 1999 through 2003

	Three months ended March 31,		Year Ended December 31,				
	2004	2003	2003	2002	2001	2000	1999
	(Dollars in thousands)						
Allowance at beginning of period	\$ 1,810	\$ 1,994	\$ 1,994	\$ 1,856	\$ 1,749	\$ 1,935	\$ 2,276
Provision for loan losses	\$ --	\$ 45	\$ 45	\$ 231	\$ 80	\$ 72	\$ 110
Charge-offs:							
Real estate loans	--	49	265	112	28	280	465
Commercial business loans	--	--	--	--	--	--	--
Consumer loans	--	1	2	5	3	1	5
Total charge-offs	0	50	267	117	31	281	470
Recoveries:							
Real estate loans	1	17	38	23	57	23	18
Commercial business loans	--	--	--	--	--	--	--
Consumer loans	--	--	--	1	1	--	1
Total recoveries	1	17	38	24	58	23	19
Net charge-offs	(1)	33	229	93	(27)	258	451
Allowance at end of period	\$ 1,811	\$ 2,006	\$ 1,810	\$ 1,994	\$ 1,856	\$ 1,749	\$ 1,935
Allowance to nonperforming loans	213.31%	206.17%	199.78%	162.91%	144.66%	171.14%	130.22%
Allowance to total loans outstanding at the end of the period	0.98%	1.17%	0.99%	1.19%	1.16%	1.18%	1.38%
Net charge-offs (recoveries) to average loans outstanding during the period	0.00%	0.02%	0.13%	0.05%	(0.02)%	0.18%	0.34%

Source: Naugatuck Valley Financial Corporation's Prospectus

EXHIBIT 19

Investment Portfolio Composition At March 31, 2004 and At December 31, 2001, 2002 and 2003

	At March 31,		At December 31,						
	2004		2003		2002		2001		
	Amortized Cost	Fair Value							
									(In thousands)
Available-for-sale securities:									
U.S. Government and agency securities	\$ 14,965	\$ 15,505	\$ 22,861	\$ 23,356	\$ 19,912	\$ 20,876	\$ 16,961	\$ 17,374	
Mortgage-backed securities	10,255	10,201	7,865	7,748	2,482	2,512	1,524	1,508	
Collateralized mortgage obligations	4,683	4,697	6,031	6,062	9,044	9,124	1,504	1,525	
Held-to-maturity securities:									
U.S. Government and agency obligations	706	731	706	722	699	730	451	465	
Corporate debt	1,805	1,805	855	855	665	665	--	--	
Mortgage-backed securities	--	--	--	--	--	--	145	146	
Total	\$ 32,414	\$ 32,939	\$ 38,318	\$ 38,743	\$ 32,802	\$ 33,907	\$ 20,585	\$ 21,018	

Source: Naugatuck Valley Financial Corporation's Prospectus

EXHIBIT 20

Mix of Deposits At March 31, 2004 and at December 31, 2001, 2002 and 2003

	At March, 2004	At December 31,		
	2003	2002	2001	
	(Dollars in thousands)			
Certificate accounts	\$ 86,431	\$ 89,283	\$ 89,700	
Regular savings accounts	41,672	36,835	32,744	
Checking and NOW accounts	34,368	28,346	22,898	
Money market savings accounts	25,003	18,767	11,320	
Total	\$ 187,474	\$ 173,231	\$ 156,662	

Source: Naugatuck Valley Financial Corporation's Prospectus

EXHIBIT 21

**Certificates of Deposit By Rate and Maturity
At March 31, 2004**

Interest rate:	Amount Due					Total
	Less Than One Year	More Than One Year to Two Years	More Than Two Years to Three Years	More Than Three Years to Four Years	More Than Four Years to Five Years	
0.00% - 1.00%	\$ 17,097	\$ 19	\$ --	\$ --	\$ --	\$ 17,116
1.01% - 2.00%	26,187	5,948	530	--	--	32,665
2.01% - 3.00%	6,264	3,191	3,072	234	1,109	13,870
3.01% - 4.00%	1,701	1,748	408	4,725	5,359	13,941
4.01% - 5.00%	1,265	1,469	1,491	3,472	174	7,871
5.01% - 6.00%	24	944	--	--	--	968
6.01% - 7.00%	--	--	--	--	--	--
Total	\$ 52,538	\$ 13,319	\$ 5,501	\$ 8,431	\$ 6,642	\$ 86,431

	At December 31,		
	2003	2002	2001
At March 31, 2004	(In thousands)		
0.00-0.99%	\$ 15,170	\$ --	\$ --
1.00-1.99%	34,215	25,103	--
2.00-2.99%	14,026	28,029	16,667
3.00-3.99%	12,953	10,705	24,479
4.00-4.99%	8,546	15,749	26,404
5.00-5.99%	1,282	4,830	10,713
6.00-6.99%	--	4,867	11,437
Total	\$ 86,192	\$ 89,283	\$ 89,700

Source: Naugatuck Valley Financial Corporation's Prospectus

EXHIBIT 22

Deposit Activity For the Three Months Ended March 31, 2003 and 2004 and For the Years Ended December 31, 2001, 2002, and 2003

	Three Months Ended March 31,		Year Ended December 31,		
	2004	2003	2003	2002	2001
	(Dollars in thousands)				
Beginning balance	\$ 183,455	\$ 173,231	\$ 173,231	\$ 156,662	\$ 136,452
Increase before interest credited	3,449	5,548	7,376	12,655	15,105
Interest credited	570	819	2,848	3,914	5,105
Net increase in savings deposits	4,019	6,367	10,224	16,569	20,210
Ending balance	\$ 187,474	\$ 179,598	\$ 183,455	\$ 173,231	\$ 156,662

Source: Naugatuck Valley Financial Corporation's Prospectus

EXHIBIT 23

Borrowed Funds Activity At or For the Three Months Ended March 31, 2003 and 2004, and At or For the Years Ended December 31, 2001, 2002 and 2003

	Three Months Ended March 31,		Year Ended December 31,		
	2004	2003	2003	2002	2001
	(In thousands)				
Maximum amount of advances outstanding at any month end during the period:					
FHLB advances	\$ 30,475	\$ 27,531	\$ 34,990	\$ 31,119	\$ 23,372
Other borrowings	--	--	--	--	--
Average advances outstanding during the period:					
FHLB advances	\$ 30,635	\$ 27,584	\$ 27,765	\$ 24,376	\$ 16,488
Other borrowings	--	--	--	--	--
Weighted average interest rate during the period:					
FHLB advances	4.78%	5.12%	5.02%	5.68%	6.51%
Other borrowings	--	--	--	--	--
Balance outstanding at end of period:					
FHLB advances	\$ 30,138	\$ 27,531	\$ 34,990	\$ 31,119	\$ 23,372
Other borrowings	--	--	--	--	--
Weighted average interest rate at end of period:					
FHLB advances	4.77%	5.05%	4.37%	4.65%	5.12%
Other borrowings	--	--	--	--	--

Source: Naugatuck Valley Financial Corporation's Prospectus

EXHIBIT 24

OFFICES OF NAUGATUCK SAVINGS AND LOAN NAUGATUCK, CONNECTICUT As of March 31, 2004

<u>Location</u>	<u>Owned or Leased</u>	<u>Date of Lease Expiration</u>	<u>Year Opened</u>	<u>Net Book Value as of March 31, 2004 (000)</u>
<i>Main Office</i>				
333 Church Street Naugatuck, Connecticut 06770	Owned	--	1996	\$2,775
<i>Branches:</i>				
1009 New Haven Road Naugatuck, Connecticut 06770	Owned	--	2001	1,368
127 South Main Street Beacon Falls, Connecticut 06403	Owned	--	1997	205
860 Bridgeport Avenue Shelton, Connecticut 06484	Leased	2006	(1) 2001	69
49 Pershing Drive Derby, Connecticut 06418	Leased	2013	(2) 2003	268

(1) We have an option to renew this lease for one additional ten-year period.

(2) We have an option to renew this lease for three additional five-year periods.

Source: Naugatuck Valley Financial Corporation's Prospectus

EXHIBIT 25

DIRECTORS AND MANAGEMENT OF THE BANK At March 31, 2004

<u>Name</u>	<u>Position(s) Held with the Bank</u>	<u>Age ⁽¹⁾</u>	<u>Director Since</u>	<u>Term Expires</u>
Carlos S. Batista	Director	54	1999	2005
Camilo P. Vieira	Director	60	2002	2005
Richard M. Famiglietti	Director	56	2000	2006
Richard D. Lengyel	Director & Chairman	65	1971	2006
James A. Mengacci	Director	45	1988	2007
Michael S. Plude	Director	44	2003	2007
Jane H. Walsh	Director & Senior Vice President	60	2001	2007
John C. Roman	President & Chief Executive Officer & Director	50	1999	2005
<hr/>				
Dominic J. Alegi, Jr.	Executive Vice President	58	--	--
William C. Nimons	Senior Vice President	56	--	--
Lee R. Schlesinger	Senior Vice President	43	--	--

⁽¹⁾ Age as of March 31, 2004

Source: Naugatuck Valley Financial Corporation's Prospectus

EXHIBIT 26

Key Demographic Data and Trends Naugatuck, Fairfield and New Haven Counties, Connecticut and the United States 1990, 2000 and 2008

	1990	2000	% Change	2008	% Change
<u>Population</u>					
Naugatuck	30,625	30,989	1.2%	32,136	3.7%
Fairfield County	827,645	882,567	6.6%	920,391	4.3%
New Haven County	804,219	824,008	2.5%	844,730	2.5%
Connecticut	3,287,116	3,405,565	3.6%	3,528,871	3.6%
United States	248,709,873	281,421,906	13.2%	309,302,654	9.9%
 <u>Households</u>					
Naugatuck	11,328	11,829	4.4%	12,468	5.4%
Fairfield County	305,167	324,232	6.2%	342,063	5.5%
New Haven County	304,169	319,040	4.9%	333,928	4.7%
Connecticut	1,230,243	1,301,670	5.8%	1,375,515	5.7%
United States	91,993,582	105,480,101	14.7%	117,073,982	11.0%
 <u>Per Capita Income</u>					
Naugatuck	\$ 16,691	\$ 22,757	36.3%	--	--
Fairfield County	26,161	38,350	46.6%	--	--
New Haven County	17,666	24,439	38.3%	--	--
Connecticut	20,189	28,766	42.5%	--	--
United States	14,420	21,587	49.7%	--	--
 <u>Median Household Income</u>					
Naugatuck	\$ 39,902	\$ 51,247	28.4%	\$ 62,608	22.2%
Fairfield County	49,891	65,249	30.8%	89,694	37.5%
New Haven County	38,471	48,834	26.9%	61,659	26.3%
Connecticut	41,721	53,935	29.3%	68,740	27.4%
United States	30,056	41,994	39.7%	54,319	29.3%

Source: Census Bureau and ESRI

EXHIBIT 27

Key Housing Data Naugatuck, Fairfield and New Haven Counties, Connecticut and the United States 1990 & 2000

<u>Occupied Housing Units</u>	1990	2000
Naugatuck	11,330	11,829
Fairfield County	305,011	324,232
New Haven County	304,730	319,040
Connecticut	1,230,479	1,301,670
United States	91,947,410	105,480,101
<u>Occupancy Rate</u>		
Naugatuck		
Owner-Occupied	67.1%	66.5%
Renter-Occupied	32.9%	33.5%
Fairfield County		
Owner-Occupied	68.2%	69.2%
Renter-Occupied	31.8%	30.8%
New Haven County		
Owner-Occupied	62.9%	63.1%
Renter-Occupied	37.1%	36.9%
Connecticut		
Owner-Occupied	65.6%	66.8%
Renter-Occupied	34.4%	33.2%
United States		
Owner-Occupied	64.2%	66.2%
Renter-Occupied	35.8%	33.8%
<u>Median Housing Values</u>		
Naugatuck	\$ 142,000	\$ 133,000
Fairfield County	248,300	288,900
New Haven County	164,400	151,900
Connecticut	176,700	166,900
United States	79,098	119,600
<u>Median Rent</u>		
Naugatuck	\$ 578	\$ 631
Fairfield County	709	838
New Haven County	585	666
Connecticut	598	681
United States	374	602

Source: U.S. Census Bureau

EXHIBIT 28

Major Sources of Employment by Industry Group
 Naugatuck, Fairfield and New Haven Counties, Connecticut and the United States
 1990 and 2000

Industry Group	1990			
	Naugatuck	Fairfield County	New Haven County	United States
Agriculture/Mining	0.5%	1.4%	0.9%	1.3%
Construction	6.7%	5.5%	5.5%	4.8%
Manufacturing	29.2%	20.4%	21.1%	19.2%
Transportation/Utilities	5.9%	6.1%	6.9%	5.9%
Wholesale/Retail	20.2%	20.2%	20.2%	27.5%
Finance, Insurance & Real Estate	6.9%	10.3%	7.6%	7.3%
Services	30.6%	36.1%	37.8%	34.0%

Industry Group	2000			
	Naugatuck	Fairfield County	New Haven County	United States
Agriculture/Mining	0.1%	0.3%	0.3%	1.9%
Construction	6.2%	6.5%	5.5%	6.8%
Manufacturing	23.6%	13.2%	15.9%	14.1%
Wholesale/Retail	15.3%	14.3%	14.7%	15.3%
Transportation/Utilities	3.7%	3.2%	4.2%	5.2%
Information	3.3%	4.5%	3.6%	3.1%
Finance, Insurance & Real Estate	5.4%	11.9%	6.8%	6.9%
Services	42.4%	46.1%	49.0%	46.7%

Source: Bureau of the Census

EXHIBIT 29

Unemployment Rates Fairfield and New Haven Counties, Connecticut and the United States 2000, 2001, 2002, 2003 and through April 2004

<u>Location</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>Through March 2004</u>
Fairfield County	1.9%	3.1%	4.0%	4.8%	4.4%
New Haven County	2.5%	3.7%	4.8%	6.0%	5.6%
Connecticut	2.2%	3.3%	4.3%	5.5%	5.2%
United States	4.0%	4.8%	5.8%	6.0%	5.4%

Source: Local Area Unemployment Statistics - U.S. Bureau of Labor

EXHIBIT 30

Market Share of Deposits Market Area June 30, 2003

	<u>Market Area's Deposits (\$000)</u>	<u>Naugatuck Valley's Share (\$000)</u>	<u>Naugatuck Valley's Share (%)</u>
Banks	\$ 17,778,387	---	---
Thrifts	<u>18,580,007</u>	<u>\$ 188,839</u>	<u>1.0%</u>
	<u>\$ 36,358,394</u>	<u>\$ 188,839</u>	<u>0.5%</u>

Source: FDIC

EXHIBIT 31

National Interest Rates by Quarter 2001 - 2004

	1st Qtr. <u>2001</u>	2nd Qtr. <u>2001</u>	3rd Qtr. <u>2001</u>	4th Qtr. <u>2001</u>
Prime Rate	7.50%	6.75%	5.75%	4.75%
90-Day Treasury Bills	4.75%	3.51%	2.95%	1.74%
1-Year Treasury Bills	4.90%	3.70%	3.27%	2.35%
30-Year Treasury Notes	5.92%	5.70%	5.65%	5.62%
	1st Qtr. <u>2002</u>	2nd Qtr. <u>2002</u>	3rd Qtr. <u>2002</u>	4th Qtr. <u>2002</u>
Prime Rate	4.75%	4.75%	4.75%	4.25%
90-Day Treasury Bills	1.72%	1.68%	1.20%	1.05%
1-Year Treasury Bills	1.60%	1.59%	1.25%	1.14%
30-Year Treasury Notes	4.95%	4.94%	4.69%	4.58%
	1st Qtr. <u>2003</u>	2nd Qtr. <u>2003</u>	3rd Qtr. <u>2003</u>	4th Qtr. <u>2003</u>
Prime Rate	4.00%	4.00%	4.00%	4.00%
90-Day Treasury Bills	1.02%	1.00%	1.98%	0.94%
1-Year Treasury Bills	1.13%	1.12%	1.10%	1.11%
30-Year Treasury Notes	4.62%	4.70%	4.78%	4.85%
	1st Qtr. <u>2004</u>			
Prime Rate	4.00%			
90-Day Treasury Bills	0.93%			
1-Year Treasury Bills	1.44%			
30-Year Treasury Notes	5.48%			

Source: The Wall Street Journal

EXHIBIT 32

THRIFT STOCK PRICES AND PRICING RATIOS
PUBLICLY-TRADED, FDIC-INSURED THRIFT INSTITUTIONS
(EXCLUDING MUTUAL HOLDING COMPANIES)
AS OF MAY 21, 2004

		PER SHARE										PRICING RATIOS		
State	Exchange	Latest Price (\$)	All Time High (\$)	All Time Low (\$)	Monthly Change (%)	Quarterly Change (%)	Earnings (\$)	Assets (\$)	12 Month Div. (\$)	Price/Earnings (X)	Price/Bk. Value (%)	Price/Assets (%)	Price/Core Earnings (X)	
AKPB	Alaska Pacific Bancshares Inc.	18.850	26.000	18.300	-8.05	-23.99	1.00	262.32	0.28	20.05	76.44	7.19	20.05	
SIYF	Security Federal Bancorp Inc.	16.500	17.000	12.250	6.45	6.45	NA	NA	NA	NA	NA	NA	NA	
SRNN	Southern Banc Co.	16.400	19.000	14.500	-2.09	0.92	0.84	113.39	0.35	20.25	84.37	14.46	24.59	
SZB	SouthFirst Bancshares Inc.	16.000	17.800	13.450	-2.44	-4.76	0.19	185.25	0.60	NM	97.26	8.52	177.05	
FFBH	First Federal Bancshares of AR	20.000	21.500	14.380	8.23	-3.61	1.41	131.19	0.36	14.93	140.65	15.25	14.93	
HCBB	HCB Bancshares Inc.	18.220	20.130	15.840	0.83	0.61	0.38	157.62	0.36	52.06	92.40	11.56	53.43	
PFSL	Pocahontas Bancorp Inc.	17.330	18.110	11.590	0.46	8.31	1.23	163.93	0.32	13.43	148.63	10.57	19.19	
BYFC	Broadway Financial Corp.	13.100	15.000	10.750	-0.08	-5.76	0.89	168.57	0.15	15.78	164.22	7.82	15.79	
CCBI	Commercial Capital Bancorp	16.400	23.980	6.475	-8.28	-18.68	0.79	65.10	0.00	22.47	433.86	25.19	24.40	
DSL	Downey Financial Corp.	50.500	55.490	39.740	4.06	-5.63	2.88	483.84	0.37	17.53	152.71	10.44	17.74	
FPTB	First PacTrust Bancorp Inc.	21.620	24.326	18.160	6.55	-8.93	0.91	135.58	0.30	23.76	117.37	14.44	23.76	
FED	FirstFed Financial Corp.	40.350	49.050	31.820	-1.78	-6.88	3.76	302.67	0.00	10.99	152.49	13.33	10.99	
GDW	Golden West Financial	104.330	116.910	75.750	2.46	-5.17	7.53	567.93	0.37	14.10	254.77	18.37	14.60	
HWFG	Harrington West Finl Grp Inc	16.720	18.000	10.150	-2.22	7.01	1.50	191.14	0.27	11.69	178.44	8.75	NA	
HTHR	Hawthorne Financial Corp.	31.770	45.730	19.340	-7.91	-17.31	2.29	232.64	0.00	15.06	195.75	13.66	NA	
NDE	IndyMac Bancorp Inc.	31.610	37.440	21.170	1.31	-5.33	3.17	250.87	0.70	10.36	173.11	12.60	10.41	
MLGF	Malaga Financial Corporation	11.250	14.286	7.886	0.53	7.39	0.90	77.20	NA	13.39	189.39	14.57	NA	
PPBI	Pacific Premier Bancorp	10.640	15.250	6.020	-2.65	-22.22	1.89	70.94	0.00	8.94	164.71	17.86	10.25	
PFB	PFF Bancorp Inc.	38.200	40.610	25.271	5.29	6.11	2.64	221.35	0.59	15.10	199.69	17.25	15.53	
PROV	Provident Financial Holdings	25.000	26.000	18.753	3.05	7.76	2.28	190.68	0.27	11.79	163.83	13.11	11.79	
QCBC	Quaker City Bancorp Inc.	54.670	55.090	37.310	0.02	27.14	3.58	288.12	0.60	15.76	230.00	18.97	15.75	
SNLS	San Luis Trust Bank FSB	78.600	85.000	18.750	45.56	121.41	NA	NA	NA	NA	NA	NA	NA	
UPFC	United PanAm Financial Corp.	14.550	19.640	8.960	-7.91	-21.14	0.89	102.57	0.00	19.14	216.01	14.19	20.08	
WES	Westcorp	42.600	45.570	22.500	-2.76	0.26	3.12	284.67	0.53	13.88	190.69	14.96	NA	
HCBC	High Country Bancorp Inc.	29.050	34.500	26.500	-4.75	-6.89	2.28	214.67	0.75	20.75	143.29	13.53	13.64	
MTXC	Matrix Bancorp Inc.	11.790	11.960	8.000	4.43	7.18	0.55	269.03	0.00	43.67	107.87	4.38	NA	
NABC	NewAlliance Bancshares Inc.	13.750	15.720	12.920	-0.72	NA	NA	NA	0.00	NA	NA	NA	NA	
NMIL	NewMill Bancorp Inc.	28.490	29.842	19.950	-2.90	-3.13	1.87	169.30	0.77	15.92	220.85	16.83	15.95	
IFSB	Independence Federal Svgs Bank	20.410	25.490	14.091	-2.02	-12.55	-1.61	136.50	0.00	NM	155.56	14.95	NM	
WSFS	WSFS Financial Corp.	46.640	52.310	36.100	-1.19	-5.42	3.11	304.43	0.20	15.55	173.06	15.32	16.29	
BBX	BankAtlantic Bancorp Inc.	15.090	19.750	10.570	-0.72	-13.33	1.02	80.23	0.13	13.46	207.85	18.80	14.17	
BKUNA	BankUnited Financial Corp.	25.490	30.250	18.150	-1.39	-7.07	1.51	255.55	0.00	18.08	161.64	9.99	19.33	
FDT	Federal Trust Corp.	8.070	8.250	5.590	0.88	9.05	0.44	72.46	0.06	18.34	191.69	10.91	19.02	

THRIFT STOCK PRICES AND PRICING RATIOS
PUBLICLY-TRADED, FDIC-INSURED THRIFT INSTITUTIONS
 (EXCLUDING MUTUAL HOLDING COMPANIES)
 AS OF MAY 21, 2004

	State	Exchange	PER SHARE				PRICING RATIOS							
			Latest Price (\$)	All Time High (\$)	All Time Low (\$)	Monthly Change (%)	Quarterly Change (%)	12 Month Div. (\$)	Price/Earnings (X)	Price/Bk. Value (%)	Price/Assets (%)	Price/Core Earnings (X)		
FFLC	FL	NASDAQ	25.435	30.950	24.860	-7.51	-7.84	1.68	181.94	0.49	15.42	173.97	13.98	15.42
FFL	FL	NASDAQ	34.260	38.450	20.510	1.63	-6.65	1.27	215.05	0.40	27.41	267.87	15.93	25.84
FCFL	FL	NASDAQ	20.000	26.190	11.080	-10.11	25.00	0.86	90.53	0.00	NA	192.96	19.36	NA
HARB	FL	NASDAQ	26.690	31.500	23.400	-5.12	-4.85	1.73	106.87	0.58	15.79	232.29	24.97	16.32
EBDC	GA	OTC BB	1.050	2.000	0.850	3.96	-7.89	-0.36	35.88	0.00	NM	177.36	3.09	NM
NTBK	GA	NASDAQ	10.600	15.550	9.920	-4.93	-12.76	1.04	93.04	0.08	10.39	114.84	11.39	11.66
FFSX	IA	NASDAQ	22.900	25.240	17.500	0.48	-2.55	1.52	167.29	0.34	15.47	119.83	13.69	15.51
CASH	IA	NASDAQ	23.500	24.500	18.140	0.26	1.08	1.72	304.24	0.52	13.74	121.64	7.73	16.63
HZFS	IA	OTC BB	14.250	18.000	12.250	-10.38	-18.57	1.66	124.81	0.22	8.69	97.67	11.42	9.55
FFFD	IA	NASDAQ	38.000	39.250	33.640	2.95	4.11	3.52	279.32	0.88	11.41	145.82	13.61	11.41
AFBA	IL	OTC BB	15.700	18.100	13.100	-7.65	-4.85	0.87	232.05	0.00	17.64	86.88	6.77	18.16
BPLS	IL	OTC BB	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
CFSL	IL	NASDAQ	27.870	27.870	20.650	4.97	7.73	0.63	93.12	0.30	46.45	144.40	29.92	46.45
CFSB	IL	NASDAQ	25.000	28.500	19.999	2.25	10.62	1.06	229.97	0.40	25.77	112.16	10.87	NA
ESDF	IL	Pink Sheet	33.000	33.000	33.000	0.00	0.00	1.65	378.11	0.25	20.00	73.33	8.73	31.34
EFC	IL	AMEX	24.600	28.490	18.010	-8.72	-6.99	1.78	199.24	0.59	14.56	139.69	12.33	15.95
FBTC	IL	NASDAQ	25.990	27.500	19.800	-1.92	4.17	1.47	183.07	0.40	18.56	119.68	14.20	19.89
FFBI	IL	NASDAQ	33.410	36.000	22.200	2.64	1.24	1.58	178.36	0.44	22.73	145.36	18.73	39.29
FSFF	IL	NASDAQ	35.160	35.400	24.800	0.57	0.60	2.29	122.41	0.63	16.35	151.88	26.38	16.05
GTPS	IL	NASDAQ	32.000	36.750	28.300	-7.25	-5.88	1.80	208.22	0.44	19.75	136.40	15.37	19.75
HMLK	IL	NASDAQ	29.000	31.750	26.500	0.52	0.97	1.86	329.20	0.65	17.16	118.61	8.31	25.41
MAFB	IL	NASDAQ	43.120	44.950	35.080	0.23	-1.44	3.27	275.79	0.75	13.56	155.16	15.64	14.04
MCPH	IL	OTC BB	37.500	40.000	28.000	0.00	-5.06	2.66	411.69	0.66	14.10	119.66	9.11	14.96
NBSI	IL	NASDAQ	22.240	23.460	12.750	-0.67	59.11	0.32	116.84	0.38	69.50	188.63	19.03	80.61
PFED	IL	NASDAQ	31.110	35.050	24.700	2.00	-1.46	2.24	233.88	0.60	15.10	109.77	12.38	16.69
RFBK	IL	Pink Sheet	16.000	24.000	12.400	-7.78	-11.11	NA	169.56	0.00	NM	126.46	9.44	NA
UMBR	IL	OTC BB	2.000	5.100	0.750	42.86	-33.33	NA	NA	NA	NA	NA	NA	NA
AMFR	IN	NASDAQ	17.000	19.360	13.120	-5.29	-2.30	1.22	156.18	0.21	15.32	129.97	10.89	16.47
ASBI	IN	NASDAQ	14.810	18.000	13.000	-10.68	-8.92	0.68	135.71	0.64	22.10	118.29	10.92	NM
BRBI	IN	NASDAQ	6.050	7.000	4.350	-0.49	-3.35	0.13	59.31	0.00	46.54	124.00	10.20	NA
CITZ	IN	NASDAQ	13.070	15.200	12.970	-8.35	-12.75	0.37	126.49	0.44	37.34	101.40	10.33	55.62
CSFC	IN	OTC BB	26.000	29.450	19.750	-4.59	-5.45	3.24	263.61	0.25	9.70	124.52	9.86	10.05
FFWC	IN	NASDAQ	22.950	26.120	18.180	4.27	-12.14	1.89	183.77	0.63	12.41	123.14	12.49	12.61

THRIFT STOCK PRICES AND PRICING RATIOS
PUBLICLY-TRADED, FDIC-INSURED THRIFT INSTITUTIONS
 (EXCLUDING MUTUAL HOLDING COMPANIES)
 AS OF MAY 21, 2004

	State	Exchange	PER SHARE										PRICING RATIOS		
			Latest Price (\$)	All Time High (\$)	All Time Low (\$)	Monthly Change (%)	Quarterly Change (%)	Earnings (\$)	Assets (\$)	12 Month Div. (\$)	Price/Earnings (X)	Price/Bk. Value (%)	Price/Assets (%)	Price/Core Earnings (X)	
FFED	IN	NASDAQ	1.800	2.550	1.100	2.86	-10.00	0.02	19.74	0.00	NM	111.11	9.12	118.18	
FBEI	IN	NASDAQ	20.350	23.400	17.200	5.28	-2.82	0.97	131.61	0.50	22.87	108.69	15.46	23.02	
FCAP	IN	NASDAQ	23.500	25.000	17.950	0.00	2.17	1.30	143.87	0.56	17.94	152.25	16.33	18.73	
HFSK	IN	Pink Sheet	12.500	14.000	11.250	4.17	-7.41	0.91	122.22	0.39	13.89	118.93	10.23	14.58	
HBBI	IN	OTC BB	23.800	24.000	19.000	-0.83	8.18	1.54	195.56	0.41	16.53	93.08	12.17	15.56	
HWEN	IN	NASDAQ	6.110	6.400	4.750	13.15	0.16	0.25	44.04	0.12	24.44	117.27	13.88	17.67	
LNCB	IN	NASDAQ	16.840	21.520	16.120	-9.80	-18.80	0.90	131.35	0.50	19.58	92.58	12.82	19.02	
LOGN	IN	NASDAQ	19.050	22.450	17.530	-11.19	-13.41	1.59	175.61	0.56	12.21	100.35	10.85	13.80	
LSBI	IN	NASDAQ	24.300	28.000	22.070	-2.80	-8.30	2.18	244.80	0.52	11.68	114.25	9.75	11.68	
MFBC	IN	NASDAQ	35.000	35.000	24.810	14.68	7.69	1.67	320.93	0.45	22.01	131.53	10.91	22.01	
MFSF	IN	NASDAQ	22.500	29.210	21.300	-2.17	-11.07	1.64	155.68	0.43	14.24	120.91	14.45	14.25	
NEIB	IN	NASDAQ	21.350	22.150	16.850	-0.70	1.18	1.31	149.41	0.54	16.68	116.35	14.29	16.90	
NWIN	IN	OTC BB	31.850	33.000	26.010	-0.16	5.29	2.16	190.17	1.21	14.95	207.22	16.75	15.31	
PFDC	IN	NASDAQ	25.600	28.000	19.800	0.39	2.44	1.55	147.24	0.67	16.84	134.52	17.38	16.84	
PBNC	IN	NASDAQ	19.500	20.800	16.800	-2.99	-4.83	0.60	80.25	0.30	31.97	106.74	24.30	31.81	
RIVR	IN	NASDAQ	23.010	30.250	16.825	4.59	-14.14	1.67	154.90	0.60	14.47	165.78	14.85	14.49	
SOSI	IN	NASDAQ	5.989	13.590	5.650	-17.40	-28.28	-7.64	163.70	0.34	NM	76.05	3.66	NM	
UCBC	IN	NASDAQ	17.750	19.600	16.150	3.44	-3.01	1.10	126.15	0.60	16.28	104.11	14.07	16.28	
FFSL	KS	Pink Sheet	18.000	19.000	14.200	3.75	-2.70	1.21	179.14	0.56	15.00	107.27	10.05	15.00	
CKFB	KY	NASDAQ	15.250	18.040	11.625	-4.21	-5.34	1.16	100.17	0.48	13.50	147.59	15.22	13.50	
CFBC	KY	OTC BB	15.000	20.000	12.000	-9.09	-23.08	NA	153.18	0.00	NA	98.98	9.79	NA	
FKKY	KY	NASDAQ	21.610	24.400	18.570	-9.69	-8.04	0.81	108.93	1.12	28.06	154.80	19.83	28.06	
HFFB	KY	NASDAQ	20.000	25.000	15.400	3.90	-16.67	0.80	146.69	0.60	25.00	114.84	13.63	25.47	
HFBC	KY	NASDAQ	17.190	18.500	15.500	0.88	-6.77	0.95	149.02	0.48	18.09	128.00	11.54	19.92	
FPBF	LA	OTC BB	21.520	23.000	17.750	-6.43	-6.43	1.89	321.61	0.65	11.82	86.39	6.69	11.82	
GLBP	LA	OTC BB	15.100	22.000	15.100	-8.48	-16.11	0.62	116.66	0.35	27.45	74.49	12.94	24.35	
GSLA	LA	NASDAQ	19.640	20.000	18.000	1.97	0.20	0.58	164.56	0.40	53.08	87.44	11.94	NM	
HSTD	LA	Pink Sheet	11.500	14.250	11.500	-9.80	-15.44	NA	NA	NA	NA	NA	NA	NA	
TSH	LA	AMEX	35.600	41.500	29.580	3.19	-10.66	2.81	255.83	0.70	13.64	137.45	13.91	13.72	
BHL	MA	AMEX	34.750	39.200	24.660	2.21	-7.46	1.86	212.89	0.48	20.20	161.33	16.32	23.12	
BFD	MA	AMEX	30.000	38.300	24.000	-9.64	-14.04	1.28	368.43	0.64	24.59	142.05	8.14	26.94	
BRKL	MA	NASDAQ	14.220	16.250	13.730	-0.28	-8.26	0.34	27.00	0.74	41.82	140.65	52.70	45.38	
CEBK	MA	NASDAQ	34.520	38.000	31.600	-7.53	-4.11	1.89	294.58	0.48	18.36	132.26	11.72	18.96	

THRIFT STOCK PRICES AND PRICING RATIOS
PUBLICLY-TRADED, FDIC-INSURED THRIFT INSTITUTIONS
 (EXCLUDING MUTUAL HOLDING COMPANIES)
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FCB	HFS	LSBX	MASB	MFLR	MYST	SCFS	WRO	ABKD	BUCS	SVBI	WSB	NBN	CTZN	FBC	MCBF	STBI	FFHH	HMNF	WEFC	CCFC	FBSI	PULB	SMBC	CSBC	CDLC	KSAV	MTUC	SSFC	AFSF	CFB	TONE	State	Exchange	PER SHARE				PRICING RATIOS								
																																		Latest Price (\$)	All Time High (\$)	All Time Low (\$)	Monthly Change (%)	Quarterly Change (%)	Earnings (\$)	Assets (\$)	12 Month Div. (\$)	Price/Earnings (X)	Price/Bk. Value (%)	Price/Assets (%)	Price/Core Earnings (X)	
Falmouth Bancorp Inc.	Hingham Instit. for Savings	LSB Corp.	MASSBANK Corp.	Mayflower Co-operative Bank	Mystic Financial Inc.	Seacoast Financial Services	Woronoco Bancorp Inc.	American Bank Holdings Inc.	BUCS Financial Corp	Severn Bancorp Inc.	Washington Savings Bank FSB	Northeast Bancorp	Citizens First Bancorp Inc.	Flagstar Bancorp Inc.	Monarch Community Bancorp Inc	Sturgis Bancorp	FSF Financial Corp.	HMN Financial Inc.	Wells Financial Corp.	CCSB Financial Corp.	First Bancshares Inc.	Pulaski Financial Corp.	Southern Missouri Bancorp Inc.	Citizens South Banking Corp.	Coddle Creek Financial Corp.	KS Bancorp Inc.	Mutual Community Savings Bank	South Street Financial Corp.	AFS Financial Corp.	Commercial Federal Corp.	TierOne Corp.	MA	AMEX	36.390	39.000	24.500	-0.57	-2.96	0.48	173.08	0.52	NM	191.30	21.02	96.03	
																																MA	NASDAQ	40.750	44.969	34.400	0.62	3.11	3.17	235.28	0.91	13.02	200.84	17.32	13.13	
																																	MA	NASDAQ	15.170	18.250	13.450	-12.01	-16.19	1.03	112.28	0.49	15.17	117.05	13.51	22.34
																																	MA	NASDAQ	33.000	44.270	29.950	-6.57	-19.22	1.79	227.23	0.94	18.86	129.11	14.52	20.20
																																	MA	NASDAQ	15.200	21.000	11.073	-11.16	-16.02	1.00	101.95	0.40	16.00	174.11	14.90	17.09
																																	MA	NASDAQ	28.100	33.470	18.810	-13.70	-13.91	1.12	273.87	0.39	26.76	148.21	9.58	33.92
																																	MA	NASDAQ	33.680	35.380	18.810	5.05	-2.77	1.61	171.78	0.52	21.32	220.13	19.61	21.45
																																	MA	AMEX	30.330	40.500	24.300	-10.13	-16.79	1.93	224.71	0.69	16.94	136.87	13.49	17.25
																																	MD	OTC BB	8.100	8.100	6.800	1.25	1.25	0.55	125.76	0.06	12.27	106.61	6.44	14.57
																																	MD	OTC BB	26.600	26.770	20.000	0.00	19.43	1.24	295.03	0.00	22.74	106.70	9.02	21.59
																																	MD	NASDAQ	29.050	34.200	21.550	-6.29	-6.74	2.68	129.95	0.34	10.53	246.81	22.53	10.88
																																	MD	AMEX	9.250	11.090	7.810	-2.63	0.54	1.12	57.51	0.17	8.64	151.64	16.09	9.68
																																	ME	AMEX	19.450	20.500	15.000	1.04	0.78	1.47	204.49	0.34	13.41	130.98	9.51	NA
																																	MI	NASDAQ	22.140	24.470	19.690	-4.07	-6.62	1.58	131.52	0.34	14.10	116.45	16.83	14.07
																																	MI	NYSE	20.280	28.110	18.100	-6.97	-14.36	4.16	200.32	0.65	5.20	183.53	10.12	5.20
																																	MI	NASDAQ	13.050	17.210	13.010	-5.26	-8.42	0.19	85.30	0.20	NM	86.56	15.83	71.00
																																	MI	NASDAQ	13.050	15.870	10.500	2.76	-14.29	0.93	102.31	0.35	16.52	125.72	12.76	NA
																																	MN	NASDAQ	34.700	34.800	25.450	23.75	15.67	2.16	216.51	1.25	17.01	153.95	15.75	17.66
																																	MN	NASDAQ	25.400	28.190	18.500	-4.51	-9.09	2.42	199.62	0.78	10.90	139.33	12.72	11.45
																																	MN	NASDAQ	26.970	34.790	22.160	-6.19	-20.68	2.74	194.94	0.82	10.06	110.85	13.84	10.06
																																	MO	OTC BB	13.000	16.180	12.550	-6.47	-17.72	0.09	91.76	0.00	NM	84.42	14.17	162.50
																																	MO	NASDAQ	20.500	21.880	16.000	0.74	1.49	1.43	164.56	0.16	15.30	124.47	12.46	15.20
																																	MO	NASDAQ	36.240	44.500	23.300	-11.93	-13.92	2.92	143.98	1.36	11.88	242.90	25.17	12.54
																																	MO	NASDAQ	17.000	20.439	11.255	-6.44	-12.09	1.08	91.11	0.24	16.83	242.51	18.66	18.45
																																	MO	NASDAQ	16.000	17.500	12.190	6.38	2.56	1.24	130.28	0.34	13.33	138.77	12.22	13.46
																																	NC	NASDAQ	12.860	15.250	12.500	-1.91	-5.23	0.37	58.67	0.24	34.76	126.95	21.92	47.36
																																	NC	Pink Sheet	34.750	37.500	30.050	-4.79	2.21	1.76	198.90	1.75	19.74	109.73	17.47	19.74
																																	NC	OTC BB	20.500	25.000	17.250	-4.78	2.50	1.01	172.94	0.80	20.50	130.48	11.85	21.08
																																	NC	OTC BB	10.000	13.500	9.700	-2.36	-9.09	-0.54	258.48	0.00	NM	48.03	3.87	NM
																																	NC	NASDAQ	10.000	10.950	9.050	5.26	-3.02	0.38	69.30	0.40	26.32	119.99	14.43	26.32
																																	NC	OTC BB	60.000	NA	NA	0.00	0.00	NA	NA	NA	NA	NA	NA	NA
																																	NE	NYSE	27.020	28.480	20.100	9.48	-3.15	1.97	299.92	0.45	13.86	145.90	9.01	17.34
																																	NE	NASDAQ	21.640	25.370	18.150	3.29	-3.82	1.24	124.89	0.05	17.88	129.22	17.33	18.68

THRIFT STOCK PRICES AND PRICING RATIOS
PUBLICLY-TRADED, FDIC-INSURED THRIFT INSTITUTIONS
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		PER SHARE										PRICING RATIOS			
		Latest Price (\$)	All Time High (\$)	All Time Low (\$)	Monthly Change (%)	Quarterly Change (%)	Earnings (\$)	Assets (\$)	Div. (\$)	12 Month Div. (\$)	Price/Earnings (X)	Price/Bk. Value (%)	Price/Assets (%)	Price/Core Earnings (X)	
NHTW	New Hampshire Thrift Bncshrs	30.250	35.569	21.920	0.80	-3.66	3.10	271.33	0.77	10.08	148.94	11.15	10.77		
FNSW	Farnsworth Bancorp Inc.	16.500	18.000	11.458	-2.94	14.45	1.18	177.48	0.08	14.10	130.05	9.30	18.26		
FSLA	First Sentinel Bancorp Inc.	20.870	22.000	14.600	2.81	-2.25	0.68	79.71	0.42	31.62	242.11	26.18	29.51		
FMCO	FMS Financial Corp.	16.520	20.500	13.150	-7.71	-8.27	1.00	192.82	0.12	16.69	164.67	8.57	18.58		
OCFC	OceanFirst Financial Corp.	22.450	28.000	21.450	2.05	-9.37	1.56	132.29	0.80	15.17	217.96	16.97	15.38		
PBCI	Pamrapo Bancorp Inc.	24.800	29.600	17.295	-1.90	-12.21	1.57	128.43	0.81	15.80	236.19	19.31	15.80		
PFSB	PennFed Financial Services Inc	19.950	36.950	25.370	-7.84	-14.52	1.73	270.98	0.40	18.14	166.65	10.79	NA		
PFSF	Provident Financial Services	17.380	21.550	15.910	5.59	-7.38	0.63	70.79	0.20	28.49	131.16	25.36	28.44		
SYNF	Synergy Finl Group Inc.	9.250	11.500	5.372	-5.13	-14.27	0.23	47.49	0.00	NA	109.12	16.68	NA		
AABC	Access Anytime Bancorp Inc.	13.700	14.740	9.400	0.81	-1.93	0.96	152.48	0.00	15.57	117.93	8.98	NA		
GUPB	GFSB Bancorp Inc.	21.590	25.980	16.260	-8.44	-16.54	1.44	208.43	0.47	15.64	133.51	10.36	15.63		
AF	Astoria Financial Corp.	36.810	42.550	24.940	6.66	-8.00	2.54	289.54	0.91	14.67	187.71	11.95	15.05		
ALFC	Atlantic Liberty Financial	18.270	20.900	16.480	5.06	-10.00	0.87	100.92	0.15	21.24	110.43	18.10	21.24		
CNY	Carver Bancorp Inc.	21.750	26.500	15.070	-6.41	-11.41	2.03	235.78	0.20	11.63	117.94	9.27	12.18		
DCOM	Dime Community Bancshares Inc.	16.940	21.513	15.333	-10.28	-17.77	1.40	90.16	0.45	12.55	229.85	18.80	12.98		
ESBK	Elmira Savings Bank	32.060	32.500	24.546	4.26	0.98	2.40	288.22	0.74	13.58	146.39	11.12	15.30		
FNFG	First Niagara Finl Group	12.090	16.550	11.900	-7.36	-18.03	0.58	59.20	0.24	21.21	102.72	19.35	20.40		
FFIC	Flushing Financial Corp.	17.620	19.500	13.027	2.20	-5.83	1.25	102.94	0.29	14.56	220.80	17.12	14.58		
GPT	GreenPoint Financial Corp.	38.520	47.300	28.850	1.08	-12.91	3.81	181.01	0.99	10.30	237.19	19.38	10.35		
HRBT	Hudson River Bancorp	17.370	21.440	11.880	-5.85	-17.95	1.14	86.34	0.30	15.79	170.80	20.01	15.81		
ICBC	Independence Comm. Bank Corp.	36.460	41.580	26.800	0.00	-9.10	2.85	182.22	0.75	13.50	191.09	18.77	NA		
NYB	New York Community Bancorp	22.080	35.570	19.605	-15.98	-33.09	1.82	97.81	0.73	12.55	172.91	22.17	13.68		
PBCP	Provident Bancorp Inc.	10.340	12.420	6.926	-4.70	-9.93	0.26	43.26	0.40	41.36	117.63	23.89	48.10		
SFFS	Sound Federal Bancorp Inc.	12.840	17.350	12.650	-6.82	-17.96	0.54	67.58	0.22	24.69	123.46	19.00	24.69		
TRST	TrustCo Bank Corp NY	12.450	14.250	10.660	-5.61	-8.19	0.72	39.03	0.60	17.29	395.07	31.90	20.02		
WSBI	Warwick Community Bancorp	30.630	35.300	28.170	-3.50	-10.52	1.26	185.97	0.60	45.72	183.49	18.46	48.65		
ASBP	ASB Financial Corp.	23.311	29.240	14.810	-6.76	-8.59	0.72	96.26	0.55	19.76	228.02	24.22	20.14		
CAFI	Camco Financial Corp.	14.130	18.510	12.630	-9.13	-15.79	0.74	143.77	0.58	19.36	111.70	9.83	21.75		
GCFC	Central Federal Corp.	12.950	16.180	10.700	1.65	-10.13	-0.76	56.35	0.36	NM	133.78	22.98	NA		
CIBI	Community Investors Bancorp	14.870	17.000	11.880	-1.33	-8.21	0.84	110.80	0.34	18.59	121.76	13.42	18.59		
FFDF	FFD Financial Corp.	14.050	15.650	13.250	2.70	-6.34	0.81	114.84	0.41	20.66	99.29	12.25	18.01		
FDEF	First Defiance Financial	24.540	30.650	19.280	-5.58	-10.01	1.97	162.02	0.70	13.12	123.44	15.14	13.91		
FFBZ	First Federal Bancorp Inc.	8.690	10.000	7.250	-3.44	-5.03	0.56	76.23	0.23	16.09	128.93	11.68	14.41		

THRIFT STOCK PRICES AND PRICING RATIOS
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(EXCLUDING MUTUAL HOLDING COMPANIES)

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	State	Exchange	PER SHARE				PER SHARE				PRICING RATIOS			
			Latest Price (\$)	All Time High (\$)	All Time Low (\$)	Monthly Change (%)	Quarterly Change (%)	Earnings (\$)	Assets (\$)	12 Month Div. (\$)	Price/Earnings (X)	Price/Bk. Value (%)	Price/Assets (%)	Price/Core Earnings (X)
FFHS	OH	NASDAQ	17.750	21.480	14.050	-4.57	-11.80	0.80	168.61	0.32	23.36	120.18	10.52	28.87
FNFI	OH	NASDAQ	18.290	19.300	15.190	1.61	7.59	0.80	71.92	0.58	23.15	153.57	25.43	27.06
FPFC	OH	NASDAQ	16.850	20.000	16.440	-7.42	-12.83	1.40	124.97	0.55	12.21	117.18	13.49	12.59
HCFC	OH	NASDAQ	16.500	17.500	12.400	-5.71	3.12	0.85	186.82	0.44	19.64	110.85	8.83	NA
HLFC	OH	NASDAQ	20.460	21.200	14.700	2.30	2.30	1.21	93.14	0.81	17.05	152.01	21.97	NA
IDVB	OH	Pink Sheet	16.250	22.500	16.250	-7.67	-14.70	1.11	250.38	0.32	14.91	70.41	6.02	NA
LWFH	OH	OTC BB	21.500	28.500	21.250	0.47	-10.42	0.71	192.14	0.28	32.09	98.58	11.19	38.62
NLVS	OH	OTC BB	20.000	26.000	19.750	-0.74	-11.11	1.00	134.97	0.61	20.00	110.86	14.82	16.05
PCBI	OH	NASDAQ	21.680	25.150	19.830	7.06	-1.00	1.45	326.14	0.00	15.94	114.28	6.65	18.01
POHF	OH	OTC BB	4.200	4.400	4.100	0.96	0.96	0.27	25.16	0.12	16.80	129.69	16.69	16.76
PSFC	OH	NASDAQ	15.770	18.500	13.250	-6.69	-14.76	0.70	95.48	0.62	22.53	129.49	16.52	22.53
PFOH	OH	OTC BB	25.000	26.000	19.750	0.00	2.04	1.85	123.65	0.88	13.30	121.90	20.22	13.51
PVFC	OH	NASDAQ	14.800	17.680	12.091	8.98	-3.20	1.19	116.10	0.29	12.76	151.78	12.75	12.76
UCFC	OH	NASDAQ	12.000	13.990	8.940	-6.47	-2.28	0.75	66.92	0.30	16.22	153.85	17.93	17.00
WAYN	OH	NASDAQ	15.990	21.000	12.700	-2.26	0.89	0.72	95.20	0.47	22.21	140.37	16.80	22.21
WOFB	OH	NASDAQ	32.760	35.850	23.800	-3.65	4.16	1.44	224.48	1.00	24.45	131.46	14.59	24.30
WFI	OH	AMEX	15.000	15.000	11.650	1.01	13.04	1.07	119.27	0.43	14.42	150.91	12.58	15.00
ESBF	PA	NASDAQ	12.510	16.890	12.110	-10.52	-13.37	0.84	126.94	0.40	15.64	133.65	9.86	18.11
FSBI	PA	NASDAQ	21.000	24.346	17.500	1.94	-7.12	1.60	236.52	0.44	13.91	133.63	8.92	15.68
FKFS	PA	NASDAQ	27.000	29.000	21.500	-5.26	-0.37	1.41	296.52	0.42	20.61	157.07	9.11	41.34
GAF	PA	AMEX	34.950	35.250	24.850	-0.11	0.66	1.32	179.13	0.80	27.30	180.99	19.51	30.80
HARL	PA	NASDAQ	30.250	34.500	24.670	-2.80	-2.55	2.07	303.52	0.74	14.90	162.63	9.97	15.90
KNBT	PA	NASDAQ	16.620	17.990	14.600	7.30	-3.09	NA	69.49	NA	NA	123.66	23.92	NA
LARL	PA	NASDAQ	20.550	25.980	19.000	-2.14	-16.12	0.97	156.48	0.79	22.34	143.81	13.14	22.61
NTNY	PA	OTC BB	24.750	28.000	12.917	2.06	25.05	0.98	138.32	0.00	27.20	310.58	17.89	27.42
NEPF	PA	NASDAQ	17.800	20.000	14.770	-0.34	0.11	-0.71	209.69	0.42	NM	119.67	8.49	NA
PVSA	PA	NASDAQ	27.600	30.730	22.150	1.47	-6.76	1.84	286.62	0.74	15.25	148.39	9.63	17.08
PHSB	PA	NASDAQ	19.000	25.490	17.350	-10.46	-12.64	1.10	117.69	1.00	18.27	116.64	16.14	36.25
RSVB	PA	OTC BB	17.800	20.900	16.350	-6.32	-10.55	1.09	101.13	0.20	16.18	102.80	17.60	17.29
SEFL	PA	OTC BB	9.700	10.500	9.600	NA	NA	NA	NA	NA	NA	NA	NA	NA
SOV	PA	NYSE	21.060	25.200	15.040	5.83	-4.92	1.49	151.77	0.11	14.52	164.53	13.69	15.56
THRD	PA	NASDAQ	30.000	35.470	26.300	6.99	-7.61	-1.96	209.97	0.60	NM	138.89	13.06	NM
WYPT	PA	NASDAQ	26.800	27.530	17.000	3.59	3.08	1.11	161.03	0.48	25.05	213.89	16.64	30.44

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	State	Exchange	Latest Price				PER SHARE				PRICING RATIOS			
			High (\$)	Low (\$)	Monthly Change (%)	Quarterly Change (%)	All Time High (\$)	All Time Low (\$)	12 Month Div. (\$)	Price/Earnings (X)	Price/Bk. Value (%)	Price/Assets (%)	Price/Core Earnings (X)	
WGBB Willow Grove Bncp Inc.	PA	NASDAQ	15.170	18.780	14.900	-7.39	-15.77	0.67	83.52	0.36	24.08	134.84	17.50	29.11
WVFC WVS Financial Corp.	PA	NASDAQ	18.160	19.980	16.500	-2.84	-4.52	0.95	160.25	0.48	19.12	153.53	11.33	19.12
CFCP Coastal Financial Corp.	SC	NASDAQ	13.670	17.400	9.189	-11.46	-5.49	0.90	87.75	0.20	16.27	242.81	15.58	16.02
DFBS DutchFork Bancshares Inc.	SC	NASDAQ	38.691	43.250	31.240	0.50	-3.51	3.51	200.01	0.00	13.21	134.75	19.34	28.11
FCPB First Capital Bancshares Inc.	SC	OTC BB	6.000	11.250	5.750	0.00	-14.29	NA	NA	NA	NA	NA	NA	NA
FFCH First Financial Holdings Inc.	SC	NASDAQ	30.130	33.140	25.750	7.22	2.48	1.99	195.66	0.82	15.53	222.69	15.40	16.35
PEDE Great Pee Dee Bancorp Inc.	SC	NASDAQ	15.490	18.100	14.100	-3.19	-8.99	0.74	87.43	0.59	21.51	105.08	17.72	23.54
SFDL Security Federal Corp.	SC	OTC BB	23.570	26.000	19.750	7.14	8.37	1.39	209.79	0.08	NA	187.81	11.23	17.33
HFFC HF Financial Corp.	SD	NASDAQ	15.550	18.250	14.280	-4.95	-11.94	1.11	233.99	0.43	14.40	107.76	6.64	14.48
JFBI Jefferson Bancshares Inc.	TN	NASDAQ	11.625	15.090	11.041	-6.63	-17.38	0.16	36.76	0.20	NM	103.20	31.63	25.24
SFBK SFB Bancorp Inc.	TN	Pink Sheet	22.500	23.000	17.200	7.14	12.50	1.38	95.72	0.20	16.42	101.81	23.51	16.42
UTBI United Tennessee Bankshares	TN	NASDAQ	17.000	19.750	13.200	-8.01	-10.53	1.55	95.69	0.36	10.97	117.84	17.76	11.32
BAFI BancAffiliated Inc.	TX	OTC BB	31.000	32.000	16.450	0.00	40.91	2.64	353.27	0.00	12.30	139.64	8.78	NA
ETFS East Texas Financial Services	TX	OTC BB	15.950	15.950	13.100	11.93	17.71	0.81	188.56	0.20	20.45	91.98	8.46	28.22
FBTX Franklin Bank Corp.	TX	NASDAQ	17.490	20.700	16.180	3.00	-5.20	0.30	106.07	0.00	NA	148.22	14.31	NA
HRGB Heritage Bancshares	TX	OTC BB	25.850	25.950	12.900	0.31	0.90	-0.76	109.25	0.00	NM	161.99	23.66	NA
CFFC Community Financial Corp.	VA	NASDAQ	19.400	24.700	14.250	-8.36	-8.27	1.57	154.91	0.38	11.90	143.17	12.52	13.32
GAFC Greater Atlantic Financial	VA	NASDAQ	6.770	8.310	6.600	-12.08	-12.53	0.28	175.65	0.00	35.63	95.22	3.85	71.37
EVRT EverTrust Financial Group Inc.	WA	NASDAQ	18.610	21.333	15.133	10.25	-4.81	1.01	111.76	0.40	19.59	141.52	16.65	20.30
FMSB First Mutual Bancshares Inc.	WA	NASDAQ	23.610	25.250	15.347	3.69	2.65	1.66	173.26	0.26	14.85	229.22	13.62	15.25
FBNW FirstBank NW Corp.	WA	NASDAQ	25.020	31.050	24.500	-6.19	-17.56	2.26	238.07	0.62	11.64	106.56	10.51	11.64
HFWA Heritage Financial Corp.	WA	NASDAQ	18.520	23.000	18.495	-6.18	-13.66	1.43	107.44	0.59	13.42	188.98	17.23	NA
HRZB Horizon Financial Corp.	WA	NASDAQ	19.290	19.390	14.170	9.98	1.47	1.23	82.54	0.49	16.08	183.71	23.38	16.65
RPFQ Rainier Pacific Finl Group Inc	WA	NASDAQ	15.990	17.050	15.220	2.50	-2.86	NA	86.42	0.05	NA	107.75	17.09	NA
RVSB Riverview Bancorp Inc.	WA	NASDAQ	20.500	21.830	16.950	4.86	1.49	1.41	104.62	0.56	14.75	150.29	18.82	14.75
STSA Sterling Financial Corp.	WA	NASDAQ	31.210	35.418	19.636	4.06	-5.40	2.20	270.19	0.00	14.52	163.66	11.55	14.68
TSBK Timberland Bancorp Inc.	WA	NASDAQ	22.280	24.950	20.900	1.69	-3.13	1.53	114.34	0.54	15.37	121.62	19.48	14.42
WFSL Washington Federal Inc.	WA	NASDAQ	23.020	26.436	20.127	-1.24	-10.25	1.75	96.09	0.80	13.15	165.37	23.95	13.21
WM Washington Mutual Inc.	WA	NYSE	43.200	46.980	36.830	9.01	-3.36	3.88	325.36	1.53	10.04	182.90	13.28	13.15
ABCW Anchor Bancorp Wisconsin	WI	NASDAQ	26.520	27.130	22.500	7.59	0.95	2.07	167.00	0.43	13.13	201.83	15.88	13.76
BKMU Bank Mutual Corp.	WI	NASDAQ	10.320	12.600	8.205	0.49	-6.52	0.31	39.27	0.13	33.29	109.67	26.28	33.41
FTFC First Federal Capital Corp	WI	NASDAQ	26.520	26.650	18.900	30.64	1.66	1.66	166.84	0.56	15.98	209.48	15.90	15.98
AFBC Advance Financial Bancorp	WV	NASDAQ	17.810	21.750	14.400	-0.50	-2.14	1.96	228.32	0.40	9.23	116.36	7.80	10.35

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SVBC	WV	OTC BB	19.250	21.000	17.350	1.32	2.67	2.24	120.02	0.47	8.79	91.02	16.04	20.95	
CRZY	WY	Pink Sheet	16.750	22.000	14.000	0.00	-14.10	0.39	120.29	0.36	45.27	104.32	13.93	104.38	
ALL THRIFTS															
AVERAGE			22.354	25.522	17.362	-0.86	-4.32	1.34	167.00	0.43	18.76	146.90	14.70	23.31	
MEDIAN			20.380	23.980	16.440	-0.50	-5.44	1.24	155.93	0.40	16.04	134.80	13.96	17.09	
HIGH			104.330	116.910	75.750	45.56	121.41	7.53	567.93	1.75	69.50	433.86	52.70	177.05	
LOW			1.050	2.000	0.750	-17.40	-33.33	-7.64	19.74	0.00	5.20	48.03	3.09	5.20	
AVERAGE FOR STATE															
CT			21.120	22.781	16.435	-1.81	-3.13	1.87	169.30	0.39	15.92	220.85	16.83	15.95	
AVERAGE BY REGION															
MIDWEST			21.008	23.430	16.654	-0.43	-4.43	1.24	161.06	0.48	18.79	129.84	14.04	23.32	
NEW ENGLAND			27.378	31.895	21.192	-4.09	-8.31	1.60	204.55	0.57	19.46	159.65	16.69	27.32	
MID ATLANTIC			21.803	25.486	17.338	-2.00	-7.03	1.19	155.79	0.43	18.90	167.07	15.94	21.25	
SOUTHEAST			18.217	21.254	14.706	-1.44	-2.67	1.09	139.64	0.34	19.21	144.54	14.54	28.42	
SOUTHWEST			20.752	23.272	16.209	-0.94	-0.95	1.18	205.03	0.29	23.44	119.18	11.50	17.90	
WEST			29.959	34.269	20.947	1.99	-1.12	2.10	197.47	0.38	16.02	175.84	15.25	19.55	
AVERAGE BY EXCHANGE															
NYSE			36.640	42.704	27.080	1.50	-7.81	2.96	253.87	0.55	13.67	182.48	15.38	14.44	
AMEX			24.318	27.798	18.344	-2.49	-3.92	1.37	191.39	0.48	16.70	148.47	13.20	38.06	
NASDAQ			21.301	24.494	16.940	-1.34	-5.33	1.22	153.29	0.44	19.60	150.40	15.42	22.23	
OTC			20.804	22.439	14.434	1.09	1.81	1.13	177.19	0.28	17.14	122.32	11.87	24.94	
Pink Sheets			20.618	23.705	18.055	-1.21	-4.65	1.34	192.11	0.51	20.75	106.17	12.55	30.73	

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State	Company	ASSETS AND EQUITY			PROFITABILITY			CAPITAL ISSUES				
		Total Assets (\$000)	Total Equity (\$000)	Tang. Equity (\$000)	ROAA (%)	Core ROAA (%)	ROAE (%)	Core ROAE (%)	IPO Date	Exchange	Number of Shares Outstg.	Mkt. Value of Shares (\$M)
AKPB	Alaska Pacific Bancshares Inc.	164,248	15,443	15,387	0.36	0.36	3.89	3.89	07/01/99	OTC BB	626,132	11.80
SIYF	Security Federal Bancorp Inc.	77,459	10,377	10,377	1.15	NA	8.88	NA	04/03/95	Pink Sheet	NA	11.20
SRNN	Southern Banc Co.	109,021	18,689	18,685	0.66	0.55	3.93	3.25	10/05/95	OTC BB	961,498	15.77
SRNB	SouthFirst Bancshares Inc.	133,178	11,664	11,120	0.10	0.05	1.08	0.52	02/14/95	AMEX	718,897	11.34
FFBZ	First Federal Bancshares of AR	697,284	75,582	75,582	1.04	1.04	9.78	9.78	05/03/96	NASDAQ	5,315,256	106.31
HCBB	HC Bancshares Inc.	225,117	28,164	28,164	0.22	0.21	1.90	1.86	05/07/97	NASDAQ	1,428,253	26.08
PFSL	Pocahontas Bancorp Inc.	745,854	53,048	36,567	0.77	0.57	10.80	7.96	04/05/94	NASDAQ	4,549,791	78.85
BYFC	Broadway Financial Corp.	239,735	12,897	12,897	0.73	0.73	9.46	9.46	01/09/96	NASDAQ	1,422,195	18.63
CCBJ	Commercial Capital Bancorp	1,959,656	113,760	100,725	1.55	1.43	24.15	22.25	12/18/02	NASDAQ	30,100,472	493.65
DSL	Downey Financial Corp.	13,525,129	924,557	921,407	0.70	0.69	9.00	8.90	NA	NYSE	27,953,747	1411.66
FPTB	First PacTrust Bancorp Inc.	650,734	80,049	80,049	0.74	0.74	5.02	5.02	08/23/02	NASDAQ	4,799,600	102.87
FED	FirstFed Financial Corp.	5,173,025	452,177	445,348	1.38	1.38	15.23	15.23	NA	NYSE	17,091,448	689.64
GDW	Golden West Financial	86,604,771	6,243,859	6,243,859	1.46	1.41	20.20	19.51	NA	NYSE	152,492,139	15924.47
HWFG	Harrington West Finl Grp Inc	1,004,930	49,261	44,211	0.86	NA	16.93	NA	11/07/02	NASDAQ	5,257,484	87.92
HTHR	Hawthorne Financial Corp.	2,744,973	191,546	167,704	1.02	NA	14.97	NA	NA	NASDAQ	11,799,221	374.86
NDE	IndyMac Bancorp Inc.	14,495,839	1,055,304	1,021,795	1.37	1.37	18.00	17.93	11/10/86	NYSE	57,781,587	1828.48
MLGF	Malaga Financial Corporation	419,326	32,263	32,263	1.35	NA	15.65	NA	NA	OTC BB	5,431,558	59.98
PPBI	Pacific Premier Bancorp	372,818	40,434	40,434	1.91	1.54	24.50	19.78	06/25/97	NASDAQ	5,255,072	55.91
PFB	PFF Bancorp Inc.	3,677,694	317,771	316,481	1.29	1.26	14.09	13.70	03/29/96	NYSE	16,614,997	634.69
PROV	Provident Financial Holdings	1,374,087	109,984	NA	1.24	1.24	14.82	14.82	06/28/96	NASDAQ	7,206,388	180.16
QCBC	Quaker City Bancorp Inc.	1,809,916	149,290	148,995	1.33	1.33	15.81	15.81	NA	NASDAQ	6,281,783	343.43
SNLS	San Luis Trust Bank FSBB	97,802	8,479	8,479	2.08	NA	22.51	NA	NA	OTC BB	NA	43.28
UPFC	United PanAm Financial Corp.	1,654,770	108,667	108,667	0.95	0.90	14.11	13.46	04/23/98	NASDAQ	16,132,758	234.90
WES	Westcorp	14,745,384	1,157,178	1,156,860	1.02	NA	16.26	NA	NA	NYSE	51,798,704	2207.78
HCBC	High Country Bancorp Inc.	193,569	18,281	18,281	1.06	1.06	11.22	11.22	12/10/97	Pink Sheet	901,704	25.99
MTXC	Matrix Bancorp Inc.	1,753,823	71,269	71,269	0.10	NA	2.46	NA	NA	NASDAQ	6,518,981	76.86
NABC	NewAlliance Bancshares Inc.	4,225,576	412,529	412,529	0.55	0.74	3.47	4.73	04/02/04	NASDAQ	NA	1569.68
NMIL	NewMill Bancorp Inc.	714,370	54,424	45,774	1.12	1.12	14.82	14.79	NA	NASDAQ	4,219,606	120.22
IFSB	Independence Federal Svgs Bank	211,904	20,367	20,367	-1.07	-0.65	-11.39	-6.91	NA	NASDAQ	1,552,448	31.69
WSFS	WSFS Financial Corp.	2,241,216	198,427	197,572	1.15	1.09	12.39	11.83	NA	NASDAQ	7,362,030	336.95
BBX	BankAtlantic Bancorp Inc.	4,750,483	429,577	341,357	1.31	1.24	14.53	13.73	NA	NYSE	59,207,954	821.81
BKUNA	BankUnited Financial Corp.	7,650,003	478,076	449,723	0.64	0.61	10.11	9.57	NA	NASDAQ	29,935,623	750.55
FDT	Federal Trust Corp.	482,739	27,478	27,478	0.66	0.63	11.11	10.69	12/12/97	AMEX	6,661,813	52.70

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FFLC	982,038	78,934	78,934	78,934	0.96	11.85	11.85	11.85	NA	NASDAQ	5,397,554	137.30
FFFL	3,240,786	192,664	192,664	190,513	0.63	10.21	10.21	10.85	01/07/94	NASDAQ	15,070,258	516.31
FCFL	206,294	20,696	20,696	20,268	0.89	8.98	8.98	8.98	NA	NASDAQ	1,996,705	39.96
HARB	2,541,218	273,189	273,189	269,213	1.66	14.88	14.88	14.40	01/06/94	NASDAQ	23,779,592	634.68
EBDC	113,040	7,857	7,857	7,857	-0.23	-3.69	-3.69	-6.28	07/06/98	OTC BB	3,150,298	3.31
NTBK	4,371,952	433,587	433,587	368,257	1.11	11.60	11.60	10.33	07/29/97	NASDAQ	46,989,808	491.15
FFSX	633,251	72,325	72,325	53,575	0.88	8.88	8.88	7.87	07/13/92	NASDAQ	3,785,272	86.68
CASH	759,746	48,253	48,253	44,850	0.56	9.57	9.57	7.89	NA	NASDAQ	2,497,197	58.68
HZFS	96,290	11,257	11,257	11,257	1.36	11.76	11.76	10.71	NA	OTC BB	771,471	10.99
FFFD	441,542	41,201	41,201	36,230	1.30	13.69	13.69	13.69	08/31/94	NASDAQ	1,580,780	59.58
AFBA	129,565	10,090	10,090	10,090	0.47	5.04	5.04	5.01	12/31/01	OTC BB	558,350	8.77
BPLS	313,234	20,391	20,391	20,391	0.39	NA	5.92	NA	NA	OTC BB	NA	NA
CFSL	360,899	74,780	74,780	74,296	0.60	6.60	2.97	2.97	05/02/01	NASDAQ	3,875,521	108.01
CFSB	347,315	33,671	33,671	33,671	0.45	NA	4.81	NA	05/01/96	NASDAQ	1,510,287	37.76
ESDF	110,040	13,096	13,096	13,096	0.52	0.33	3.72	2.37	NA	Pink Sheet	291,025	9.60
EFC	917,553	81,016	81,016	81,016	0.86	0.79	9.74	8.89	NA	AMEX	4,605,360	113.58
FBTC	228,884	27,151	27,151	27,151	0.75	0.70	6.64	6.20	04/19/01	NASDAQ	1,250,225	32.49
FFBI	332,865	42,894	42,894	41,276	0.86	0.49	6.33	3.64	09/28/00	NASDAQ	1,866,291	62.35
FSFF	494,411	85,894	85,894	85,831	1.71	1.71	10.24	10.24	10/31/97	NASDAQ	4,039,063	142.17
GTPS	157,770	17,776	17,776	17,291	0.82	0.82	7.68	7.68	06/30/95	NASDAQ	757,703	23.94
HMLK	318,774	22,343	22,343	21,029	0.52	0.35	7.61	5.05	04/02/97	NASDAQ	968,336	28.25
MAFB	9,077,753	914,864	914,864	639,326	1.23	1.18	12.91	12.41	NA	NASDAQ	32,915,327	1409.37
MCPH	153,395	11,677	11,677	11,677	0.63	0.59	8.72	8.22	NA	OTC BB	372,600	13.97
NBSI	133,746	13,494	13,494	13,494	0.28	0.24	2.71	2.34	NA	NASDAQ	1,144,695	25.46
PFED	269,006	30,330	30,330	30,330	0.91	0.82	8.18	7.39	08/12/96	NASDAQ	1,150,195	35.78
RFBK	32,380	2,416	2,416	2,416	-1.94	-1.95	-23.15	-23.26	04/02/03	Pink Sheet	190,961	3.06
UMBR	230,515	23,821	23,821	23,454	-0.54	NA	-5.70	NA	NA	OTC BB	NA	NA
AMFC	151,674	12,707	12,707	12,707	0.75	0.70	9.09	8.44	04/01/96	NASDAQ	971,147	16.58
ASBI	427,316	39,430	39,430	38,712	0.49	-0.33	5.46	-3.71	NA	NASDAQ	3,148,788	46.63
BRBI	202,005	16,619	16,619	13,235	0.27	NA	2.74	NA	06/24/98	NASDAQ	3,406,150	20.61
CITZ	1,555,658	158,517	158,517	157,039	0.27	0.18	2.66	1.77	07/24/98	NASDAQ	12,299,073	160.98
CSFC	146,422	11,598	11,598	11,598	1.13	0.93	14.24	11.71	12/28/01	OTC BB	555,450	14.44
FFWC	239,122	24,251	24,251	23,276	1.03	1.01	10.51	10.35	NA	NASDAQ	1,301,229	29.86

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FFED	IN	189,830	15,586	15,586	0.14	0.11	1.65	1.26	NA	NASDAQ	9,618,658	17.31
FBEI	IN	211,901	30,145	28,082	0.76	0.74	4.82	4.69	04/07/99	NASDAQ	1,610,017	32.94
FCAP	IN	409,138	43,895	37,900	0.93	0.90	8.70	8.47	12/21/92	NASDAQ	2,843,763	66.23
HFSK	IN	228,079	19,616	19,616	0.74	0.70	8.86	8.35	10/02/85	Pink Sheet	1,866,200	23.32
HBBI	IN	51,405	6,722	6,722	0.83	0.83	6.01	6.01	02/08/95	OTC BB	262,858	6.21
HWEN	IN	59,716	7,067	7,067	0.54	0.73	4.76	6.44	07/02/96	NASDAQ	1,356,050	8.29
LNCB	IN	580,357	80,357	78,182	0.61	0.63	4.41	4.54	12/30/98	NASDAQ	4,418,391	74.41
LOGN	IN	153,868	16,634	16,634	0.90	0.79	8.58	7.60	06/14/95	NASDAQ	876,193	16.69
LSBI	IN	332,165	28,357	28,357	0.91	0.91	10.67	10.67	02/03/95	NASDAQ	1,356,881	33.13
MFBC	IN	426,534	35,366	35,366	0.50	0.50	6.30	6.30	NA	NASDAQ	1,329,060	46.52
MFSF	IN	809,475	96,762	95,858	0.98	0.98	8.31	8.30	12/30/99	NASDAQ	5,199,725	116.99
NEIB	IN	222,456	27,326	27,326	0.83	0.82	6.90	6.81	06/28/95	NASDAQ	1,488,914	31.86
NWIN	IN	525,603	42,494	42,494	1.18	1.16	14.51	14.18	NA	OTC BB	2,763,931	88.03
PFDC	IN	496,543	64,167	61,297	1.05	1.05	8.25	8.25	NA	NASDAQ	3,372,292	86.29
PBNC	IN	118,273	26,922	26,922	0.70	0.71	3.09	3.16	10/12/01	NASDAQ	1,473,728	28.74
RIVR	IN	255,076	22,855	22,824	1.11	1.11	12.22	12.20	12/20/96	NASDAQ	1,646,680	37.32
SOBI	IN	110,944	5,337	5,337	-4.04	-4.08	-57.21	-57.79	03/31/95	NASDAQ	677,732	4.06
UCBC	IN	264,907	35,796	33,027	0.79	0.79	5.95	5.95	12/29/97	NASDAQ	2,100,000	37.28
FFSL	KS	164,923	15,452	15,452	0.69	0.69	7.31	7.31	NA	Pink Sheet	920,616	16.57
CKFB	KY	147,290	15,193	14,093	1.09	1.09	10.69	10.69	01/04/95	NASDAQ	1,470,374	22.42
CFBC	KY	42,541	4,209	4,209	0.03	0.03	0.32	0.32	06/27/03	OTC BB	277,725	4.17
FKKY	KY	137,970	17,677	17,677	0.73	0.73	5.66	5.66	07/10/95	NASDAQ	1,266,613	27.38
HFFB	KY	179,395	21,298	20,711	0.56	0.55	4.63	4.54	10/04/95	NASDAQ	1,222,978	24.46
HFBC	KY	541,005	48,756	43,028	0.67	0.61	7.26	6.60	02/09/98	NASDAQ	3,630,396	62.41
FPBF	LA	89,125	6,902	6,902	0.62	0.62	7.09	7.09	07/01/99	OTC BB	277,119	5.96
GLBP	LA	31,941	5,550	5,550	0.48	0.48	2.83	2.83	07/10/01	OTC BB	273,800	4.13
GSLA	LA	214,714	29,308	29,308	0.32	-0.09	2.17	-0.64	04/01/97	NASDAQ	1,304,780	24.14
HSTD	LA	133,591	12,646	12,646	0.35	NA	3.71	NA	08/31/94	Pink Sheet	NA	10.64
TSH	LA	579,021	58,613	58,613	1.18	1.17	10.97	10.91	04/19/95	AMEX	2,263,314	80.57
BHL	MA	1,263,497	127,836	117,654	0.84	0.73	8.05	7.02	06/28/00	AMEX	5,935,051	206.17
BRFD	MA	1,667,866	95,607	78,513	0.35	0.32	6.03	5.50	10/24/95	AMEX	4,526,896	135.82
BRKL	MA	1,591,208	596,153	596,153	1.31	1.20	3.18	2.92	03/25/98	NASDAQ	58,939,957	839.12
CEBK	MA	490,465	43,454	41,222	0.61	0.59	7.03	6.81	NA	NASDAQ	1,664,957	57.47

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FCB	158,757	17,448	17,448	0.25	0.22	2.26	2.00	03/28/96	AMEX	917,227	33.38	
HIFS	489,447	42,204	42,204	1.41	1.39	16.24	16.11	NA	NASDAQ	2,080,250	84.77	
LSBX	482,029	55,629	55,629	0.97	0.66	8.12	5.49	NA	NASDAQ	4,293,142	65.33	
MASB	1,006,221	113,168	112,078	0.78	0.73	7.14	6.67	NA	NASDAQ	4,428,175	146.24	
MFLR	208,607	17,854	17,758	0.98	0.91	11.75	11.01	NA	NASDAQ	2,046,246	31.14	
MYST	428,417	27,706	27,706	0.37	0.30	6.12	4.84	01/09/98	NASDAQ	1,564,294	43.94	
SCFS	4,452,865	396,886	277,066	0.91	0.90	10.39	10.32	11/20/98	NASDAQ	25,921,930	1017.60	
WRO	825,458	81,386	79,563	0.83	0.81	8.32	8.17	03/19/99	AMEX	3,673,393	111.41	
ABKD	236,887	14,311	14,311	0.51	0.55	7.40	7.91	NA	OTC BB	1,883,574	15.67	
BUCS	118,319	9,998	9,533	0.41	0.40	4.71	4.68	03/15/01	OTC BB	401,044	10.67	
SVBI	540,471	52,970	52,636	2.23	2.23	23.16	23.16	NA	NASDAQ	4,159,092	120.82	
WSB	409,354	43,426	43,426	1.98	1.92	19.69	19.02	NA	AMEX	7,117,418	67.27	
NBN	518,029	37,627	36,834	0.79	NA	10.24	NA	NA	AMEX	2,533,216	49.27	
CTZN	1,094,260	158,187	158,187	1.15	1.16	8.06	8.08	03/07/01	NASDAQ	8,320,244	188.63	
FBC	12,185,696	672,098	672,098	2.34	2.34	42.21	42.21	04/30/97	NYSE	60,832,493	1233.89	
MCBF	204,686	37,422	37,422	0.21	0.21	1.20	1.20	08/30/02	NASDAQ	2,399,550	36.59	
STBI	287,338	29,158	23,933	0.89	NA	9.30	NA	NA	NASDAQ	2,808,535	36.66	
FFHH	515,804	52,755	47,927	0.93	0.89	9.70	9.34	NA	NASDAQ	2,382,398	82.67	
HMNF	899,725	82,148	77,928	1.14	1.09	11.54	10.99	NA	NASDAQ	4,507,280	113.85	
WEFC	226,704	28,295	28,295	1.40	1.40	11.47	11.47	04/11/95	NASDAQ	1,162,951	31.36	
CCFC	86,863	14,579	14,579	0.10	0.09	0.54	0.49	01/09/03	OTC BB	946,650	12.31	
FBSI	274,302	27,452	26,937	0.87	0.83	8.86	8.47	NA	NASDAQ	1,666,872	34.15	
NASB	1,217,396	126,137	122,891	2.19	2.17	20.25	20.11	NA	NASDAQ	8,455,442	306.43	
PULB	497,294	38,260	38,260	1.34	1.22	15.85	14.45	05/11/94	NASDAQ	5,458,000	92.79	
SMBC	301,212	26,527	23,605	1.00	0.99	11.05	10.94	NA	NASDAQ	2,312,004	36.81	
CSBC	494,680	85,434	77,762	0.64	0.47	3.45	2.52	04/13/98	NASDAQ	8,431,384	107.85	
CDLC	137,662	21,917	21,917	0.78	0.78	5.14	5.14	12/31/97	Pink Sheet	692,124	24.05	
KSAV	207,017	18,807	18,807	0.60	0.58	6.46	6.28	NA	OTC BB	1,197,029	24.54	
MTUC	94,015	7,572	7,572	-0.21	-0.26	-2.56	-3.15	NA	OTC BB	363,719	3.64	
SSFC	213,444	25,668	25,668	0.50	0.50	4.32	4.32	10/03/96	NASDAQ	3,079,867	30.80	
AFSF	238,663	18,800	18,509	0.96	NA	12.89	NA	NA	OTC BB	NA	0.00	
CFB	12,257,691	757,009	578,677	0.67	0.53	11.40	9.10	NA	NYSE	40,870,272	1100.71	
TONE	2,255,609	302,436	302,436	1.12	1.07	7.37	7.08	10/02/02	NASDAQ	18,060,061	420.72	

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NH	NHTB New Hampshire Thrift Bncshrs	559,662	41,885	29,745	29,745	1.19	1.12	16.25	15.20	NASDAQ	NA	2,062,683	62.65
NJ	FNSW Farnsworth Bancorp Inc.	92,224	6,593	6,593	6,593	0.65	0.52	8.84	7.07	OTC BB	09/30/98	519,637	8.57
NJ	FSLA First Sentinel Bancorp Inc.	2,176,450	235,342	231,822	231,822	0.78	0.84	8.24	8.80	NASDAQ	07/10/92	27,305,249	590.61
NJ	FMCO FMS Financial Corp.	1,250,770	65,076	61,947	61,947	0.53	0.48	10.50	9.43	NASDAQ	NA	6,486,877	107.20
NJ	OCFC OceanFirst Financial Corp.	1,767,746	137,608	136,151	136,151	1.09	1.08	14.29	14.10	NASDAQ	07/03/96	13,362,419	299.56
NJ	PBCI Pamrapo Bancorp Inc.	638,849	52,230	52,230	52,230	1.25	1.25	15.60	15.60	NASDAQ	NA	4,974,313	123.36
NJ	PFSB PennFed Financial Services Inc	1,816,413	117,580	115,766	115,766	0.66	NA	9.91	NA	NASDAQ	NA	6,703,004	198.16
NJ	PFSF Provident Financial Services	4,258,273	823,202	800,617	800,617	0.85	0.85	4.20	4.22	NYSE	01/16/03	60,149,600	1079.69
NJ	SYNF Synergy Finl Group Inc.	690,661	105,556	104,865	104,865	0.55	0.53	7.13	6.88	NASDAQ	09/18/02	12,452,098	115.18
NM	AABC Access Anytime Bancorp Inc.	204,675	15,593	14,051	14,051	0.59	NA	7.97	NA	NASDAQ	NA	1,342,305	18.38
NM	GUPB GFSB Bancorp Inc.	238,912	18,537	18,537	18,537	0.69	0.69	9.09	9.09	NASDAQ	06/30/95	1,146,270	24.75
NY	AF Astoria Financial Corp.	22,650,662	1,441,691	1,256,540	1,256,540	0.85	0.83	13.29	12.96	NYSE	11/18/93	78,231,048	2875.74
NY	ALFC Atlantic Liberty Financial	160,009	26,231	26,231	26,231	0.92	0.92	5.34	5.34	NASDAQ	10/23/02	1,585,504	28.97
NY	CNY Carver Bancorp Inc.	538,830	44,645	44,645	44,645	0.93	0.93	11.41	11.37	AMEX	10/25/94	2,285,267	49.70
NY	DCOM Dime Community Bancshares Inc.	3,372,951	275,848	219,543	219,543	1.62	1.57	18.07	17.48	NASDAQ	06/26/96	37,409,181	631.85
NY	ESBK Elmira Savings Bank	294,707	22,393	21,857	21,857	0.87	0.77	11.37	10.10	NASDAQ	NA	1,022,500	32.78
NY	FNFG First Niagara Finl Group	4,979,890	938,023	589,043	589,043	1.05	1.09	5.27	5.48	NASDAQ	04/20/98	84,125,973	1017.08
NY	FFIC Flushing Financial Corp.	1,994,466	154,683	150,778	150,778	1.16	1.16	15.42	15.40	NASDAQ	11/21/95	19,374,446	342.30
NY	GPT GreenPoint Financial Corp.	23,843,000	1,948,000	1,553,000	1,553,000	2.02	2.01	24.61	24.50	NYSE	01/28/94	131,722,085	5077.82
NY	HRBT Hudson River Bancorp	2,618,830	287,777	217,492	217,492	1.25	1.25	11.81	11.80	NASDAQ	07/01/98	30,331,438	528.64
NY	ICBC Independence Comm. Bank Corp.	9,974,910	1,044,475	859,267	859,267	1.56	NA	14.79	NA	NASDAQ	03/17/98	54,739,776	3024.18
NY	NYB New York Community Bancorp	26,494,456	3,396,536	1,357,651	1,357,651	2.20	2.02	18.86	17.30	NYSE	11/23/93	270,889,752	5837.21
NY	PBCP Provident Bancorp Inc.	1,713,940	348,086	275,516	275,516	0.69	0.86	5.35	6.68	NASDAQ	01/08/99	39,619,261	409.66
NY	SFFS Sound Federal Bancorp Inc.	890,541	137,059	123,089	123,089	0.78	0.78	4.83	4.83	NASDAQ	10/08/98	13,176,873	169.19
NY	TRST TrustCo Bank Corp NY	2,900,855	234,216	233,663	233,663	1.98	1.71	24.25	20.95	NASDAQ	NA	74,321,952	926.31
NY	WSBI Warwick Community Bancorp	746,634	75,096	72,745	72,745	0.40	0.37	4.14	3.89	NASDAQ	12/23/97	4,498,724	138.54
OH	ASBP ASB Financial Corp.	160,151	17,008	17,008	17,008	1.35	1.26	12.69	11.85	NASDAQ	05/11/95	1,663,670	38.78
OH	CAFI Camco Financial Corp.	1,057,023	92,993	90,040	90,040	0.52	0.46	5.74	5.11	NASDAQ	NA	7,352,151	103.97
OH	GCFC Central Federal Corp.	114,158	19,608	19,608	19,608	-1.40	NA	-7.59	NA	NASDAQ	12/30/98	2,026,000	26.24
OH	CIBI Community Investors Bancorp	121,552	13,398	13,398	13,398	0.72	0.72	6.74	6.74	NASDAQ	02/07/95	1,097,025	16.24
OH	FFDF FFD Financial Corp.	136,418	17,078	17,078	17,078	0.70	0.70	5.62	5.62	NASDAQ	04/03/96	1,205,264	17.02
OH	FDEF First Defiance Financial	1,037,100	127,230	107,928	107,928	1.17	1.10	9.67	9.12	NASDAQ	07/07/93	6,401,000	156.86
OH	FFBZ First Federal Bancorp Inc.	250,500	22,695	22,695	22,695	0.76	0.85	8.17	9.09	NASDAQ	NA	3,286,201	28.56

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OH	277,359	24,289	24,289	0.48	0.38	5.50	NA	NASDAQ	1,645,016	29.20
OH	99,182	16,424	16,424	1.04	0.89	6.17	10/27/98	NASDAQ	1,379,000	25.22
OH	1,654,436	190,399	167,325	1.09	1.06	9.55	01/04/99	NASDAQ	13,238,426	222.31
OH	154,001	12,270	11,967	0.43	NA	5.50	12/30/96	NASDAQ	824,316	13.60
OH	157,521	22,767	22,767	1.26	NA	8.59	03/26/98	NASDAQ	1,691,270	34.60
OH	98,216	8,403	8,403	0.42	NA	4.90	07/02/99	Pink Sheet	392,270	6.37
OH	124,915	14,177	14,177	0.32	0.27	3.03	12/29/00	OTC BB	650,110	13.98
OH	315,805	42,212	42,212	0.72	0.89	5.60	NA	OTC BB	2,339,900	46.80
OH	822,548	47,845	42,317	0.53	0.45	7.83	03/30/00	NASDAQ	2,522,088	54.68
OH	190,832	24,560	24,560	0.92	0.92	7.66	NA	OTC BB	7,583,652	31.85
OH	136,792	17,448	17,448	0.68	0.68	5.49	04/28/97	NASDAQ	1,432,648	22.59
OH	305,108	50,607	50,607	1.48	1.48	9.21	NA	OTC BB	2,467,598	61.69
OH	741,588	62,281	62,281	1.06	1.06	12.49	NA	NASDAQ	6,387,330	94.53
OH	2,083,335	242,809	205,686	1.17	1.12	8.46	07/09/98	NASDAQ	31,133,557	373.74
OH	371,964	44,352	44,352	0.75	0.75	6.52	06/25/93	NASDAQ	3,907,318	62.48
OH	399,540	44,357	44,357	0.70	0.66	5.72	NA	NASDAQ	1,779,823	59.02
OH	548,743	45,738	45,672	0.90	0.86	10.95	NA	AMEX	4,600,938	69.01
PA	1,372,168	101,178	93,621	0.63	0.55	8.80	NA	NASDAQ	10,809,882	135.20
PA	629,353	42,034	39,151	0.70	0.62	10.48	NA	NASDAQ	2,674,705	56.17
PA	570,757	33,091	33,091	0.48	0.24	8.18	01/26/95	NASDAQ	1,924,871	51.97
PA	904,054	97,474	97,474	0.71	0.63	6.56	03/26/96	AMEX	5,046,967	178.31
PA	693,888	42,518	42,518	0.70	0.66	11.52	NA	NASDAQ	2,286,138	69.16
PA	2,057,085	397,866	NA	-0.31	0.65	-1.99	11/03/03	NASDAQ	29,603,000	492.00
PA	301,251	27,519	23,762	0.59	0.58	6.60	NA	NASDAQ	1,925,228	39.56
PA	266,215	15,337	13,574	0.77	0.77	13.16	10/23/98	OTC BB	1,924,621	47.63
PA	876,896	62,091	51,277	-0.29	NA	-4.07	04/01/98	NASDAQ	4,181,799	74.44
PA	1,608,618	104,408	93,164	0.63	0.57	10.13	NA	NASDAQ	5,612,401	154.90
PA	341,682	47,289	47,289	0.86	0.43	6.25	07/10/97	NASDAQ	2,903,353	55.16
PA	72,000	12,327	12,327	1.06	1.03	5.90	04/08/02	OTC BB	711,950	12.67
PA	86,223	7,946	7,946	NA	NA	NA	05/06/04	OTC BB	NA	25.02
PA	47,043,215	3,915,626	2,361,235	1.00	0.94	13.46	NA	NYSE	309,962,247	6454.32
PA	613,212	57,667	53,015	-0.77	-0.74	-8.47	NA	NASDAQ	2,920,502	87.62
PA	5,371,728	417,860	396,532	0.66	0.54	8.70	01/25/94	NASDAQ	33,358,789	894.07

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WGBC Willow Grove Bncp Inc.	PA	847,537	110,000	109,041	0.77	0.64	5.66	4.65	12/24/98	NASDAQ	10,147,963	153.94	
WVFC WVS Financial Corp.	PA	400,160	29,538	29,538	0.62	0.62	7.99	7.99	NA	NASDAQ	2,497,222	45.03	
CFCP Coastal Financial Corp.	SC	1,262,742	81,006	81,006	1.08	1.09	16.99	17.26	NA	NASDAQ	14,389,829	196.71	
DFBS DutchFork Bancshares Inc.	SC	225,585	32,385	32,385	1.58	0.65	11.87	4.87	07/06/00	NASDAQ	1,127,841	43.64	
FCPB First Capital Bancshares Inc.	SC	36,006	3,753	3,753	0.65	NA	6.68	NA	10/29/99	OTC BB	NA	3.38	
FFCH First Financial Holdings Inc.	SC	2,455,616	169,832	147,531	1.07	1.01	15.24	14.48	NA	NASDAQ	12,550,447	378.75	
PEDE Great Pee Dee Bancorp Inc.	SC	156,918	26,458	25,364	0.81	0.74	4.69	4.29	12/31/97	NASDAQ	1,794,784	28.06	
SFDL Security Federal Corp.	SC	527,834	31,564	31,564	0.75	0.75	11.41	11.41	NA	OTC BB	2,516,035	59.71	
HFFC HF Financial Corp.	SD	823,208	50,759	45,808	0.51	0.51	7.93	7.88	NA	NASDAQ	3,518,063	54.92	
JFBI Jefferson Bancshares Inc.	TN	308,234	94,455	94,455	0.39	1.20	1.69	5.23	05/13/94	NASDAQ	8,385,517	97.48	
SFBK SFB Bancorp Inc.	TN	NA	NA	NA	1.37	1.37	6.11	6.11	05/30/97	Pink Sheet	NA	12.44	
UTBI United Tennessee Bankshares	TN	117,740	17,750	16,977	1.68	1.63	11.76	11.40	01/05/98	NASDAQ	1,230,379	20.92	
BAFI BancAffiliated Inc.	TX	98,369	6,182	6,182	0.90	NA	12.98	NA	06/01/01	OTC BB	278,454	8.63	
ETFS East Texas Financial Services	TX	220,945	20,313	18,143	0.42	0.31	4.64	3.36	01/10/95	OTC BB	1,171,724	18.69	
FBTX Franklin Bank Corp.	TX	2,594,464	250,458	188,475	0.28	0.23	2.92	2.41	12/18/03	NASDAQ	21,225,263	371.23	
HRGB Heritage Bancshares	TX	51,703	7,552	7,552	-0.66	NA	-4.58	NA	02/26/02	OTC BB	473,248	12.23	
CFFC Community Financial Corp.	VA	321,420	28,109	28,076	1.09	1.03	11.93	11.35	03/30/88	NASDAQ	2,074,847	40.37	
GAFG Greater Atlantic Financial	VA	529,134	21,413	20,129	0.17	0.13	4.02	2.98	06/28/99	NASDAQ	3,012,434	20.39	
EVRT EverTrust Financial Group Inc.	WA	770,072	90,579	90,579	0.96	0.93	7.63	7.36	10/04/99	NASDAQ	6,890,160	128.23	
FMSB First Mutual Bancshares Inc.	WA	909,322	54,045	54,045	1.03	1.00	17.44	16.98	NA	NASDAQ	5,248,317	124.47	
FBNW FirstBank NW Corp.	WA	699,931	69,031	NA	0.90	0.90	9.26	9.26	07/02/97	NASDAQ	2,940,047	73.56	
HFWA Heritage Financial Corp.	WA	650,575	59,314	52,674	1.48	NA	13.75	NA	01/03/94	NASDAQ	6,054,995	112.16	
HRZB Horizon Financial Corp.	WA	858,876	109,307	108,762	1.55	1.50	11.93	11.52	NA	NASDAQ	10,405,331	200.72	
RPFG Rainier Pacific Finl Group Inc	WA	729,632	115,696	115,461	-0.37	-0.41	-3.28	-3.57	10/21/03	NASDAQ	8,442,840	135.00	
RVSB Riverview Bancorp Inc.	WA	520,487	65,182	55,210	1.35	1.35	10.57	10.57	10/26/93	NASDAQ	4,974,979	101.99	
STSA Sterling Financial Corp.	WA	6,095,155	430,295	280,479	0.86	0.86	13.58	13.53	NA	NASDAQ	22,558,932	705.15	
TSBK Timberland Bancorp Inc.	WA	446,324	71,508	71,508	1.29	1.38	7.50	7.99	01/13/98	NASDAQ	3,903,338	86.97	
WFSL Washington Federal Inc.	WA	7,543,092	1,092,340	1,032,727	1.85	1.84	13.58	13.52	NA	NASDAQ	78,498,545	1807.04	
WM Washington Mutual Inc.	WA	280,768,000	20,383,000	13,951,000	1.40	1.07	19.15	14.66	03/11/83	NYSE	862,953,000	37279.57	
ABCW Anchor Bancorp Wisconsin	WI	3,833,377	301,548	280,413	1.30	1.24	15.82	15.10	NA	NASDAQ	22,954,535	608.75	
BKMU Bank Mutual Corp.	WI	3,093,989	741,392	683,915	0.79	0.79	4.74	4.73	11/02/00	NASDAQ	78,783,849	813.05	
FTFC First Federal Capital Corp	WI	3,743,097	284,097	193,197	1.08	1.08	14.09	14.09	NA	NASDAQ	22,435,114	596.38	
AFBC Advance Financial Bancorp	WV	319,285	21,404	15,128	0.81	0.72	12.84	11.42	01/02/97	NASDAQ	1,398,427	24.91	

KELLER & COMPANY
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KEY FINANCIAL DATA AND RATIOS
PUBLICLY-TRADED, FDIC-INSURED THRIFT INSTITUTIONS
 (EXCLUDING MUTUAL HOLDING COMPANIES)
 AS OF MAY 21, 2004

State	ASSETS AND EQUITY			PROFITABILITY			CAPITAL ISSUES				
	Total Assets (\$000)	Total Equity (\$000)	Total Tang. Equity (\$000)	ROAA (%)	Core ROAA (%)	ROAE (%)	Core ROAE (%)	IPO Date	Exchange	Number of Shares Outstg.	Mkt. Value of Shares (\$M)
SVBC	47,267	8,329	8,329	1.91	0.77	10.49	4.25	06/26/97	OTC BB	393,833	7.58
CRZY	78,942	10,538	10,320	0.39	0.18	2.26	1.05	03/29/96	Pink Sheet	656,282	10.99

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KEY FINANCIAL DATA AND RATIOS
PUBLICLY-TRADED, FDIC-INSURED THRIFT INSTITUTIONS
 (EXCLUDING MUTUAL HOLDING COMPANIES)
 AS OF MAY 21, 2004

State	ASSETS AND EQUITY				PROFITABILITY				CAPITAL ISSUES			
	Total Assets (\$000)	Total Equity (\$000)	Tang. Equity (\$000)	Total Equity (\$000)	ROAA (%)	Core ROAA (%)	ROAE (%)	Core ROAE (%)	IPO Date	Exchange	Number of Shares Outstg.	Mkt. Value of Shares (\$M)
ALL THRIFTS												
AVERAGE	3,336,432	277,893	221,989	221,989	1.27	1.07	15.64	13.18			17,136,122	515.77
MEDIAN	482,384	42,706	41,222	41,222	0.82	0.79	8.39	7.96			3,148,788	60
HIGH	280,768,000	20,383,000	13,951,000	13,951,000	2.34	2.34	42.21	42.21			862,953,000	37,279.57
LOW	31,941	2,416	2,416	2,416	-4.04	-4.08	-57.21	-57.79			190,961	0.00
AVERAGE FOR STATE												
CT	2,469,973	233,477	229,152	229,152	0.67	0.82	4.77	5.87			4,219,606	844.95
AVERAGE BY REGION												
MIDWEST	854,449	80,424	71,912	71,912	1.11	1.04	12.03	11.35			5,865,309	117.06
NEW ENGLAND	1,192,655	135,100	124,242	124,242	0.82	0.79	6.52	6.26			8,320,469	285.89
MID ATLANTIC	3,908,091	378,281	268,553	268,553	1.24	1.11	13.82	12.31			31,005,527	706.86
SOUTHEAST	1,055,658	88,608	80,954	80,954	0.95	0.90	11.27	10.64			8,926,727	146.14
SOUTHWEST	492,881	40,093	35,039	35,039	0.40	0.29	5.07	3.62			3,098,080	52.48
WEST	15,026,175	1,120,458	953,155	953,155	1.37	1.10	18.35	14.76			49,364,553	2,182.33
AVERAGE BY EXCHANGE												
NYSE	38,164,888	2,927,839	2,198,528	2,198,528	1.38	1.16	18.34	15.41			146,570,072	5,630.50
AMEX	688,237	59,228	56,881	56,881	0.78	0.69	8.97	7.93			3,914,290	89.12
NASDAQ	1,172,444	120,746	105,920	105,920	1.00	0.85	9.85	8.42			9,706,380	209.92
OTC	170,297	15,916	15,773	15,773	0.73	0.54	7.61	5.66			1,403,519	20.56
Pink Sheets	125,486	13,274	13,252	13,252	0.67	0.50	5.89	4.37			738,898	14.02

EXHIBIT 35

KELLER & COMPANY

Dublin, Ohio
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**ACQUISITIONS AND PENDING ACQUISITIONS
COUNTY, CITY OR MARKET AREA OF NAUGATUCK VALLEY SAVINGS BANK**

NONE

EXHIBIT 36

**THRIFT STOCK PRICES AND PRICING RATIOS
 PUBLICLY-TRADED, FDIC-INSURED MUTUAL HOLDING COMPANIES
 AS OF MAY 21, 2004**

State	Exchange	Latest Price (\$)	PER SHARE				Book Value (\$)	Assets (\$)	12 Month Div. (\$)	PRICING RATIOS			
			All Time High (\$)	All Time Low (\$)	Monthly Change (%)	Quarterly Change (%)				Price/Earnings (X)	Price/Bk. Value (%)	Price/Assets (%)	Price/Core Earnings (X)
CA	NASDAQ	12.180	14.000	11.000	5.27	NA	6.07	46.12	0.00	NA	200.71	26.41	NA
CT	OTC BB	17.600	23.950	15.300	-12.00	-14.15	11.97	88.25	0.00	44.00	147.03	19.94	56.35
CT	NASDAQ	30.900	33.733	17.700	8.57	4.63	12.37	113.99	1.07	17.26	249.80	27.13	51.83
GA	NASDAQ	32.570	41.000	25.720	-9.45	-17.27	13.02	51.91	1.00	NM	250.15	62.28	123.73
IA	NASDAQ	14.000	17.250	10.085	-6.67	-12.50	6.04	27.92	0.64	45.16	231.97	50.15	45.16
IL	OTC BB	23.500	27.500	18.500	0.64	-12.96	13.70	102.47	0.00	43.52	171.53	22.57	NA
IL	NASDAQ	14.000	20.000	13.260	-21.17	-26.32	10.75	135.88	0.30	46.67	130.23	10.30	72.84
IN	OTC BB	22.750	29.750	16.770	-14.15	-21.55	9.86	103.80	0.50	38.56	230.84	21.92	39.91
KS	NASDAQ	30.290	39.577	27.760	-8.18	-16.56	13.58	114.89	2.55	NM	223.05	25.59	89.09
LA	OTC BB	20.000	23.250	14.750	-5.44	-9.09	12.77	71.83	0.22	23.81	156.64	27.84	23.81
MA	OTC BB	25.000	32.400	21.000	-9.09	-18.96	15.55	190.78	0.00	21.01	160.77	13.10	21.42
MA	OTC BB	31.000	38.000	28.500	-11.55	-13.89	18.39	162.89	0.20	42.47	168.55	19.03	47.54
MA	AMEX	20.000	25.500	17.620	-8.63	-20.16	12.61	76.07	0.20	29.85	158.60	24.95	32.39
MD	NASDAQ	14.850	22.680	14.650	-16.01	-29.95	7.77	123.88	0.50	NM	191.17	11.99	193.97
MI	OTC BB	18.500	25.000	16.500	-11.90	-24.49	13.22	136.88	0.50	27.61	139.93	13.52	33.82
MO	OTC BB	23.000	30.500	19.050	-17.86	-21.37	14.93	150.87	0.80	43.40	154.07	15.24	54.24
MT	OTC BB	33.000	45.000	25.100	-13.16	-14.84	20.70	170.14	0.64	21.57	159.40	19.40	22.89
NC	OTC BB	20.500	23.000	16.000	5.67	-2.38	11.81	192.77	0.20	NM	173.60	10.63	NA
NC	OTC BB	21.500	26.500	17.000	-10.42	-14.00	13.79	78.21	0.56	23.12	155.94	27.49	23.12
NJ	OTC BB	14.700	20.000	12.500	-5.16	-13.02	6.97	71.06	0.00	NA	211.01	20.69	NA
NJ	NASDAQ	11.610	14.250	11.480	-3.89	NA	NA	NA	0.00	NA	NA	NA	NA
NJ	NASDAQ	34.730	40.380	23.560	1.55	-10.40	7.66	94.51	0.62	30.73	453.39	35.14	33.03
NJ	OTC BB	38.000	40.500	20.500	0.00	40.74	17.20	205.61	0.00	29.46	220.93	18.48	29.46
NJ	OTC BB	11.900	13.750	10.000	8.18	NA	NA	NA	0.00	NA	NA	NA	NA
NM	OTC BB	43.000	45.000	28.000	-2.27	4.24	21.66	122.67	0.70	NA	198.49	35.05	72.88
NY	OTC BB	10.500	16.000	9.250	-4.55	-12.50	7.04	63.16	0.00	NA	149.21	16.62	NA
NY	AMEX	12.100	14.000	9.700	-6.92	-10.70	7.80	42.03	0.26	36.67	155.08	28.79	38.97
NY	NASDAQ	30.300	36.000	21.501	-7.48	-14.62	15.00	133.74	0.76	23.49	202.00	22.20	23.61
NY	NASDAQ	9.035	18.600	8.985	-33.71	-40.43	6.95	57.25	0.37	23.78	130.00	15.78	27.41
NY	NASDAQ	22.140	41.490	17.350	-22.88	-44.15	12.65	92.72	0.39	22.59	175.02	23.88	22.47
NY	NASDAQ	15.500	20.999	13.685	-18.21	-20.51	8.88	120.73	0.40	25.41	174.55	12.84	30.19
NY	NASDAQ	32.010	36.000	19.613	12.32	-5.13	8.35	61.19	0.37	NM	383.35	52.29	75.57

THRIFT STOCK PRICES AND PRICING RATIOS
PUBLICLY-TRADED, FDIC-INSURED MUTUAL HOLDING COMPANIES
AS OF MAY 21, 2004

		PER SHARE										PRICING RATIOS			
State	Exchange	Latest Price (\$)	All Time High (\$)	All Time Low (\$)	Monthly Change (%)	Quarterly Change (%)	Book Value (\$)	Assets (\$)	12 Month Div. (\$)	Price/Earnings (X)	Price/Bk. Value (%)	Price/Assets (%)	Price/Core Earnings (X)		
CHEV	Cheviot Financial (MHC)	10.480	13.750	10.300	-6.76	-23.11	NA	NA	0.05	NA	NA	NA	NA		
OFFO	Osage Federal Financial (MHC)	11.450	12.350	10.500	5.05	NA	5.93	40.45	0.00	NA	193.12	28.31	NA		
EKFC	Eureka Financial Corp (MHC)	32.000	34.500	20.500	-5.88	-5.88	16.10	68.11	1.13	55.17	198.76	47.00	55.17		
ALLB	Greater Delaware Valley (MHC)	29.280	40.500	22.350	-16.34	-25.71	10.43	110.41	0.36	44.36	280.80	26.52	44.36		
NWSB	Northwest Bancorp Inc. (MHC)	20.510	26.670	15.350	-8.40	-20.38	10.51	121.03	0.40	20.72	195.15	16.95	22.45		
CZWI	Citizens Community Bncp (MHC)	11.850	13.500	11.250	-1.25	NA	6.32	46.46	0.00	NA	187.41	25.50	NA		
ALL MUTUAL HOLDING COMPANIES															
AVERAGE		21.743	27.285	16.912	-7.16	-14.77	11.67	102.59	0.41	32.52	198.92	25.01	50.27		
MEDIAN		20.500	25.500	16.500	-6.92	-14.39	11.89	102.47	0.36	29.46	181.22	22.39	38.97		
HIGH		43.000	45.000	28.500	12.32	40.74	21.66	205.61	2.55	55.17	453.39	62.28	193.97		
LOW		9.035	12.350	8.985	-33.71	-44.15	5.93	27.92	0.00	17.26	130.00	10.30	21.42		

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KEY FINANCIAL DATA AND RATIOS
PUBLICLY-TRADED, FDIC-INSURED MUTUAL HOLDING COMPANIES
AS OF MAY 21, 2004

	ASSETS AND EQUITY				PROFITABILITY				CAPITAL ISSUES			
	Total Assets (\$000)	Total Equity (\$000)	Total Tang. Equity (\$000)	ROAA (%)	Core ROAA (%)	ROAE (%)	Core ROAE (%)	IPO Date	Exchange	Number of Shares Outslg.	Mkt. Value of Shares (\$M)	
KFED	670,969	88,288	88,288	NA	NA	NA	NA	03/31/04	NASDAQ	14,548,500	177.20	
NEBS	199,232	27,025	24,960	0.39	0.35	2.93	2.61	06/04/02	OTC BB	2,257,651	39.73	
PBCT	10,669,100	1,158,700	1,046,200	1.45	0.48	16.79	5.53	07/06/88	NASDAQ	93,600,000	2,895.94	
CHFN	1,015,957	252,938	246,883	0.63	0.50	2.63	2.09	10/17/01	NASDAQ	19,570,476	637.41	
WCFB	105,318	22,767	22,657	1.11	1.11	5.18	5.18	08/15/94	NASDAQ	3,772,372	52.81	
AJSB	245,194	32,266	32,266	0.53	NA	3.84	NA	12/27/01	OTC BB	2,392,921	56.23	
JXSB	265,194	20,984	17,918	0.24	0.15	3.07	1.96	04/21/95	NASDAQ	1,951,743	27.32	
MSSVB	151,474	14,382	14,382	0.59	0.59	5.92	5.92	04/09/98	OTC BB	1,459,303	33.20	
CFFN	8,466,368	971,414	971,414	0.29	0.29	2.53	2.53	04/01/99	NASDAQ	73,691,867	2,235.22	
MDNB	104,496	18,574	18,574	1.31	1.31	6.83	6.83	07/02/02	OTC BB	1,454,750	29.09	
SERC	310,500	25,307	25,307	0.66	0.65	8.21	8.05	10/08/98	OTC BB	1,627,500	40.69	
WFSM	258,776	29,219	29,219	0.46	0.41	4.03	3.62	02/16/00	OTC BB	1,588,674	49.25	
WFD	797,488	125,435	125,435	0.85	0.78	5.52	5.09	12/28/01	AMEX	10,483,900	209.68	
BCSB	730,777	45,823	43,135	0.07	0.06	1.01	0.84	11/07/98	NASDAQ	5,899,093	87.60	
ALPN	227,052	21,930	18,156	0.49	0.40	5.06	4.13	07/08/98	OTC BB	1,658,780	30.69	
LBTME	203,839	20,169	20,169	0.36	0.29	3.50	2.79	08/23/93	OTC BB	1,351,076	31.07	
EBMT	206,612	25,140	25,140	0.89	0.84	7.58	7.17	04/05/00	OTC BB	1,214,372	40.07	
ASFE	202,378	12,397	10,721	-0.16	NA	-2.50	NA	10/07/96	OTC BB	1,049,838	21.52	
WAKE	89,568	15,791	15,791	1.23	1.23	6.86	6.86	04/03/96	OTC BB	1,145,296	24.67	
ASBH	394,728	38,695	38,695	NA	NA	NA	NA	10/03/03	OTC BB	5,554,500	81.65	
CSBK	635,855	75,875	75,875	NA	NA	NA	NA	03/04/04	NASDAQ	NA	354.46	
HCBK	17,919,949	1,388,920	1,388,920	1.31	1.22	15.65	14.56	07/13/99	NASDAQ	189,602,811	6,575.75	
ROEB	87,488	7,319	7,319	0.63	0.63	7.62	7.62	10/02/97	OTC BB	425,500	16.17	
WAWL	NA	NA	NA	1.12	1.10	14.33	14.08	04/01/04	OTC BB	NA	23.01	
ALMG	158,690	28,026	28,026	0.47	0.47	2.69	2.69	05/16/00	OTC BB	1,293,665	55.86	
FLTB	140,663	15,672	15,672	0.06	0.06	0.82	0.82	10/21/03	OTC BB	2,227,000	23.38	
GOV	95,912	17,806	17,806	0.83	0.78	4.28	4.03	03/23/99	AMEX	2,282,109	27.61	
GCBC	274,615	30,185	30,185	1.02	1.01	9.20	9.15	12/30/98	NASDAQ	2,053,403	62.22	
ONFC	426,668	51,786	39,083	0.70	0.61	5.96	5.17	12/30/98	NASDAQ	7,452,862	67.34	
PRTR	1,318,346	179,877	142,536	1.06	1.06	7.80	7.85	04/04/02	NASDAQ	14,218,406	314.91	
PBHC	302,316	22,236	17,601	0.52	0.44	6.91	5.80	11/16/95	NASDAQ	2,504,000	38.81	
ROME	259,631	35,415	35,415	0.55	0.71	3.92	5.05	10/06/99	NASDAQ	4,242,986	135.50	
CHEV	246,007	37,251	37,251	NA	NA	NA	NA	01/06/04	NASDAQ	NA	103.95	

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KEY FINANCIAL DATA AND RATIOS
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	ASSETS AND EQUITY			PROFITABILITY			CAPITAL ISSUES				
	Total Assets (\$000)	Total Equity (\$000)	Total Tang. Equity (\$000)	ROAA (%)	Core ROAA (%)	ROAE (%)	Core ROAE (%)	IPO Date	Exchange	Number of Shares Outstg.	Mkt. Value of Shares (\$M)
OK Osage Federal Financial (MHC)	92,271	13,526	13,526	NA	NA	NA	NA	04/01/04	OTC BB	2,281,313	26.12
PA Eureka Financial Corp (MHC)	83,536	19,752	19,752	0.90	0.90	3.83	3.83	01/07/99	OTC BB	1,226,538	39.25
PA Greater Delaware Valley (MHC)	379,949	35,885	35,885	0.60	0.60	6.43	6.43	03/03/95	NASDAQ	3,441,383	100.76
PA Northwest Bancorp Inc. (MHC)	5,801,532	503,944	360,725	0.85	0.79	10.94	10.10	11/07/94	NASDAQ	47,933,545	983.39
WI Citizens Community Bncp (MHC)	141,334	19,233	NA	NA	NA	NA	NA	03/30/04	OTC BB	3,041,750	36.04
ALL MUTUAL HOLDING COMPANIES											
AVERAGE	1,450,805	147,296	141,691	1.00	0.74	10.36	7.61			15,157,140	415.41
MEDIAN	252,392	27,526	28,026	0.63	0.61	5.18	5.17			2,281,711.00	49.25
HIGH	17,919,949	1,388,920	1,388,920	1.45	1.31	16.79	14.56			189,602,811	6,575.75
LOW	83,536	7,319	7,319	-0.16	0.06	-2.50	0.82			425,500	16.17

KELLER & COMPANY
 Dublin, Ohio
 614-766-1426

COMPARABLE GROUP SELECTION

BALANCE SHEET PARAMETERS

General Parameters:
 States: CT DE IN IL KY MA MD ME
 NH NJ NY OH PA RI VT WV
 IPO Date: <= 03/31/03
 Asset size: <=1,000,000,000

**NAUGATUCK VALLEY
 FINANCIAL CORPORATION**

	IPO Date	Total Assets (\$000)	Cash & Invest./ Assets (%)	MBS/ Assets (%)	1-4 Fam. Loans/ Assets (%)	Total Net Loans/ Assets (%)	Total Net Loans & MBS/ Assets (%)	Borrowed Funds/ Assets (%)	Equity/ Assets (%)
	-	242,148	12.36	6.15	54.65	75.29	81.44	12.45	8.94
	Prior to 03/31/03	< 1,000,000	< 25.00	< 25.00	30.00 - 70.00	50.00 - 90.00	70.00 - 95.00	< 40.00	6.00 - 18.00
DEFINED PARAMETERS FOR INCLUSION IN COMPARABLE GROUP									
SVBC	WV	47,267	28.82	8.17	53.93	58.99	67.16	0.00	17.62
HBBI	IN	51,405	30.84	1.24	46.44	65.91	67.15	12.64	13.08
HWEN	IN	59,716	NA	3.33	50.49	80.07	83.40	23.44	11.83
RSVB	PA	72,000	36.38	12.89	37.03	49.29	62.18	10.39	17.12
FNSW	NJ	92,224	20.18	7.83	41.86	68.85	76.68	1.00	7.15
IDVB	OH	98,216	20.40	23.21	39.98	51.72	74.93	29.33	8.56
FNFI	OH	99,182	32.33	25.82	29.69	40.80	66.62	20.67	16.56
SOBI	IN	110,944	10.70	23.44	40.01	57.58	81.02	30.24	4.81
GCFC	OH	114,158	NA	11.38	32.72	57.34	68.72	16.39	17.18
PBNC	IN	118,273	10.89	2.73	64.37	84.80	87.53	1.69	22.76
BUCS	MD	118,319	7.22	20.52	41.78	65.19	85.71	19.72	8.45
CIBI	OH	121,552	16.44	1.23	65.66	79.38	80.62	17.33	11.02
LWFH	OH	124,915	18.59	12.63	30.85	63.30	75.92	0.00	11.35
AFBA	IL	129,565	5.93	6.71	59.25	85.73	92.44	27.40	7.79
PSFC	OH	136,792	12.14	0.00	67.00	85.49	85.49	23.02	12.76
FKKY	KY	137,970	NA	2.41	86.76	91.54	93.95	32.56	12.81
FFDF	OH	138,418	15.83	0.81	40.68	81.25	82.07	11.07	12.34
CSFC	IN	146,422	14.24	0.14	36.99	80.41	80.55	24.28	7.92
CKFB	KY	147,290	7.46	3.60	59.03	86.22	89.83	5.25	10.32
AMFC	IN	151,674	8.10	2.08	55.70	81.64	83.73	14.44	8.38

KELLER & COMPANY
 Dublin, Ohio
 614-766-1426

COMPARABLE GROUP SELECTION

BALANCE SHEET PARAMETERS

General Parameters:
 States: CT DE IN IL KY MA MD ME
 NH NJ NY OH PA RI VT WV
 IPO Date: <= 03/31/03
 Asset size: <=1,000,000,000

**NAUGATUCK VALLEY
 FINANCIAL CORPORATION**

	IPO Date	Total Assets (\$000)	Cash & Invest./ Assets (%)	MBS/ Assets (%)	1-4 Fam. Loans/ Assets (%)	Total Net Loans/ Assets (%)	Total Net Loans & MBS/ Assets (%)	Borrowed Funds/ Assets (%)	Equity/ Assets (%)
	-	242,148	12.36	6.15	54.65	75.29	81.44	12.45	8.94
DEFINED PARAMETERS FOR INCLUSION IN COMPARABLE GROUP									
	Prior to 03/31/03	< 1,000,000	< 25.00	< 25.00	30.00 - 70.00	50.00 - 90.00	70.00 - 95.00	< 40.00	6.00 - 18.00
PHSB	PHSB Financial Corp.	341,682	15.15	38.57	17.91	43.82	82.39	16.13	13.84
CFSB	Citizens First Financial Corp.	347,315	15.53	3.74	33.68	76.26	80.01	16.96	9.69
CFSL	Chesterfield Financial Corp.	360,899	54.39	3.92	39.44	40.27	44.19	0.00	20.72
WAYN	Wayne Savings Bancshares	371,364	15.13	23.93	47.49	56.12	80.05	8.07	11.92
FCAP	First Capital Inc.	409,138	16.79	3.84	49.01	74.35	78.20	14.85	10.73
MYST	Mystic Financial Inc.	428,417	NA	17.81	40.31	69.08	86.88	12.18	6.47
CNY	Carver Bancorp Inc.	538,830	7.19	23.85	17.14	65.31	89.16	19.35	8.29
HFBC	HopFed Bancorp Inc.	541,005	20.14	12.70	35.31	62.95	75.65	12.74	9.01
FKFS	First Keystone Financial	570,757	NA	23.66	32.23	51.41	75.07	30.64	5.80
LNCB	Lincoln Bancorp	580,357	13.31	3.85	46.34	76.15	80.00	29.59	13.85
SYNF	Synergy Finl Group Inc.	591,287	2.13	25.80	38.04	67.49	93.29	14.19	6.64
MFSF	MutualFirst Financial Inc.	809,475	6.69	1.54	50.84	84.87	86.41	15.83	11.95
PCBI	Peoples Community Bancorp Inc.	822,548	3.33	24.29	28.55	68.77	93.05	38.99	5.82
WRO	Woronoco Bancorp Inc.	825,458	9.98	21.57	43.69	65.50	87.07	39.30	9.86
WGBC	Willow Grove Bncp Inc.	847,537	18.33	21.91	27.63	57.32	79.23	18.86	12.98
NEPF	Northeast PA Financial Corp.	876,896	19.87	23.42	22.63	51.04	74.46	31.02	7.08
SFFS	Sound Federal Bancorp Inc.	890,541	12.81	29.21	45.84	53.73	82.94	3.93	15.39
EFC	EFC Bancorp Inc.	917,553	16.16	1.07	55.27	77.77	78.84	21.38	8.83

KELLER & COMPANY
 Dublin, Ohio
 614-766-1426

General Parameters:
 States: CT DE IN IL KY MA MD ME
 NH NJ NY OH PA RI VT WV
 IPO Date: <= 03/31/03
 Asset size: <=1,000,000,000

COMPARABLE GROUP SELECTION
OPERATING PERFORMANCE AND ASSET QUALITY PARAMETERS
Most Recent Four Quarters

IPO Date	Total Assets (\$000)	OPERATING PERFORMANCE				ASSET QUALITY (1)			
		Core ROAA (%)	Core ROAE (%)	Net Interest Margin (%)	Operating Expenses/Assets (%)	Noninterest Income/Assets (%)	NPA Assets (%)	Repo. Assets (%)	Reserves/Assets (%)
-	242,148	0.72	8.11	3.69	2.99	0.50	0.40	0.05	0.75
		0.60 -	4.00 -	2.75 -	2.00 -				
		1.10	12.00	4.50	4.00	< 1.25	< 1.00	< 0.20	> 0.20

NAUGATUCK VALLEY FINANCIAL CORPORATION

SVBC	HBBI	HWEN	RSVB	FNSW	IDVB	FNFI	SOBI	GCFC	PBNC	BUCS	CIBI	LWFH	AFBA	PSFC	FKKY	FFDF	CSFC
Sistersville Bancorp Inc.	Home Building Bancorp	Home Financial Bancorp	Reserve Bancorp Inc.	Farnsworth Bancorp Inc.	Indian Village Bancorp Inc.	First Niles Financial Inc.	Sobieski Bancorp Inc.	Central Federal Corp.	PFS Bancorp Inc.	BUCS Financial Corp	Community Investors Bancorp	Lawrence Financial Holdings	Allied First Bancorp Inc.	Peoples-Sidney Financial Corp.	Frankfort First Bancorp Inc.	FFD Financial Corp.	City Savings Financial Corp.
WV	IN	IN	PA	NJ	OH	OH	IN	OH	IN	MD	OH	OH	IL	OH	KY	OH	IN
06/26/97	02/08/95	07/02/96	04/08/02	09/30/98	07/02/99	10/27/98	03/31/95	12/30/98	10/12/01	03/15/01	02/07/95	12/29/00	12/31/01	04/28/97	07/10/95	04/03/96	12/28/01
47,267	51,405	59,716	72,000	92,224	98,216	99,182	110,944	114,158	118,273	118,319	121,552	124,915	129,565	136,792	137,970	138,418	146,422
0.77	0.83	0.73	1.03	0.52	NA	0.89	NA	-4.08	0.71	0.40	0.72	0.27	0.47	0.68	0.73	0.70	0.93
4.25	6.01	6.44	5.74	7.07	NA	5.28	NA	-57.79	3.16	4.68	6.74	2.51	5.01	5.49	5.66	5.62	11.71
3.90	3.71	5.31	3.33	4.22	2.14	3.10	1.98	3.26	3.08	3.18	4.04	3.38	3.23	2.43	2.89	3.50	
2.78	2.35	4.23	1.83	3.50	1.87	1.82	4.18	4.73	2.33	4.65	2.35	3.31	2.99	2.18	1.33	2.44	1.99
1.91	0.26	0.13	0.30	0.54	NA	0.28	NA	0.39	0.33	2.51	0.45	0.68	0.59	0.10	0.04	0.67	0.79
0.21	0.62	2.57	NA	NA	NA	1.09	0.83	7.21	0.96	0.04	0.75	1.86	0.03	1.43	0.55	0.72	2.68
0.16	0.06	1.22	0.09	0.00	0.00	0.00	0.17	3.04	0.15	0.00	0.04	0.13	0.00	0.00	0.00	0.00	0.04
0.35	0.44	0.65	0.27	0.38	0.30	0.76	0.39	1.96	0.65	0.53	0.50	0.79	0.50	0.53	0.06	0.57	0.89

KELLER & COMPANY
 Dublin, Ohio
 614-766-1426

COMPARABLE GROUP SELECTION

**OPERATING PERFORMANCE AND ASSET QUALITY PARAMETERS
 Most Recent Four Quarters**

General Parameters:
 States: CT DE IN IL KY MA MD ME
 NH NJ NY OH PA RI VT WV
 IPO Date: <= 03/31/03
 Asset size: <=1,000,000,000

		OPERATING PERFORMANCE				ASSET QUALITY (1)			
IPO Date	Total Assets (\$000)	Core ROAA (%)	Core ROAE (%)	Net Interest Margin (%)	Operating Expenses/Assets (%)	NonInterest Income/Assets (%)	NPA/Assets (%)	Repo. Assets (%)	Reserves/Assets (%)

**NAUGATUCK VALLEY
 FINANCIAL CORPORATION**

- 242,148 0.72 8.11 3.69 2.99 0.50 0.40 0.05 0.75

DEFINED PARAMETERS FOR		Prior to	2.75 -	2.00 -	4.00 -	2.75 -	2.00 -	4.00 -	2.00 -	2.75 -	2.00 -	4.00 -	2.75 -	2.00 -
INCLUSION IN COMPARABLE GROUP		03/31/03	4.00 -	12.00	4.50	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00

CKFB	CKF Bancorp Inc.	KY	01/04/95	147,290	1.09	10.69	3.25	1.62	0.14	0.14	1.13	0.09	0.42
AMFC	AMF Financial Corp	IN	04/01/96	151,674	0.70	8.44	3.23	2.77	1.03	1.03	0.74	0.00	0.70
LOGN	Logansport Financial Corp.	IN	06/14/95	153,868	0.79	7.60	2.63	1.56	0.42	0.42	0.88	0.00	1.15
HCFB	Home City Financial Corp.	OH	12/30/96	154,001	NA	NA	NA	2.24	0.14	0.14	NA	0.02	0.66
HLFC	Home Loan Financial Corp.	OH	03/26/98	157,521	NA	NA	4.11	2.52	NA	NA	NA	0.05	NA
GTPS	Great American Bancorp	IL	06/30/95	157,770	0.82	7.68	3.57	3.89	2.04	2.04	0.02	0.15	0.75
ALFC	Atlantic Liberty Financial	NY	10/23/02	160,009	0.92	5.34	4.39	2.75	0.26	0.26	0.13	0.00	0.36
ASBP	ASB Financial Corp.	OH	05/11/95	160,151	1.26	11.85	3.93	2.41	0.49	0.49	0.99	0.00	0.69
HFFB	Harrodsburg First Fin Bancorp	KY	10/04/95	179,395	0.55	4.54	2.71	2.36	0.45	0.45	0.51	0.00	0.53
BRBI	Blue River Bancshares Inc.	IN	06/24/98	202,005	NA	NA	3.36	3.36	NA	NA	1.96	1.60	0.83
FBFI	First Bancorp of Indiana Inc.	IN	04/07/99	211,901	0.74	4.69	3.41	3.06	1.09	1.09	0.22	0.00	0.49
NEIB	Northeast Indiana Bancorp	IN	06/28/95	222,456	0.82	6.81	2.82	2.24	0.70	0.70	1.31	0.07	0.76
HFSK	HFS Bank FSB	IN	10/02/85	228,079	0.70	8.35	2.58	1.92	0.71	0.71	0.76	0.09	0.55
FBTC	First BancTrust Corp.	IL	04/19/01	228,884	0.70	6.20	3.57	3.29	1.47	1.47	1.03	0.03	0.97
RIVR	River Valley Bancorp	IN	12/20/96	255,076	1.11	12.20	3.28	2.43	1.31	1.31	0.59	0.00	0.81
UCBC	Union Community Bancorp	IN	12/29/97	264,907	0.79	5.95	3.25	1.99	0.22	0.22	NA	0.14	0.45
NTNY	Nittany Financial Corp.	PA	10/23/98	266,215	0.77	13.05	2.97	2.37	0.77	0.77	NA	0.00	0.68
PFED	Park Bancorp Inc.	IL	08/12/96	269,006	0.82	7.39	3.20	2.09	0.43	0.43	0.09	0.03	0.22

KELLER & COMPANY
 Dublin, Ohio
 614-766-1426

COMPARABLE GROUP SELECTION

OPERATING PERFORMANCE AND ASSET QUALITY PARAMETERS
 Most Recent Four Quarters

General Parameters:
 States: CT DE IN IL KY MA MD ME
 NH NJ NY OH PA RI VT WV
 IPO Date: <= 03/31/03
 Asset size: <=1,000,000,000

IPO Date	Total Assets (\$000)	Core ROAA (%)	Core ROAE (%)	Net Interest Margin (%)	OPERATING PERFORMANCE			ASSET QUALITY (1)		
					Operating Expenses/Assets (%)	Noninterest Income/Assets (%)	Repo. Assets/Assets (%)	NPA/Assets (%)	Reserves/Assets (%)	

NAUGATUCK VALLEY FINANCIAL CORPORATION

DEFINED PARAMETERS FOR INCLUSION IN COMPARABLE GROUP		Prior to 03/31/03	2.75 - 4.00 -	2.75 - 4.50	2.00 - 4.00	< 1.25	< 1.00	< 0.20	> 0.20
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HMLK	Hemlock Federal Financial Corp	IL	04/02/97	318,774	0.35	5.05	2.09	2.02	0.77	0.09	0.00	0.00	0.30
AFBC	Advance Financial Bancorp	WV	01/02/97	319,285	0.72	11.42	3.19	2.16	0.70	NA	0.23	0.50	0.50
LSBI	LSB Financial Corp	IN	02/03/95	332,155	0.91	10.67	3.45	2.40	0.22	0.70	0.11	0.80	0.80
FFBI	First Federal Bancshares Inc.	IL	09/28/00	332,865	0.49	3.64	2.76	2.05	0.51	0.42	0.06	0.28	0.28
PHSB	PHSB Financial Corp.	PA	07/10/97	341,682	0.43	3.15	2.59	2.18	0.97	0.08	0.01	0.47	0.47
CFSB	Citizens First Financial Corp.	IL	05/01/96	347,315	NA	NA	3.33	2.66	0.89	NA	0.62	0.93	0.93
CFSL	Chesterfield Financial Corp.	IL	05/02/01	360,899	0.60	2.97	2.83	2.48	0.75	0.10	0.00	0.36	0.36
WAYN	Wayne Savings Bancshares	OH	06/25/93	371,954	0.75	6.52	3.13	2.44	0.53	0.52	0.05	0.20	0.20
FCAP	First Capital Inc.	IN	12/21/92	409,138	0.90	8.47	3.62	2.32	0.56	1.35	0.05	0.59	0.59
MYST	Mystic Financial Inc.	MA	01/09/98	428,417	0.30	4.84	3.08	2.69	0.45	NA	0.00	0.66	0.66
CNY	Carver Bancorp Inc.	NY	10/25/94	538,830	0.93	11.37	3.56	2.98	0.98	0.39	0.00	0.77	0.77
HFBC	HopFed Bancorp Inc.	KY	02/09/98	541,005	0.61	6.60	2.64	1.84	0.61	NA	0.02	0.52	0.52
FKFS	First Keystone Financial	PA	01/26/95	570,757	0.24	4.11	2.28	2.38	0.93	0.51	0.26	0.37	0.37
LNCB	Lincoln Bancorp	IN	12/30/98	580,357	0.63	4.54	2.93	2.40	0.60	0.46	0.14	0.63	0.63
SYNF	Synergy Finl Group Inc.	NJ	09/18/02	591,287	0.53	6.88	3.77	2.99	0.40	0.07	0.00	0.52	0.52
MFSF	MutualFirst Financial Inc.	IN	12/30/99	809,475	0.98	8.30	3.98	2.58	0.75	0.62	0.07	0.84	0.84
PCBI	Peoples Community Bancorp Inc.	OH	03/30/00	822,548	0.45	6.63	2.95	1.69	0.14	1.07	0.11	1.28	1.28
WRO	Woronoco Bancorp Inc.	MA	03/19/99	825,458	0.81	8.17	2.79	2.31	0.91	0.05	0.00	0.42	0.42

KELLER & COMPANY
 Dublin, Ohio
 614-766-1426

COMPARABLE GROUP SELECTION

OPERATING PERFORMANCE AND ASSET QUALITY PARAMETERS
 Most Recent Four Quarters

General Parameters:
 States: CT DE IN IL KY MA MD ME
 NH NJ NY OH PA RI VT WV
 IPO Date: <= 03/31/03
 Asset size: <=1,000,000,000

IPO Date	Total Assets (\$000)	OPERATING PERFORMANCE				ASSET QUALITY (1)		
		Core ROAA (%)	Core ROAE (%)	Net Interest Margin (%)	Operating Expenses/Assets (%)	Noninterest Income/Assets (%)	NPA/Assets (%)	Repo. Assets/Assets (%)

NAUGATUCK VALLEY FINANCIAL CORPORATION

		0.60 -	4.00 -	2.75 -	2.00 -				
		1.10	12.00	4.50	4.00	< 1.25	< 1.00	< 0.20	> 0.20

DEFINED PARAMETERS FOR INCLUSION IN COMPARABLE GROUP

Company	State	IPO Date	Total Assets (\$000)	Core ROAA (%)	Core ROAE (%)	Net Interest Margin (%)	Operating Expenses/Assets (%)	Noninterest Income/Assets (%)	NPA/Assets (%)	Repo. Assets/Assets (%)	Reserves/Assets (%)
WGBC	PA	12/24/98	847,537	0.64	4.65	3.18	2.46	0.54	NA	0.05	0.60
NEPF	PA	04/01/98	876,896	NA	NA	2.48	3.18	1.20	1.18	0.13	1.16
SFFS	NY	10/08/98	890,541	0.78	4.83	3.26	1.91	0.12	0.22	0.00	0.30
EFC	IL	04/07/98	917,553	0.79	8.89	3.01	2.12	0.66	0.28	0.01	0.42

(1) Asset quality ratios reflect balance sheet totals at the end of the most recent quarter.

KELLER & COMPANY

Dublin, Ohio
614-766-1426

EXHIBIT 40

FINAL COMPARABLE GROUP

BALANCE SHEET RATIOS

	IPO Date	Total Assets (\$000)	Cash & Invest./ Assets (%)	MBS/ Assets (%)	1-4 Fam. Loans/ Assets (%)	Total Net Loans/ Assets (%)	Total Net Loans & MBS/ Assets (%)	Borrowed Funds/ Assets (%)	Equity/ Assets (%)
NAUGATUCK VALLEY FINANCIAL CORPORATION	-	242,148	12.36	6.15	54.65	75.29	81.44	12.45	8.94
	Prior to 03/31/03	< 1,000,000	< 25.00	< 25.00	30.00 - 70.00	50.00 - 90.00	70.00 - 95.00	< 40.00	6.00 - 18.00
DEFINED PARAMETERS FOR INCLUSION IN COMPARABLE GROUP									
AMFC	IN	151,674	8.10	2.08	55.70	81.64	83.73	14.44	8.38
ALFC	NY	160,009	5.08	20.19	39.41	70.66	90.84	14.50	16.39
FBEI	IN	211,901	4.93	23.48	34.53	65.30	88.78	22.34	14.23
PFED	IL	269,006	17.38	16.60	38.29	61.17	77.76	24.28	11.27
LSBI	IN	332,165	8.83	0.50	44.69	86.38	86.89	19.52	8.54
WAYN	OH	371,964	15.13	23.93	47.49	56.12	80.05	8.07	11.92
LNCB	IN	580,357	13.31	3.85	46.34	76.15	80.00	29.59	13.85
MFSF	IN	809,475	6.69	1.54	50.84	84.87	86.41	15.83	11.95
WRO	MA	825,458	9.98	21.57	43.69	65.50	87.07	39.30	9.86
EFC	IL	917,553	16.16	1.07	55.27	77.77	78.84	21.38	8.83
	AVERAGE	462,956	10.56	11.48	45.62	72.56	84.04	20.92	11.52
	MEDIAN	352,065	9.40	10.22	45.51	73.40	85.07	20.45	11.60
	HIGH	917,553	17.38	23.93	55.70	86.38	90.84	39.30	16.39
	LOW	151,674	4.93	0.50	34.53	56.12	77.76	8.07	8.38

FINAL COMPARABLE GROUP
OPERATING PERFORMANCE AND ASSET QUALITY RATIOS
 Most Recent Four Quarters

	IPO Date	Total Assets (\$000)	OPERATING PERFORMANCE				ASSET QUALITY (1)			
			Core ROAA (%)	Core ROAE (%)	Net Interest Margin (%)	Operating Expenses/Assets (%)	Noninterest Income/Assets (%)	NPA/Assets (%)	Repo. Assets/Assets (%)	Reserves/Assets (%)
NAUGATUCK VALLEY FINANCIAL CORPORATION	-	242,148	0.72	8.11	3.69	2.99	0.50	0.40	0.05	0.75
DEFINED PARAMETERS FOR INCLUSION IN COMPARABLE GROUP			0.60 -	4.00 -	2.75 -	2.00 -	< 1.25	< 1.00	< 0.20	> 0.20
	Prior to 03/31/03	< 1,000,000	1.10	12.00	4.50	4.00				
AMFC	IN	151,674	0.70	8.44	3.23	2.77	1.03	0.74	0.00	0.70
ALFC	NY	160,009	0.92	5.34	4.39	2.75	0.26	0.13	0.00	0.36
FBEI	IN	211,901	0.74	4.69	3.41	3.06	1.09	0.22	0.00	0.49
PFED	IL	269,006	0.82	7.39	3.20	2.09	0.43	0.09	0.03	0.22
LSBI	IN	332,165	0.91	10.67	3.46	2.40	0.22	0.70	0.11	0.80
WAYN	OH	371,964	0.75	6.52	3.13	2.44	0.53	0.52	0.05	0.20
LNCB	IN	580,357	0.63	4.54	2.93	2.40	0.60	0.46	0.14	0.63
MFSF	IN	809,475	0.98	8.30	3.68	2.58	0.75	0.62	0.07	0.84
WRO	MA	825,458	0.81	8.17	2.79	2.31	0.91	0.05	0.00	0.42
EFC	IL	917,553	0.79	8.89	3.01	2.12	0.66	0.28	0.01	0.42
	AVERAGE	462,956	0.81	7.30	3.32	2.49	0.65	0.38	0.04	0.51
	MEDIAN	352,065	0.80	7.78	3.22	2.42	0.63	0.37	0.02	0.46
	HIGH	917,553	0.98	10.67	4.39	3.06	1.09	0.74	0.14	0.84
	LOW	151,674	0.63	4.54	2.79	2.09	0.22	0.05	0.00	0.20

(1) Asset quality ratios reflect balance sheet totals at the end of the most recent quarter.

COMPARABLE GROUP CHARACTERISTICS AND BALANCE SHEET TOTALS

Most Recent Quarter

SUBJECT	Number of Offices	Exchange	Conversion (IPO) Date	Total Assets (\$000)	Int. Earning Assets (\$000)	Total Net Loans (\$000)	Goodwill and Intang. (\$000)	Total Deposits (\$000)	Total Equity (\$000)
NAUGATUCK VALLEY FINANCIAL CORPORATION	5	-	-	242,148	233,669	182,311	281	187,474	21,656
COMPARABLE GROUP									
AMFC AMB Financial Corp.	3	NASDAQ	04/01/96	151,674	131,147	123,834	0	112,297	12,707
ALFC Atlantic Liberty Financial Corp	2	NASDAQ	10/23/02	160,009	149,229	113,059	0	107,861	26,231
EFC EFC Bancorp, Inc.	8	AMEX	04/07/98	917,553	835,957	713,574	0	627,687	81,016
FBEI First Bancorp of Indiana, Inc.	7	NASDAQ	04/07/99	211,901	194,547	138,380	2,063	131,653	30,145
LNCB Lincoln Bancorp	9	NASDAQ	12/30/98	580,357	552,777	441,923	2,175	321,672	80,357
LSBI LSB Financial Corp.	5	NASDAQ	02/03/95	332,165	301,404	286,937	0	237,264	28,357
MFSF MutualFirst Financial, Inc.	17	NASDAQ	12/30/99	809,475	748,001	687,004	904	572,934	96,762
PFED Park Bancorp, Inc.	3	NASDAQ	08/12/96	269,006	238,269	164,540	0	169,108	30,330
WAYN Wayne Savings Bancshares, Inc.	10	NASDAQ	06/25/93	371,964	344,259	208,745	0	294,363	44,352
WRO Woronoco Bancorp, Inc.	9	AMEX	03/19/99	825,458	742,655	540,641	1,823	412,553	81,386
Average	7.3			462,956	423,825	341,864	697	298,739	51,164
Median	7.5			352,065	322,832	247,841	0	265,814	37,341
High	17.0			917,553	835,957	713,574	2,175	627,687	96,762
Low	2.0			151,674	131,147	113,059	0	107,861	12,707

BALANCE SHEET
ASSET COMPOSITION - MOST RECENT QUARTER

SUBJECT	Total Assets (\$000)	As a Percent of Total Assets											
		Cash & Invest. (%)	MBS (%)	Net Loans (%)	Loan Loss Reserves (%)	Estate Owned (%)	Goodwill & Intang. (%)	Other Assets (%)	High Risk R.E. Loans (%)	Non-Perf. Assets (%)	Interest Earning Assets (%)	Interest Bearing Liabilities (%)	Capitalized Loan Servicing (%)
NAUGATUCK VALLEY FINANCIAL CORPORATION	242,148	12.36	6.15	75.29	0.75	0.05	0.01	3.15	6.75	0.40	96.50	89.87	0.01
COMPARABLE GROUP													
AMFC AMB Financial Corp.	151,674	8.10	2.08	81.64	0.70	0.00	0.00	7.53	20.22	0.74	86.96	89.24	0.00
ALFC Atlantic Liberty Financial	160,009	5.08	20.19	70.66	0.36	0.00	0.00	3.50	29.12	0.13	94.56	86.23	0.00
EFC EFC Bancorp Inc.	917,553	16.16	1.07	77.77	0.42	0.01	0.00	4.53	20.03	0.28	94.10	78.40	0.00
FBEI First Bancorp of Indiana Inc.	211,901	4.93	23.48	65.30	0.49	0.00	0.97	5.14	2.70	0.22	87.26	73.95	0.15
LNCB Lincoln Bancorp	580,357	13.31	3.85	76.15	0.63	0.14	0.37	4.63	24.71	0.46	96.49	89.94	0.00
LSBI LSB Financial Corp.	332,165	8.83	0.50	86.38	0.80	0.11	0.00	4.29	34.74	0.70	93.87	86.19	0.00
MFSF MutualFirst Financial Inc.	809,475	6.69	1.54	84.87	0.84	0.07	0.11	6.02	10.52	0.62	92.75	84.91	0.14
PFED Park Bancorp Inc.	269,006	17.38	16.60	61.17	0.22	0.03	0.00	4.83	18.11	0.09	93.31	85.39	0.00
WAYN Wayne Savings Bancshares	371,964	15.13	23.93	56.12	0.20	0.05	0.00	4.71	4.14	0.52	93.99	82.99	0.07
WRO Woronoco Bancorp Inc.	825,458	9.98	21.57	65.50	0.42	0.00	0.22	2.61	14.07	0.05	91.92	78.82	0.11
Average	462,956	10.56	11.48	72.56	0.51	0.04	0.17	4.78	17.84	0.38	92.52	83.61	0.05
Median	352,065	9.40	10.22	73.40	0.46	0.02	0.00	4.67	19.07	0.37	93.59	85.15	0.00
High	917,553	17.38	23.93	86.38	0.84	0.14	0.97	7.53	34.74	0.74	96.49	89.94	0.15
Low	151,674	4.93	0.50	56.12	0.20	0.00	0.00	2.61	2.70	0.05	86.96	73.95	0.00
ALL THRIFTS (233)	3,336,432	15.38	12.54	67.63	0.65	0.13	0.50	3.47	21.12	0.73	90.13	79.14	0.16
Average													
NEW ENGLAND THRIFTS (16)	1,192,655	26.17	11.47	61.49	0.68	0.01	0.56	2.55	20.25	0.10	89.36	74.93	0.06
Average													
CONNECTICUT THRIFTS (2)	2,469,973	33.54	16.05	47.22	0.55	0.03	0.61	2.59	12.70	0.13	73.72	NA	0.00
Average													

KELLER & COMPANY
 Dublin, Ohio
 614-766-1426

**BALANCE SHEET COMPARISON
 LIABILITIES AND EQUITY - MOST RECENT QUARTER**

As a Percent of Assets

FASB 115

	Total Liabilities (\$000)	Total Equity (\$000)	Total Deposits (%)	Total Borrowings (%)	Total Other Liabilities (%)	Preferred Equity (%)	Common Equity (%)	Unrealized Gain (Loss) (%)	Retained Earnings (%)	Total Equity (%)	Tangible Equity (%)	Tier 1 Capital (%)	Reg. Capital (%)	Reg. Risk-Based Capital (%)
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SUBJECT

**NAUGATUCK VALLEY
 FINANCIAL CORPORATION**

	220,492	21,656	77.42	12.45	1.19	0.00	0.00	0.13	8.81	8.94	8.81	8.69	8.81	16.26
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COMPARABLE GROUP

AMFC AMB Financial Corp.	138,967	12,707	74.04	14.44	3.15	0.00	8.38	0.04	4.67	8.38	8.38	8.57	8.68	15.23
ALFC Atlantic Liberty Financial	133,778	26,231	67.41	14.50	1.70	0.00	16.39	0.00	6.95	16.39	16.39	10.60	NA	21.16
EFC EFC Bancorp Inc.	836,702	81,016	68.41	21.38	1.40	0.00	8.83	0.15	5.59	8.83	8.83	8.21	NA	12.13
FBEI First Bancorp of Indiana Inc.	181,756	30,145	62.13	22.34	1.31	0.00	14.23	(0.03)	8.28	14.23	13.38	12.22	12.39	18.74
LNCB Lincoln Bancorp	500,000	80,357	55.43	29.59	1.14	0.00	13.85	0.00	3.44	13.85	13.52	10.85	NA	15.07
LSBI LSB Financial Corp.	303,808	28,357	71.43	19.52	0.51	0.00	8.54	0.00	5.87	8.54	8.54	8.08	NA	12.10
MFSF MutualFirst Financial Inc.	712,713	96,762	70.78	15.83	1.44	0.00	11.95	0.02	6.20	11.95	11.86	11.37	11.41	16.97
PFED Park Bancorp Inc.	238,676	30,330	62.86	24.28	1.58	0.00	11.27	0.30	3.55	11.27	11.27	9.67	9.80	15.99
WAYN Wayne Savings Bancshares	327,612	44,352	79.14	8.07	0.87	0.00	11.92	0.00	5.94	11.92	11.92	10.82	10.90	21.27
WRO Woronoco Bancorp Inc.	744,072	81,386	49.98	39.30	0.86	0.00	9.86	0.58	0.14	9.86	9.66	8.86	15.86	13.55
Average	411,808	51,164	66.16	20.92	1.40	0.00	11.52	0.11	5.06	11.52	11.38	9.92	11.51	16.22
Median	315,710	37,341	67.91	20.45	1.35	0.00	11.60	0.01	5.73	11.60	11.57	10.13	11.16	15.61
High	836,702	96,762	79.14	39.30	3.15	0.00	16.39	0.58	8.28	16.39	16.39	12.22	15.86	21.27
Low	133,778	12,707	49.98	8.07	0.51	0.00	8.38	(0.03)	0.14	8.38	8.38	8.08	8.68	12.10

ALL THRIFTS (233)

Average	3,056,993	277,893	56.66	33.16	1.81	0.00	8.33	0.10	1.55	8.33	8.50	7.79	7.15	12.24
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NEW ENGLAND THRIFTS (16)

Average	1,057,414	135,100	69.14	18.57	0.94	0.00	11.33	0.20	5.21	11.33	2.48	5.99	2.48	16.26
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CONNECTICUT THRIFTS (2)

Average	2,236,497	233,477	80.44	8.93	1.18	0.00	9.45	0.17	7.53	9.45	0.00	0.77	0.00	12.16
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EXHIBIT 44

KELLER & COMPANY

Dublin, Ohio

614-766-1426

**INCOME AND EXPENSE COMPARISON
TRAILING FOUR QUARTERS
(\$000)**

SUBJECT	Interest Income	Interest Expense	Net Interest Income	Provision for Loss	Gain (Loss) on Sale	Total Non-Int. Income	Goodwill & Intang. Artiz.	Net Real Est. Expense	Total Non-Int. Expense	Non- Recurring Expense	Net		Net Inc.		Core Income	
											Income Before Taxes	Income Before Taxes	Before Extraord. Items	Before Extraord. Items		
NAUGATUCK VALLEY FINANCIAL CORPORATION	12,414	4,005	8,409	0	27	1,191	0	(34)	7,074	0	2,526	771	1,755	0	1,755	1,697
COMPARABLE GROUP																
AMFC AMB Financial Corp.	8,056	3,745	4,311	191	0	1,536	0	0	4,127	0	1,650	531	1,119	0	1,119	1,040
ALFC Atlantic Liberty Financial	8,390	2,151	6,239	0	814	414	0	0	4,138	0	2,515	1,132	1,383	0	1,383	1,383
EFC EFC Bancorp Inc.	45,772	21,490	24,282	582	83	5,178	0	0	18,694	0	11,197	3,699	7,567	0	7,567	6,909
FBEI First Bancorp of Indiana Inc.	10,422	4,462	5,960	310	493	2,240	76	0	5,852	0	2,101	652	1,449	0	1,449	1,408
LNCB Lincoln Bancorp	30,199	14,356	15,843	788	404	3,515	92	0	13,769	149	4,646	1,148	3,498	0	3,498	3,601
LSBI LSB Financial Corp.	18,744	8,245	10,499	1,100	1,810	3,016	0	0	7,637	0	4,778	1,894	2,884	0	2,884	2,884
MFSF MutualFirst Financial Inc.	45,848	18,502	27,346	1,302	0	6,107	12	0	20,853	0	11,301	3,339	7,962	0	7,962	7,959
PFED Park Bancorp Inc.	13,676	5,617	8,059	0	213	809	0	0	5,559	0	3,666	1,241	2,425	0	2,425	2,193
WAYN Wayne Savings Bancshares	18,627	7,530	11,097	79	0	1,966	0	0	9,077	0	3,907	1,131	2,776	0	2,776	2,776
WRO Woronoco Bancorp Inc.	39,013	19,081	19,932	323	23	7,324	51	0	18,001	0	9,108	2,670	6,438	0	6,438	6,324
Average	23,875	10,518	13,357	468	384	3,211	23	0	10,771	15	5,487	1,744	3,750	0	3,750	3,648
Median	18,686	7,888	10,798	317	148	2,628	0	0	8,357	0	4,277	1,195	2,830	0	2,830	2,830
High	45,848	21,490	27,346	1,302	1,810	7,324	92	0	20,853	149	11,301	3,699	7,962	0	7,962	7,959
Low	8,056	2,151	4,311	0	0	414	0	0	4,127	0	1,650	531	1,119	0	1,119	1,040
ALL THRIFTS (233)																
Average	147,465	58,548	88,268	3,254	26,635	42,825	812	140	72,099	615	59,843	21,691	38,009	2,084	40,056	38,204
NEW ENGLAND THRIFTS (16)																
Average	51,796	19,190	31,541	965	7,545	5,926	190	252	23,881	694	12,791	4,166	8,625	0	8,625	8,841
CONNECTICUT THRIFTS (2)																
Average	70,074	20,204	49,870	150	21,629	10,001	116	NA	39,681	3,993	16,144	5,256	10,889	0	10,889	13,414

EXHIBIT 45

KELLER & COMPANY

Dublin, Ohio
614-766-1426

**INCOME AND EXPENSE COMPARISON
AS A PERCENTAGE OF AVERAGE ASSETS
TRAILING FOUR QUARTERS**

	Interest Income (%)	Interest Expense (%)	Net Interest Income (%)	Provision for Loss (%)	Gain (Loss) on Sale (%)	Total Non-Int. Income (%)	Total Goodwill & Intang. Amtz. (%)	Net Real Est. Expense (%)	Total Non-Int. Expense (%)	Non- Recurring Expense (%)	Net Income Before Taxes (%)	Income Taxes (%)	Net Inc. Before Extraord. Items (%)	Extraord. Items (%)	Net Income (%)	Core Income (%)
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SUBJECT

**NAUGATUCK VALLEY
FINANCIAL CORPORATION**

5.25

1.69

3.55

0.00

0.01

0.50

0.00

0.00

0.01

2.99

0.00

1.07

0.33

0.74

0.00

0.74

0.74

COMPARABLE GROUP

AMFC AMB Financial Corp.	5.41	2.51	2.89	0.13	0.00	1.03	0.00	0.00	2.77	0.00	1.11	0.36	0.75	0.00	0.75	0.70
ALFC Atlantic Liberty Financial	5.58	1.43	4.15	0.00	0.54	0.28	0.00	0.00	2.75	0.00	1.67	0.75	0.92	0.00	0.92	0.92
EFC EFC Bancorp Inc.	5.20	2.44	2.76	0.07	0.01	0.59	0.00	0.00	2.12	0.00	1.27	0.42	0.86	0.00	0.86	0.79
FBEI First Bancorp of Indiana Inc.	5.45	2.33	3.11	0.16	0.26	1.17	0.04	0.00	3.06	0.00	1.10	0.34	0.76	0.00	0.76	0.74
LNCB Lincoln Bancorp	5.25	2.50	2.76	0.14	0.07	0.61	0.02	0.00	2.40	0.03	0.81	0.20	0.61	0.00	0.61	0.63
LSBI LSB Financial Corp.	5.90	2.60	3.31	0.35	0.57	0.95	0.00	0.00	2.40	0.00	1.50	0.60	0.91	0.00	0.91	0.91
MFSF MutualFirst Financial Inc.	5.67	2.29	3.38	0.16	0.00	0.75	0.00	0.00	2.58	0.00	1.40	0.41	0.98	0.00	0.98	0.98
PFED Park Bancorp Inc.	5.14	2.11	3.03	0.00	0.08	0.30	0.00	0.00	2.09	0.00	1.38	0.47	0.91	0.00	0.91	0.82
WAYN Wayne Savings Bancshares	5.00	2.02	2.98	0.02	0.00	0.53	0.00	0.00	2.44	0.00	1.05	0.30	0.75	0.00	0.75	0.75
WRO Woronoco Bancorp Inc.	5.00	2.45	2.55	0.04	0.00	0.94	0.01	0.00	2.31	0.00	1.17	0.34	0.83	0.00	0.83	0.81
Average	5.36	2.27	3.09	0.11	0.15	0.72	0.01	0.00	2.49	0.00	1.25	0.42	0.83	0.00	0.83	0.80
Median	5.33	2.39	3.00	0.10	0.04	0.68	0.00	0.00	2.42	0.00	1.22	0.38	0.84	0.00	0.84	0.80
High	5.90	2.60	4.15	0.35	0.57	1.17	0.04	0.00	3.06	0.03	1.67	0.75	0.98	0.00	0.98	0.98
Low	5.00	1.43	2.55	0.00	0.00	0.28	0.00	0.00	2.09	0.00	0.81	0.20	0.61	0.00	0.61	0.63

ALL THRIFTS (233)

Average	4.65	1.85	2.81	0.10	0.79	1.36	0.02	0.00	2.29	0.02	1.90	0.69	1.21	0.07	1.27	1.07
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NEW ENGLAND THRIFTS (16)

Average	4.62	1.71	3.00	0.09	0.72	0.56	0.02	0.01	2.27	0.06	1.22	0.40	0.82	0.00	0.82	0.79
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CONNECTICUT THRIFTS (2)

Average	4.29	1.24	3.05	0.01	1.32	0.61	0.01	0.00	2.43	0.24	0.99	0.32	0.67	0.00	0.67	0.82
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KELLER & COMPANYDublin, Ohio
614-766-1426**EXHIBIT 47****YIELDS, COSTS AND EARNINGS RATIOS
TRAILING FOUR QUARTERS**

SUBJECT	Yield on Int. Earning Assets (%)	Cost of Int. Bearing Liabilities (%)	Net Interest Spread (%)	Net Interest Margin * (%)	ROAA (%)	Core ROAA (%)	ROAE (%)	Core ROAE (%)
NAUGATUCK VALLEY FINANCIAL CORPORATION	5.44	1.87	3.57	3.69	0.74	0.72	8.39	8.11
COMPARABLE GROUP								
AMFC AMB Financial Corp.	6.14	2.88	3.26	3.23	0.75	0.70	9.09	8.44
ALFC Atlantic Liberty Financial	5.90	2.12	3.78	4.39	0.92	0.92	5.34	5.34
EFC EFC Bancorp Inc.	5.60	2.88	2.72	3.01	0.86	0.79	9.74	8.89
FBEI First Bancorp of Indiana Inc.	5.56	3.02	2.54	3.41	0.76	0.74	4.82	4.69
LNCB Lincoln Bancorp	5.54	3.17	2.37	2.93	0.61	0.63	4.41	4.54
LSBI LSB Financial Corp.	6.32	2.98	3.34	3.46	0.91	0.91	10.67	10.67
MFSF MutualFirst Financial Inc.	6.18	2.65	3.52	3.68	0.98	0.98	8.31	8.30
PFED Park Bancorp Inc.	5.45	2.60	2.85	3.20	0.91	0.82	8.18	7.39
WAYN Wayne Savings Bancshares	5.23	2.13	3.10	3.13	0.75	0.75	6.52	6.52
WRO Woronoco Bancorp Inc.	5.35	2.84	2.51	2.79	0.83	0.81	8.32	8.17
Average	5.73	2.73	3.00	3.32	0.83	0.81	7.54	7.30
Median	5.58	2.86	2.98	3.22	0.85	0.80	8.25	7.78
High	6.32	3.17	3.78	4.39	0.98	0.98	10.67	10.67
Low	5.23	2.12	2.37	2.79	0.61	0.63	4.41	4.54
ALL THRIFTS (233) Average	5.21	2.31	2.91	3.14	1.27	1.07	15.64	13.18
NEW ENGLAND THRIFTS (16) Average	5.07	2.36	2.70	3.19	0.82	0.79	6.52	6.26
CONNECTICUT THRIFTS (2) Average	4.90	1.72	3.18	3.48	0.67	0.82	4.77	5.87

* Based on average interest-earning assets.

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EXHIBIT 48

DIVIDENDS, RESERVES AND SUPPLEMENTAL DATA

SUBJECT	DIVIDENDS				RESERVES AND SUPPLEMENTAL DATA - MOST RECENT PERIOD						
	12 Month Preferred Dividends (\$000)	12 Month Common Div./Share (\$)	Current Dividend Yield (%)	12 Month Dividend Payout Ratio (%)	Reserves/ Gross Loans (%)	Reserves/ Non-Perf. Assets (%)	Net Chargeoffs/ Average Loans (%)	Provisions/ Net Chargeoffs (%)	Effective Tax Rate (%)	Total Assets/ Employee (\$000)	
NAUGATUCK VALLEY FINANCIAL CORPORATION	0.00	0.00	0.00	0.00	0.97	184.79	0.11	0.00	30.52	3,317	
COMPARABLE GROUP											
AMFC AMB Financial Corp.	0	0.22	1.41	19.82	0.85	40.20	0.01	NM	32.18	NA	
ALFC Atlantic Liberty Financial	0	0.21	1.31	24.42	0.51	NA	-0.09	NM	45.01	NA	
EFC EFC Bancorp Inc.	0	0.59	2.44	34.62	0.54	148.93	0.00	NM	33.04	5,844	
FBEI First Bancorp of Indiana Inc.	0	0.56	2.80	62.36	0.74	216.81	0.20	112.73	31.03	2,903	
LNCB Lincoln Bancorp	0	0.50	3.09	58.14	0.82	NA	0.04	486.42	24.71	NA	
LSBI LSB Financial Corp.	0	0.54	2.39	25.96	0.92	46.92	0.24	171.61	39.64	NA	
MFSF MutualFirst Financial Inc.	0	0.45	2.13	28.48	0.98	134.95	0.14	137.92	29.55	3,345	
PFED Park Bancorp Inc.	0	0.60	1.93	29.13	0.36	242.11	-0.01	NM	33.85	NA	
WAYN Wayne Savings Bancshares	0	0.47	3.00	65.69	0.34	36.78	0.01	NM	28.95	3,321	
WRO Woronoco Bancorp Inc.	0	0.73	2.60	40.78	0.64	810.70	0.00	NM	29.31	4,884	
Average	0	0.49	2.31	38.94	0.67	209.68	0.05	227.17	32.73	4,059	
Median	0	0.52	2.42	31.88	0.69	141.94	0.01	154.77	31.61	3,345	
High	0	0.73	3.09	65.69	0.98	810.70	0.24	486.42	45.01	5,844	
Low	0	0.21	1.31	19.82	0.34	36.78	-0.09	112.73	24.71	2,903	
ALL THRIFTS (233)	180.56	0.45	1.94	39.95	0.98	183.19	0.22	167.35	31.94	4,685	
Average											
NEW ENGLAND THRIFTS (16)	0.00	0.57	2.04	54.91	1.09	509.15	0.06	151.21	32.89	5,401	
Average											
CONNECTICUT THRIFTS (2)	0.00	0.31	1.20	34.64	1.17	537.71	0.15	4.51	32.32	NA	
Average											

EXHIBIT 49

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VALUATION ANALYSIS AND CALCULATION

Naugatuck Valley Savings Bank/Naugatuck Valley Financial Corp. Stock Prices as of May 21, 2004

Valuation assumptions:

	Symbol	Value	Comparable Group		All Thrifts	
			Average	Median	Average	Median
Post conv. price to earnings	P/E	27.22	17.37	16.13	18.76	16.04
Post conv. price to book value	P/B	74.91%	120.40%	117.58%	146.90%	134.80%
Post conv. price to assets	P/A	17.43%	13.65%	13.16%	14.70%	13.96%
Post conv. price to core earnings	P/CE	28.17	17.78	16.97	23.31	17.09
Pre conversion earnings (\$)	Y	\$ 1,755,000	For the twelve months ended March 31, 2004			
Pre conversion book value (\$)	B	\$ 21,656,000	At March 31, 2004			
Pre conversion assets (\$)	A	\$ 242,148,000	At March 31, 2004			
Pre conversion core earnings (\$)	CY	\$ 1,697,000	For the twelve months ended March 31, 2004			
Conversion expense (%)	X	1.61%				
Fixed asset allocation (%)	FA	0.00%				
ESOP stock purchase (%)	E	3.60%				
ESOP cost of borrowings, net (%)	S	0.00%				
ESOP term of borrowings (yrs.)	T	15				
RRP amount (%)	M	3.21%				
RRP term (yrs.)	N	5				
Tax rate (%)	TAX	34.00%				
Investment rate of return, net (%)	R	0.83%				
Investment rate of return, pretax (%)		1.25%				
Foundation (%)	FDN	2.00%				
Tax benefit (\$)	BEN	\$ 340,000				

Formulae to indicate value after conversion:

1. P/E method: Value =
$$\frac{P/E * Y}{1 - P/E * ((1 - X - E - M - FDN - FA) * R - (1 - TAX) * E / T - (1 - TAX) * MN))} = \$ 49,898,579$$
2. P/B method: Value =
$$\frac{P/B * (B + BEN)}{1 - P/B * (1 - X - E - M - FDN)} = \$ 50,088,662$$
3. P/A method: Value =
$$\frac{P/A * A}{1 - P/A * (1 - X - E - M - FDN)} = \$ 50,022,978$$

VALUATION CORRELATION AND CONCLUSIONS:

	Shares Issued to Public and MHC	Price Per Share	Total Value Net of Foundation	Shares Issued to Foundation	Total Number of Shares Issued	TOTAL VALUE
Appraised value - midrange	4,900,000	\$10.00	\$49,000,000	100,000	5,000,000	\$50,000,000
Minimum - 85% of midrange	4,165,000	\$10.00	\$41,650,000	85,000	4,250,000	\$42,500,000
Maximum - 115% of midrange	5,635,000	\$10.00	\$56,350,000	115,000	5,750,000	\$57,500,000
Superrange - 115% of maximum	6,480,250	\$10.00	\$64,802,500	132,250	6,612,500	\$66,125,000

COMPARABLE GROUP MARKET, PRICING AND FINANCIAL RATIOS
 Stock Prices as of May 21, 2004

	Market Data			Pricing Ratios				Dividends			Financial Ratios			
	Market Value (\$M)	Price/Share (\$)	12 Mo. EPS (\$)	Book Value/Share (\$)	Price/Earnings (X)	Price/Book Value (%)	Price/Tang. Bk. Val. (%)	Price/Core Earnings (%)	Div./Share (\$)	Dividend Yield (%)	Payout Ratio (%)	Equity/Assets (%)	CORE ROAA (%)	CORE ROAE (%)
NAUGATUCK VALLEY FINANCIAL CORP.														
Value - midpoint	50.00	10.00	0.37	13.36	27.22	74.91	17.43	28.17	0.00	0.00	0.00	23.27	0.62	2.68
Minimum of range	42.50	10.00	0.43	14.10	23.34	70.93	15.17	24.11	0.00	0.00	0.00	21.39	0.63	2.96
Maximum of range	57.50	10.00	0.32	12.81	31.15	78.08	19.57	32.17	0.00	0.00	0.00	25.07	0.61	2.45
Superrange maximum	66.13	10.00	0.28	12.33	35.55	81.08	21.93	36.69	0.00	0.00	0.00	27.04	0.60	2.23
ALL THRIFTS (233)														
Average	515.77	22.35	1.29	15.79	18.76	146.90	14.70	158.40	0.45	1.94	40.13	8.33	1.07	13.18
Median	59.65	20.38	1.21	15.26	16.04	134.80	13.96	143.34	0.42	2.01	34.06	9.40	0.79	7.96
CONNECTICUT THRIFTS (2)														
Average	844.95	21.12	1.79	12.90	15.92	220.85	16.83	262.59	0.31	1.20	34.64	9.45	0.82	5.87
Median	844.95	21.12	1.79	12.90	15.92	220.85	16.83	262.59	0.31	1.20	34.64	8.69	0.93	9.76
COMPARABLE GROUP (10)														
Average	62.63	22.13	1.37	18.59	17.37	120.40	13.65	121.89	0.49	2.31	38.94	11.52	0.81	7.30
Median	49.13	21.43	1.35	18.40	16.13	117.58	13.16	119.36	0.52	2.42	31.88	11.60	0.80	7.78
COMPARABLE GROUP														
AMFC AMB Financial Corp.	16.58	17.00	1.11	13.08	15.32	129.97	10.89	129.97	0.22	1.41	19.82	8.38	0.70	8.44
ALFC Atlantic Liberty Financial	28.97	18.27	0.86	16.54	21.24	110.43	18.10	110.43	0.21	1.31	24.42	16.39	0.92	5.34
EFC EFC Bancorp Inc.	113.58	24.60	1.69	17.61	14.56	139.69	12.93	139.69	0.59	2.44	34.62	8.83	0.79	8.89
FBEI First Bancorp of Indiana Inc.	32.94	20.35	0.91	18.72	22.87	108.69	15.46	116.67	0.56	2.80	62.36	14.23	0.74	4.69
LNCB Lincoln Bancorp	74.41	16.84	0.86	18.19	19.58	92.58	12.82	95.15	0.50	3.09	58.14	13.85	0.63	4.54
LSBI LSB Financial Corp.	33.13	24.30	2.08	21.27	11.68	114.25	9.75	114.25	0.54	2.39	25.96	8.54	0.91	10.67
MFSF MutualFirst Financial Inc.	116.99	22.50	1.58	18.61	14.24	120.91	14.45	122.05	0.45	2.13	28.48	11.95	0.98	8.30
PFED Park Bancorp Inc.	35.78	31.11	2.06	28.34	15.10	109.77	12.38	109.77	0.60	1.93	29.13	11.27	0.82	7.39
WAYN Wayne Savings Bancshares	62.48	15.99	0.72	11.35	22.21	140.87	16.80	140.87	0.47	3.00	65.69	11.92	0.75	6.52
WRO Woronoco Bancorp Inc.	111.41	30.33	1.79	22.16	16.94	136.87	13.49	140.00	0.73	2.60	40.78	9.86	0.81	8.17

EXHIBIT 51

KELLER & COMPANY

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PROJECTED EFFECT OF CONVERSION PROCEEDS Naugatuck Valley Savings Bank/Naugatuck Valley Financial Corp. At the MINIMUM of the Range

1. Gross Conversion Proceeds

Minimum market value ⁽¹⁾	\$ 18,275,000
Less: Estimated conversion expenses	777,000
Net conversion proceeds	\$ 17,498,000

2. Generation of Additional Income

Net conversion proceeds	\$ 17,498,000
Less: Proceeds not invested ⁽²⁾	1,530,000
Total conversion proceeds invested	\$ 15,968,000
Investment rate	0.83%
Earnings increase - return on proceeds invested	\$ 131,736
Less: Estimated cost of ESOP borrowings	0
Less: Amortization of ESOP borrowings, net of taxes	67,320
Less: RRP expense, net of taxes	180,305
Net earnings increase	\$ -115,889

3. Comparative Earnings

	Regular	Core
Before conversion - 12 months ended 03/31/04	\$ 1,755,000	1,697,000
Net earnings increase	-115,889	-115,889
After conversion	\$ 1,639,111	1,581,111

4. Comparative Net Worth ⁽³⁾

	Total	Tangible
Before conversion - 03/31/04	\$ 21,656,000	21,325,000
Net cash conversion proceeds ⁽⁴⁾	14,891,050	14,891,050
After conversion	\$ 36,547,050	36,216,050

5. Comparative Net Assets

Before conversion - 03/31/04	\$ 242,148,000
Conversion proceeds ⁽⁵⁾	14,602,050
After conversion	\$ 256,750,050

(1) Represents gross proceeds of public offering.

(2) Includes ESOP and proceeds invested in fixed assets.

(3) ESOP and RRP are omitted from net worth.

(4) Includes addition of tax benefit of stock contribution to foundation.

(5) Net cash conversion proceeds less tax benefit of stock contribution to foundation.

EXHIBIT 52

KELLER & COMPANY

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PROJECTED EFFECT OF CONVERSION PROCEEDS Naugatuck Valley Savings Bank/Naugatuck Valley Financial Corp. At the MIDPOINT of the Range

1. Gross Conversion Proceeds

Midpoint market value ⁽¹⁾	\$	21,500,000
Less: Estimated conversion expenses		807,000
Net conversion proceeds	\$	20,693,000

2. Generation of Additional Income

Net conversion proceeds	\$	20,693,000
Less: Proceeds not invested ⁽²⁾		1,800,000
Total conversion proceeds invested	\$	18,893,000
Investment rate		0.83%
Earnings increase - return on proceeds invested	\$	155,867
Less: Estimated cost of ESOP borrowings		0
Less: Amortization of ESOP borrowings, net of taxes		79,200
Less: RRP expense, net of taxes		212,124
Net earnings increase	\$	-135,457

3. Comparative Earnings

	<u>Regular</u>	<u>Core</u>
Before conversion - 12 months ended 03/31/04	\$ 1,755,000	1,697,000
Net earnings increase	-135,457	-135,457
After conversion	\$ 1,619,543	1,561,543

4. Comparative Net Worth ⁽³⁾

	<u>Total</u>	<u>Tangible</u>
Before conversion - 03/31/04	\$ 21,656,000	21,325,000
Conversion proceeds ⁽⁴⁾	17,626,000	17,626,000
After conversion	\$ 39,282,000	38,951,000

5. Comparative Net Assets

Before conversion - 03/31/04	\$ 242,148,000
Conversion proceeds ⁽⁵⁾	17,286,000
After conversion	\$ 259,434,000

(1) Represents gross proceeds of public offering.

(2) Includes ESOP and proceeds invested in fixed assets.

(3) ESOP and RRP are omitted from net worth.

(4) Includes addition of tax benefit of stock contribution to foundation.

(5) Net cash conversion proceeds less tax benefit of stock contribution to foundation.

EXHIBIT 53

KELLER & COMPANY

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PROJECTED EFFECT OF CONVERSION PROCEEDS Naugatuck Valley Savings Bank/Naugatuck Valley Financial Corp. At the MAXIMUM of the Range

1. Gross Conversion Proceeds

Maximum market value ⁽¹⁾	\$	24,725,000
Less: Estimated conversion expenses		837,000
Net conversion proceeds	\$	23,888,000

2. Generation of Additional Income

Net conversion proceeds	\$	23,888,000
Less: Proceeds not invested ⁽²⁾		2,070,000
Total conversion proceeds invested	\$	21,818,000
Investment rate		0.83%
Earnings increase - return on proceeds invested	\$	179,999
Less: Estimated cost of ESOP borrowings		0
Less: Amortization of ESOP borrowings, net of taxes		91,080
Less: RRP expense, net of taxes		243,943
Net earnings increase	\$	-155,024

3. Comparative Earnings

	<u>Regular</u>	<u>Core</u>
Before conversion - 12 months ended 03/31/04	\$ 1,755,000	1,697,000
Net earnings increase	-155,024	-155,024
After conversion	\$ 1,599,976	1,541,976

4. Comparative Net Worth ⁽³⁾

	<u>Total</u>	<u>Tangible</u>
Before conversion - 03/31/04	\$ 21,656,000	21,325,000
Conversion proceeds ⁽⁴⁾	20,360,950	20,360,950
After conversion	\$ 42,016,950	41,685,950

5. Comparative Net Assets

Before conversion - 03/31/04	\$ 242,148,000
Conversion proceeds ⁽⁵⁾	19,969,950
After conversion	\$ 262,117,950

(1) Represents gross proceeds of public offering.

(2) Includes ESOP and proceeds invested in fixed assets.

(3) ESOP and RRP are omitted from net worth.

(4) Includes addition of tax benefit of stock contribution to foundation.

(5) Net cash conversion proceeds less tax benefit of stock contribution to foundation.

EXHIBIT 54

KELLER & COMPANY

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PROJECTED EFFECT OF CONVERSION PROCEEDS Naugatuck Valley Savings Bank/Naugatuck Valley Financial Corp. At the SUPERRANGE Maximum

1. Gross Conversion Proceeds

Superrange market value ⁽¹⁾	\$ 28,433,750
Less: Estimated conversion expenses	850,000
Net conversion proceeds	\$ 27,583,750

2. Generation of Additional Income

Net conversion proceeds	\$ 27,583,750
Less: Proceeds not invested ⁽²⁾	2,380,500
Total conversion proceeds invested	\$ 25,203,250
Investment rate	0.83%
Earnings increase - return on proceeds invested	\$ 207,927
Less: Estimated cost of ESOP borrowings	0
Less: Amortization of ESOP borrowings, net of taxes	104,742
Less: RRP expense, net of taxes	280,534
Net earnings increase	\$ -177,349

3. Comparative Earnings

	Regular	Core
Before conversion - 12 months ended 03/31/04	\$ 1,755,000	1,697,000
Net earnings increase	-177,349	-177,349
After conversion	\$ 1,577,651	1,519,651

4. Comparative Net Worth ⁽³⁾

	Total	Tangible
Before conversion - 03/31/04	\$ 21,656,000	21,325,000
Conversion proceeds ⁽⁴⁾	23,527,643	23,527,643
After conversion	\$ 45,183,643	44,852,643

5. Comparative Net Assets

Before conversion - 03/31/04	\$ 242,148,000
Conversion proceeds ⁽⁵⁾	23,077,993
After conversion	\$ 265,225,993

(1) Represents gross proceeds of public offering.

(2) Includes ESOP and proceeds invested in fixed assets.

(3) ESOP and RRP are omitted from net worth.

(4) Includes addition of tax benefit of stock contribution to foundation.

(5) Net cash conversion proceeds less tax benefit of stock contribution to foundation.

EXHIBIT 55

KELLER & COMPANY

Dublin, Ohio
614-766-1426

SUMMARY OF VALUATION PREMIUM OR DISCOUNT

		<u>Premium or (discount) from comparable group.</u>	
	<u>Naugatuck Valley</u>	<u>Average</u>	<u>Median</u>
Midpoint:			
Price/earnings	27.22 x	56.68%	68.77%
Price/book value	74.91 %	(37.78)%	(36.29)%
Price/assets	17.43 %	27.74%	32.52%
Price/tangible book value	75.24 %	(38.27)%	(36.96)%
Price/core earnings	28.17 x	58.43%	65.98%
Minimum of range:			
Price/earnings	23.34 x	34.36%	44.72%
Price/book value	70.93 %	(41.09)%	(39.68)%
Price/assets	15.17 %	11.17%	15.33%
Price/tangible book value	71.32 %	(41.49)%	(40.25)%
Price/core earnings	24.11 x	35.62%	42.08%
Maximum of range:			
Price/earnings	31.15 x	79.32%	93.15%
Price/book value	78.08 %	(35.15)%	(33.59)%
Price/assets	19.57 %	43.44%	48.80%
Price/tangible book value	78.43 %	(35.65)%	(34.29)%
Price/core earnings	32.17 x	80.93%	89.54%
Super maximum of range:			
Price/earnings	35.55 x	104.60%	120.38%
Price/book value	81.08 %	(32.66)%	(31.04)%
Price/assets	21.93 %	60.66%	66.67%
Price/tangible book value	81.41 %	(33.20)%	(31.79)%
Price/core earnings	36.69 x	106.39%	116.22%

ALPHABETICAL

EXHIBITS

EXHIBIT A
KELLER & COMPANY, INC.

FINANCIAL INSTITUTION CONSULTANTS
555 METRO PLACE NORTH
SUITE 524
DUBLIN, OHIO 43017
(614) 766-1426
(614) 766-1459 FAX

PROFILE OF THE FIRM

KELLER & COMPANY, INC. is a full service consulting firm to financial institutions, serving clients throughout the United States from its office in Dublin, Ohio. The firm consults primarily in the areas of regulatory and compliance matters, financial analysis and strategic planning, stock valuations and appraisals, mergers and acquisitions, mutual to stock conversions, conversion/mergers and branching. Since its inception in 1985, KELLER & COMPANY has provided a wide range of consulting services to over 150 financial institutions including thrifts, banks, mortgage companies and holding companies located in twenty-three states, extending from Oregon to Massachusetts. KELLER & COMPANY is an affiliate member of numerous trade organizations including American Bankers Association and America's Community Bankers.

Each of the firm's senior consultants has over twenty-two years front line experience and accomplishment in various areas of the financial institution and real estate industries. Each consultant provides to clients distinct and diverse areas of expertise. Specific services and projects have included financial institution charter and deposit insurance applications, market studies, institutional mergers and acquisitions, branch sales and acquisitions, operations and performance analyses, business plans, strategic planning, financial projections and modeling, stock valuations, fairness opinions, conversion appraisals, capital plans, policy development and revision, lending, underwriting and investment criteria, data processing and management information systems, and incentive compensation programs.

It is the goal of KELLER & COMPANY to provide specific and ongoing services that are pertinent and responsive to the needs of the individual client institution within the changing industry environment, and to offer those services at reasonable fees on a timely basis. In recent years, KELLER & COMPANY has become one of the leading consulting firms in the nation.

CONSULTANTS IN THE FIRM

MICHAEL R. KELLER has over twenty-four years experience as a consultant to the financial institution industry. Immediately following his graduation from college, Mr. Keller took a position as an examiner of financial institutions in northeastern Ohio with a focus on Cleveland area institutions. After working two years as an examiner, Mr. Keller entered Ohio State University full time to obtain his M.B.A. in Finance.

Mr. Keller then worked as an associate for a management consulting firm specializing in services to financial institutions immediately after receiving his M.B.A. During his eight years with the firm, he specialized in mergers and acquisitions, branch acquisitions and sales, branch feasibility studies, stock valuations, charter applications, and site selection analyses. By the time of his departure, he had attained the position of vice president, with experience in almost all facets of banking operations.

Prior to forming Keller & Company, Mr. Keller also worked as a senior consultant in a larger consulting firm. In that position, he broadened his activities and experience, becoming more involved with institutional operations, business and strategic planning, regulatory policies and procedures, performance analysis, conversion appraisals, and fairness opinions. Mr. Keller established Keller & Company in November 1985 to better serve the needs of the financial institution industry.

Mr. Keller graduated from Wooster College with a B.A. in Economics in 1972, and later received an M.B.A. in Finance in 1976 from the Ohio State University where he took numerous courses in corporate stock valuations.

Consultants in the Firm (cont.)

JOHN A. SHAFFER has over twenty years experience in banking, finance, real estate lending, and development.

Following his university studies, Mr. Shaffer served as a lending officer for a large real estate investment trust, specializing in construction and development loans. Having gained experience in loan underwriting, management and workout, he later joined Chemical Bank of New York and was appointed Vice President for Loan Administration of Chemical Mortgage Company in Columbus, Ohio. At Chemical, he managed all commercial and residential loan servicing, administering a portfolio in excess of \$2 billion. His responsibilities also included the analysis, management and workout of problem commercial real estate loans and equity holdings, and the structuring, negotiation, acquisition and sale of loan servicing, mortgage and equity securities and real estate projects. Mr. Shaffer later formed and managed an independent real estate and financial consulting firm, serving corporate and institutional clients, and also investing in and developing real estate.

Mr. Shaffer's primary activities and responsibilities have included financial analysis, projection and modeling, asset and liability management, real estate finance and development, loan management and workout, organizational and financial administration, budgeting, cash flow management and project design.

Mr. Shaffer graduated from Syracuse University with a B.S. in Business Administration, later receiving an M.B.A. in Finance and a Ph.D. in Economics from New York University.

Consultants in the Firm (cont.)

JAMES E. CAMPBELL has over twenty-five years experience in the banking and thrift industry. He served in upper management and was involved in asset and liability management, lending policy, retail management, public policy and Community Reinvestment Act policy.

From 1969 to 1991, Mr. Campbell was employed by National City Bank of Columbus, Ohio. He was appointed Executive Vice President of the Retail Banking Group in 1984. He had management responsibility for 135 banking officers with over 1,500 associates in Central and Southern Ohio. He also managed the consumer and real estate functions of the Bank.

Mr. Campbell became Chairman, President and Chief Executive Officer of Jefferson Savings Bank, West Jefferson, Ohio in 1993 and remained with them until the bank was sold in 1997.

Mr. Campbell graduated from Stonier School of Bank, Rutgers University in 1979.

EXHIBIT B

***RB 20
CERTIFICATION***

I hereby certify that I have not been the subject of any criminal, civil or administrative judgments, consents, undertakings or orders, or any past administrative proceedings (excluding routine or customary audits, inspections and investigation) issued by any federal or state court, any department, agency, or commission of the U.S. Government, any state or municipality, any self-regulatory trade or professional organization, or any foreign government or governmental entity, which involve:

- (i) commission of a felony, fraud, moral turpitude, dishonesty or breach of trust;
- (ii) violation of securities or commodities laws or regulations;
- (iii) violation of depository institution laws or regulations;
- (iv) violation of housing authority laws or regulations;
- (v) violation of the rules, regulations, codes or conduct or ethics of a self-regulatory trade or professional organization;
- (vi) adjudication of bankruptcy or insolvency or appointment of a receiver, conservator, trustee, referee, or guardian.

I hereby certify that the statements I have made herein are true, complete and correct to the best of my knowledge and belief.

Conversion Appraiser

June 16, 2004
Date

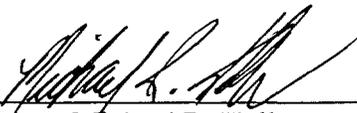

Michael R. Keller

EXHIBIT C

AFFIDAVIT OF INDEPENDENCE

STATE OF OHIO,

COUNTY OF FRANKLIN, ss:

I, Michael R. Keller, being first duly sworn hereby depose and say that:

The fee which I received directly from the applicant, Naugatuck Valley Savings and Loan, S.B., in the amount of \$20,000 for the performance of my appraisal was not related to the value determined in the appraisal and that the undersigned appraiser is independent and has fully disclosed any relationships which may have a material bearing upon the question of my independence; and that any indemnity agreement with the applicant has been fully disclosed.

Further, affiant sayeth naught.

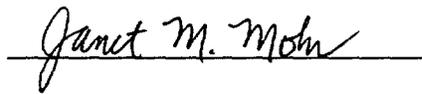


MICHAEL R. KELLER

Sworn to before me and subscribed in my presence this 11th day of June 2004.



JANET M. MOHR
Notary Public, State of Ohio
My Commission Expires
11/4/07



NOTARY PUBLIC