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ESSA Bancorp, Inc.

(Exact Name of Registrant as Specified in Charter)

0001382230

(Registrant's CIK Number)

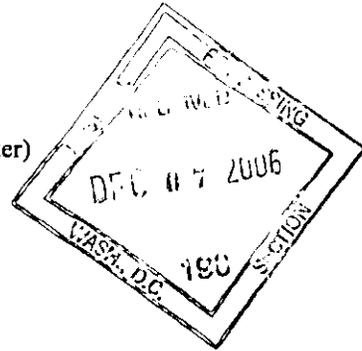


Exhibit 99.3 to the Form S-1

(Electronic Report, Schedule or Registration Statement of Which the Documents Are a Part
(Give Period of Report))

333-139157

(SEC File Number, if Available)

Not Applicable

(Name of Person Filing the Document
(If Other Than the Registrant))

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**PRO FORMA VALUATION REPORT
ESSA BANCORP, INC.**

**PROPOSED HOLDING COMPANY FOR
ESSA BANK & TRUST**

Stroudsburg, Pennsylvania

***Dated as Of:
November 24, 2006***

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

November 24, 2006

Board of Directors
ESSA Bank & Trust
200 Palmer Street
Stroudsburg, Pennsylvania 18360

Members of the Board of Directors:

At your request, we have completed and hereby provide an independent appraisal ("Appraisal") of the estimated pro forma market value of the common stock which is to be issued in connection with the mutual-to-stock conversion of ESSA Bank & Trust, Stroudsburg, Pennsylvania ("ESSA Bank" or the "Bank"). The common stock issued in connection with the Bank's conversion will simultaneously be acquired by a holding company, ESSA Bancorp, Inc. ("ESSA Bancorp" or the "Company"). Pursuant to the plan of conversion, ESSA Bancorp will offer its stock in a subscription offering to Eligible Account Holders, Tax-Qualified Plans including ESSA Bank's employee stock ownership plan (the "ESOP"), Supplemental Eligible Account Holders and Other Members. To the extent that shares remain available for purchase after satisfaction of all subscriptions received in the subscription offering, the shares may be offered for sale to members of the general public in a community offering.

This Appraisal is furnished pursuant to the conversion regulations promulgated by the Office of Thrift Supervision ("OTS"). Specifically, this Appraisal has been prepared in accordance with the "Guidelines for Appraisal Reports for the Valuation of Savings and Loan Associations Converting from Mutual to Stock Form of Organization" as set forth by the OTS, and applicable regulatory interpretations thereof.

Description of Plan of Conversion

The Board of Directors of ESSA Bank & Trust adopted the plan of conversion on July 25, 2006 and amended it on November 21, 2006, incorporated herein by reference. Pursuant to the plan of conversion, the Bank will convert from a Pennsylvania-chartered mutual savings association to a Pennsylvania-chartered stock savings association and become a wholly-owned subsidiary of ESSA Bancorp, a newly formed Pennsylvania corporation. ESSA Bancorp will offer 100% of its common stock to qualifying depositors of ESSA Bank in a subscription offering and, if necessary, to members of the general public through a community offering and/or a syndicated community offering of registered broker-dealers. Going forward, ESSA Bancorp will own 100% of the Bank's stock, and the Bank will initially be ESSA Bancorp's sole subsidiary. A portion of the net proceeds received from the sale of common stock will be used to purchase all of the then to be issued and outstanding capital stock of the Bank and the balance of the net proceeds will be retained by the Company.

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

The plan of conversion provides for the establishment of ESSA Foundation (the "Foundation"). The Foundation will be funded with ESSA Bancorp common stock contributed by the Company in an amount equal to 7.0% of the shares of common stock issued in the offering and cash equal to 1.0% of the gross proceeds raised in the conversion offering. The purpose of the Foundation is to provide financial support to charitable organizations in the communities in which ESSA Bank operates and to enable those communities to share in ESSA Bank's long-term growth. The Foundation will be dedicated completely to community activities and the promotion of charitable causes.

RP[®] Financial, LC.

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

Valuation Methodology

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

We have investigated the competitive environment within which ESSA Bank operates and have assessed the Bank's relative strengths and weaknesses. We have monitored all material regulatory and legislative actions affecting financial institutions generally and analyzed the

potential impact of such developments on ESSA Bank and the industry as a whole to the extent we were aware of such matters. We have analyzed the potential effects of the stock conversion on the Bank's operating characteristics and financial performance as they relate to the pro forma market value of ESSA Bancorp. We have reviewed the economy and demographic characteristics of the primary market area in which the Bank currently operates. We have compared ESSA Bank's financial performance and condition with publicly-traded thrift institutions evaluated and selected in accordance with the Valuation Guidelines, as well as all publicly-traded thrifts and thrift holding companies. We have reviewed conditions in the securities markets in general and the market for thrifts and thrift holding companies, including the market for new issues.

The Appraisal is based on ESSA Bank's representation that the information contained in the regulatory applications and additional information furnished to us by the Bank and its independent auditors, legal counsel, investment bankers and other authorized agents are truthful, accurate and complete. We did not independently verify the financial statements and other information provided by the Bank, or its independent auditors, legal counsel, investment bankers and other authorized agents nor did we independently value the assets or liabilities of the Bank. The valuation considers ESSA Bank only as a going concern and should not be considered as an indication of the Bank's liquidation value.

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

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

Valuation Conclusion

It is our opinion that, as of November 24, 2006, the estimated aggregate pro forma market value of the shares to be issued immediately following the conversion, including shares to be issued to the Foundation, equaled \$117,700,000 at the midpoint, equal to 11,770,000 shares offered at a per share value of \$10.00. Pursuant to conversion guidelines, the 15% offering range indicates a minimum value of \$100,045,000 and a maximum value of \$135,355,000. Based on the \$10.00 per share offering price determined by the Board, this valuation range equates to total

shares outstanding of 10,004,500 at the minimum and 13,535,500 at the maximum. In the event the appraised value is subject to an increase, the aggregate pro forma market value may be increased up to a supermaximum value of \$155,658,250 without a resolicitation. Based on the \$10.00 per share offering price, the supermaximum value would result in total shares outstanding of 15,565,825. Based on this valuation range, the offering range is as follows: \$93,500,000 at the minimum, \$110,000,000 at the midpoint, \$126,500,000 at the maximum and \$145,475,000 at the supermaximum. Based on the \$10.00 per share offering price, the number of offering shares is as follows: 9,350,000 at the minimum, 11,000,000 at the midpoint, 12,650,000 at the maximum and 14,547,500 at the supermaximum.

Limiting Factors and Considerations

The valuation is not intended, and must not be construed, as a recommendation of any kind as to the advisability of purchasing shares of the common stock. Moreover, because such valuation is determined in accordance with applicable OTS regulatory guidelines and is necessarily based upon estimates and projections of a number of matters, all of which are subject to change from time to time, no assurance can be given that persons who purchase shares of common stock in the conversion will thereafter be able to buy or sell such shares at prices related to the foregoing valuation of the estimated pro forma market value thereof. The appraisal reflects only a valuation range as of this date for the pro forma market value of ESSA Bancorp immediately upon issuance of the stock and does not take into account any trading activity with respect to the purchase and sale of common stock in the secondary market on the date of issuance of such securities or at anytime thereafter following the completion of the public stock offering.

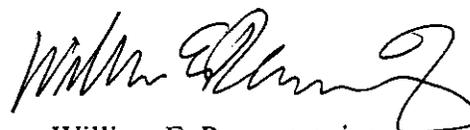
The valuation prepared by RP Financial in accordance with applicable OTS regulatory guidelines was based on the financial condition and operations of ESSA Bank as of September 30, 2006, the date of the financial data included in the prospectus.

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

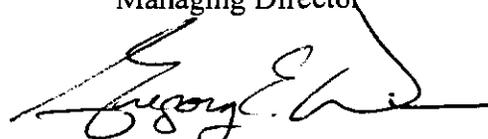
The valuation will be updated as provided for in the OTS conversion regulations and guidelines. These updates will consider, among other things, any developments or changes in the financial performance and condition of ESSA Bank, management policies, and current conditions in the equity markets for thrift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

reasons for any such adjustments will be explained in the update at the date of the release of the update.

Respectfully submitted,
RP[®] FINANCIAL, LC.



William E. Pommerening
Chief Executive Officer and
Managing Director



Gregory E. Dunn
Senior Vice President

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Stroudsburg, Pennsylvania*

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I. OVERVIEW AND FINANCIAL ANALYSIS

Introduction

ESSA Bank & Trust ("ESSA Bank" or the "Bank"), chartered in 1916, is a Pennsylvania-chartered savings and loan association headquartered in Stroudsburg, Pennsylvania. ESSA Bank serves east-central Pennsylvania through 12 full service branch offices, of which 11 are located in Monroe County. One branch office is located in Northampton County. The major portion of the Bank's activities are conducted within the markets served by the retail branches and surrounding contiguous markets. A map of the Bank's branch office locations is provided in Exhibit I-1. ESSA Bank is a member of the Federal Home Loan Bank ("FHLB") system, and its deposits are insured up to the regulatory maximums by the Federal Deposit Insurance Corporation ("FDIC"). At September 30, 2006, ESSA Bank had \$725.8 million in assets, \$402.2 million in deposits and total equity of \$58.3 million equal to 8.0% of total assets. ESSA Bank's audited financial statements are included by reference as Exhibit I-2.

Plan of Conversion

The Board of Directors of ESSA Bank & Trust adopted the plan of conversion on July 25, 2006 and amended it on November 21, 2006, incorporated herein by reference. Pursuant to the plan of conversion, the Bank will convert from a Pennsylvania-chartered mutual savings association to a Pennsylvania-chartered stock savings association and become a wholly-owned subsidiary of ESSA Bancorp, Inc. ("ESSA Bancorp" or the "Company"), a newly formed Pennsylvania corporation. ESSA Bancorp will offer 100% of its common stock to qualifying depositors of ESSA Bank in a subscription offering and, if necessary, to members of the general public through a community offering and/or a syndicated community offering of registered broker-dealers. Going forward, ESSA Bancorp will own 100% of the Bank's stock, and the Bank will initially be ESSA Bancorp's sole subsidiary. A portion of the net proceeds received from the sale of common stock will be used to purchase all of the then to be issued and outstanding capital stock of the Bank and the balance of the net proceeds will be retained by the Company.

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

The plan of conversion provides for the establishment of ESSA Foundation (the "Foundation"). The Foundation will be funded with ESSA Bancorp common stock contributed by the Company in an amount equal to 7.0% of the shares of common stock issued in the offering and cash equal to 1.0% of the gross proceeds raised in the conversion offering. The purpose of the Foundation is to provide financial support to charitable organizations in the communities in which ESSA Bank operates and to enable those communities to share in ESSA Bank's long-term growth. The Foundation will be dedicated completely to community activities and the promotion of charitable causes.

Strategic Overview

ESSA Bank maintains a local community banking emphasis, with a primary strategic objective of meeting the borrowing and savings needs of its local customer base. Historically, ESSA Bank's operating strategy has been fairly reflective of a traditional thrift operating strategy in which 1-4 family residential mortgage loans and retail deposits have constituted the principal components of the Bank's assets and liabilities, respectively. Beyond 1-4 family permanent mortgage loans, lending diversification by the Bank has emphasized commercial real estate loans and home equity loans. On a more limited basis, the Bank's lending activities include origination of construction loans, commercial business loans and consumer loans other than home equity loans. Pursuant to the Bank's business plan, ESSA Bank will continue to emphasize 1-4 family lending and will emphasize growth of commercial real estate loans as the primary area of lending diversification.

Investments serve as a supplement to the Bank's lending activities. The investment portfolio is considered to be indicative of a low risk investment philosophy, which consists

primarily of securities with short-to intermediate maturities, as well as adjustable rate securities, for purposes of supporting management of the Bank's interest rate risk. The investment portfolio is comprised primarily of U.S. Treasury and agency securities and mortgage-backed securities, with the balance of investment portfolio consisting of municipal bonds, corporate bonds, equity securities and FHLB stock.

Retail deposits have consistently served as the primary interest-bearing funding source for the Bank. Transaction and savings accounts constitute almost half of the Bank's deposits, reflecting the Bank's emphasis on marketing and cross-selling those accounts. However, recent deposit growth has consisted mostly of certificates of deposit (CDs), as higher market rates have increased depositor preference for CDs in general. The Bank utilizes borrowings as a supplemental funding source to facilitate management of funding costs and interest rate risk. FHLB advances have been the Bank's primary source of borrowings, which consist of a mixture of short- and long-term borrowings advances with laddered terms out to ten years.

ESSA Bank's earnings base is largely dependent upon net interest income and operating expense levels. In recent periods, the Bank has experienced some compression of the net interest margin, as the flat yield curve has resulted in narrower spreads with the rise in short-term interest rates having a more immediate impact on the Bank's funding costs relative to the yields earned on loans and investments. Operating expenses have generally been maintained at a higher level compared to thrifts in general, which can in part be attributed to the relatively high concentration of assets maintained in loans, which are more costly to generate and service than investments. The Bank's funding composition, which consists of a relatively high level of transaction and savings accounts, would also tend to place upward pressure on the operating expense ratio, given that transaction and savings account deposits are more costly to service than time deposits and borrowings. The operating expense ratio is also inflated by expenses incurred to support the Bank's off-balance sheet activities, which include asset management and trust services and retail brokerage services. The Bank's trust department managed approximately \$30 million of assets at fiscal year end 2006. Revenues derived from non-interest sources have been a notable contributor to the Bank's core earnings base, with such income consisting mostly of service fees on deposit accounts. Other major sources of non-interest operating income include trust and investment fees, earnings on bank-owned life insurance ("BOLI") and service charges and fees

on loans. The Bank also generates fee income through commission income realized from investment services through a third party broker/dealer.

The post-offering business plan of the Bank is expected to continue to focus on products and services which have facilitated ESSA Bank's recent growth. Specifically, ESSA Bank will continue to be an independent community-oriented financial institution with a commitment to local real estate financing with operations funded by retail deposits, borrowings, equity capital and internal cash flows. In addition, the Bank will continue to emphasize multi-family and commercial real estate loans as the primary area of lending diversification.

The Bank's Board of Directors has elected to complete a mutual-to-stock conversion to improve the competitive position of ESSA Bank. The capital realized from the stock offering will increase the operating flexibility and overall financial strength of ESSA Bank. The additional capital realized from stock proceeds will increase liquidity to support funding of future loan growth and other interest-earning assets. ESSA Bank's higher capital position resulting from the infusion of stock proceeds will also serve to reduce interest rate risk, particularly through enhancing the Bank's interest-earning-assets-to-interest-bearing-liabilities ("IEA/IBL") ratio. The additional funds realized from the stock offering will provide an alternative funding source to deposits and borrowings in meeting the Bank's future funding needs, which may facilitate a reduction in ESSA Bank's funding costs. Additionally, ESSA Bank's higher equity-to-assets ratio will also better position the Bank to take advantage of expansion opportunities as they arise. Such expansion would most likely occur through the establishment or acquisition of additional banking offices or customer facilities that would provide for further penetration in the markets currently served by the Bank or nearby surrounding markets. The Bank will also be bettered position to pursue growth through acquisition of other financial service providers following the stock offering, given its strengthened capital position. At this time, the Bank has no specific plans for expansion other than through establishing additional branches. The projected uses of proceeds are highlighted below.

- o ESSA Bancorp, Inc. The Company is expected to retain up to 50% of the net offering proceeds. At present, funds at the Company level, net of the loan to the ESOP, are expected to be primarily invested initially into short-term investment grade securities. Over time, the funds may be utilized for various corporate

purposes, possibly including acquisitions, infusing additional equity into the Bank, repurchases of common stock, and the payment of regular and/or special cash dividends.

- o ESSA Bank. Approximately 50% of the net stock proceeds will be infused into the Bank in exchange for all of the Bank's newly issued stock. Cash proceeds (i.e., net proceeds less deposits withdrawn to fund stock purchases) infused into the Bank are anticipated to become part of general operating funds, and are expected to be primarily utilized to fund loan growth.

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

Balance Sheet Trends

Table 1.1 shows the Bank's historical balance sheet data for the past five fiscal years. The Bank switched from a November to a September fiscal year in 2003. From fiscal year end 2002 through fiscal year end 2006, ESSA Bank's assets increased at a 12.1% annual rate. Asset growth was largely the result of loan growth and loans constitute the major portion of the Bank's interest-earning asset composition. Loan growth was supplemented with growth of investment securities. Asset growth has been funded with a combination of deposits and borrowings, as well as retained earnings. A summary of ESSA Bank's key operating ratios for the past five years are presented in Exhibit I-3.

Loans receivable increased at a 9.7% annual rate from fiscal year end 2002 through fiscal year end 2006, with the portfolio exhibiting positive growth throughout the period. The Bank's lower loan growth rate compared to its asset growth rate provided for a decrease in the loans-to-assets ratio from 83.4% at fiscal year end 2002 to 76.7% at fiscal year end 2006. ESSA Bank's historical emphasis on 1-4 family lending is reflected in its loan portfolio composition, as 80.4% of total loans receivable consisted of 1-4 family loans at fiscal year end 2006. Trends in the Bank's loan portfolio composition over the past five fiscal years show that the concentration of 1-4 loans comprising total loans have decreased slightly, with such loans ranging from a high of 85.2% of total loans at fiscal year end 2003 to a low of 80.4% of total loans at fiscal year end 2006. The decrease in the ratio of 1-4 family loans comprising total loans since fiscal year end 2003 was the result of comparatively stronger growth of commercial business loans, commercial

Table 1.1
ESSA Bank & Trust
Historical Balance Sheets
(Amount and Percent of Assets)(1)

	At November 30,		At Fiscal Year End September 30,				Annual Growth Rate Pct (%)				
	2002		2003		2004			2005		2006	
	Amount (\$000)	Pct (%)	Amount (\$000)	Pct (%)	Amount (\$000)	Pct (%)		Amount (\$000)	Pct (%)	Amount (\$000)	Pct (%)
Total Amount of:											
Assets	\$468,055	100.0%	\$533,606	100.0%	\$592,824	100.0%	\$656,066	100.0%	\$725,796	100.0%	12.1%
Cash and cash equivalents	27,617	5.9%	43,087	8.1%	55,337	9.3%	20,290	3.1%	12,730	1.8%	-18.3%
Investment securities	33,396	7.1%	26,904	5.0%	55,337	9.3%	84,011	12.8%	108,837	15.0%	36.1%
Loans receivable, net	390,542	83.4%	438,539	82.2%	477,956	80.6%	508,981	77.6%	556,677	76.7%	9.7%
FHLB stock	5,304	1.1%	9,187	1.7%	11,358	1.9%	11,916	1.8%	13,675	1.9%	28.0%
Deposits	315,406	67.4%	319,283	59.8%	332,201	56.0%	374,759	57.1%	402,153	55.4%	6.5%
Borrowings	104,850	22.4%	160,920	30.2%	205,134	34.6%	221,479	33.8%	259,299	35.7%	26.6%
Total equity	42,219	9.0%	46,381	8.7%	50,260	8.5%	54,371	8.3%	58,337	8.0%	8.8%
Branch Offices	12		12		12		12		12		

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

Sources: ESSA Bank's prospectus, audited financial statements and RP Financial calculations.

real estate loans and home equity loans. Over the past five fiscal years, lending diversification by the Bank has been mostly in the areas of commercial real estate loans and home equity loans, which equaled 8.4% and 8.3% of total loans, respectively, at September 30, 2006. Commercial real estate loans and home equity loans equaled 2.6% and 6.5% of total loans, respectively, at fiscal year end 2002. Other areas of lending diversification have been relatively limited over the past five fiscal years, with the balance of the portfolio at September 30, 2006 consisting of construction loans (1.1% of total loans), commercial business loans (1.1% of total loans) and consumer loans other than home equity loans (0.7% of total loans). Commercial business loans trended higher since fiscal year end 2002, while construction and consumer loans reflected lower balances at fiscal year end 2006 compared to fiscal year end 2002.

The intent of the Bank's investment policy is to provide adequate liquidity and to generate a favorable return within the context of supporting ESSA Bank's overall credit and interest rate risk objectives. It is anticipated that proceeds retained at the holding company level will primarily be initially invested into investments with short-term maturities. Over the past five fiscal years, the Bank's level of cash and investment securities (inclusive of FHLB stock) has trended higher, increasing from 14.2% of assets at fiscal year end 2002 to 18.6% of assets at fiscal year end 2006. Growth was sustained by investment securities and FHLB stock, which was partially offset by a decrease in cash and cash equivalents. U.S. Government and agency securities and mortgage-backed securities, which equaled \$46.5 million and \$54.9 million, respectively, at September 30, 2006, comprised the most significant components of the Bank's investment portfolio. Other investments held by the Bank at September 30, 2006 consisted of municipal bonds (\$6.5 million), equity securities (\$935,000) and FHLB stock (\$13.7 million). Mortgage-backed securities held by the Bank consist of pass-through securities which are guaranteed or insured by Government Sponsored Enterprises ("GSEs"). To facilitate management of interest rate risk, the Bank has emphasized investment in securities that mature or reprice within three years. At September 30, 2006, investments classified as held to maturity equaled \$19.7 million and investments classified as available for sale equaled \$89.1 million. The available for sale portfolio had a net unrealized loss of \$287,000 at September 30, 2006. The Bank also maintained cash and cash equivalents of \$12.7 million at September 30, 2006, which equaled 1.8% of assets and was at the low end of the range of cash and cash equivalents

maintained over the past five fiscal years. The ratio of cash and cash equivalents peaked at 9.3% of assets at fiscal year end 2004. Exhibit I-4 provides historical detail of the Bank's investment portfolio.

The Bank also maintains an investment in bank-owned life insurance ("BOLI") policies, which cover the lives of some of the Bank's officers and directors. The purpose of the investment is to provide funding for the benefit plans of the covered individuals. The life insurance policies earn tax-exempt income through cash value accumulation and death proceeds. As of September 30, 2006, the cash surrender value of the Bank's BOLI equaled \$13.4 million or 1.8% of assets.

Over the past five fiscal years, ESSA Bank's funding needs have been substantially met through retail deposits, internal cash flows, borrowings and retained earnings. From fiscal year end 2002 through fiscal year end 2006, the Bank's deposits increased at an annual rate of 6.5%. Positive deposit growth was sustained throughout the period covered in Table 1.1, but the level of deposits funding assets declined reflecting an increase in the level of borrowings utilized by the Bank. Accordingly, deposits as a percent of assets declined from 67.4% at fiscal year end 2002 to 55.4% at fiscal year end 2006. In recent years, deposit growth has been sustained largely through growth of CDs and, as a result, CDs comprised slightly more than half of the Bank's total deposits at September 30, 2006. CDs increased from 38.6% of total deposits at September 30, 2004 to 52.3% of total deposits at September 30, 2006. Comparatively, transaction and savings accounts decreased from 61.4% of total deposits at September 30, 2004 to 47.7% of total deposits at September 30, 2004.

Borrowings serve as an alternative funding source for the Bank to address funding needs for growth and to support management of deposit costs and interest rate risk. Borrowings have become a more prominent funding source for the Bank during the past five fiscal years, as borrowings increased from 22.4% of assets at fiscal year end 2002 to 35.7% of assets at fiscal year end 2006. Borrowings held by the Bank consist primarily of long-term FHLB advances, while, to a lesser extent, the Bank's utilization of borrowings includes short-term FHLB advances.

Since fiscal year end 2002, retention of earnings and the adjustment for the net unrealized loss or gain on available for sale securities translated into an annual equity growth rate of 8.8% for the Bank. Asset growth outpaced the Bank's equity growth rate, as ESSA Bank's equity-to-assets ratio decreased from 9.0% at fiscal year end 2002 to 8.0% at fiscal year end 2006. All of the Bank's capital is tangible capital, and the Bank maintained capital surpluses relative to all of its regulatory capital requirements at September 30, 2006. The addition of stock proceeds will serve to strengthen ESSA Bank's capital position and competitive posture within its primary market area, as well as possibly support expansion into other nearby markets if favorable growth opportunities are presented. At the same time, as the result of the Bank's relatively high pro forma capital position, ESSA Bank's ROE can be expected to initially be below industry averages following its stock offering.

Income and Expense Trends

Table 1.2 shows the Bank's historical income statements for the past five fiscal years. The Bank reported positive earnings over the past five years, ranging from a low of 0.58% of average assets during fiscal 2006 to a high of 1.08% of average assets during fiscal 2002. The downward trend in the Bank's earnings has paralleled the downward trend in the Bank's net interest income to average assets ratio. Net interest income and operating expenses represent the primary components of the Bank's earnings. Other revenues for the Bank largely are derived from customer service fees, which constitute the major portion of the Bank's non-interest operating income. Favorable credit quality has generally served to limit the amount of loan loss provisions the Bank established over the past five years. Gains and losses from the sale of loans and investments have been a relatively minor factor in the Bank's earnings.

Over the past five fiscal years, the Company's net interest income to average assets ratio ranged from a high of 3.87% during fiscal 2002 to a low of 2.53% during fiscal 2006. The general downward trend experienced in the Bank's net interest income ratio has resulted from spread compression. As short-term interest rates have increased and the yield curve has flattened, the Bank's funding costs have increased more than yields earned on assets. A shift in the Bank's deposit composition towards a higher concentration of CDs and increased utilization of borrowings as a funding source have also put upward pressure on the Bank's funding costs.

Table 1.2
ESSA Bank & Trust
Historical Income Statements
(Amount and Percent of Avg. Assets)(1)

	For the Fiscal Year Ended September 30,							
	November 30,		2004		2005		2006	
	Amount (\$000)	Pct (%)	Amount (\$000)	Pct (%)	Amount (\$000)	Pct (%)	Amount (\$000)	Pct (%)
Interest Income	\$29,065	6.68%	\$24,743	6.01%	\$31,919	5.16%	\$36,451	5.35%
Interest Expense	(12,220)	-2.81%	(9,372)	-2.28%	(14,323)	-2.32%	(19,217)	-2.82%
Net Interest Income	\$16,845	3.87%	\$15,371	3.74%	\$17,596	2.85%	\$17,234	2.53%
Provision for Loan Losses	(900)	-0.21%	(430)	-0.10%	(550)	-0.09%	(300)	-0.04%
Net Interest Income after Provisions	\$15,945	3.66%	\$14,941	3.63%	\$17,046	2.76%	\$16,934	2.48%
Other operating income	\$3,269	0.75%	\$2,881	0.70%	\$5,315	0.86%	\$5,511	0.81%
Operating Expense	(12,408)	-2.85%	(12,080)	-2.94%	(16,493)	-2.67%	(16,685)	-2.45%
Net Operating Income	\$6,806	1.56%	\$5,742	1.40%	\$5,868	0.95%	\$5,760	0.84%
<u>Non-Operating Income</u>								
Net gain(loss) on sale of loans	\$107	0.02%	\$62	0.02%	\$96	0.02%	\$7	0.00%
Impairment loss on securities	0	0.00%	0	0.00%	(130)	-0.02%	0	0.00%
Net gain(loss) on sale of REO	101	0.02%	33	0.01%	0	0.00%	0	0.00%
Net Non-Operating Income	\$208	0.05%	\$95	0.02%	(\$34)	-0.01%	\$7	0.00%
Net Income Before Tax	\$7,014	1.61%	\$5,837	1.42%	\$5,834	0.94%	\$5,767	0.85%
Income Taxes	(2,314)	-0.53%	(1,681)	-0.41%	(1,383)	-0.22%	(1,813)	-0.27%
Net Income (Loss)	\$4,700	1.08%	\$4,156	1.01%	\$4,451	0.72%	\$3,954	0.58%
<u>Adjusted Earnings</u>								
Net Income Before Ext. Items	\$4,700	1.08%	\$4,156	1.01%	\$4,451	0.72%	\$3,954	0.58%
Addback: Non-Operating Losses	0	0.00%	0	0.00%	130	0.02%	0	0.00%
Deduct: Non-Operating Gains	(208)	-0.05%	(95)	-0.02%	(86)	-0.02%	(7)	0.00%
Tax Effect Non-Op. Items(3)	71	0.02%	32	0.01%	(12)	0.00%	2	0.00%
Adjusted Net Income	\$4,563	1.05%	\$4,093	0.99%	\$4,473	0.72%	\$3,949	0.58%

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

(2) For the ten months ended September 30, 2003, ratios have been annualized.

(3) Assumes tax rate of 34.0%.

Over the past five fiscal years, the Bank's interest rate spread declined from 3.81% during fiscal 2002 to 2.46% during fiscal 2006. At September 30, 2006, the Bank maintained an interest rate spread of 2.17%, implying that the downward trend in the net interest margin will continue into fiscal 2007. The Bank's historical interest rate spreads and yields and costs are set forth in Exhibits I-3 and I-5.

Non-interest operating income has been a fairly stable contributor to the Bank's earnings over the past five fiscal years, ranging from a low of 0.70% of average assets during fiscal 2003 to a high of 0.86% of average assets during fiscal 2005. Non-interest operating income equaled 0.81% of average assets during fiscal 2006. Customer service fees on deposit accounts constitute the largest source of non-interest operating income for the Bank, with other non-interest operating revenues being fairly evenly distributed between service charges and fees on loans, trust and investment fees, and earnings on BOLI.

Operating expenses represent the other major component of the Bank's earnings, ranging from a high of 2.94% of average assets during fiscal 2003 to a low of 2.45% of average assets during fiscal 2006. Growth of investments at a faster rate than loans and funding a larger portion of asset growth through borrowings have facilitated leveraging of the Bank's operating expense ratio. Upward pressure will be placed on the Bank's expense ratio following the stock offering, due to expenses associated with operating as a publicly-traded company, including expenses related to the stock benefit plans. At the same time, the increase in capital realized from the stock offering will increase the Bank's capacity to leverage operating expenses through pursuing a more aggressive growth strategy.

Overall, the general trends in the Bank's net interest margin and operating expense ratio since fiscal 2002 reflect a decline in core earnings, as indicated by the Bank's expense coverage ratio (net interest income divided by operating expenses). ESSA Bank's expense coverage ratio equaled 1.36 times during fiscal 2002, versus a comparable ratio of 1.03 times during fiscal 2006. Similarly, ESSA Bank's efficiency ratio (operating expenses, net of amortization of intangibles, as a percent of the sum of net interest income and other operating income) of 61.7% during fiscal 2002 was more favorable than the 73.4% efficiency ratio maintained during fiscal 2006. The Bank's less favorable expense and efficiency ratios for fiscal 2006 both resulted from

the decrease in the net interest income ratio, which more than offset improved ratios for operating expenses and non-interest operating income.

Over the past five fiscal years, loan loss provisions established by the Bank ranged from a high of 0.21% of average assets during fiscal 2002 to a low of 0.04% of average assets during fiscal 2006. The lower loan loss provisions established during fiscal 2006 reflects the Bank's maintenance of a low ratio of non-performing loans. As of December 31, 2006, the Bank maintained valuation allowances of \$3.9 million, equal to 0.69% of net loans receivable and 570.3% of non-performing loans. Exhibit I-6 sets forth the Bank's loan loss allowance activity during the past five fiscal years.

Non-operating income has had only a modest impact on the Bank's earnings during the past five fiscal years, ranging from a high of 0.05% of average assets during fiscal 2002 to a net loss equal to 0.01% of average assets during fiscal 2005. The net loss during fiscal 2005 was the result of an impairment loss on securities, which more than offset loan sale gains. For fiscal 2006, non-operating income consisted only of a nominal amount of loan sale gains. Beyond loan sale gains and the impairment loss on securities, the only other non-operating income recorded during the past five fiscal years were gains on the sale of real estate owned during fiscal years 2002 and 2003.

The Bank's effective tax rate ranged from a low of 23.04% during fiscal 2004 to a high of 32.99% during fiscal 2002. For fiscal 2006, the Bank's effective tax rate equaled 31.44%. As set forth in the prospectus, the Bank's marginal effective statutory tax rate approximates 34.0%.

Interest Rate Risk Management

The Bank's balance sheet is liability-sensitive in the short-term (less than one year) and, thus, the net interest margin will typically be adversely affected during periods of rising and higher interest rates, as well as during the prevailing interest rate environment in which the yield curve has become inverted due to short-term interest rates increasing to levels that exceed the yields earned on longer-term Treasury bonds. As of September 30, 2006, the Net Portfolio Value ("NPV") analysis provided by the OTS indicated that a 2.0% instantaneous and sustained increase in interest rates would result in a 29% decline in the Bank's NPV (see Exhibit I-7).

The Bank pursues a number of strategies to manage interest rate risk, particularly with respect to seeking to limit the repricing mismatch between interest rate sensitive assets and liabilities. The Bank manages interest rate risk from the asset side of the balance sheet through underwriting residential mortgages that will allow for their sale to the secondary market when such a strategy is appropriate, maintaining investments as available for sale, emphasizing investing in securities with short-terms or adjustable rates, and diversifying into other types of lending beyond 1-4 family permanent mortgage loans which consists primarily of shorter term fixed rate loans or adjustable rate loans. As of September 30, 2006, of the Bank's total loans due after September 30, 2007, ARM loans comprised 13.5% of those loans (see Exhibit I-8). On the liability side of the balance sheet, management of interest rate risk has been pursued through utilizing fixed rate FHLB advances with laddered maturities out to ten years, extending CD maturities through offering attractive rates on certain longer term CDs and through maintaining a high concentration of deposits in lower costing and less interest rate sensitive transaction and savings accounts. Transaction and savings accounts comprised 47.9% of the Bank's deposits at September 30, 2006.

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

Lending Activities and Strategy

ESSA Bank' lending activities have traditionally emphasized 1-4 family permanent mortgage loans and such loans continue to comprise the largest component of the Bank's loan portfolio. Beyond 1-4 family loans, lending diversification by the Bank has emphasized commercial real estate loans and home equity loans. To a lesser extent, the Bank's lending activities include construction loans, commercial business loans and consumer loans other than home equity loans. Going forward, the Bank's lending strategy is expected to remain fairly consistent with recent historical trends, with the origination of 1-4 family permanent mortgage loans remaining as the primary source of loan originations. Lending diversification by the Bank will continue to emphasize growth of commercial real estate loans and home equity loans.

Exhibit I-9 provides historical detail of ESSA Bank's loan portfolio composition over the past five fiscal years and Exhibit I-10 provides the contractual maturity of the Bank's loan portfolio by loan type as of September 30, 2006.

ESSA Bank originates both fixed rate and adjustable rate 1-4 family permanent mortgage loans. From time-to-time, the Bank sells fixed rate 1-4 family loans for purposes of interest rate risk management, with such loans sold on a servicing retained basis. Loans are generally underwritten to secondary market standards. ARM loans offered by the Bank include loans with initial repricing terms of one, three, five or ten years, which convert to a one year ARM loan after the initial repricing period. ARM loans are indexed to the yield on one year U.S. Treasury securities adjusted to a constant maturity (1-year CMT). Fixed rate 1-4 family mortgage loans offered by the Bank have terms ranging from 10-to-30 years. As of September 30, 2006, the Bank's outstanding balance of 1-4 family permanent mortgage loans equaled \$452.4 million or 80.4% of total loans outstanding.

ESSA Bank's 1-4 family lending activities include home equity loans, which have been a lending growth area as home values have appreciated throughout the Bank's regional lending area. Home equity loans are offered as fixed rate amortizing loans or floating rate lines of credit. Home equity loans are offered for terms of up to 15 years and a maximum loan amount of \$200,000. Home equity loans are offered up to a LTV ratio of 90.0%, inclusive of other liens on the property. Home equity lines of credit are tied to the prime rate as reported in *The Wall Street Journal*. As of September 30 2006, the Bank's home equity loan portfolio totaled \$47.0 million or 8.3% of total loans outstanding.

Construction loans originated by the Bank consist substantially of loans to finance the construction of 1-4 family residences, while, on a limited basis, commercial real estate construction loans are originated by the Bank. The Bank's 1-4 family construction lending activities consist mostly of construction financing for construction/permanent loans and, to a lesser extent, speculative loans that are extended to builders. Generally, construction loans are offered up to a loan-to-value ("LTV") ratio of 80% and require payment of interest only during the construction period. Commercial real estate construction loans are originated as construction/permanent loans and are subject to the same underwriting criteria as required for permanent mortgage loans, as well as submission of completed plans, specifications and cost

estimates related to the proposed construction. As of September 30, 2006, ESSA Bank's outstanding balance of construction loans totaled \$5.9 million or 1.1% of total loans outstanding.

The balance of the mortgage loan portfolio consists of commercial real estate loans, which are collateralized by properties in the Bank's regional market area. Commercial real estate loans are generally originated up to a maximum LTV ratio of 85.0% and require a minimum debt-coverage ratio of 1.2 times. Commercial real estate loans offered by ESSA Bank generally reprice every five years with amortization terms of up to 25 years. Properties securing the commercial real estate loan portfolio include apartments, office buildings, retail strip malls, churches, warehouses and other retail properties. Growth of the commercial real estate loan portfolio is a targeted area of lending growth for the Bank. As of September 30, 2005, the Bank's commercial real estate loan portfolio totaled \$47.5 million or 8.4% of the total loan portfolio.

ESSA Bank's diversification into non-mortgage types of lending has been fairly limited, with such loans consisting of small balances of consumer and commercial business loans. Consumer loans, other than home equity loans, consist of loans secured by deposits, auto loans and personal loans. The consumer loan portfolio has also included student loans, which were sold off during fiscal years 2005 and 2006. Other than home equity lending, consumer lending is expected to remain as a limited area of loan diversification for ESSA Bank. The consumer loan portfolio, exclusive of home equity loans, totaled \$4.2 million or 0.7% of total loans outstanding at September 30, 2006.

The Bank offers commercial business loans and lines of credit to small- and medium-sized companies in its market area. Commercial business loans offered by the Bank consist of floating rate loans indexed to the prime rate and fixed rate terms loans. The commercial business loan portfolio consists primarily of secured loans, while the portfolio also includes a minor amount of unsecured loans for purposes of financing expansion or providing working capital for general business purposes. Growth of the commercial business loan portfolio will be pursued in conjunction with the Bank's commercial real estate lending activities, pursuant to which the Bank will seek to become a full service community bank to its commercial loan customers through offering a full range of commercial loan products that can be packaged with lower cost

commercial deposit products. As of September 30, 2006, ESSA Bank's outstanding balance of commercial business loans totaled \$6.2 million or 1.1% of total loans outstanding.

Asset Quality

The Bank's emphasis on credit risk management, as well as generally favorable local real estate market conditions, is evidenced by the low balance of non-performing assets maintained over the past five fiscal years. As shown in Exhibit I-11, ESSA Bank's ratio of non-performing assets ranged from a high of 0.16% of assets at fiscal year end 2002 to a low of 0.09% of assets at fiscal year end 2006. In general, non-performing assets held by the Bank over the past five fiscal years have consisted largely of non-accruing 1-4 family first mortgage loans. The Bank's balance of non-performing assets at September 30, 2006 consisted of \$623,000 of non-accruing loans and \$53,000 of troubled debt restructurings. As of September 30, 2006, non-accruing loans consisted of \$583,000 of 1-4 family first mortgage loans and \$40,000 of home equity loans. The \$53,000 balance of troubled debt restructurings also consisted of 1-4 family first mortgage loans.

To track the Bank's asset quality and the adequacy of valuation allowances, ESSA Bank has established detailed asset classification policies and procedures which are consistent with regulatory guidelines. Detailed asset classifications are reviewed quarterly by senior management and the Board. Pursuant to these procedures, when needed, the Bank establishes additional valuation allowances to cover anticipated losses in classified or non-classified assets. As of September 30, 2006, the Bank maintained valuation allowances of \$3.9 million, equal to 0.69% of net loans receivable and 570.3% of non-performing loans.

Funding Composition and Strategy

Deposits have consistently accounted for the largest portion of the Bank's interest-bearing funding composition and at September 30, 2006 deposits equaled 60.8% of ESSA Bank's interest-bearing funding composition. Exhibit I-12 sets forth the Bank's deposit composition for the past three fiscal years and Exhibit I-13 provides the interest rate and maturity composition of the CD portfolio at September 30, 2006. Deposit growth in recent years has been

sustained by growth of CDs and, thus, the concentration of CDs comprising total deposits has increased since fiscal year end 2004. As of September 30, 2006, the CD portfolio totaled \$210.4 million or 52.3% of total deposits, versus comparable measures of \$128.2 million and 38.6% of total deposits as of September 30, 2006. Short-term CDs (CDs scheduled to mature in one year or less) accounted for 70.4% of the Bank's CDs at September 30, 2006. As of September 30, 2006, jumbo CDs (CD accounts with balances of \$100,000 or more) amounted to \$81.0 million or 38.5% of total CDs. The Bank's deposit base included \$28.3 million of brokered deposits at September 30, 2006.

Lower cost savings and transaction accounts comprise the balance of the Bank's deposit composition, with such deposits amounting to \$191.8 million or 47.7% of total deposits at September 30, 2006. Comparatively, core deposits equaled \$204.0 million or 61.4% of total deposits at fiscal year end 2004. The decrease in core deposits comprising total deposits has resulted from a combination of CD growth and disintermediation of core deposits, with most of the decline in core deposits consisting of savings account deposits. The Bank's core deposits consist mostly of savings account deposits, which totaled \$76.2 million or 39.6% of core deposits at September 30, 2006.

Borrowings serve as an alternative funding source for the Bank to facilitate management of funding costs and interest rate risk. The Bank's utilization of borrowings has typically been limited to FHLB advances. ESSA Bank maintained \$259.3 million of FHLB advances at September 30, 2006, which consisted of \$35.3 million of short-term borrowings and \$224.0 million of long-term fixed rate FHLB advances with laddered terms out to ten years. Exhibit I-14 provides further detail of ESSA Bank's short-term borrowing activities during the past three fiscal years.

Subsidiary Activities

ESSA Bank has two wholly-owned subsidiaries, ESSACOR, Inc. and Pocono Investment Company. ESSACOR, Inc. is a Pennsylvania corporation that is currently inactive. Pocono Investment Company is a Delaware corporation formed as an investment company subsidiary to hold and manage certain investments of ESSA Bank, including certain intellectual property.

Legal Proceedings

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

II. MARKET AREA

Introduction

ESSA Bank serves east-central Pennsylvania through its main office in East Stroudsburg, Monroe County, ten branch offices located in Monroe County and a single branch office in Northampton County, directly to the south of Monroe County. The major portion of the Bank's deposit activities are conducted within the markets served by the retail branches and surrounding region, while lending activities extend to contiguous counties, including Northampton County to the south, and Pike County to the north. Deposit gathering in Northampton County is limited to the immediate area around the branch office in Pen Argyl, which is located in the extreme northern section of Northampton County, close to the Monroe County border. Exhibit II-1 provides information on the Bank's office facilities. The primary market area served by the Bank is largely rural in nature, with the East Stroudsburg metropolitan area representing the most populous and largest source of economic activity in the market area. The Bank's competitive environment includes a number of thrifts, commercial banks and other financial service providers, some of which have a regional or national presence. The primary market area economy is fairly diversified, with services, wholesale/retail trade and government constituting the basis of the primary market area economy.

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

Market Area Demographics

Key demographic and economic indicators in the Bank's market include population, number of households and household/per capita income levels. Demographic data for Monroe and Northampton Counties, as well as comparative data for Pennsylvania and the U.S., is

provided in Table 2.1. Monroe County along with Pike County to the north and Northampton County to the south, are the three fastest growing counties in Pennsylvania. The primary reason for such growth is the proximity to northern New Jersey and New York City, as many residents of these Pennsylvania counties commute to jobs in those areas. The lower housing costs and more rural lifestyles are attractive to residents, along with a large recreational and tourism industry, due to the presence of the Pocono Mountains and related resorts. As shown in Table 2.1, since 2000, population and household growth have been strong in Monroe and Northampton Counties, exceeding the comparable Pennsylvania and nationwide growth measures. Population and household growth for the primary market area counties are projected to be consistent with recent historical trends over the next five years.

Income levels in the market area reflect that both market area counties are relatively affluent market areas, as implied by household income measures that exceed the comparable U.S. and Pennsylvania measures. Per capita income levels in Monroe County were somewhat lower than the comparable averages, as there remains a base of longer term residents who live in the more rural areas of the county. Pennsylvania's median household and per capita income measures were \$50,000 and \$27,000, respectively, which approximated the comparable U.S. measures. Over the next five years, growth rates for household and per capita income in Monroe County and Northampton County are projected to be fairly comparable to the U.S. and Pennsylvania growth rates, with Northampton County projected to record somewhat more favorable income growth rates than Monroe County. Household income distribution measures further imply that Monroe and Northampton Counties are relatively affluent market areas, as both maintain a higher percentage of households with incomes exceeding \$50,000 as compared to the U.S. and Pennsylvania.

In summary, the demographic characteristics of the primary market area are considered to be conducive for facilitating loan and deposit growth, in both Monroe County and Northampton County.

Table 2.1
ESSA Bank & Trust
Summary Demographic Data

	Year			Growth Rate	Growth Rate
	<u>2000</u>	<u>2006</u>	<u>2011</u>	<u>2000-06</u>	<u>2006-2011</u>
<u>Population(000)</u>					
United States	281,422	303,582	323,786	1.3%	1.3%
Pennsylvania	12,281	12,590	12,833	0.4%	0.4%
Monroe County	139	167	196	3.2%	3.3%
Northampton County	267	293	318	1.6%	1.6%
<u>Households(000)</u>					
United States	105,480	114,050	121,863	1.3%	1.3%
Pennsylvania	4,777	4,937	5,057	0.6%	0.5%
Monroe County	49	60	71	3.3%	3.3%
Northampton County	102	111	121	1.5%	1.7%
<u>Median Household Income(\$)</u>					
United States	\$42,164	\$51,546	\$60,704	3.4%	3.3%
Pennsylvania	40,108	50,132	60,151	3.8%	3.7%
Monroe County	46,282	55,922	65,026	3.2%	3.1%
Northampton County	45,222	56,249	66,922	3.7%	3.5%
<u>Per Capita Income(\$)</u>					
United States	\$21,587	\$27,084	\$32,982	3.9%	4.0%
Pennsylvania	20,880	26,797	33,188	4.2%	4.4%
Monroe County	20,011	24,588	29,616	3.5%	3.8%
Northampton County	21,399	27,146	33,317	4.0%	4.2%
<u>2005 HH Income Dist.(%)</u>					
	Less Than <u>\$25,000</u>	\$25,000 to <u>50,000</u>	\$50,000 to <u>\$100,000</u>	Over <u>\$100,000</u>	
United States	22.7%	25.8%	31.8%	19.8%	
Pennsylvania	23.5%	26.3%	32.2%	18.0%	
Monroe County	19.0%	25.0%	36.6%	19.5%	
Northampton County	18.8%	25.4%	35.4%	20.5%	

Sources: SNL Financial, LC. and ESRI Business Information Solutions

National Economic Factors

The future success of the Bank's operations is partially dependent upon various national and local economic trends. In assessing recent economic trends, economic data at the beginning of 2006 generally reflected a healthy economy. Retail sales surged in January and the U.S. unemployment rate dropped to 4.7%, the lowest rate in more than four years. The service sector also continued to expand in January, although at a slower pace compared to December. While rising home inventories in a number of large cities signaled a cooling market for housing, housing starts surged 14.5% in January with the help of unusually mild weather. Notwithstanding the increase in housing starts, both new and existing home sales declined in January and unsold homes reached a ten year high. Other data reflected a more positive picture of the economy, which included an upward revision in fourth quarter GDP to 1.7% and healthy growth in the manufacturing and service sectors during February. The February employment report showed strong job growth, but the national unemployment rate for February edged up from 4.7% to 4.8% as more people entered the labor market. Mild weather supported a surge in existing home sales during February, but, at the same time, the inventory of houses for sale also increased. Economic data for March generally reflected a strong economy, based on robust numbers for retail sales, new home sales and durable-goods orders. The national unemployment rate for March declined to 4.7%, with over 200,000 jobs added during the month. First quarter GDP growth was revised upward to an annual rate of 5.3% compared to an original estimate of 4.7%.

Economic data at the start of the second quarter 2006 was somewhat mixed. April data for retail sales, manufacturing activity and new home sales all showed positive trends, while, comparatively, durable-goods orders were down sharply in April, existing home sales were lower in April and the pace of job growth slowed in April. The national unemployment rate for April held steady at 4.7%. Following a strong rise in manufacturing activity during April, the index for manufacturing activity fell in May. The pace of job growth slowed further in May, although the May national unemployment rate dipped to 4.6% which was the lowest rate since the summer of 2001. In a sign that higher gasoline prices and weaker home sales may be slowing the economy, retail sales rose only 0.1% in May from April. Weaker consumer demand also translated into a decline in factory output for May. New home sales rose in May for the third

straight month, but sales of existing homes fell in May reflecting the impact of higher interest rates. While first quarter GDP growth was revised upward to a 5.6% annual rate, second quarter growth was expected to be much slower. Job growth in June fell short of expectations, but the unemployment rate for June held steady at 4.6%. While strong business investment provided for a jump in U.S. industrial production in June, other data reflected a slowing economy. Home sales of new and existing homes fell in June, while inventories of homes for sale swelled to a nine year high. Second quarter GDP slowed to a 2.5% annual rate and June durable-goods orders excluding defense products increased at a slower pace.

Despite signs of a cooling economy and record high oil prices, consumer confidence edged up in July 2006. Manufacturing activity picked up in July and retail sales were up in July as well, while the number of jobs added in July was less than forecasted. The national unemployment rate for July rose to 4.8%, the first increase since February 2006. Other signs of slower economic growth included the index of leading indicators easing slightly in July and July sales of existing and new homes tumbling, while the inventory of unsold homes rose to a record high. Consumer spending was up strongly in July, but retailers reported mixed sales for August. Solid job growth provided for a dip in the August unemployment rate to 4.7%. Home inventories continued to rise in August, which translated in fewer housing starts in August. Existing home sales also declined in August, which put downward pressure on home prices with the median home price for existing home sales falling in August for the first time since 1995. Durable-goods orders fell in August, while new home sales posted an unexpected gain in August. Job growth slowed in September, but the unemployment rate edged down to 4.6%.

The mid-October 2006 release of the Federal Reserve's "beige book" indicated that consumer spending remained strong, despite the slowdown in the housing market. The Federal Reserve's "beige book" also found job markets tightening across the U.S., but without an accompanying increase in wages. Falling gas prices supported a solid increase in September retail sales. Excluding gas sales, retail sales increased 0.6% in September. While new home construction rose in September, building permits declined pointing to a softening in residential construction. Lower median home prices and a decline in construction spending in September provided further evidence of a cooling housing market. A slowing economy was also indicated by a decline in industrial output in September and a decline in manufacturing activity in October.

At the same time the economy showed signs of resilience, as the October unemployment rate dropped to a five-year low of 4.4% and retail sales, excluding gas sales, rose in October.

In terms of interest rate trends during 2006, Treasury yields stabilized through most of January 2006 as the Federal Reserve indicated that it was becoming less worried about inflation and may be nearing an end to its campaign to raise rates. Uncertainty over future Federal Reserve policy with the incoming of a new Federal Reserve Chairman pushed long-term Treasury yields higher in late-January. The Federal Reserve concluded its end of January meeting by raising the target interest rate another quarter point to 4.5%, which was the 14th consecutive rate hike implemented by the Federal Reserve over the past 19 months. An expanding economy with inflation under control provided for a relatively stable interest rate environment through most of February. Consumer prices jumped 0.7% in January due to higher energy costs, but core prices rose only 0.2% which served to soothe inflation fears. Interest rates edged higher in early-March, reflecting growing expectations that foreign central banks would keep raising interest rates based on forecasts of an improving global economy. A positive report on consumer-price inflation for February helped to pull Treasury yields lower in mid-March, while, comparatively, an upward revision to consumer-price inflation for the fourth quarter of 2005 and a quarter point rate hike by the Federal Reserve with hints of more rate increases to come pushed Treasury yields higher at the close of the first quarter.

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

raising the federal funds rate a quarter point to 5.25%, its 17th straight rate increase. Bond prices rallied following the Federal Reserve meeting, as the Federal Reserve's statement suggested that a pause in the current cycle of rate increases may be appropriate.

Long-term Treasury yields eased lower at the start of the third quarter of 2006, based on expectations of a cooling economy as reflected by the weaker than expected job growth in the June employment data. A flight to safety, amid violence in the Middle East, furthered the upward trend in bond prices in mid-July. Economic data showing economic growth slowing and comments from the Federal Reserve Chairman that slower economic growth was expected to reverse the rise in inflation extended the bond rally through the end of July, with the yield on the 10-year Treasury note dipping below 5.0% in late-July. Weaker than expected job growth in July continued the downward trend in long-term Treasury yields in the first week of August, as the yield on the 10-year Treasury note dipped to a four-month low of 4.90%. Long-term Treasury yields continued to ease lower into the second half of August, as the Federal Reserve left rates unchanged at 5.25%, its first pause after two years of steady increases. Modest increases in producer prices and core consumer prices for July, as well as weaker home sales in July, sustained the downward trend in long-term interest rates into late-August. After stabilizing in the first half of September, long-term Treasury yields trended lower during the balance of September amid signs of slower economic growth. The September meeting of the Federal Reserve concluded with no change in interest rates.

The rally in long-term Treasury bonds extended into early-October 2006, as the Federal Reserve Chairman suggested that the sinking housing market could slow economic growth in the U.S. Growing expectations that the Federal Reserve would leave rates unchanged at its next meeting reversed the downward trend in interest rates heading into mid-October. Interest rates stabilized ahead of the Federal Reserve meeting in October and then trended lower in late-October as the Federal Reserve held rates steady as expected. After edging up slightly in early-November, long-term Treasury yields declined slightly in mid-November on upbeat comments by the St. Louis Federal Reserve about interest rates. A smaller than expected increase in core consumer prices for October also served to boost bond prices in late-November. As of November 24, 2006, the bond equivalent yields for U.S. Treasury bonds with terms of one and ten years equaled 5.00% and 4.55%, respectively, versus comparable year ago yields of 4.31%

and 4.47%. Exhibit II-2 provides historical interest rate trends from 1995 through October 16, 2006.

Local Economy

The Bank's primary market area has a fairly diversified local economy. Similar to statewide data, services, government and trade play a major role in the local market area economy. Manufacturing and finance/insurance/real estate jobs also constitute major employment sectors regionally. The market area is influenced by the presence of the Pocono Mountain region, which is a popular resort and recreation area for both in-state and out-of-state residents. Thus, tourism and recreation (year round) are a large part of the local economy. The market area also acts as a "bedroom" community for a sizeable portion of the population that commutes to employment in northern New Jersey, New York City, or the Allentown-Bethlehem-Easton metropolitan area directly to the south. In addition, Interstate-80 crosses into Pennsylvania through Monroe County, resulting in a concentration of travel/trade related employment, as Interstate-80 is a major east-west highway, particularly a westward route from the New York City/Northern New Jersey metropolitan area. Major employers in Monroe County include recreational companies such as Camelback Ski Corporation, Pocono Manor Inn and Golf Resort, Shawnee Inn, Skytop Lodge Corp, Resorts USA, Inc., and wholesale/retail trade companies such as Roadway Express and Wal-Mart Distribution Center.

Comparative employment data shown in Table 2.2 shows that Monroe County reported a slightly lower employment concentration in services and higher concentrations of employment in trade and government than the state of Pennsylvania, while Northampton County recorded services employment in line with the state measure. Manufacturing employment was higher in Northampton County compared to Monroe County and Pennsylvania. Table 2.2 provides an overview of employment by sector, for both of the primary market area counties and the state of Pennsylvania.

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

<u>Employment Sectors</u>	<u>Pennsylvania</u>	<u>Monroe</u>	<u>Northampton</u>
Services	38.9%	34.1%	38.1%
Wholesale/Retail Trade	15.4	17.1	15.4
Government	11.6	16.5	12.3
Fin., Ins., Real Estate	7.7	7.9	6.1
Manufacturing	10.7	7.3	13.4
Construction	5.4	6.9	6.4
Transport. & Warehousing	3.9	5.4	3.9
Agriculture	1.1	0.4	0.6
Other	<u>5.4</u>	<u>4.5</u>	3.8
	100.0%	100.0%	100.0%

(1) Data is as of 2003.

Source: Regional Economic Information System Bureau of Economic Analysis.

Comparative unemployment rates for Monroe and Northampton Counties, as well as for the U.S. and Pennsylvania, are shown in Table 2.3. Monroe County's September 2006 unemployment rate of 4.3% was between than the comparable Pennsylvania unemployment rate of 4.2% and the U.S. unemployment rate of 4.4%. Northampton County posted a slightly lower unemployment rate of 4.0% for September 2006. Consistent with the U.S. and Pennsylvania unemployment trends, both Monroe and Northampton County's September 2006 unemployment rates were lower compared to the year ago rates of 4.7% and 4.4%, respectively.

Table 2.3
Unemployment Trends(1)

<u>Region</u>	<u>September 2005 Unemployment</u>	<u>September 2006 Unemployment</u>
United States	4.8%	4.4%
Pennsylvania	4.5	4.2
Monroe County	4.7	4.3
Northampton County	4.4	4.0

(1) Unemployment rates have not been seasonally adjusted.

Source: U.S. Bureau of Labor Statistics.

Market Area Deposit Characteristics

The Bank's retail deposit base is closely tied to the economic fortunes of east-central Pennsylvania and, in particular, the markets that are nearby to each of ESSA Bank's branch office locations. Table 2.4 displays deposit market trends from June 30, 2002 through June 30, 2006 for the branches that were maintained by the Bank during that period. Additional data is also presented for the state of Pennsylvania. The data indicates that Monroe County's relatively favorable demographic trends translated into a slightly stronger deposit growth rate compared to statewide deposit growth, with total thrift and bank deposits increasing by 7.9% annually compared to 7.4% annually for the state during the four year period covered in Table 2.4. Comparatively, Northampton County recorded deposit growth of 5.6% annually over the same time period. Consistent with the state of Pennsylvania, commercial banks maintained a larger market share of deposits than savings institutions in both market area counties. For the four year period covered in Table 2.4, savings institutions experienced an increase in deposit market share in Monroe County and Northampton County.

ESSA Bank's \$396.5 million of deposits in Monroe County represented a 19.2% market share of thrift and bank deposits at June 30, 2006. During the four year period, ESSA Bank's deposit market share decreased from 20.4% to 19.2% in Monroe County based on an annual deposit growth rate of 6.2%. In Northampton County, ESSA Bank's single branch office location held only a minimal 0.2% deposit market share as of June 30, 2006.

Competition

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

Table 2.4
ESSA Bank & Trust
Deposit Summary

	As of June 30,							Deposit Growth Rate 2002-2006 (%)
	2002			2006				
	<u>Deposits</u>	<u>Market Share</u>	<u># of Branches</u> (Dollars in Thousands)	<u>Deposits</u>	<u>Market Share</u>	<u># of Branches</u>		
State of Pennsylvania	\$ 188,304,000	100.0%	4,588	\$ 250,157,000	100.0%	4,700	7.4%	
Commercial Banks	136,705,000	72.6%	3,292	172,897,000	69.1%	3,384	6.0%	
Savings Institutions	51,599,000	27.4%	1,296	77,260,000	30.9%	1,316	10.6%	
Monroe County	\$ 1,522,395	100.0%	54	\$ 2,060,495	100.0%	53	7.9%	
Commercial Banks	983,129	64.6%	32	1,235,750	60.0%	29	5.9%	
Savings Institutions	539,266	35.4%	22	824,745	40.0%	24	11.2%	
ESSA Bank & Trust	311,231	20.4%	11	396,497	19.2%	11	6.2%	
Northampton County	\$ 3,561,547	100.0%	109	\$ 4,427,370	100.0%	117	5.6%	
Commercial Banks	2,697,151	75.7%	86	2,948,285	66.6%	82	2.3%	
Savings Institutions	864,396	24.3%	23	1,479,085	33.4%	35	14.4%	
ESSA Bank & Trust	1,528	0.0%	1	9,535	0.2%	1	58.1%	

Source: FDIC.

competitors in the two counties currently served by its branches, based on deposit market share as noted parenthetically. The Bank's deposit market share and market rank are also provided in Table 2.5.

Table 2.5
ESSA Bank & Trust
Market Area Deposit Competitors

<u>Location</u>	<u>Name</u>
Monroe County	PNC Bank, NA (24.2%)
	ESSA Bank & Trust (19.2%)
	Citizens Bank of PA (14.3%)
	First NB of Palmerton (11.1%)
	Wachovia Bank, NA (8.2%)
Northampton County	Keystone Nazareth B&T (21.2%)
	Lafayette Ambassador Bank (17.0%)
	Wachovia Bank, NA (15.3%)
	PNC Bank, NA (11.7%)
	Bank of America NA (7.9%)
	ESSA Bank & Trust (0.2%)

Source: FDIC.

III. PEER GROUP ANALYSIS

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

Peer Group Selection

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

Ideally, the Peer Group, which must have at least 10 members to comply with the regulatory valuation guidelines, should be comprised of locally or regionally-based institutions with comparable resources, strategies and financial characteristics. There are approximately 171 publicly-traded institutions nationally and, thus, it is typically the case that the Peer Group will

be comprised of institutions with relatively comparable characteristics. To the extent that differences exist between the converting institution and the Peer Group, valuation adjustments will be applied to account for the differences. Since ESSA Bank will be a full public company upon completion of the offering, we considered only full public companies to be viable candidates for inclusion in the Peer Group. From the universe of publicly-traded thrifts, we selected ten institutions with characteristics similar to those of ESSA Bank. In the selection process, we applied three “screens” to the universe of all public companies:

- o Screen #1 Pennsylvania institutions with assets between \$450 million and \$1.5 billion, tangible equity-to-assets ratios of greater than 6.0%, positive core earnings and return on equity ratios of less than 12.0%. Two companies met the criteria for Screen #1 and both were included in the Peer Group: Harleysville Savings Financial Corp. and TF Financial Corp. Exhibit III-2 provides financial and public market pricing characteristics of all publicly-traded Pennsylvania thrifts.
- o Screen #2 Mid-Atlantic institutions, except for Pennsylvania thrifts, with assets between \$450 million and \$1.5 billion, tangible equity-to-assets ratios of greater than 8.0%, positive core earnings and return on equity ratios of less than 12.0%. Three companies met the criteria for Screen #2 and all three were included in the Peer Group: American Bancorp of New Jersey, Pamrapo Bancorp, Inc. of New Jersey and Synergy Financial Group of New Jersey. Exhibit III-3 provides financial and public market pricing characteristics of all publicly-traded Mid Atlantic thrifts.
- o Screen #3. Midwest institutions with assets between \$450 million and \$1.5 billion, tangible equity-to-assets of greater than 8.0%, positive core earnings and a return on equity ratio of less than 12.0%. Five companies met the criteria for Screen #3 and all five were included in the Peer Group: CFS Bancorp, Inc. of Indiana, First Capital, Inc. of Indiana, First Federal Bankshares of Iowa, HMN Financial, Inc. of Minnesota and Peoples Bancorp of Indiana. Exhibit III-4 provides financial and public market pricing characteristics of all publicly-traded Midwest thrifts.

Table 3.1 shows the general characteristics of each of the 10 Peer Group companies and Exhibit III-5 provides summary demographic and deposit market share data for the primary market areas served by each of the Peer Group companies. While there are expectedly some differences between the Peer Group companies and ESSA Bank, we believe that the Peer Group companies, on average, provide a good basis for valuation subject to valuation adjustments. The following sections present a comparison of ESSA Bank’s financial condition, income and

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Table 3.1
 Peer Group of Publicly-Traded Thrifts
 November 27, 2006(1)

Ticker	Financial Institution	Exchg. Market	Primary Market	Operating Strat. (2)	Total Assets	Offices	Fiscal Year	Conv. Date	Stock Price (\$)	Market Value (\$Mil)
CITZ	CFS Bancorp, Inc of Munster IN	NASDAQ	Munster, IN	Thrift	1,292	22	12-31	07/98	14.30	161
SYNF	Synergy Financial Group of NJ	NASDAQ	Cranford, NJ	Thrift	993	18	12-31	01/04	16.11	163
HMNF	HMNF Financial, Inc. of MN	NASDAQ	Rochester, MN	Thrift	991	13	12-31	06/94	33.50	145
HARL	Harleysville Svgs Fin Cp of PA	NASDAQ	Harleysville, PA	Thrift	776	5	09-30	08/87	18.68	72
THRD	Tf Fin. Corp. of Newtown PA	NASDAQ	Newtown, PA	Thrift	655	14	12-31	07/94	31.62	91
PBCI	Pamrapo Bancorp, Inc. of NJ	NASDAQ	Bayonne, NJ	Thrift	643	9	12-31	11/89	23.10	115
FFSX	First Federal Bankshares of IA	NASDAQ	Sioux City, IA	Thrift	595	14	06-30	04/99	21.50	73
ABNJ	American Bancorp of NJ	NASDAQ	Bloomfield, NJ	Thrift	514	2	09-30	10/05	12.07	170
PFDC	Peoples Bancorp of Auburn IN	NASDAQ	Auburn, IN	Thrift	498 J	15	09-30	07/87	19.29	63
FCAP	First Capital, Inc. of IN	NASDAQ	Corydon, IN	Thrift	452	12	12-31	01/99	18.55	53

NOTES: (1) Or most recent date available (M=March, S=September, D=December, J=June, E=Estimated, and P=Pro Forma)

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

(3) BIF insured savings bank institution.

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

Date of Last Update: 11/27/06

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

A summary description of the key characteristics of each of the Peer Group companies is detailed below.

- o American Bancorp of New Jersey. Selected due to comparable interest-earning asset composition, relatively high equity-to-assets ratio, comparable net interest margin, similar concentration of mortgage-backed securities and 1-4 family loans in aggregate comprising total assets and comparable diversification into higher risk types of lending.
- o CFS Bancorp, Inc. of Indiana. Selected due to comparable net interest margin and relatively high earnings contribution from non-interest operating income.
- o First Capital, Inc. of Indiana. Selected due to comparable size of branch network, comparable interest-earning asset composition and similar level of operating expenses as a percent of average assets.
- o First Federal Bankshares of Iowa. Selected due to comparable size of branch network, comparable interest-earning asset composition, similar return on assets and relatively high earnings contribution from non-interest operating income.
- o HMN Financial, Inc. of Minnesota. Selected due to comparable size of branch network and comparable interest-earning asset composition
- o Harleysville Savings Financial Corp. of Pennsylvania. Selected due to eastern Pennsylvania market area, comparable asset size and comparable interest-bearing funding composition.
- o Pamrapo Bancorp, Inc. of New Jersey. Selected due to similar loans-to-assets ratio, similar concentration of mortgage-backed securities and 1-4 family loans in aggregate comprising total assets and favorable credit quality measures.
- o Peoples Bancorp of Indiana. Selected due to comparable interest-earning asset composition, relatively high equity-to-assets ratio and comparable level of operating expenses as a percent of average assets.
- o Synergy Financial Group of New Jersey. Selected due to comparable interest-earning asset composition, comparable net interest margin and favorable credit quality measures.
- o TF Financial Corp. of Pennsylvania. Selected due to eastern Pennsylvania market area, comparable asset size, comparable size of branch network, comparable interest-earning asset composition, comparable level of operating expenses as a percent of average assets, similar concentration of mortgage-backed securities and 1-4 family loans in aggregate comprising total assets and favorable credit quality measures.

In aggregate, the Peer Group companies maintained a similar level of tangible capital as the industry average (10.7% of assets versus 10.5% for all public companies), generated slightly higher earnings as a percent of average assets (0.67% ROAA versus 0.60% for all public

companies), and earned a slightly higher ROE (6.88% ROE versus 6.34% for all public companies). Overall, the Peer Group's average P/B ratio and average P/E multiple were below and above the respective averages for all publicly-traded thrifts.

	<i>All</i> <u>Publicly-Traded</u>	<u>Peer Group</u>
<u>Financial Characteristics (Averages)</u>		
Assets (\$Mil)	\$3,003	\$741
Market capitalization (\$Mil)	\$427	\$113
Equity/assets (%)	11.60%	11.30%
Return on average assets (%)	0.60	0.67
Return on average equity (%)	6.34	6.88
<u>Pricing Ratios (Averages)(1)</u>		
Price/earnings (x)	19.46x	18.55x
Price/book (%)	154.46%	141.13%
Price/assets (%)	18.31	15.63

(1) Based on market prices as of November 24, 2006.

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

Financial Condition

Table 3.2 shows comparative balance sheet measures for ESSA Bank and the Peer Group, reflecting the expected similarities and some differences given the selection procedures outlined above. The Bank's and the Peer Group's ratios reflect balances as of September 30, 2006, unless indicated otherwise for the Peer Group companies. ESSA Bank's equity-to-assets ratio of 8.0% was below the Peer Group's average net worth ratio of 11.3%. However, the Bank's pro forma capital position will increase with the addition of stock proceeds and will exceed the Peer Group's ratio following the stock offering. Tangible equity-to-assets ratios for the Bank and the Peer Group equaled 8.0% and 10.7%, respectively. The increase in ESSA

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Table 3.2
Balance Sheet Composition and Growth Rates
Comparable Institution Analysis
As of September 30, 2006

	Balance Sheet as a Percent of Assets				Balance Sheet Annual Growth Rates				Regulatory Capital												
	Cash & Equivalents	MBS & Invest	Loans	Debt	MSB Cash & Invest	Loans	Deposits	Subdebt	Mar Borrow	Top Net Worth	Tangible	Core	Rsp. Cap.								
ESSA Bank & Trust	1.0	16.9	76.7	55.4	35.7	0.0	0.0	0.0	0.0	8.0	8.0	0.0	15.77								
September 30, 2006																					
All Public Companies																					
Averages	3.6	21.0	70.0	67.2	19.2	0.7	11.4	1.0	10.5	0.0	7.07	-1.53	11.04	7.41	3.10	3.54	3.00	10.05	9.93	17.11	
Medians	2.7	18.0	71.8	68.5	18.6	0.0	9.8	0.2	8.7	0.0	5.06	-3.15	9.88	5.86	0.28	2.71	2.98	8.90	8.79	14.09	
States of PA																					
Averages	3.4	35.1	55.8	64.0	23.3	1.2	10.3	1.6	8.7	0.0	4.93	-3.04	10.40	4.98	-2.78	0.46	1.95	10.11	9.34	18.21	
Medians	2.0	30.3	61.5	65.4	21.5	0.7	9.5	0.4	6.9	0.0	2.23	-4.78	6.37	2.24	-1.28	0.82	1.86	8.89	8.32	15.26	
Comparable Group																					
Averages	2.7	21.4	71.5	68.8	19.0	0.0	11.1	0.6	10.7	0.0	0.87	0.71	3.49	2.61	0.03	0.38	0.51	8.73	8.37	15.20	
Medians	2.2	17.6	74.8	71.7	16.9	0.0	9.8	0.2	9.3	0.0	1.21	-7.08	5.61	1.82	-3.64	1.88	1.88	8.66	8.40	13.61	
Comparable Group																					
AMNJ American Bancorp of NJ	1.4	17.2	77.5	63.6	10.9	0.0	24.3	0.0	24.3	0.0	-7.47	-51.98	16.80	-4.04	4.36	NM	NM	NA	NA	29.55	
CITX CTS Bancorp, Inc. of Munster IN	3.9	26.9	63.6	67.4	21.3	0.0	8.2	0.1	10.2	0.0	2.55	53.65	-11.58	5.56	0.38	-7.44	-7.47	9.58	9.58	14.08	
FCPB First Capital, Inc. of IN	3.4	16.4	73.6	71.6	18.1	0.0	11.6	1.3	8.3	0.0	3.21	-9.17	7.01	-0.19	18.52	3.98	4.81	8.40	8.40	13.60	
FFBX First Federal Bankshares of IA	4.1	11.5	75.8	73.5	13.9	0.0	11.6	3.1	8.3	0.0	2.22	8.71	1.35	9.84	-18.60	-2.14	-2.82	8.08	8.08	10.83	
HONY HON Financial, Inc. of NY	7.2	15.5	74.0	74.8	15.2	0.0	9.3	0.4	8.3	0.0	0.31	67.08	-10.45	3.78	-11.70	4.60	4.95	8.39	8.39	12.10	
HARL Harleyville Svcs Fin Co of PA	1.3	45.8	48.7	58.3	38.0	0.0	9.2	0.0	6.2	0.0	1.13	-3.72	5.31	2.45	-0.89	1.88	1.88	NA	6.24	13.61	
PBCI Bancorp Bancorp, Inc. of NJ	1.3	25.4	71.3	72.5	16.9	0.0	9.3	0.0	3.3	0.0	-1.60	-17.56	6.11	-2.19	-2.38	3.81	3.81	8.99	8.99	16.07	
PFDC Peoples Bancorp of Auburn IN(1)	3.1	19.8	73.8	73.3	15.2	0.0	12.6	0.5	12.1	0.0	0.94	-5.00	2.88	-0.61	15.78	-4.67	-4.65	NA	NA	NA	
STWY Synergy Financial Group of NJ	0.6	16.8	77.4	64.0	25.6	0.0	11.7	0.1	9.6	0.0	5.04	-19.99	11.34	9.32	-2.93	-1.40	-1.30	8.91	8.91	12.15	
THRD T3 Fin. Corp. of Hartford PA	1.0	18.1	76.4	71.8	17.0	0.0	10.0	0.7	9.3	0.0	1.09	-14.52	5.91	1.19	-2.58	4.77	5.34	NA	NA	14.81	

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

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Bank's pro forma capital position will be favorable from a risk perspective and in terms of future earnings potential that could be realized through leverage and lower funding costs. At the same time, the Bank's higher pro forma capitalization will initially depress return on equity. Both ESSA Bank's and the Peer Group's capital ratios reflected capital surpluses with respect to the regulatory capital requirements, with the Peer Group's ratios currently exceeding the Bank's ratios. On a pro forma basis, the Bank's regulatory surpluses will likely be comparable to or above the Peer Group's ratios.

The interest-earning asset compositions for the Bank and the Peer Group were somewhat similar, with loans constituting the bulk of interest-earning assets for ESSA Bank and the Peer Group. The Bank's loans-to-assets ratio of 76.7% was slightly higher than the comparable Peer Group ratio of 71.5%. Comparatively, the Peer Group's cash and investments-to-assets ratio of 24.1% was slightly above the comparable ratio for the Bank of 18.7%. Overall, ESSA Bank's interest-earning assets amounted to 95.4% of assets, which approximated the comparable Peer Group ratio of 95.6%.

ESSA Bank's funding liabilities reflected a funding strategy that was somewhat similar to that of the Peer Group's funding composition. The Bank's deposits equaled 55.4% of assets, which was below the comparable Peer Group ratio of 68.8%. Comparatively, borrowings were utilized to a greater degree by the Bank, as indicated by borrowings-to-assets ratios of 35.7% and 19.0% for ESSA Bank and the Peer Group, respectively. Total interest-bearing liabilities maintained by the Bank and the Peer Group, as a percent of assets, equaled 91.1% and 87.8%, respectively. Following the increase in capital provided by the net proceeds of the stock offering, the Bank's ratio of interest-bearing liabilities as a percent of assets will be less than the Peer Group's ratio.

A key measure of balance sheet strength for a thrift institution is its IEA/IBL ratio. Presently, the Peer Group's IEA/IBL ratio is stronger than the Bank's ratio, based on IEA/IBL ratios of 108.9% and 104.7%, respectively. The additional capital realized from stock proceeds should serve to provide ESSA Bank with an IEA/IBL ratio that approximates or exceeds the Peer Group's ratio, as the increase in capital provided by the infusion of stock proceeds will

serve to lower the level of interest-bearing liabilities funding assets and will be primarily deployed into interest-earning assets.

The growth rate section of Table 3.2 shows annual growth rates for key balance sheet items. ESSA Bank's and the Peer Group's growth rates are based on growth for the twelve months ended September 30, 2006 or the most recent period available. ESSA Bank's assets increased at a 10.6% annual rate, which was well above the Peer Group's asset growth rate of 0.9%. Asset growth for the Bank and the Peer Group were realized through a combination of loan growth as well as growth of cash and investments. The Bank's growth rates for both loans and cash and investments exceeded the comparable Peer Group growth rates.

Deposits and borrowings funded the Bank's asset growth, with borrowings increasing at a faster rate than deposits. Asset growth for the Peer Group was substantially funded by deposit growth, as there was only a nominal change in the Peer Group's borrowings. The Bank posted stronger deposit growth than the Peer Group. Capital growth rates posted by the Bank and the Peer Group equaled 7.3% and 0.4%, respectively. The higher capital growth rate posted by the Bank resulted from the Bank's lower capital position as well as retention of all of its earnings. Comparatively, despite recording a higher return on assets than the Bank, the Peer Group's lower capital growth rate reflects the impact of dividend payments as well as stock repurchases. The increase in capital realized from stock proceeds will likely depress the Bank's capital growth rate initially following the stock offering. Dividend payments and stock repurchases, pursuant to regulatory limitations and guidelines, could also potentially slow the Bank's capital growth rate in the longer term following the stock offering.

Income and Expense Components

Table 3.3 displays comparable statements of operations for the Bank and the Peer Group, based on earnings for the twelve months ended September 30, 2006, unless otherwise indicated for the Peer Group companies. ESSA Bank and the Peer Group reported net income to average assets ratios of 0.58% and 0.67%, respectively. Higher net interest income and lower operating expenses supported the Peer Group's higher return. The Bank's earnings reflected comparative

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Table 3.3
Income as a Percent of Average Assets and Yields, Costs, Spreads
Comparable Institution Analysis
For the Twelve Months Ended September 30, 2006

	Net Interest Income			Other Income			Total Other Exp.			Non-Op. Items			Yields, Costs, and Spreads			MEMO: Effective Tax Rate			
	Net Income	Income Expense	NI on Yield	Loan Fee	R.E. Other Income	Other Income	GA Goodwill	GA Expenses	AMT.C.	Net Retain.	Net Gain	Yield On Assets	Cost of Funds	Yield- Cost Spread	MEMO: Assets/ FTE Emp.				
<u>ESSA Bank & Trust</u> September 30, 2006	0.58	5.35	2.82	2.53	0.04	2.48	0.07	0.00	0.74	0.81	2.45	0.00	0.00	0.00	5.60	3.12	2.46	4.653	31.44
<u>All Public Companies</u> Averages	0.60	5.60	2.76	2.84	0.06	2.78	0.04	0.00	0.64	0.67	2.54	0.03	0.03	0.00	5.89	3.12	2.77	5.986	31.82
Medians	0.61	5.35	2.78	2.80	0.06	2.72	0.00	0.00	0.51	0.52	2.40	0.00	0.00	0.00	5.82	3.13	2.77	4.686	31.08
<u>State of PA</u> Averages	0.61	5.24	2.87	2.37	-0.03	2.40	0.01	0.00	0.48	0.49	1.98	0.03	-0.03	0.00	5.53	3.16	2.37	6.032	22.95
Medians	0.65	5.21	2.61	2.30	0.04	2.29	0.00	0.00	0.40	0.43	1.94	0.00	0.00	0.00	5.45	3.21	2.25	4.866	28.37
<u>Comparable Group Average</u> Averages	0.67	5.65	2.74	2.91	0.16	2.74	0.01	-0.01	0.51	0.51	2.29	0.01	0.04	0.00	5.90	3.12	2.76	4.871	31.39
Medians	0.64	5.63	2.77	2.90	0.03	2.66	0.00	0.00	0.42	0.42	2.30	0.01	0.02	0.00	5.89	3.12	2.93	3.785	32.56
<u>Comparable Group</u> Averages	0.41	4.85	2.26	2.39	0.09	2.50	0.00	0.00	0.22	0.22	2.06	0.00	-0.02	0.00	5.02	3.08	1.94	NM	39.50
Medians	0.44	5.84	3.20	2.84	0.10	2.54	0.00	-0.10	1.06	0.96	3.00	0.01	0.02	0.00	6.19	3.65	2.54	3.724	20.83
AMU American Bancorp of NJ	0.76	5.30	2.90	2.92	0.19	2.73	0.00	0.00	0.63	0.63	2.34	0.02	0.10	0.00	6.19	3.32	2.87	3.371	32.06
CITE First Capital, Inc. of IM(J)	0.58	5.60	2.71	2.89	0.30	2.59	0.04	-0.02	1.01	1.03	2.93	0.01	0.11	0.00	6.11	3.10	3.01	3.004	26.32
FRB First Federal Bankshares of IA	0.93	6.67	2.82	3.85	0.78	3.08	0.00	0.00	0.51	0.51	2.26	0.01	0.17	0.00	6.88	3.13	3.74	4.766	37.35
HWY HNW Financial, Inc. of MN	0.54	5.07	3.42	3.83	0.00	1.65	0.00	0.00	0.17	0.17	1.11	0.00	0.00	0.00	5.23	3.67	1.56	9.019	23.00
HWL Mariettaville Bvgs Fin Co of PA	1.09	5.77	2.32	3.46	0.00	3.65	0.02	0.00	0.32	0.34	2.13	0.00	0.09	0.00	5.89	2.59	3.21	6.564	37.94
RPCI Bancorp Bancorp, Inc. of NJ	0.69	5.63	2.45	3.18	0.01	3.17	0.00	0.00	0.46	0.46	2.49	0.03	-0.09	0.00	5.81	2.83	2.98	3.194	31.07
RPCS Peoples Bancorp of Auburn IN(I)	0.43	5.48	2.97	2.51	0.14	2.37	0.00	0.00	0.38	0.38	2.06	0.01	0.00	0.00	5.73	3.31	2.42	6.408	35.65
STW Strategic Financial Group of NJ	0.84	5.63	2.25	3.38	0.04	3.34	0.03	0.00	0.36	0.36	2.55	0.02	0.02	0.00	5.90	2.52	3.38	3.785	28.61
TRND TF Fis. Corp. of Newtown PA																			

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

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earnings advantages with respect to maintaining a higher level of non-interest operating income and lower loan loss provisions.

The Peer Group's stronger net interest margin was realized through maintenance of a higher interest income ratio and a lower interest expense ratio. The Peer Group's higher interest income ratio was realized through earning a higher yield on interest-earning assets (5.90% versus 5.68% for the Bank), which was supported by the Peer Group's greater diversification into higher yielding types of lending. The Peer Group's lower interest expense ratio was supported by maintenance of a lower cost of funds (3.12% versus 3.22% for the Bank) and maintenance of a lower level of interest-bearing liabilities funding assets. Overall, ESSA Bank and the Peer Group reported net interest income to average assets ratios of 2.53% and 2.91%, respectively.

In another key area of core earnings strength, the Peer Group maintained a lower operating expense ratio than the Bank. For the period covered in Table 3.3, the Bank and the Peer Group reported operating expense to average assets ratios of 2.45% and 2.30%, respectively. The Bank's higher operating expense ratio could in part be attributed to higher expenses that tend to accompany generation of non-interest revenues, as the Bank maintained a higher level of non-interest operating income compared to the Peer Group. Consistent with the Bank's higher operating expense ratio, staffing levels relative to asset size were slightly higher for the Bank. Assets per full time equivalent employee equaled \$4.7 million for both the Bank, versus \$4.9 million for the Peer Group. On a post-offering basis, the Bank's operating expenses can be expected to increase with the addition of stock benefit plans and certain expenses that result from being a publicly-traded company, with such expenses already impacting the Peer Group's operating expenses. At the same time, ESSA Bank's capacity to leverage operating expenses will be greater than the Peer Group's leverage capacity following the increase in capital realized from the infusion of net stock proceeds.

When viewed together, net interest income and operating expenses provide considerable insight into a thrift's earnings strength, since those sources of income and expenses are typically the most prominent components of earnings and are generally more predictable than losses and gains realized from the sale of assets or other non-recurring activities. In this regard, as measured by their expense coverage ratios (net interest income divided by operating expenses),

the Peer Group's earnings were stronger than the Bank's. Expense coverage ratios posted by ESSA Bank and the Peer Group equaled 1.03x and 1.27x, respectively. An expense coverage ratio of greater than 1.0x indicates that an institution is able to sustain pre-tax profitability without having to rely on non-interest sources of income.

Sources of non-interest operating income provided a larger contribution to the Bank's earnings. Non-interest operating income equaled 0.81% and 0.51% of ESSA Bank's and the Peer Group's average assets, respectively. Taking non-interest operating income into account in comparing the Bank's and the Peer Group's earnings, ESSA Bank's efficiency ratio (operating expenses, net of amortization of intangibles, as a percent of the sum of non-interest operating income and net interest income) of 73.4% was less favorable than the Peer Group's efficiency ratio of 67.0%. The Peer Group's more favorable efficiency ratio was realized through maintenance of a higher net interest income ratio and a lower operating expense ratio.

Loan loss provisions had a larger impact on the Peer Group's earnings, with loan loss provisions established by the Bank and the Peer Group equaling 0.04% and 0.16% of average assets, respectively. The higher loan loss provisions established by the Peer Group was consistent with the higher level of non-performing assets maintained by the Peer Group (see Table 3.6).

Net gains were not a factor in the Bank's earnings during the twelve month period, while the Peer Group reported net gains equal to 0.04% of average assets. Typically, gains and losses generated from the sale of assets are viewed as earnings with a relatively high degree of volatility, particularly to the extent that such gains and losses result from the sale of investments or other assets that are not considered to be part of an institution's core operations. Comparatively, to the extent that gains have been derived through selling fixed rate loans into the secondary market, such gains may be considered to be an ongoing activity for an institution particularly during periods of low interest rates and, therefore, warrant some consideration as a core earnings factor for an institution. However, loan sale gains are still viewed as a more volatile source of income than income generated through the net interest margin and non-interest operating income. Extraordinary items were not a factor in either the Bank's or the Peer Group's earnings.

Taxes had a similar impact on the Bank's and the Peer Group's earnings, as ESSA Bank and the Peer Group posted effective tax rates of 31.44% and 31.39%, respectively. As indicated in the prospectus, the Bank's effective marginal tax rate is equal to 34.0%.

Loan Composition

Table 3.4 presents data related to the Bank's and the Peer Group's loan portfolio compositions and investment in mortgage-backed securities. The Bank's loan portfolio composition reflected a higher concentration of 1-4 family permanent mortgage loans and mortgage-backed securities than maintained by the Peer Group (69.9% versus 50.2% for the Peer Group). The Bank's higher ratio was attributable to maintaining a higher concentration of 1-4 family loans, which was partially offset by the Peer Group's slightly higher concentration of mortgage-backed securities. Loans serviced for others equaled 3.0% and 14.8% of the Bank's and the Peer Group's assets, respectively, thereby indicating a greater influence of mortgage banking activities on the Peer Group's operations. Servicing intangible assets were not a significant balance sheet item for either the Bank or the Peer Group.

Diversification into higher risk types of lending was slightly greater for the Peer Group. Consumer loans, which includes home equity loans, represented the most significant area of lending diversification for the Bank (7.0% of assets), followed by commercial real estate/multi-family loans (6.5% of assets). The Peer Group's lending diversification consisted primarily of commercial real estate/multi-family loans (18.5% of assets), while other areas of lending diversification for the Peer Group were fairly evenly distributed between the other loan types. Consumer loans were the only type of lending diversification that was more significant for the Bank in comparison to the Peer Group's loan portfolio composition. Overall, the Peer Group's greater degree of lending diversification into higher risk types of lending translated into a higher risk weighted assets-to-assets ratio of 62.4%, versus a comparable ratio of 54.4% for the Bank.

Interest Rate Risk

Table 3.5 reflects various key ratios highlighting the relative interest rate risk exposure of the Bank versus the Peer Group. In terms of balance sheet composition, ESSA Bank's interest

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Table 3.4
Loan Portfolio Composition and Related Information
Comparable Institution Analysis
As of September 30, 2006

Institution	Portfolio Composition as a Percent of Assets						RWA/ Assets (%)	Serviced For Others (\$000)	Servicing Assets (\$000)
	NBS (%)	1-4 Family (%)	5-9 Constr. & Land (%)	10-14 Comm. Bk (%)	15-19 Unit Commerc. (%)	20-24 Business Consumer (%)			
ESSA Bank & Trust	7.56	62.33	0.82	6.54	0.85	7.03	54.35	21,890	215
<u>All Public Companies</u>									
Averages	10.56	36.54	6.91	18.18	3.99	3.13	62.18	1,137,769	14,881
Medians	9.41	35.68	4.69	15.93	2.61	0.80	62.71	33,720	134
<u>State of PA</u>									
Averages	18.65	36.27	4.12	10.06	2.63	2.17	50.79	749,831	6,556
Medians	14.95	38.36	3.47	9.09	1.31	0.62	53.65	14,435	45
<u>Comparable Group Average</u>									
Averages	11.47	38.77	6.08	18.51	5.33	3.35	62.41	109,732	274
Medians	11.04	44.04	5.19	21.78	5.09	0.62	60.49	17,880	3
<u>Comparable Group</u>									
ABNJ American Bancorp of NJ	11.04	58.09	2.18	13.69	1.09	0.15	51.72	18,650	88
CITZ CFS Bancorp, Inc of Munster IN	3.22	24.45	11.20	24.09	5.09	0.30	75.94	17,070	0
FCAP First Capital, Inc. of IN	3.88	46.44	5.19	11.20	7.10	4.69	59.89	810	4
FFBK First Federal Bankshares of IA	3.59	26.93	9.76	26.26	8.85	5.87	75.99	52,960	164
HMNF HM Financial, Inc. of MN	0.63	21.50	15.78	21.78	18.02	1.04	80.30	448,020	2,296
HAHL Harleysville Svcs Fin Co of PA	29.71	47.96	0.41	0.65	0.01	0.16	47.15	4,050	0
PBCI Bancorp Bancorp, Inc. of NJ	23.99	44.04	2.21	22.51	1.22	0.39	57.07	320	0
PPCC Peoples Bancorp of Auburn IN(1)	NA	NA	NA	NA	NA	NA	38.13	517,900	0
STWF Synergy Financial Group of NJ	15.34	24.53	0.38	30.85	5.23	16.73	76.87	14,100	0
TRND TF Fin. Corp. of Newtown PA	11.85	55.03	7.01	15.54	1.31	0.62	61.09	23,400	190

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

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

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Table 3.5
 Interest Rate Risk Measures and Net Interest Income Volatility
 Comparable Institution Analysis
 As of September 30, 2006 or Most Recent Date Available

Institution	Balance Sheet Measures		Quarterly Change in Net Interest Income (change in net interest income is annualized in basis points)							
	Equity/ Assets (%)	IEA/ IBL (%)	Non-Earn. Assets/ Assets (%)	09/30/06	05/30/06	03/31/06	12/31/05	09/30/05	06/30/05	
ES&A Bank & Trust	8.0	104.7	4.6	-13	1	2	-20	-9	0	
All Public Companies	10.4	107.0	5.3	-6	-4	-2	0	-4	1	
State of PA	8.7	106.8	5.7	-8	-3	2	1	-6	4	
Comparable Group Average	10.7	109.2	4.4	-14	-1	-3	7	-5	5	
Comparable Group										
ABNJ American Bancorp of NJ	24.3	129.0	3.9	-7	-3	16	33	-28	NA	
CITE CFS Bancorp, Inc of Munster IN	10.2	106.5	5.5	-30	12	-15	29	26	37	
FCAP First Capital, Inc. of IN	8.3	106.3	4.6	-19	3	NA	NA	4	9	
FFSK First Federal Bankshares of IA	8.5	104.6	8.6	-15	-8	-5	12	-12	-6	
HMNY HMN Financial, Inc. of MN	8.9	107.4	3.3	-2	11	-2	18	10	4	
HARL Harleyville Svcs Fin Cp of PA	6.2	103.7	3.2	-11	1	12	-13	-4	-3	
PBCI Pazarapo Bancorp, Inc. of NJ	9.3	109.6	2.1	-11	-11	-3	-15	-15	3	
PPDC Peoples Bancorp of Auburn IN(1)	12.1	111.4	3.2	NA	-9	-12	-3	-6	-2	
SYNF Synergy Financial Group of NJ	9.6	105.8	5.2	-26	-6	-1	1	-21	13	
THRD TF Fin. Corp. of Newtown PA	9.3	107.4	4.6	-5	7	-15	1	-1	-6	

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

Sources: Audited and unaudited financial statements, corporate reports and offering circulars, and RP Financial, LC.
 calculations. The information provided in this table has been obtained from sources we believe are reliable, but we cannot
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rate risk characteristics were considered to be less favorable than the Peer Group's. Most notably, ESSA Bank's lower tangible capital position and lower IEA/IBL ratio indicate a greater dependence on the yield-cost spread to sustain the net interest margin, while the Bank and the Peer Group maintained comparable levels of non-interest earning assets. On a pro forma basis, the infusion of stock proceeds should provide the Bank with comparable or more favorable balance sheet interest rate risk characteristics than currently maintained by the Peer Group, particularly with respect to the increases that will be realized in Bank's equity-to-assets and IEA/IBL ratios.

To analyze interest rate risk associated with the net interest margin, we reviewed quarterly changes in net interest income as a percent of average assets for ESSA Bank and the Peer Group. In general, the relative fluctuations in the Bank's and the Peer Group's net interest income to average assets ratios were considered to be fairly comparable and, thus, based on the interest rate environment that prevailed during the period analyzed in Table 3.5, ESSA Bank and the Peer Group were viewed as maintaining a similar degree of interest rate risk exposure in their respective net interest margins. The stability of the Bank's net interest margin should be enhanced by the infusion of stock proceeds, as the increase in capital will reduce the level of interest rate sensitive liabilities funding ESSA Bank's assets.

Credit Risk

Overall, the credit risk associated with the Bank's balance sheet was considered to be less than the Peer Group's, as implied by ESSA Bank's more favorable credit quality measures for non-performing assets and non-performing loans. As shown in Table 3.6, the Bank's ratio of non-performing assets and accruing loans that are more than 90 days past due equaled 0.09% of assets, versus the comparable Peer Group ratio of 0.80%. Likewise, ESSA Bank's non-performing loans-to-loans ratio, which does not include accruing loans that are more than 90 days past due, was also lower than the Peer Group's ratio (0.12% versus 0.88% for the Peer Group). The Bank maintained a higher level of loss reserves as a percent of non-performing loan (570.3% versus 139.1% for the Peer Group), while the Peer Group maintained higher reserves as

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Table 3.6
Credit Risk Measures and Related Information
Comparable Institution Analysis
As of September 30, 2006 or Most Recent Date Available

Institution	REO/ Assets (%)	NPAs & 90-Del/ Assets (%)	NPLs/ Loans (%)	Reserves/ Loans (%)	Reserves/ NPLs (%)	Reserves/ 90-Del/ (%)	Net Loan Charges (\$000)	NLCs/ Loans (%)
ESSA Bank & Trust	0.00	0.09	0.12	0.68	570.27	570.27	8	0.00
<u>All Public Companies</u>								
Averages	0.07	0.46	0.51	0.86	278.56	239.39	318	0.12
Medians	0.01	0.26	0.33	0.80	109.73	154.70	50	0.03
<u>State of PA</u>								
Averages	0.06	0.34	0.59	0.89	196.94	230.60	255	0.07
Medians	0.00	0.25	0.50	0.85	213.01	192.08	13	0.04
<u>Comparable Group Average</u>								
Averages	0.06	0.80	0.88	0.78	139.11	114.06	957	0.52
Medians	0.01	0.67	0.47	0.62	94.89	75.72	67	0.07
<u>Comparable Group</u>								
ABNJ American Bancorp of NJ	0.00	NA	NA	0.53	NA	NA	2	0.00
CITZ CTS Bancorp, Inc of Munster IN	0.03	1.91	2.23	1.28	49.09	47.81	1,411	0.67
FCAP First Capital, Inc. of IN	0.34	0.89	0.56	0.56	80.76	57.20	242	0.28
FFBX First Federal Bankshares of IA	0.01	1.43	1.07	1.20	58.10	62.53	84	0.07
HMNF HMN Financial, Inc. of MN	0.11	1.34	1.52	1.18	94.89	75.72	7,496	3.96
HARL Harleysville Svcs Fin Cp of PA	0.00	NA	NA	0.50	NA	NA	0	0.00
PBCI Bankcorp, Inc. of NJ	0.00	0.16	0.19	0.58	308.08	258.65	9	0.01
PPDC Peoples Bancorp. Inc. of Auburn IN(1)	0.16	0.45	0.38	0.52	134.41	84.33	50	0.05
SYNF Synery Financial Group of NJ	0.00	0.05	0.06	0.78	NA	NA	258	0.13
THRD TF Fin. Corp. of Newtown PA	0.00	0.19	0.25	0.56	248.45	212.18	13	-0.02

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

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

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a percent of loans (0.78% versus 0.68% for the Bank). Net loan charge-offs were nominal for the Bank, while net loan charge-offs for the Peer Group equaled 0.52% of loans.

Summary

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

IV. VALUATION ANALYSIS

Introduction

This chapter presents the valuation analysis and methodology, prepared pursuant to the regulatory valuation guidelines, and valuation adjustments and assumptions used to determine the estimated pro forma market value of the common stock to be issued in conjunction with the Bank's conversion transaction.

Appraisal Guidelines

The OTS written appraisal guidelines specify the market value methodology for estimating the pro forma market value of an institution pursuant to a mutual-to-stock conversion. Pursuant to this methodology: (1) a peer group of comparable publicly-traded institutions is selected; (2) a financial and operational comparison of the subject company to the peer group is conducted to discern key differences; and (3) a valuation analysis in which the pro forma market value of the subject company is determined based on the market pricing of the peer group as of the date of valuation, incorporating valuation adjustments for key differences. In addition, the pricing characteristics of recent conversions, both at conversion and in the aftermarket, must be considered.

RP Financial Approach to the Valuation

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

The pro forma market value determined herein is a preliminary value for the Company's to-be-issued stock. Throughout the conversion process, RP Financial will: (1) review changes in

ESSA Bank's operations and financial condition; (2) monitor ESSA Bank's operations and financial condition relative to the Peer Group to identify any fundamental changes; (3) monitor the external factors affecting value including, but not limited to, local and national economic conditions, interest rates, and the stock market environment, including the market for thrift stocks; and (4) monitor pending conversion offerings (including those in the offering phase), both regionally and nationally. If material changes should occur during the conversion process, RP Financial will evaluate if updated valuation reports should be prepared reflecting such changes and their related impact on value, if any. RP Financial will also prepare a final valuation update at the closing of the offering to determine if the prepared valuation analysis and resulting range of value continues to be appropriate.

The appraised value determined herein is based on the current market and operating environment for the Bank and for all thrifts. Subsequent changes in the local and national economy, the legislative and regulatory environment, the stock market, interest rates, and other external forces (such as natural disasters or major world events), which may occur from time to time (often with great unpredictability) may materially impact the market value of all thrift stocks, including ESSA Bank's value, or ESSA Bank's value alone. To the extent a change in factors impacting the Bank's value can be reasonably anticipated and/or quantified, RP Financial has incorporated the estimated impact into the analysis.

Valuation Analysis

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

1. Financial Condition

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

- o Overall A/L Composition. Loans funded by retail deposits were the primary components of both ESSA Bank's and the Peer Group's balance sheets. The Bank's interest-earning asset composition exhibited a slightly higher concentration of loans, while diversification into higher risk and higher yielding types of loans was greater for the Peer Group. Overall, the Bank's asset composition provided for a lower yield earned on interest-earning assets and a lower risk weighted assets-to-assets ratio than maintained by the Peer Group. ESSA Bank's funding composition reflected a lower level of deposits and a higher level of borrowings in comparison to the Peer Group's ratios. Overall, the Peer Group maintained a lower cost of funds than the Bank. As a percent of assets, the Bank maintained a similar level of interest-earning assets and a higher level of interest-bearing liabilities compared to the Peer Group's ratios, which provided for a higher IEA/IBL ratio for the Peer Group. After factoring in the impact of the net stock proceeds, the Bank's IEA/IBL ratio will likely be slightly above the Peer Group's ratio. On balance, RP Financial concluded that the Bank's pro forma asset/liability composition was a neutral factor in our adjustment for financial condition.
- o Credit Quality. The Bank maintained lower ratios of non-performing assets-to-assets and non-performing loans-to-loans. Loss reserves as a percent of loans were slightly higher for the Peer Group, while the Bank maintained higher loss reserves as a percent of non-performing loans. Net loan charge-offs were higher for the Peer Group and the Peer Group maintained a higher risk weighted assets-to-assets ratio. Overall, in comparison to the Peer Group, the Bank's measures imply a lower degree of credit exposure and, thus, RP Financial concluded that a slight upward adjustment was warranted for the Bank's credit quality.
- o Balance Sheet Liquidity. The Peer Group maintained a slightly higher level of cash and investment securities relative to the Bank (24.1% of assets versus 18.7% for the Bank). Following the infusion of stock proceeds, the Bank's cash and investments ratio is expected to increase as the proceeds retained at the holding company level will be initially deployed into investments. The Bank's future borrowing capacity was considered to be slightly less than the Peer Group's, based on its current greater utilization of borrowings. Overall, RP Financial concluded that this was a neutral factor in our adjustment for financial condition.
- o Funding Liabilities. The Bank's interest-bearing funding composition reflected a lower concentration of deposits and a higher concentration of borrowings relative

to the comparable Peer Group ratios, with the Peer Group maintaining a lower cost of funds than the Bank. In total, the Bank maintained a higher level of interest-bearing liabilities than the Peer Group, which was attributable to ESSA Bank's lower capital position. Following the stock offering, the increase in the Bank's capital position should serve to reduce the level of interest-bearing liabilities funding assets to a ratio that is less than the Peer Group's ratio. Overall, RP Financial concluded that the Bank's lower pro forma ratio of interest-bearing liabilities funding assets was offset by the Peer Group's lower cost of funds and higher concentration of interest-bearing funds maintained in deposits. Accordingly, we concluded that this was a neutral factor in our adjustment for financial condition.

- o Capital. The Peer Group operates with a higher equity-to-assets ratio than the Bank. However, following the stock offering, ESSA Bank's pro forma capital position will exceed the Peer Group's equity-to-assets ratio. The increase in the Bank's pro forma capital position will result in greater leverage potential and reduce the level of interest-bearing liabilities utilized to fund assets. At the same time, the Bank more significant capital surplus will likely result in a lower ROE. On balance, RP Financial concluded that capital strength was a slightly positive factor in our adjustment for financial condition.

On balance, ESSA Bank's pro forma balance sheet strength was considered to be slightly more favorable than the Peer Group's in the areas of credit quality and capital. Accordingly, a slight upward adjustment was applied for the Bank's financial condition.

2. Profitability, Growth and Viability of Earnings

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

- o Reported Earnings. The Bank's reported earnings were lower than the Peer Group's on a ROAA basis (0.58% of average assets versus 0.67% for the Peer Group). The Bank's lower return was primarily attributable to a lower net interest margin and higher operating expenses. A higher level of non-interest operating income and lower loan loss provisions represented earnings advantages for ESSA Bank, while net gains and effective tax rates were fairly comparable for the Bank and the Peer Group. Reinvestment of stock proceeds into interest-earning assets will serve to increase the Bank's earnings, with the benefit of reinvesting proceeds expected to be somewhat offset by higher operating expenses associated with operating as a publicly-traded company and the implementation of stock

benefit plans. Overall, the Bank's pro forma reported earnings were considered to be fairly comparable to the Peer Group's and, thus, RP Financial concluded that no adjustment was appropriate for the Bank's reported earnings.

- o Core Earnings. Both the Bank's and the Peer Group's earnings were derived largely from recurring sources, including net interest income, operating expenses, and non-interest operating income. In these measures, the Bank operated with a lower net interest margin, a higher operating expense ratio and a higher level of non-interest operating income. The Bank's lower net interest margin and higher level of operating expenses translated into a lower expense coverage ratio (1.03x versus 1.27x for the Peer Group). Similarly, Peer Group's higher net interest margin and lower level of operating expenses also supported a more favorable efficiency ratio of 67.0% versus 73.4% for the Bank. Loss provisions had a more significant impact on the Peer Group's earnings, while the Bank's effective tax rate was similar to the Peer Group's effective rate. Overall, these measures, as well as the expected earnings benefit the Bank should realize from the redeployment of stock proceeds into interest-earning assets net of the additional expenses associated with the stock benefit plans, indicate that the Bank's pro forma core earnings will be fairly comparable the Peer Group's core earnings. On balance, we concluded that no adjustment was appropriate for the Bank's pro forma core earnings.
- o Interest Rate Risk. Quarterly changes in the Bank's and the Peer Group's net interest income to average assets ratios indicated the degree of volatility associated with the Bank's and the Peer Group's net interest margins were comparable. Other measures of interest rate risk, such as capital ratios and IEA/IBL ratios were more favorable for the Peer Group, thereby indicating a lower dependence on the yield-cost spread to sustain net interest income. On a pro forma basis, the infusion of stock proceeds can be expected to provide the Bank with equity-to-assets and IEA/ILB ratios that are above the Peer Group ratios, as well as enhance the stability of the Bank's net interest margin through the reinvestment of stock proceeds into interest-earning assets. On balance, RP Financial concluded that interest rate risk was a slightly positive factor in our adjustment for profitability, growth and viability of earnings.
- o Credit Risk. Loan loss provisions were a more significant factor in the Peer Group's earnings. In terms of future exposure to credit quality related losses, lending diversification into higher risk types of loans was slightly greater for the Peer Group. The Bank's credit quality measures generally indicated less credit risk in comparison to the Peer Group's credit quality measures, as the Bank maintained a lower level of non-performing assets, higher reserves as a percent of non-performing loans and lower net charge-offs. The Peer Group maintained higher reserves as a percent of loans. On balance, RP Financial concluded that credit risk was a slightly positive factor in our adjustment for profitability, growth and viability of earnings.

- o Earnings Growth Potential. Several factors were considered in assessing earnings growth potential. First, the Bank's historical asset growth was above the Peer Group's growth, with the Bank's stronger growth rate supported by higher yielding loan growth. Second, the infusion of stock proceeds will increase the Bank's earnings growth potential with respect to leverage capacity. Lastly, the Bank's higher level of non-interest operating income provides greater earnings growth potential and sustainability of earnings during periods when net interest margins come under pressure as the result of unfavorable changes in the yield curve. On balance, this was a slightly positive factor in our adjustment for profitability, growth and viability of earnings.
- o Return on Equity. The Bank's current return on equity is comparable to the Peer Group's return on equity ratio. Accordingly, as the result of the significant increase in capital that will be realized from the infusion of net stock proceeds into the Bank's equity, combined with the Bank's lower return on assets, the Bank's pro forma return on equity on a core earnings basis will be well below the Peer Group's return on equity ratio. Accordingly, this was a negative factor in the adjustment for profitability, growth and viability of earnings.

Overall, the upward adjustments applied for the Bank's interest rate risk , credit risk and earnings growth potential were considered to be somewhat negated by the downward adjustment applied for the Bank's return on equity. Accordingly, we concluded that no adjustment was warranted for this factor.

3. Asset Growth

The Bank recorded stronger asset growth than the Peer Group (10.6% versus 0.9% for the Peer Group), in which the Bank recorded strong growth of loans and cash and investments relative to the comparable Peer Group growth rates. On a pro forma basis, the Bank's tangible equity-to-assets ratio will be above the Peer Group's tangible equity-to-assets ratio, implying greater leverage capacity for the Bank. Accordingly, on balance, we believe that a slight upward valuation adjustment was warranted for this factor.

4. Primary Market Area

The general condition of an institution's market area has an impact on value, as future success is in part dependent upon opportunities for profitable activities in the local market served. ESSA Bank's primary market area for loans and deposits is considered to be Monroe

County, where the main office and ten out eleven branch locations are maintained. Monroe County has experienced growth in population and household income since 2000, with such growth exceeding the comparable Pennsylvania and U.S. growth rates. Household income for Monroe County was slightly above the Pennsylvania and U.S. measures, while Monroe County's per capita income was slightly below the Pennsylvania and U.S. measures.

Overall, the markets served by the Peer Group companies were viewed as having less favorable growth characteristics than the Bank's primary market area. On average, the Peer Group companies serve more populous and slower growing markets than the primary market area served by the Bank. The average and median deposit market shares maintained by the Peer Group companies were slightly less than the Bank's market share of deposits in Monroe County. In general, the degree of competition faced by the Peer Group companies was viewed as being comparable to the Bank's competitive environment, given the more rural characteristics of the Bank's market area compared to the majority of the markets served by the Peer Group companies. Summary demographic and deposit market share data for the Bank and the Peer Group companies is provided in Exhibit III-5. As shown in Table 4.1, Monroe County's September 2006 unemployment rate was in the middle of the range of unemployment rates indicated for the markets served by the Peer Group companies. On balance, we concluded that a slight upward adjustment was appropriate for the Bank's market area.

Table 4.1
Market Area Unemployment Rates
ESSA Bank & Trust and the Peer Group Companies(1)

	<u>County</u>	<u>September 2006 Unemployment</u>
ESSA Bank & Trust - PA	Monroe	4.3%
<u>The Peer Group</u>		
American Bancorp – NJ	Essex	6.6%
CFS Bancorp, Inc. – IN	Lake	5.3
First Capital Inc. -- IN	Harrison	5.2
First Federal Bankshares - IA	Woodbury	3.6
HMN Financial, Inc. - MN	Olmstead	3.2
Harleysville Savings - PA	Montgomery	3.4

Table 4.1 (continued)
 Market Area Unemployment Rates
 ESSA Bank & Trust and the Peer Group Companies(1)

	<u>County</u>	<u>September 2006 Unemployment</u>
Pamrapo Bancorp, Inc. – NJ	Hudson	6.1
Peoples Bancorp – IN	DeKalb	5.7
Synergy Financial Group- NJ	Union	5.4
TF Financial Corp. - PA	Bucks	3.6

(1) Unemployment rates are not seasonally adjusted.

Source: U.S. Bureau of Labor Statistics.

5. Dividends

At this time the Bank has not established a dividend policy. Future declarations of dividends by the Board of Directors will depend upon a number of factors, including investment opportunities, growth objectives, financial condition, profitability, tax considerations, minimum capital requirements, regulatory limitations, stock market characteristics and general economic conditions.

All ten of the Peer Group companies pay regular cash dividends, with implied dividend yields ranging from 1.33% to 3.94%. The average dividend yield on the stocks of the Peer Group institutions equaled 2.87% as of November 24, 2006. As of November 24, 2006, approximately 84% of all publicly-traded thrifts had adopted cash dividend policies (see Exhibit IV-1), exhibiting an average yield of 2.09%. The dividend paying thrifts generally maintain higher than average profitability ratios, facilitating their ability to pay cash dividends.

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

6. Liquidity of the Shares

The Peer Group is by definition composed of companies that are traded in the public markets. All ten of the Peer Group members trade on the NASDAQ Global Select Market. Typically, the number of shares outstanding and market capitalization provides an indication of how much liquidity there will be in a particular stock. The market capitalization of the Peer Group companies ranged from \$52.8 million to \$183.4 million as of November 24, 2006, with average and median market values of \$112.7 million and \$102.9 million, respectively. The shares issued and outstanding to the public shareholders of the Peer Group members ranged from 2.8 million to 14.5 million, with average and median shares outstanding of 6.3 million and 4.1 million, respectively. The Bank's stock offering is expected to have a pro forma market value that will be comparable to the average and median market values indicated for the Peer Group, while shares outstanding for the Bank will be in the upper end of the range of shares outstanding indicated for Peer Group companies. Like all of the Peer Group companies, the Bank's stock will be quoted on the NASDAQ Global Market following the stock offering. Overall, we anticipate that the Bank's public stock will have a comparable trading market as the Peer Group companies on average and, therefore, concluded no adjustment was necessary for this factor.

7. Marketing of the Issue

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

A. The Public Market

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

In terms of assessing general stock market conditions, the performance of the overall stock market has been mixed over the past year. Stocks fluctuated in first half of December 2005, as strong economic news and higher oil prices renewed concerns about inflation and rising interest rates. Acquisitions in the technology and pharmaceutical industries, along with some positive economic news showing a dip in unemployment claims and strong third quarter GDP growth, provided a boost to the broader stock market heading into late-December. However, the gains were not sustained through the end of the year, as higher oil prices, inflation concerns and the inversion of the yield curve pulled stocks lower in late-December.

The broader stock market rallied higher at the start of 2006 on indications that the Federal Reserve was nearing an end to the current cycle of rate increases. In the second week of January, the Dow Jones Industrial Average ("DJIA") closed above 11000 for the first time since before September 11, 2001. Higher oil prices, some disappointing fourth quarter earnings and worries about Iran pushed stocks lower in mid-January, which was followed by a rebound in the broader stock market in late-January. The late-January gains were supported by some favorable fourth quarter earnings and economic news showing strong December orders for durable goods and lower than expected unemployment. Mixed reaction to some fourth quarter earnings reports and concerns about the housing market cooling off provided for a choppy market during the first half of February. Some favorable economic data, which included a surge in January retail sales and only a slight rise in core consumer prices for January, supported gains in the broader stock market heading into late-February. Major indexes approached multi-year highs in late-February, before faltering at the end of February on economic data showing a decline in consumer

confidence and the housing market slowing down. However, in early-March 2006, stocks trended lower on concerns that rising global interest rates would hurt corporate profits. Stocks rebounded in mid-March, as economic data showing steady economic growth and little consumer inflation helped to lift the DJIA to a four and one-half year high. Stocks trended lower at the close of the first quarter on interest rate worries, as the Federal Reserve lifted rates another quarter point and hinted at more increases to come.

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

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

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

The broader stock market rally was sustained into the fourth quarter of 2006, as the DJIA moved to an all-time high in early-October. Lower oil prices and growing expectations that the next move by the Federal Reserve would be to cut rates extended the stock market rally into mid-October, with the DJIA approaching the 12000 mark. The DJIA closed above 12000 heading into late-October, with optimism about corporate earnings, the Federal Reserve's decision to hold rates steady and lower oil prices sustaining the rally. Despite a slight pullback at the end of October, the 3.4% gain in DJIA for October was the best monthly gain since November 2005. Stocks continued to edge lower at the beginning of November, but then rebounded strongly in mid-November. Favorable inflation data reflected in wholesale and consumer prices for October, merger news and upbeat comments by the Federal Reserve about interest rates were factors that contributed to rally in the broader market. Stocks traded in a narrow range ahead of the holiday shopping season in late-November. As an indication of the general trends in the nation's stock markets over the past year, as of November 24, 2006, the DJIA closed at 12280.17 an increase of 12.3% from one year ago and an increase of 14.6% year-to-date, and the NASDAQ closed at 2460.26 an increase of 8.7% from one year ago and an

increase of 11.6% year-to-date. The Standard & Poors 500 Index closed at 14006.95 on November 24, 2006, an increase of 10.5% from one year ago and an increase of 12.2% year-to-date.

The market for thrift stocks has been mixed during the past twelve months, but, in general, thrift issues have paralleled trends in the broader market. Thrift issues generally eased lower during early-December 2005, reflecting concerns about higher interest rates and the strength of the housing market. Signals from the Federal Reserve that it could stop raising rates sometime in 2006 and easing inflation fears on lower than expected revised third quarter GDP growth lifted thrift stocks going into late-December. However, weakness in the broader market and an inverted yield curve pressured thrift stocks lower at year end.

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

the Federal Reserve increased rates another quarter point and indicated that more rate increases were likely.

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

Strength in the broader market sustained a rally in thrift stocks during early-May. Higher interest rates, weakness in the broader market and a drop in consumer confidence pushed thrift stocks lower in mid-May. Inflation fears continued the slide in thrift stocks in late-May, although thrift stocks closed out May advancing in conjunction with the broader market. Inflation fears, sparked by comments from the Federal Reserve Chairman, pulled thrift stocks lower along with the broader market in early-June. Acquisition speculation helped thrift stocks to stabilize ahead of the broader market heading into mid-June. Interest rate concerns weighed on thrift stocks in mid-June, although thrift stocks moved higher following comments from the Federal Reserve Chairman that eased inflationary concerns. Thrift stocks traded in a narrow range ahead of the Federal Reserve meeting in late-June and then rallied strongly following statements from the Federal Reserve that hinted at the possibility of taking a break from raising interest rates further.

Activity in thrift stocks was neutral at the beginning of the third quarter of 2006, which was followed by a downturn in thrift stocks along with the broader market in mid-July. Comments from the Federal Reserve indicating expectations of inflation moderating and some positive second quarter earnings sparked a brief rally in thrift stocks, which was followed by a pull back in late-July. Earnings falling short of expectations due to margin compression contributed to the sell-off in thrift stocks. Thrift stocks bounced higher in early-August, as July

employment data provided signs of a slowing economy and increased expectations that the Federal Reserve would stop raising rates. Mortgage data showing a drop in loan fundings reversed the positive trend in thrift stocks heading into mid-August, which was followed by an upturn in mid-August as thrift stocks participated in the broader market rally that was powered by favorable inflation data. Thrift stocks trended lower in late-August, reflecting concerns of a slowdown in housing. A favorable August employment report provided a boost to the thrift sector at the beginning of September. Inflationary fears prompted a brief sell-off in thrift stocks heading into mid-September, which was followed by a rebound as falling oil prices benefited stocks in general.

Thrift stocks advanced at the start of the fourth quarter of 2006, based on economic data that suggested the economy was slowing and comments from the Federal Reserve Chairman that raised hopes of a decline in short-term interest rates. Acquisition news and strength in the broader market sustained the upward trend in thrift stocks into mid-October. Thrift stocks sold off with the broader market at the end of October and into early-November, as economic data showing slower growth raised concerns for some investors. Strength in the broader market supported a rebound in thrift stocks ahead of the national elections. Favorable inflation data boosted thrifts stocks along with the broader market in mid-November. Weaker than expected housing data pressured thrift stocks lower heading into late-November. On November 24, 2006, the SNL Index for all publicly-traded thrifts closed at 1,784.9 an increase of 9.6% from one year ago and an increase of 10.4% year-to-date.

B. The New Issue Market

In addition to thrift stock market conditions in general, the new issue market for converting thrifts is also an important consideration in determining the Bank's pro forma market value. The new issue market is separate and distinct from the market for seasoned thrift stocks in that the pricing ratios for converting issues are computed on a pro forma basis, specifically: (1) the numerator and denominator are both impacted by the conversion offering amount, unlike existing stock issues in which price change affects only the numerator; and (2) the pro forma pricing ratio incorporates assumptions regarding source and use of proceeds, effective tax rates, stock plan purchases, etc. which impact pro forma financials, whereas pricing for existing issues

are based on reported financials. The distinction between pricing of converting and existing issues is perhaps no clearer than in the case of the price/book ("P/B") ratio in that the P/B ratio of a converting thrift will typically result in a discount to book value whereas in the current market for existing thrifts the P/B ratio often reflects a premium to book value. Therefore, it is appropriate to also consider the market for new issues, both at the time of the conversion and in the aftermarket.

Thrift offerings completed over the past year have generally been well received, with most offerings being oversubscribed and trading higher in initial trading activity. As shown in Table 4.2, one second-step conversion offering and three mutual holding company offerings were the only offerings completed during the past three months. All four of the recent offerings were closed at the top of their super ranges. The only standard conversion offerings completed in 2006, which are considered to be more relevant for purposes of our analysis, were completed by Newport Bancorp, Inc., Newport, Rhode Island ("Newport Bancorp") and Chicopee Bancorp, Inc., Chicopee, Massachusetts ("Chicopee Bancorp"). Both offerings were completed in July 2006. The average closing pro forma price/tangible book ratio of those two standard conversions equaled 78.1%. On average, the trading prices of those two standard conversion offerings appreciated 35.7% after one week of trading and appreciated 38.1% after one month of trading.

Shown in Table 4.3 are the current pricing ratios for Citizen Community Bancorp, which is the only company that completed a fully-converted offering during the past three months. Citizen Community's offering was a second-step conversion, which tend to be priced higher on a P/TB basis than a standard conversion. The current P/TB ratio of Citizens Community equaled 100.9%. Citizens Community's closing stock price on November 24, 2006 was 2.1% below its IPO price.

C. The Acquisition Market

Also considered in the valuation was the potential impact on ESSA Bank's stock price of recently completed and pending acquisitions of other thrift institutions operating in Pennsylvania. As shown in Exhibit IV-4, there were 14 Pennsylvania thrift acquisitions completed from the beginning of 2003 through November 24, 2006, and there are currently no

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

Institutional Information			Pre-Conversion Data			Offering Information			Contribution to Charitable Found			Insider Purchases			Pro Forma Data			Post-IPO Pricing Trends													
Institution	Conver. Date	Ticker	Financial Info.		Asset Quality		Gross Proc. (\$Mil)	% Offered	% of Exp./Mid Proc.	Form	Offering	ESOP Plans	Recog Sisk	% Off Incl. Fdn. Benefici Plans	Initial Dividend Yield (%)	P/B (%)	Core P/E (x)	P/A (%)	ROA (%)	TEIA (%)	Core ROE (%)	IPO Price (\$)	First Trading Day (\$)	% Change	After First Month(s) (\$)	% Change	11/24/08 Thru 1/24/09 Change (%)				
			Assets (\$Mil)	Equity Assets (%)	NPA/Assets (%)	Rat. Cov. (%)																						% of Assets	Rat. Cov. (%)	% of Assets	% of Assets
Standard Conversions																															
NONE																															
Second Step Conversions																															
Citizens Comm Banc, Inc. of WI	11/1/06	CZWI-NASDAQ	\$ 287	11.25%	0.44%	69%	\$ 52.9	74%	132%	2.6%	N.A.	N.A.	6.5%	3.2%	8.1%	1.1%	103.1%	54.2x	22.7%	0.4%	22.0%	1.7%	\$10.00	\$9.75	-2.5%	\$9.90	-1.0%	\$9.79	-2.1%	\$9.79	-2.1%
Averages - Second Step Conversions:			\$ 287	11.25%	0.44%	89%	\$ 52.9	74%	132%	2.6%	N.A.	N.A.	6.5%	3.2%	8.1%	1.1%	103.1%	54.2x	22.7%	0.4%	22.0%	1.7%	\$10.00	\$9.75	-2.5%	\$9.90	-1.0%	\$9.79	-2.1%	\$9.79	-2.1%
Medians - Second Step Conversions:			\$ 287	11.25%	0.44%	89%	\$ 52.9	74%	132%	2.6%	N.A.	N.A.	6.5%	3.2%	8.1%	1.1%	103.1%	54.2x	22.7%	0.4%	22.0%	1.7%	\$10.00	\$9.75	-2.5%	\$9.90	-1.0%	\$9.79	-2.1%	\$9.79	-2.1%
Mutual Holding Company Conversions																															
Ben Franklin Financial, Inc. IL*	10/19/05	BFFI-OTCBB	\$ 110	7.56%	0.37%	124%	\$ 8.9	45%	132%	7.8%	N.A.	N.A.	8.7%	4.4%	10.9%	9.6%	80.0%	45.4x	15.7%	0.2%	13.1%	1.8%	\$10.00	\$10.70	7.0%	\$10.57	5.7%	\$10.65	6.5%	\$10.65	6.5%
ViewPoint Financial Group, TX	10/2/06	VFG-NASDAQ	\$ 1,495	7.20%	0.25%	192%	\$ 116.0	45%	132%	2.4%	N.A.	N.A.	8.0%	4.0%	10.9%	1.7%	76.1%	64.9x	15.0%	0.2%	13.0%	1.1%	\$10.00	\$14.99	49.9%	\$15.07	50.7%	\$15.45	54.5%	\$17.25	72.5%
Fox Chase Bancorp, Inc., PA	10/2/06	FXCB-NASDAQ	\$ 736	8.53%	0.59%	187%	\$ 64.0	45%	132%	3.1%	C/S 150/22.11x	4.5%	8.0%	4.4%	11.0%	4.5%	77.6%	50.4x	17.0%	0.2%	14.7%	1.5%	\$10.00	\$12.95	29.5%	\$12.81	28.1%	\$13.14	31.4%	\$13.74	37.4%
Averages - Mutual Holding Company Conversions:			\$ 780	7.76%	0.40%	165%	\$ 83.0	45%	132%	4.4%	NA	NA	8.5%	4.3%	10.6%	5.3%	78.6%	53.8x	15.9%	0.2%	13.6%	1.5%	\$10.00	\$12.88	28.8%	\$12.82	28.2%	\$13.08	30.8%	\$13.88	38.8%
Medians - Mutual Holding Company Conversions:			\$ 736	7.96%	0.37%	187%	\$ 64.0	45%	132%	3.1%	NA	NA	8.7%	4.4%	10.9%	4.5%	78.1%	50.4x	15.7%	0.2%	13.1%	1.5%	\$10.00	\$12.95	29.5%	\$12.81	28.1%	\$13.14	31.4%	\$13.74	37.4%
Averages - All Conversions:			\$ 652	8.64%	0.41%	143%	\$68.5	52%	132%	4.0%	NA	NA	8.0%	4.0%	10.6%	4.2%	84.7%	53.7x	17.8%	0.3%	15.7%	1.5%	\$10.00	\$12.10	21.0%	\$12.09	20.9%	\$12.28	22.8%	\$12.88	28.8%
Medians - All Conversions:			\$ 801	8.05%	0.41%	155%	\$58.4	45%	132%	2.9%	NA	NA	8.4%	4.2%	10.4%	3.1%	79.1%	52.3x	16.3%	0.2%	13.9%	1.6%	\$10.00	\$11.63	16.3%	\$11.89	18.9%	\$11.90	19.0%	\$12.20	22.0%

Note: * - Appraisal performed by RP Financial; "NT" - Not Traded; "NA" - Not Available; "C/S-Cant/Stock.

(1) Non-OTC regulated firm. (9) Former credit union.

(2) As a percent of MHC offering for MHC transactions. (5) Latest price if offering is more than one week but less than one month old.

(3) Does not take into account the adoption of SOP 93-6. (6) Mutual holding company pro forma data on full conversion basis.

(4) Latest price if offering is less than one week old. (7) Simultaneously completed acquisition of another financial institution.

(8) Simultaneously converted to a commercial bank charter.

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Table 4.3
 Market Pricing Comparatives
 Prices As of November 24, 2006

Financial Institution	Market Capitalization			Par Share Data			Pricing Ratios(1)			Dividends(4)			Financial Characteristics(6)							
	Price/Share(1)	Market Value (\$)(1)	Share(1)	Core 12-Mth Value/EP(2)	12-Mth Share(2)	EP(\$)	P/B	P/A	F/TB	F/COBE	Amount/Share	Yield Ratio(5)	Payout Ratio(5)	Total Assets (\$Mill)	Equity/Assets	ROA	ROE	Core ROA	Core ROE	
	(%)	(\$)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	
All Public Companies	15.74	427.00	0.87	13.24	19.48	154.45	18.31	174.01	19.96	0.42	2.09	33.60	3,003	11.69	0.46	0.62	6.34	0.60	6.06	
Converted Last 3 Mths (no MHC)	9.79	69.68	0.18	10.74	0.00	91.15	22.24	100.93	0.00	0.10	1.02	55.56	313	24.40	0.44	0.41	1.68	0.41	1.68	
State of PA	13.36	875.19	0.90	12.82	19.76	155.74	16.38	184.64	18.95	0.41	2.03	31.69	6,949	10.29	0.34	0.58	6.47	0.61	6.63	
Comparable Group																				
Converted Last 3 Mths (no MHC)	9.79	69.68	0.18	10.74	0.00	91.15	22.24	100.93	0.00	0.10	1.02	55.56	313	24.40	0.44	0.41	1.68	0.41	1.68	
CRWI Citizens Comm Bancorp Inc of WI																				

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

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

acquisitions pending of a Pennsylvania savings institution. The recent acquisition activity involving Pennsylvania savings institutions may imply a certain degree of acquisition speculation for the Bank's stock. To the extent that acquisition speculation may impact the Bank's offering, we have largely taken this into account in selecting companies for the Peer Group which operate in markets that have experienced a comparable level of acquisition activity as the Bank's market and, thus, are subject to the same type of acquisition speculation that may influence ESSA Bank's stock. However, since converting thrifts are subject to a three-year regulatory moratorium from being acquired, acquisition speculation in ESSA Bank's stock would tend to be less compared to the stocks of the Peer Group companies.

* * * * *

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

8. Management

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

Similarly, the returns, capital positions and other operating measures of the Peer Group companies are indicative of well-managed financial institutions, which have Boards and management teams that have been effective in implementing competitive operating strategies. Therefore, on balance, we concluded no valuation adjustment relative to the Peer Group was appropriate for this factor.

9. Effect of Government Regulation and Regulatory Reform

In summary, as a fully-converted OTS regulated institution, ESSA Bank will operate in substantially the same regulatory environment as the Peer Group members -- all of whom are adequately capitalized institutions and are operating with no apparent restrictions. Exhibit IV-6 reflects the Bank's pro forma regulatory capital ratios. On balance, no adjustment has been applied for the effect of government regulation and regulatory reform.

Summary of Adjustments

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

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

Valuation Approaches

In applying the accepted valuation methodology promulgated by the OTS, i.e., the pro forma market value approach, we considered the three key pricing ratios in valuing ESSA Bank's to-be-issued stock -- price/earnings ("P/E"), price/book ("P/B"), and price/assets ("P/A") approaches -- all performed on a pro forma basis including the effects of the stock proceeds. In computing the pro forma impact of the conversion and the related pricing ratios, we have incorporated the valuation parameters disclosed in ESSA Bank's prospectus for offering expenses, reinvestment rate, effective tax rate and stock benefit plan assumptions (summarized in Exhibits IV-7 and IV-8).

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

- o P/E Approach. The P/E approach is generally the best indicator of long-term value for a stock. Given the similarities between the Bank's and the Peer Group's operating strategies, earnings composition and overall financial condition, the P/E approach was carefully considered in this valuation. At the same time, since reported earnings for both the Bank and the Peer Group included certain non-recurring items, we also made adjustments to earnings to arrive at core earnings estimates for the Bank and the Peer Group and resulting price/core earnings ratios.
- o P/B Approach. P/B ratios have generally served as a useful benchmark in the valuation of thrift stocks, particularly in the context of a public offering, as the earnings approach involves assumptions regarding the use of proceeds. RP Financial considered the P/B approach to be a useful indicator of pro forma value, taking into account the pricing ratios under the P/E and P/A approaches. We have also modified the P/B approach to exclude the impact of intangible assets (i.e., price/tangible book value or "P/TB"), in that the investment community frequently makes this adjustment in its evaluation of this pricing approach.
- o P/A Approach. P/A ratios are generally a less reliable indicator of market value, as investors typically assign less weight to assets and attribute greater weight to book value and earnings - we have also given less weight to the assets approach. Furthermore, this approach as set forth in the regulatory valuation guidelines does not take into account the amount of stock purchases funded by deposit withdrawals, thus understating the pro forma P/A ratio. At the same time, the P/A ratio is an indicator of franchise value, and, in the case of highly capitalized institutions, high P/A ratios may limit the investment community's willingness to pay market multiples for earnings or book value when ROE is expected to be low.

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

Based on the application of the three valuation approaches, taking into consideration the valuation adjustments discussed above and the dilutive impact of the stock contribution to the Foundation, RP Financial concluded that, as of November 24, 2006, the pro forma market value

of ESSA Bank's conversion stock was \$117,700,000 at the midpoint, equal to 11,770,000 shares at \$10.00 per share.

1. Price-to-Earnings ("P/E"). The application of the P/E valuation method requires calculating the Bank's pro forma market value by applying a valuation P/E multiple to the pro forma earnings base. In applying this technique, we considered both reported earnings and a recurring earnings base, that is, earnings adjusted to exclude any one-time non-operating items, plus the estimated after-tax earnings benefit of the reinvestment of the net proceeds. The Bank's reported earnings equaled \$3.954 million for the twelve months ended September 30, 2006. In deriving ESSA Bank's estimated core earnings for purposes of the valuation, the only adjustment made to reported earnings was to eliminate net gains on the sales of loans, which equaled \$7,000. As shown below, on a tax-effected basis, assuming an effective marginal tax rate of 34.0%, the Bank's core earnings were determined to equal \$3.949 million for the twelve months ended September 30, 2006. (Note: see Exhibit IV-9 for the adjustments applied to the Peer Group's earnings in the calculation of core earnings).

	<u>Amount</u> (\$000)
Net income	\$3,954
Less: Gain on sale of loans(1)	(5)
Core earnings estimate	\$3,949

(1) Tax effected at 34.0%.

Based on ESSA Bank's reported and estimated core earnings and incorporating the impact of the pro forma assumptions discussed previously, the Bank's pro forma reported and core P/E multiples at the \$117.7 million midpoint value equaled 22.21 times and 22.23 times, respectively, which provided for premiums of 19.7% and 14.8% relative to the Peer Group's average reported and core P/E multiples of 18.55 times and 19.37 times, respectively (see Table 4.4). At the top of the superrange, the Bank's reported and core P/E multiples equaled 27.08 times and 27.11 times, respectively. In comparison to the Peer Group's average reported and

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Table 4.4
Public Market Pricing
BNSA Bank & Trust and the Comparables
As of November 24, 2006

Market Capitalization	Per Share Data	Pricing Ratios (3)				Dividends (4)				Financial Characteristics (6)				Offering Size (\$Mil)	
		P/E (x)	P/B (x)	P/A (x)	P/7B (x)	P/CORE (x)	Share/Share	Yield (%)	Payout Ratio (%)	Total Assets (\$Mil)	Equity Assets (\$Mil)	ROA (%)	ROE (%)		ROA (%)
10.00	155.06	27.08	84.96	18.30	84.96	27.11	0.00	0.00	0.00	0.00	0.08	3.14	0.68	3.11	145.5
10.00	135.36	24.58	81.04	16.22	81.04	24.60	0.00	0.00	0.00	0.00	0.66	3.30	0.66	3.30	126.5
10.00	117.70	22.21	76.98	14.35	76.98	22.23	0.00	0.00	0.00	0.00	0.65	3.47	0.65	3.46	110.0
10.00	100.05	19.65	72.10	12.41	72.10	19.67	0.00	0.00	0.00	0.00	0.63	3.67	0.63	3.67	93.5
19.74	427.00	19.46	154.46	18.31	174.01	19.96	0.42	2.09	31.60	3.60	0.46	6.34	0.60	6.06	6.06
16.26	105.78	17.42	142.65	15.12	166.12	17.91	0.36	2.16	18.21	18.21	0.25	5.75	0.63	5.90	5.90
20.54	1314.62	17.37	132.52	10.81	160.29	16.31	0.50	2.53	40.05	10.184	0.24	7.68	0.68	7.89	7.89
18.76	115.18	16.22	137.30	9.45	149.22	16.55	0.52	2.71	20.13	1.164	0.25	7.87	0.63	8.06	8.06
20.87	112.66	18.55	141.13	15.63	149.25	19.37	0.61	2.87	57.41	741	0.80	6.88	0.68	6.61	6.61
18.99	102.86	16.70	137.70	13.21	145.80	17.12	0.68	3.17	28.65	649	0.67	6.85	0.66	6.82	6.82
10.74	139.59	16.03	108.16	7.28	166.00	13.26	0.40	3.72	49.38	1,918	0.19	7.00	0.46	8.46	8.46
18.93	55.74	14.37	127.14	7.63	135.76	16.09	0.56	2.97	47.86	730	0.35	5.16	0.35	4.99	4.99
19.00	38.53	13.44	141.37	7.28	141.37	16.09	0.56	2.97	47.86	730	0.35	5.16	0.35	4.99	4.99
16.68	71.24	17.34	148.37	16.37	148.37	17.14	0.60	3.64	62.33	776	0.25	6.25	0.54	6.73	6.73
17.31	476.23	20.99	136.16	16.37	220.52	20.49	0.32	1.86	38.10	2,927	0.25	6.25	0.75	6.25	6.41
34.63	105.34	22.05	147.98	9.64	198.72	13.94	0.80	2.45	34.19	1,924	0.25	6.25	0.73	11.30	11.06
34.85	105.34	22.05	147.98	9.64	198.72	13.94	0.80	2.45	34.19	1,924	0.25	6.25	0.73	11.30	11.06
31.62	90.78	17.75	138.44	13.08	149.22	16.55	0.76	2.40	39.79	655	0.19	6.85	0.58	6.85	6.85
15.50	38.28	13.20	128.81	9.05	128.81	13.20	0.64	3.88	51.20	423	0.08	6.89	0.69	9.76	9.76
15.35	238.35	17.35	109.96	14.70	225.40	16.87	0.48	3.13	52.75	1,553	1.00	6.54	0.84	6.69	6.69
12.07	170.49	0.16	136.54	33.15	136.54	16.55	0.16	1.33	1.33	514	NA	1.92	0.41	1.92	2.05
14.30	161.49	11.78	121.39	12.50	122.64	29.79	0.48	1.36	1.36	1,292	10.29	1.91	0.44	3.99	4.33
18.55	52.81	14.61	121.40	11.69	140.00	15.46	0.68	3.67	56.67	452	0.89	0.80	0.80	8.41	7.94
21.50	72.73	20.48	104.98	12.23	163.24	23.89	0.42	1.95	46.67	595	1.43	5.05	0.59	5.05	4.42
33.50	145.49	1.87	153.02	14.68	165.11	17.91	1.00	2.99	53.48	991	1.34	0.93	10.12	0.82	6.88
18.68	71.92	12.59	148.37	9.27	148.37	17.14	0.68	3.64	62.33	776	0.25	6.25	0.54	6.73	6.73
23.10	114.95	13.26	191.54	17.87	191.54	17.11	0.92	3.98	68.15	643	0.36	1.09	11.96	1.04	11.37
19.29	62.62	13.13	190.00	12.57	104.27	17.07	0.76	3.94	67.26	498	0.45	6.59	0.59	5.29	5.69
16.11	183.36	0.37	190.20	18.46	191.56	16.55	0.24	1.49	64.86	993	0.71	0.05	0.43	4.40	4.40
31.62	90.78	17.35	138.87	13.86	149.22	16.55	0.76	2.40	39.79	655	0.19	6.85	0.85	6.88	6.69

(1) Average of high/low or bid/ask price per share.
(2) EPS (core basis) is based on actual trailing twelve month data, adjusted to omit the impact of non-operating items on a tax effected basis, and is shown on a pro forma basis where appropriate.
(3) P/E = Price to Earnings; P/B = Price to Book; P/A = Price to Assets; P/7B = Price to Tangible Book; and P/CORE = Price to Core Earnings.
(4) Indicated twelve month dividend, based on last quarterly dividend declared.
(5) Indicated twelve month dividend as a percent of trailing twelve month estimated core earnings.
(6) ROA (return on assets) and ROE (return on equity) are indicated ratios based on trailing twelve month common earnings and average common equity and total assets balances.
(7) Excludes from assets and medians those companies the subject of actual or rumored acquisition activities or unusual operating characteristics.
Source: Corporate reports, offering circulars, and RP Financial, LC. calculations. The information provided in this report has been obtained from sources we believe are reliable, but we cannot guarantee the accuracy or completeness of such information.

core P/E multiples, the Bank's P/E multiples at the top of the superrange reflected premiums of 46.0% and 40.0% on a reported and core earnings basis, respectively.

2. Price-to-Book ("P/B"). The application of the P/B valuation method requires calculating the Bank's pro forma market value by applying a valuation P/B ratio, as derived from the Peer Group's P/B ratio to ESSA Bank's pro forma book value. Based on the \$117.7 million midpoint valuation, ESSA Bank's pro forma P/B and P/TB ratios both equaled 76.98%. In comparison to the average P/B and P/TB ratios for the Peer Group of 141.13% and 149.25%, the Bank's ratios reflected a discount of 45.5% on a P/B basis and a discount of 48.4% on a P/TB basis. At the top of the superrange, the Bank's P/B and P/TB ratios both equaled 84.96%. In comparison to the Peer Group's average P/B and P/TB ratios, the Bank's P/B and P/TB ratios at the top of the superrange reflected discounts of 39.8% and 43.1%, respectively. RP Financial considered the discounts under the P/B approach to be reasonable, in light of the previously referenced valuation adjustments, the nature of the calculation of the P/B ratio which mathematically results in a ratio discounted to book value and the resulting premium pricing ratios indicated under the earnings approach.

3. Price-to-Assets ("P/A"). The P/A valuation methodology determines market value by applying a valuation P/A ratio to the Bank's pro forma asset base, conservatively assuming no deposit withdrawals are made to fund stock purchases. In all likelihood there will be deposit withdrawals, which results in understating the pro forma P/A ratio which is computed herein. At the midpoint of the valuation range, ESSA Bank's value equaled 14.35% of pro forma assets. Comparatively, the Peer Group companies exhibited an average P/A ratio of 15.63%, which implies a discount of 8.2% has been applied to the Bank's pro forma P/A ratio.

Comparison to Recent Offerings

As indicated at the beginning of this chapter, RP Financial's analysis of recent conversion offering pricing characteristics at closing and in the aftermarket has been limited to a "technical" analysis and, thus, the pricing characteristics of recent conversion offerings can not be a primary determinate of value. Particular focus was placed on the P/TB approach in this analysis, since the P/E multiples do not reflect the actual impact of reinvestment and the source of the stock

proceeds (i.e., external funds vs. deposit withdrawals). As discussed previously, Newport Bancorp and Chicopee Bancorp were the most recent standard conversion offerings completed. In comparison to Newport Bancorp's and Chicopee Bancorp's average pro closing forma P/TB ratio of 78.1%, the Bank's P/TB ratio of 77.0% at the midpoint value reflects an implied discount of 1.4%. At the top of the superrange, the Bank's P/TB ratio of 85.0% reflects an implied premium of 8.8% relative to Newport Bancorp's and Chicopee Bancorp's average closing P/TB ratio. Newport Bancorp's and Chicopee Bancorp's current average P/TB ratio, based on its closings stock price as of November 24, 2006, equaled 109.9%. In comparison to Newport Bancorp's and Chicopee Bancorp's current average P/TB ratio, the Bank's P/TB ratio at the midpoint value reflects an implied discount of 29.9% and at the top of the superrange the discount narrows to 22.7%.

Valuation Conclusion

Based on the foregoing, it is our opinion that, as of November 24, 2006, the estimated aggregate pro forma market value of the shares to be issued immediately following the conversion, including shares to be issued to the Foundation, equaled \$117,700,000 at the midpoint, equal to 11,770,000 shares offered at a per share value of \$10.00. Pursuant to conversion guidelines, the 15% offering range indicates a minimum value of \$100,045,000 and a maximum value of \$135,355,000. Based on the \$10.00 per share offering price determined by the Board, this valuation range equates to total shares outstanding of 10,004,500 at the minimum and 13,535,500 at the maximum. In the event the appraised value is subject to an increase, the aggregate pro forma market value may be increased up to a supermaximum value of \$155,658,250 without a resolicitation. Based on the \$10.00 per share offering price, the supermaximum value would result in total shares outstanding of 15,565,825. Based on this valuation range, the offering range is as follows: \$93,500,000 at the minimum, \$110,000,000 at the midpoint, \$126,500,000 at the maximum and \$145,475,000 at the supermaximum. Based on the \$10.00 per share offering price, the number of offering shares is as follows: 9,350,000 at the minimum, 11,000,000 at the midpoint, 12,650,000 at the maximum and 14,547,500 at the supermaximum. The pro forma valuation calculations relative to the Peer Group are shown in Table 4.4 and are detailed in Exhibit IV-7 and Exhibit IV-8.

EXHIBITS

LIST OF EXHIBITS

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EXHIBIT I-1
ESSA Bank & Trust
Map of Office Locations

EXHIBIT I-2
ESSA Bank & Trust
Audited Financial Statements

[Incorporated by Reference]

EXHIBIT I-3
ESSA Bank & Trust
Key Operating Ratios

	At or For the Year Ended September 30, 2006	At or For the Year Ended September 30, 2005	At or For the Year Ended September 30, 2004	At or For the Ten Months Ended September 30, 2003	At or For the Year Ended November 30, 2002
Selected Financial Ratios and Other Data:					
Performance Ratios:					
Return on average assets	0.58%	0.72%	0.71%	0.84%	1.08%
Return on average equity	6.96%	8.42%	8.20%	9.46%	11.98%
Interest rate spread (1)	2.46%	2.85%	3.10%	3.08%	3.81%
Net interest margin (2)	2.70%	3.04%	3.28%	3.28%	4.07%
Efficiency ratio (3)	73.33%	72.09%	73.45%	65.84%	61.06%
Noninterest expense to average total assets	2.45%	2.67%	2.82%	2.45%	2.84%
Average interest-earning assets to average interest-bearing liabilities	108.00%	107.69%	107.70%	109.89%	108.70%
Asset Quality Ratios:					
Non-performing assets as a percent of total assets	0.09%	0.10%	0.12%	0.14%	0.16%
Non-performing loans as a percent of total loans	0.11%	0.12%	0.12%	0.12%	0.17%
Allowance for loan losses as a percent of non- performing loans	618.78%	588.93%	518.32%	478.82%	321.01%
Allowance for loan losses as a percent of total loans ...	0.69%	0.70%	0.63%	0.57%	0.55%
Capital Ratios:					
Total risk-based capital (to risk weighted assets)	15.77%	15.55%	16.05%	16.86%	17.52%
Tier 1 risk-based capital (to risk weighted assets)	14.79%	14.59%	15.14%	15.99%	16.67%
Tangible capital (to tangible assets)	8.06%	8.30%	8.46%	8.66%	9.00%
Tier 1 leverage (core) capital (to adjusted tangible assets)	8.06%	8.30%	8.49%	8.66%	9.00%
Average equity to average total assets	8.36%	8.55%	8.67%	8.92%	8.99%
Other Data:					
Number of full service offices	12	12	12	12	12

- (1) Represents the difference between the weighted-average yield on a fully tax equivalent basis on interest-earning assets and the weighted-average cost of interest-bearing liabilities for the year.
- (2) The net interest margin represents net interest income on a fully tax equivalent basis as a percent of average interest-earning assets for the year.
- (3) The efficiency ratio represents non-interest expense divided by the sum of net interest income and non-interest income.

Source: ESSA Bank's prospectus.

EXHIBIT I-4
ESSA Bank & Trust
Investment Portfolio Composition

	At September 30,					
	2006		2005		2004	
	Amortized Cost	Fair Value	Amortized Cost	Fair Value	Amortized Cost	Fair Value
	(In thousands)					
Investment securities available for sale:						
U.S. Government agency obligations	\$ 41,960	\$ 41,815	\$ 34,989	\$ 34,729	\$ 14,981	\$ 14,992
Obligations of state and political subdivisions	6,240	6,465	5,102	5,377	5,341	5,691
Mortgage-backed securities	40,327	39,907	18,799	18,491	20,482	20,444
Corporate notes	-	-	3,039	3,030	3,041	3,039
Total debt securities	88,527	88,187	61,929	61,627	43,845	44,166
Equity securities	882	935	882	879	1,012	908
Total investment securities available-for-sale	<u>\$ 89,409</u>	<u>\$ 89,122</u>	<u>\$ 62,811</u>	<u>\$ 62,506</u>	<u>\$ 44,857</u>	<u>\$ 45,074</u>
Investment securities held-to-maturity:						
U.S. Government agency obligations	\$ 4,730	\$ 4,681	\$ 4,730	\$ 4,704	\$ -	\$ -
Mortgage-backed securities	14,985	14,512	16,775	16,593	10,263	10,282
Total securities held to maturity	<u>\$ 19,715</u>	<u>\$ 19,193</u>	<u>\$ 21,505</u>	<u>\$ 21,297</u>	<u>\$ 10,263</u>	<u>\$ 10,282</u>

Source: ESSA Bank's prospectus.

EXHIBIT I-5
ESSA Bank & Trust
Yields and Costs

	For the Years Ended September 30,									
	At September 30, 2006	2006			2005			2004		
	Yield/ Cost	Average Balance	Interest Income/ Expense	Yield/ Cost	Average Balance	Interest Income/ Expense	Yield/ Cost	Average Balance	Interest Income/ Expense	Yield/ Cost
(Dollars in thousands)										
Interest-earning assets:										
Loans ^{(1) (2)}	5.93%	\$533,351	\$31,744	5.95%	\$493,918	\$28,829	5.84%	\$456,566	\$27,152	5.95%
Investment securities										
Taxable ⁽³⁾	4.34%	44,678	1,848	4.14%	28,366	906	3.19%	11,644	386	3.32%
Exempt from federal income tax ^{(3) (4)}	7.15%	5,894	278	7.15%	5,513	267	7.34%	5,647	274	7.35%
Total investment securities	4.37%	50,572	2,126	4.49%	33,879	1,173	3.87%	17,291	660	4.63%
Mortgage-backed securities	4.72%	40,247	1,731	4.30%	35,963	1,319	3.67%	21,882	684	3.13%
Federal Home Loan Bank stock	5.25	12,115	519	4.28%	11,604	317	2.73%	9,615	124	1.29%
Other	5.33	7,422	331	4.46%	8,576	281	3.28%	14,198	190	1.34%
Total interest-earning assets		643,707	36,451	5.68%	583,940	31,919	5.49%	519,552	28,810	5.57%
Allowance for loan losses		(3,694)			(3,292)			(2,748)		
Noninterest-earning assets		39,875			37,769			34,010		
Total assets		<u>\$679,888</u>			<u>\$618,417</u>			<u>\$550,814</u>		
Interest-bearing liabilities:										
NOW accounts	0.07%	\$ 59,709	44	0.07%	\$ 61,562	79	0.13%	\$ 61,792	100	0.16%
Money market accounts	2.78%	31,618	687	2.17%	33,386	421	1.26%	33,078	245	0.74%
Savings and club accounts	0.40%	79,452	355	0.45%	88,727	388	0.44%	90,853	442	0.49%
Certificates of deposit	4.40%	197,064	7,926	4.02%	149,267	4,963	3.32%	132,119	4,224	3.20%
Borrowed funds	4.68%	228,198	10,205	4.47%	209,284	8,472	4.05%	164,563	6,922	4.21%
Total interest-bearing liabilities	3.55%	596,041	19,217	3.22%	542,226	14,323	2.64%	482,405	11,933	2.47%
Non-interest bearing demand accounts		21,383			17,527			13,281		
Noninterest-bearing liabilities		5,650			5,815			7,359		
Total liabilities		623,074			565,568			503,045		
Equity		56,814			52,849			47,769		
Total liabilities and equity		<u>\$679,888</u>			<u>\$618,417</u>			<u>\$550,814</u>		
Net interest income			<u>\$17,234</u>			<u>\$17,596</u>			<u>\$16,877</u>	
Interest rate spread	2.17%			2.46%			2.85%			3.10%
Net interest-earning assets		<u>\$ 47,666</u>			<u>\$ 41,714</u>			<u>\$ 37,174</u>		
Net interest margin ⁽⁵⁾	<u>2.41%</u>			2.70%			3.04%			3.28%
Average interest-earning assets to average interest-bearing liabilities	107.31%	108.00%			107.69%			107.70%		

(1) Non-accruing loans are included in the outstanding loan balances.

(2) Interest income on loans includes net amortized revenues (costs) on loans totaling \$603,000 for 2006, \$748,000 for 2005, and \$955,000 for 2004.

(3) Held to maturity securities are reported as amortized cost. Available for sale securities are reported at fair value.

(4) Yields on tax exempt securities have been calculated on a fully tax equivalent basis assuming a tax rate of 34%.

(5) Represents the difference between interest earned and interest paid, divided by average total interest earning assets.

Source: ESSA Bank's prospectus.

EXHIBIT I-6
ESSA Bank & Trust
Loan Loss Allowance Activity

	At or For the Years Ended September 30,			At or for the ten months ended September 30, 2003	At or for the year ended November 30, 2002
	2006	2005	2004		
	(Dollars in thousands)				
Balance at beginning of year.....	\$ 3,563	\$ 3,027	\$ 2,509	\$ 2,154	\$ 1,371
Charge-offs:					
Residential first mortgage loans:					
One- to four-family	-	(10)	-	(28)	(42)
Construction.....	-	-	-	-	-
Commercial	-	-	-	-	-
Commercial real estate.....	-	-	-	-	-
Home equity loans and lines of credit.....	(7)	-	(31)	(6)	(11)
Other.....	(2)	(5)	(4)	(51)	(97)
Total charge-offs.....	<u>\$ (9)</u>	<u>\$ (15)</u>	<u>\$ (35)</u>	<u>\$ (85)</u>	<u>\$ (150)</u>
Recoveries:					
Residential first mortgage loans:					
One- to four-family	-	-	7	2	12
Construction.....	-	-	-	-	-
Commercial	-	-	-	-	-
Commercial real estate.....	-	-	-	-	-
Home equity loans and lines of credit.....	-	-	-	-	-
Other.....	1	1	16	8	21
Total recoveries	<u>\$ 1</u>	<u>\$ 1</u>	<u>\$ 23</u>	<u>\$ 10</u>	<u>\$ 33</u>
Net charge-offs	(8)	(14)	(12)	(75)	(117)
Provision for loan losses	300	550	530	430	900
Balance at end of year.....	<u>\$ 3,855</u>	<u>\$ 3,563</u>	<u>\$ 3,027</u>	<u>\$ 2,509</u>	<u>\$ 2,154</u>
Ratios:					
Net charge-offs to average loans outstanding.....	-%	-%	-%	(0.02)%	(0.03)%
Allowance for loan losses to non- performing loans at end of year.....	618.78%	588.93%	518.32%	478.82%	321.01%
Allowance for loan losses to total loans at end of year.....	0.69%	0.70%	0.63%	0.57%	0.55%

Source: ESSA Bank's prospectus.

EXHIBIT I-7
ESSA Bank & Trust
Net Portfolio Value Analysis

Change in Interest Rates (basis points) (1)	Estimated NPV (2) (Dollars in thousands)	Estimated Increase (Decrease) in NPV		NPV as a Percentage of Present Value of Assets (3)	
		Amount	Percent	NPV Ratio (4)	Increase (Decrease) (basis points)
+300	\$ 42,893	\$ (35,869)	(46)%	6.23%	(438)
+200	55,795	(22,966)	(29)	7.89	(273)
+100	68,123	(10,638)	(14)	9.39	(123)
—	78,761	—	—	10.61	—
-100	86,664	7,902	10	11.46	85
-200	91,126	12,364	16	11.89	128

- (1) Assumes an instantaneous uniform change in interest rates at all maturities.
(2) NPV is the discounted present value of expected cash flows from assets, liabilities and off-balance sheet contracts.
(3) Present value of assets represents the discounted present value of incoming cash flows on interest-earning assets.
(4) NPV Ratio represents NPV divided by the present value of assets.

Source: ESSA Bank's prospectus.

EXHIBIT I-8
 ESSA Bank & Trust
 Fixed Rate and Adjustable Rate Loans

	Due After September 30, 2007		
	Fixed	Adjustable	Total
	(In thousands)		
Residential first mortgage loans:			
One- to four-family.....	\$ 396,189	55,972	452,161
Construction	5,773	-	5,773
Commercial	3,818	-	3,818
Commercial real estate.....	41,875	-	41,875
Home equity loans and lines of credit ...	28,018	18,704	46,722
Other	1,935	-	1,935
Total.....	\$ 477,608	\$ 74,676	\$ 552,284

Source: ESSA Bank's prospectus.

EXHIBIT 1-9
ESSA Bank & Trust
Loan Portfolio Composition

	At September 30,				At November 30,					
	2006		2005		2004		2003		2002	
	Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent
	(Dollars in thousands)									
Residential first mortgage loans:										
One- to four-family.....	\$ 452,406	80.4%	\$ 421,169	81.7%	\$ 399,233	82.4%	\$ 378,744	85.2%	\$ 336,399	84.9%
Construction.....	5,943	1.1	7,597	1.5	8,309	1.7	6,093	1.4	7,504	1.9
Commercial.....	6,159	1.1	5,310	1.0	2,468	0.5	2,255	0.5	1,368	0.3
Commercial real estate.....	47,479	8.4	36,984	7.2	29,439	6.1	18,615	4.1	10,418	2.6
Home equity loans and lines of credit.....	46,796	8.3	40,342	7.8	34,256	7.1	26,653	6.0	25,697	6.5
Other.....	4,247	0.7	4,204	0.8	10,720	2.2	12,358	2.8	14,902	3.8
Total loans receivable.....	\$ 563,030	100.0%	\$ 515,606	100.0%	\$ 484,425	100.0%	\$ 444,718	100.0%	\$ 396,348	100.0%
Deferred loan costs (fees).....	(2,498)		(3,062)		(3,442)		(3,670)		(3,652)	
Allowance for loan losses.....	(3,855)		(3,563)		(3,021)		(2,502)		(2,154)	
Total loans receivable, net.....	\$ 556,677		\$ 508,981		\$ 477,956		\$ 438,539		\$ 390,542	

Source: ESSA Bank's prospectus.

EXHIBIT I-10
ESSA Bank & Trust
Contractual Maturity By Loan Type

	One- to Four-Family		Construction		Commercial		Commercial Real Estate	
	Amount	Weighted Average Rate	Amount	Weighted Average Rate	Amount	Weighted Average Rate	Amount	Weighted Average Rate
(Dollars in thousands)								
Due During the Years Ending September 30,								
2007	\$ 245	6.53%	\$ 170	6.25%	\$ 2,341	7.35%	\$ 5,604	8.67%
2008	631	6.43	-	-	63	6.76	812	8.12
2009	1,042	6.34	-	-	127	7.05	202	7.13
2010 to 2011	2,334	5.88	49	6.30	735	7.33	4,099	6.79
2012 to 2016	35,760	5.27	-	-	759	7.21	28,109	6.65
2017 to 2021	139,904	5.23	65	6.25	-	-	6,805	6.45
2021 and beyond	<u>272,490</u>	5.95	<u>5,659</u>	6.35	<u>2,134</u>	5.43	<u>1,848</u>	7.05
Total	<u>\$ 452,406</u>		<u>\$ 5,943</u>		<u>\$ 6,159</u>		<u>\$ 47,479</u>	

	Home Equity Loans and Lines of Credit		Other		Total	
	Amount	Weighted Average Rate	Amount	Weighted Average Rate	Amount	Weighted Average Rate
(Dollars in thousands)						
Due During the Years Ending September 30,						
2007	\$ 74	6.09%	\$ 2,312	8.04%	\$ 10,746	8.14%
2008	363	5.18	196	8.97	2,065	7.13
2009	702	5.66	461	8.73	2,534	6.68
2010 to 2011	3,619	5.86	854	7.37	11,690	6.39
2012 to 2016	9,015	6.38	424	7.35	74,067	5.96
2017 to 2021	14,738	6.69	-	-	161,512	5.42
2021 and beyond	<u>18,285</u>	8.00	<u>-</u>	<u>-</u>	<u>300,416</u>	6.09
Total	<u>\$ 46,796</u>		<u>\$ 4,247</u>		<u>\$ 563,030</u>	

Source: ESSA Bank's prospectus.

EXHIBIT I-11
ESSA Bank & Trust
Non-Performing Assets

	At September 30,			At November 30,	
	2006	2005	2004	2003	2002
(Dollars in thousands)					
Non-accrual loans:					
Residential first mortgage loans:					
One- to four-family.....	\$ 436	\$ 554	\$ 497	\$ 379	\$ 578
Construction.....	-	-	-	-	-
Commercial.....	-	-	-	-	-
Commercial real estate.....	-	-	-	-	-
Home equity loans and lines of credit....	40	50	79	98	17
Other.....	-	1	8	47	76
Total.....	<u>476</u>	<u>605</u>	<u>584</u>	<u>524</u>	<u>671</u>
Accruing loans 90 days or more past due:					
Residential first mortgage loans:					
One- to four-family.....	-	-	-	-	-
Construction.....	-	-	-	-	-
Commercial.....	-	-	-	-	-
Commercial real estate.....	-	-	-	-	-
Home equity loans and lines of credit....	-	-	-	-	-
Other.....	-	-	-	-	-
Total loans 90 days or more past due ..	-	-	-	-	-
Total non-performing loans.....	<u>476</u>	<u>605</u>	<u>584</u>	<u>524</u>	<u>671</u>
Real estate owned.....	-	19	101	202	101
Other non-performing assets.....	-	-	-	-	-
Total non-performing assets.....	<u>\$ 476</u>	<u>\$ 624</u>	<u>\$ 685</u>	<u>\$ 726</u>	<u>\$ 772</u>
Troubled debt restructurings:					
Residential first mortgage loans::					
One- to four-family.....	\$ 53	\$ 94	\$ 167	\$ 270	\$ 372
Construction.....	-	-	-	-	-
Commercial.....	-	-	-	-	-
Commercial real estate.....	-	-	-	-	-
Home equity loans and lines of credit....	-	-	-	-	-
Other.....	-	-	-	-	15
Total.....	<u>\$ 53</u>	<u>\$ 94</u>	<u>\$ 167</u>	<u>\$ 270</u>	<u>\$ 387</u>
Ratios:					
Total non-performing loans to total loans	0.08%	0.12%	0.12%	0.12%	0.17%
Total non-performing loans to total assets.....	0.06%	0.09%	0.10%	0.10%	0.14%
Total non-performing assets to total assets....	0.07%	0.10%	0.12%	0.14%	0.16%

Source: ESSA Bank's prospectus.

EXHIBIT I-12
ESSA Bank & Trust
Deposit Composition

	For the Years Ended September 30,								
	2006			2005			2004		
	Average Balance	Percent	Weighted Average Rate	Average Balance	Percent	Weighted Average Rate	Average Balance	Percent	Weighted Average Rate
	(Dollars in thousands)								
Deposit type:									
Noninterest bearing									
demand accounts	\$ 21,383	5.49%	-%	\$ 17,527	5.00%	-%	\$ 13,281	4.01%	-%
Interest bearing NOW	59,709	15.34	0.07	61,562	17.57	0.13	61,792	18.66	0.16
Money market	31,618	8.12	2.17	33,386	9.53	1.26	33,078	9.99	0.74
Savings and club	79,452	20.41	0.45	88,727	25.32	0.44	90,853	27.44	0.49
Certificates of deposit	<u>197,064</u>	<u>50.64</u>	4.47	<u>149,267</u>	<u>42.59</u>	3.32	<u>132,119</u>	<u>39.90</u>	3.20
Total deposits	<u>\$389,226</u>	<u>100.00%</u>	2.32%	<u>\$350,469</u>	<u>100.00%</u>	1.67%	<u>\$331,123</u>	<u>100.00%</u>	<u>1.51%</u>

Source: ESSA Bank's prospectus.

EXHIBIT I-13
ESSA Bank & Trust
Maturity of Time Deposits

At September 30, 2006						
Period to Maturity						
	Less Than or Equal to One Year	More Than One to Two Years	More Than Two to Three Years	More Than Three Years	Total	Percent of Total
(Dollars in thousands)						
Interest Rate Range:						
2.00% and below.....	\$ 848	\$ -	\$ -	\$ -	\$ 851	\$ 0.40%
2.01% to 3.00%.....	3,993	663	-	-	4,662	2.22%
3.01% to 4.00%.....	42,910	11,314	8,683	1,860	64,767	30.79%
4.01% to 5.00%.....	57,345	15,299	6,024	14,695	93,363	44.38%
5.01% to 6.00%.....	42,949	1,911	200	1,673	46,733	22.21%
6.01% and above.....	<u>3</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3</u>	<u>-%</u>
Total.....	<u>\$ 148,048</u>	<u>\$ 29,196</u>	<u>\$ 14,907</u>	<u>\$ 18,228</u>	<u>\$ 210,379</u>	<u>\$ 100%</u>

Source: ESSA Bank's prospectus.

I-14
ESSA Bank & Trust
Short-Term Borrowing Activity

	At or For the Years Ended September 30,		
	2006	2005	2004
	(Dollars in thousands)		
Balance at end of year	\$ 35,299	\$ 27,479	\$ 11,134
Maximum outstanding at any month end	\$ 35,299	\$ 27,479	\$ 16,878
Average balance during year	\$ 21,957	\$ 18,991	\$ 10,388
Weighted average interest rate at end of year	5.40%	3.84%	1.96%
Average interest rate during year	4.92%	2.92%	1.36%

Source: ESSA Bank's prospectus.

EXHIBIT II-1
Description of Office Facilities

Location	Leased or Owned	Year Acquired or Leased	Square Footage
Main Office:			
200 Palmer Street Stroudsburg, PA 18360	Owned	2003	36,000
Full Service Branches:			
Route 940 HC 1 Box 1192 Blakeslee, PA 18610	Owned	2002	2,688
Route 209 & Lake Mineola Road P.O. Box 35 Brodheads ville, PA 18301	Owned	1983	4,100
Route 209 7001 Milford Road East Stroudsburg, PA	Leased	1997	1,700
Routes 209 & 447 695 North Courtland Street East Stroudsburg, PA 18301	Leased	1999	420
75 Washington Street East Stroudsburg, PA 18301	Owned	1966	3,300
Route 209 P.O. Box 1009 Marshalls Creek, PA 18335	Leased	1991	1,560
Mount Pocono Plaza 601 Route 940 Mt. Pocono, PA 18344	Leased	1999	536
1309 Blue Valley Drive Pen Argyl, PA 18072	Leased	2001	444
744 Main Street P.O. Box L Stroudsburg, PA 18360	Owned	1985	12,000
Route 611 1070 North Ninth Street Stroudsburg, PA 18360	Leased	2000	488

EXHIBIT II-1(continued)
Description of Office Facilities

Route 611 RR1 Box 402 Tannersville, PA 18372	Leased	1993	611
Route 209 & Weir Lake Road P.O. Box 271 Brodheads ville, PA 18322	Leased	1997	576
Other Properties			
746-752 Main Street Stroudsburg, PA 18360	Owned	2004	4,650

Source: ESSA Bank's prospectus.

EXHIBIT II-2
Historical Interest Rates

Exhibit II-2
Historical Interest Rates(1)

<u>Year/Qtr. Ended</u>	<u>Prime Rate</u>	<u>90 Day T-Bill</u>	<u>One Year T-Bill</u>	<u>10 Year T-Bond</u>	
1998:	Quarter 1	8.50%	5.16%	5.41%	5.67%
	Quarter 2	8.50%	5.10%	5.38%	5.44%
	Quarter 3	8.25%	4.37%	4.41%	4.44%
	Quarter 4	7.75%	4.48%	4.53%	4.65%
1999:	Quarter 1	7.75%	4.49%	4.72%	5.25%
	Quarter 2	7.75%	4.78%	5.07%	5.81%
	Quarter 3	8.25%	4.88%	5.22%	5.90%
	Quarter 4	8.50%	5.33%	5.98%	6.45%
2000:	Quarter 1	9.00%	5.88%	6.28%	6.03%
	Quarter 2	9.50%	5.88%	6.08%	6.03%
	Quarter 3	9.50%	6.23%	6.07%	5.80%
	Quarter 4	9.50%	5.89%	5.32%	5.12%
2001:	Quarter 1	8.00%	4.30%	4.09%	4.93%
	Quarter 2	6.75%	3.65%	3.72%	5.42%
	Quarter 3	6.00%	2.40%	2.49%	4.60%
	Quarter 4	4.75%	1.74%	2.17%	5.07%
2002:	Quarter 1	4.75%	1.79%	2.70%	5.42%
	Quarter 2	4.75%	1.70%	2.06%	4.86%
	Quarter 3	4.75%	1.57%	1.53%	3.63%
	Quarter 4	4.25%	1.22%	1.32%	3.83%
2003:	Quarter 1	4.25%	1.14%	1.19%	3.83%
	Quarter 2	4.00%	0.90%	1.09%	3.54%
	Quarter 3	4.00%	0.95%	1.15%	3.96%
	Quarter 4	4.00%	0.95%	1.26%	4.27%
2004:	Quarter 1	4.00%	0.95%	1.20%	3.86%
	Quarter 2	4.00%	1.33%	2.09%	4.62%
	Quarter 3	4.75%	1.70%	2.16%	4.12%
	Quarter 4	5.25%	2.22%	2.75%	4.24%
2005:	Quarter 1	5.75%	2.80%	3.43%	4.51%
	Quarter 2	6.00%	3.12%	3.51%	3.98%
	Quarter 3	6.75%	3.55%	4.01%	4.34%
	Quarter 4	7.25%	4.08%	4.38%	4.39%
2006:	Quarter 1	7.75%	4.52%	4.82%	4.86%
	Quarter 2	8.25%	5.01%	5.21%	5.15%
	Quarter 3	8.25%	4.88%	4.91%	4.64%
	Nov. 24, 2006	8.25%	5.03%	5.00%	4.55%

(1) End of period data.

Sources: Federal Reserve and The Wall Street Journal.

EXHIBIT III-1
General Characteristics of Publicly-Traded Institutions

RF FINANCIAL, LC.
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Exhibit III-1
Characteristics of Publicly-Traded Thrifts
December 1, 2006(1)

Ticker	Financial Institution	Exchgd. Market	Primary Market	Operating Total Strat.(2)	Assets (\$MIL)	Offices	Fiscal Year	Conv. Date	Stock Price (\$)	Market Value (\$MIL)	
California Companies											
NDE	IndyMac Bancorp. Inc. of CA	NYSE	Pasadena, CA	Thrift	27,386	14	12-31	11/86	47.66	3,377	
DSL	Downey Financial Corp. of CA	NYSE	Newport Beach CA	Thrift	16,983	172	12-31	01/71	74.28	2,069	
FDL	FirstFed Financial Corp. of CA	NYSE	Santa Monica, CA	Thrift	10,076	29	12-31	12/83	66.63	1,107	
PFS	PFF Bancorp. Inc. of Pomona CA	NYSE	Pomona, CA	Thrift	4,644	30	03-31	03/96	32.18	792	
PROV	Provident Fin. Holdings of CA	NASDAQ	Riverside, CA	M.B.B.	1,696	12	06-30	06/96	30.83	212	
HFG	Harrington West Fincl Grp of CA	NASDAQ	Solvang, CA	Thrift	1,146	15	12-31	11/02	17.30	94	
FTB	First PacTrust Bancorp of CA	NASDAQ	Chula Vista, CA	Thrift	813	9	12-31	08/02	28.15	124	
BOFI	BofI Holding, Inc. Of CA	NASDAQ	San Diego, CA	Thrift	766	1	06-30	03/05	7.00	58	
KFED	K-Fed Bancorp NHC of CA (37.6)	NASDAQ	Covina, CA	Thrift	756	5	06-30	03/04	18.21	257	
PFSI	Pacific Premier Bancorp of CA	NASDAQ	Costa Mesa, CA	Thrift	712	3	12-31	06/97	11.96	63	
BFC	Broadway Financial Corp. of CA	NASDAQ	Los Angeles, CA	Thrift	284	4	12-31	01/96	11.08	18	
Florida Companies											
BRUNA	BankUnited Fin. Corp. of FL	NASDAQ	Coral Gables, FL	Thrift	13,571	55	09-30	12/85	26.22	961	
BFF	BFC Financial Corp. of FL	NYSE	FortLauderdaleFL	Thrift	7,390 D	74	12-31	/	6.46	232	
BBA	BanAtlantic Bancorp of FL	NYSE	FortLauderdaleFL	M.B.	6,570	75	12-31	11/83	13.29	821	
FFFL	Fidelity Bankshares, Inc of FL	NASDAQ	West Palm Bch FL	Thrift	4,382	49	12-31	05/01	39.55	1,004	
HARB	Harbor Florida Bancshrs of FL	NASDAQ	Fort Pierce, FL	Thrift	3,267	36	09-30	03/98	44.45	1,073	
FDT	Federal Trust Corp of FL	AMEX	Sanford, FL	Thrift	730	6	12-31	12/97	10.24	96	
FCFL	First Community Bk Corp of FL	NASDAQ	Pineellas Park FL	Thrift	372	4	12-31	05/03	19.44	75	
Mid-Atlantic Companies											
SOV	Sovereign Bancorp, Inc. of PA	NYSE	Philadelphia, PA	M.B.	90,409	677	12-31	06/86	24.85	11,821	
RCBK	Rudson City Bancorp, Inc of NJ	NASDAQ	Paramus, NJ	Thrift	33,637	86	12-31	06/05	13.98	7,569	
NYB	New York Community Bcrp of NY	NYSE	Westbury, NY	Thrift	28,924	143	12-31	11/93	16.30	4,810	
AF	Astoria Financial Corp. of NY	NYSE	Lake Success, NY	Thrift	21,599	86	12-31	11/93	29.89	2,969	
FRFG	First Niagara Fin. Group of NY	NASDAQ	Lockport, NY	Thrift	8,065 D	122	12-31	01/03	14.54	1,611	
NWBB	Northwest Bcrp MHC of PA(39.0)	NASDAQ	Warren, PA	Thrift	5,843	154	06-30	11/94	27.83	1,395	
PFS	Provident Fin. Serv. Inc of NJ	NYSE	Jersey City, NJ	Thrift	5,824	79	12-31	01/03	18.28	1,162	
IGBC	Investors Bcrp MHC of NJ(45.7)	NASDAQ	Short Hills, NJ	Thrift	5,627	46	06-30	10/05	14.96	1,739	
PATN	Patterson Trust Fin. Grp. of NY	NASDAQ	Utica, NY	Thrift	3,770	37	12-31	07/04	11.54	511	
DCOM	Dime Community Bancshrs of NY	NASDAQ	Brooklyn, NY	Thrift	3,137	20	12-31	06/96	14.17	520	
TRST	Trustco Bank Corp NY of NY	NASDAQ	Glenville, NY	Thrift	3,001	75	12-31	/	11.26	843	
WFS	WFS Financial Corp. of DE	NASDAQ	Wilmington, DE	Div.	3,000	23	12-31	11/86	66.10	441	
KNBT	KNBT Bancorp, Inc. of PA	NASDAQ	Bethlehem, PA	Thrift	2,937	57	12-31	11/03	17.21	476	
PBNY	Provident NY Bcrp, Inc. of NY	NASDAQ	Montebello, NY	Thrift	2,840	39	09-30	01/04	15.22	650	
FFIC	Flushing Fin. Corp. of NY	NASDAQ	Lake Success, NY	Thrift	2,737	11	12-31	11/95	17.49	369	
PFSB	Pennard Fin. Services of NJ	NASDAQ	West Orange, NJ	Thrift	2,334	25	06-30	07/94	19.51	250	
OCFC	OceanFirst Fin. Corp of NJ	NASDAQ	Toms River, NJ	Thrift	2,073	17	12-31	07/96	22.83	282	
KENY	Keary Fin Cp MHC of NJ (30.0)	NASDAQ	Fairfield, NJ	Thrift	2,028	25	06-30	02/05	16.68	1,209	
PVSA	Parkvale Financial Corp of PA	NASDAQ	Monroeville, PA	Thrift	1,924	47	06-30	07/87	32.63	185	
ESBP	ESB Financial Corp. of PA	NASDAQ	Ellwood City, PA	Thrift	1,918	26	12-31	06/90	10.74	140	
WFBC	Willow Financial Bcrp Inc of PA	NASDAQ	Maple Glen, PA	Thrift	1,553	14	06-30	04/02	15.35	228	
PFCC	PFB Fin Corp. of Burlington NJ	NASDAQ	Maple Glen, PA	Thrift	1,213	41	12-31	12/88	31.03	202	
SYNY	Synergy Financial Group of NJ	NASDAQ	Cranford, NJ	Thrift	993	18	12-31	01/04	16.11	183	
SVBI	Severn Bancorp, Inc. of MD	NASDAQ	Annapolis, MD	Thrift	910	2	12-31	/	19.15	175	
ASBC	Ablington Com Bcrp MHC PA (42.9)	NASDAQ	Jenkintown, PA	Thrift	906	12	12-31	12/04	16.01	245	
ROMA	Roma Fin Corp MHC of NJ (30.0)	NASDAQ	Robbinsville, NJ	Thrift	874	8	12-31	07/06	15.84	518	
GLK	Great Lakes Bancorp, Inc of NY	NYSE	Clifton, NJ	Thrift	869	0	12-31	/	14.91	163	
NASDAQ	Clifton, NJ	Thrift	823	10	03-31	03/04	12.01	356	89		
CSBB	CSB Bankcorp MHC of MD (36.5)	NASDAQ	Baltimore, MD	Thrift	809 J	17	09-30	07/98	15.08	89	
CNT	Carver Bancorp, Inc. of NY	AMEX	New York, NY	Thrift	780	8	03-31	10/94	16.05	40	
HARL	Harleysville Svcs Fin Cp of PA	NASDAQ	Harleysville, PA	Thrift	776	5	09-30	08/87	18.68	72	
FACB	Fox Chase Bcrp MHC of PA(44.5)	NASDAQ	Hatboro, PA	Thrift	730	11	12-31	10/06	13.74	202	
FBSI	Fidelity Bancorp, Inc. of PA	NASDAQ	Pittsburgh, PA	Thrift	653	13	09-30	06/88	18.83	56	
TRHD	TF Fin. Corp. of Newtown PA	NASDAQ	Newtown, PA	Thrift	653	14	12-31	07/94	31.62	91	
PBCI	Pennapo Bancorp, Inc. of NJ	NASDAQ	Beyonce, NJ	Thrift	643	9	12-31	11/89	23.10	115	

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Exhibit III-1
Characteristics of Publicly-Traded Thrifts
December 1, 2006(1)

Ticker	Financial Institution	Exchqg. Market	Primary Market	Operating Total Assets (\$M)	Offices	Fiscal Year	Conv. Date	Stock Price (\$)	Market Value (\$M)	
Mid-Atlantic Companies (continued)										
OSHC	Ocean Shr Hldg MHC of NJ(45.5)	NASDAQ	Ocean City, NJ	Thrift	563	6	12-31	12/04	13.00	112
PKFS	First KeyStons Fin., Inc of PA	NASDAQ	Berwick, PA	Thrift	529 J	8	09-30	01/93	19.00	39
ANBJ	American Bancorp of NJ	NASDAQ	Bloomfield, NJ	Thrift	314	2	09-30	10/03	12.07	170
FBIP	Prudential Bncp MHC PA (43.5)	NASDAQ	Philadelphia, PA	Thrift	467 J	6	09-30	03/05	13.52	163
WSB	Washington SB, FSB of Bowie MD	AMEX	Bowie, MD	Thrift	444 J	5	07-31	08/98	8.90	66
ONFC	Onside financial MHC of NY(44.6)	NASDAQ	Oneside, NY	Thrift	434	10	12-31	12/98	11.22	87
WVFC	WVS financial Corp. of PA	NASDAQ	Pittsburgh, PA	Thrift	423	6	06-30	11/93	16.50	39
MGTR	Magyar Bancorp MHC of NJ(46.0)	NASDAQ	Nw Brunswick, NJ	Thrift	411 J	3	09-30	01/06	13.75	81
BFSB	Brooklyn Fed MHC of NY (30.0)	NASDAQ	Brooklyn, NY	Thrift	408	4	09-30	04/05	12.85	170
COBK	Colonial Bank MHC of NJ (46.0)	NASDAQ	Bridgeport, NJ	Thrift	379	6	12-31	06/05	13.31	60
ALLS	Alliance Bank MHC of PA (20.0)	NASDAQ	Broomall, PA	Thrift	378	9	12-31	03/95	22.91	79
ESBK	Elmira Svgs Bank, FSB of NY	NASDAQ	Elmira, NY	Thrift	360	6	12-31	03/85	30.34	40
LSBK	Lake Shore Bncp MHC of NY(45.0)	NASDAQ	Dunkirk, NY	Thrift	350	0	04/06	04/06	12.97	86
GARC	Greater Atlant. Fin Corp of VA	NASDAQ	Reston, VA	Thrift	318 M	6	09-30	06/99	5.10	15
GCBC	Green Co Bncp MHC of NY (44.4)	NASDAQ	Catskill, NY	Thrift	310	7	06-30	12/98	15.50	64
FBHC	Fathinder BC MHC of NY (35.7)	NASDAQ	Oswego, NY	Thrift	298	8	12-31	11/95	13.45	33
ROME	Rome Bancorp, Inc. of Rome NY	NASDAQ	Rome, NY	Thrift	296	4	12-31	03/05	12.84	112
NESC	NE Comm Bncp MHC of NY (45.0)	NASDAQ	White Plains, NY	Thrift	290	6	12-31	07/06	11.50	152
FFCO	FedFirst Fin MHC of PA (45.0)	NASDAQ	Monessen, PA	Thrift	284	7	12-31	04/05	10.00	67
IFSB	Independence FSB of DC	NASDAQ	Washington, DC	Thrift	161 J	5	12-31	06/05	10.30	16
GOV	Gouverneur Bcp MHC of NY(42.8)	AMEX	Gouverneur, NY	Thrift	128 J	2	09-30	03/99	12.50	29

Mid-west Companies

FBC	Flagstar Bancorp, Inc. of MI	NYSE	Troy, MI	Thrift	15,120	128	12-31	04/97	15.06	957
MWFB	MW Bancorp, Inc. of IL	NASDAQ	Clarendon Hls IL	Thrift	11,465	73	12-31	01/90	44.46	1,459
CFFN	Capitol Fd Fr MHC of KS (29.5)	NASDAQ	Topeka, KS	Thrift	8,199	57	09-30	04/99	37.86	2,803
ABCW	Anchor Bancorp Wisconsin of WI	M.B.	Madison, WI	M.B.	4,482	37	03-31	07/92	28.95	631
BKMU	Bank Mutual Corp of WI	NASDAQ	Milwaukee, WI	Thrift	3,460	71	12-31	10/03	12.50	753
TONS	TierOne Corp. of Lincoln NE	NASDAQ	Lincoln, NE	Thrift	3,351	65	12-31	10/02	31.64	575
FFFC	First Place Fin. Corp. of OH	NASDAQ	Warren, OH	Thrift	3,012	27	06-30	01/99	25.08	438
UCFC	United Community Fin. of OH	NASDAQ	Youngstown OH	Thrift	2,671	35	12-31	07/98	13.04	404
CTZN	Citizens First Bancorp of MI	NASDAQ	Port Huron, MI	Thrift	1,778	23	12-31	03/01	30.06	245
MAUN	Maunwata Hlds MHC of WI(30.3)	NASDAQ	Maunwata, WI	Thrift	1,692	7	06-30	10/05	17.70	586
SPIN	BankFinancial Corp. of IL	NASDAQ	Burr Ridge, IL	Thrift	1,610	16	12-31	06/05	17.55	429
NASB	NASB Fin, Inc. of Grandview MO	NASDAQ	Grandview, MO	Thrift	1,550 J	8	09-30	09/85	41.37	346
DFSE	First Defiance Fin. Corp of OH	NASDAQ	Duane, OH	Thrift	1,525	27	12-31	10/95	29.12	208
CITZ	CYS Bancorp, Inc of Munster IN	NASDAQ	Munster, IN	Thrift	1,292	22	12-31	07/98	14.30	161
FCBI	Peoples Community Bncp. of OH	NASDAQ	West Chester, OH	Thrift	1,053	14	09-30	03/00	17.10	83
HMNF	HMN Financial, Inc. of MN	NASDAQ	Rochester, MN	Thrift	991	13	12-31	06/94	33.50	145
MWBF	MutualFirst Fin. Inc. of IN	NASDAQ	Muncie, IN	Thrift	991	19	12-31	12/99	21.95	96
FFFC	FF Financial Corp. of SD	NASDAQ	Sioux Falls, SD	Thrift	987	34	06-30	04/92	17.32	69
FULS	Pulsaki Fin Cp of St. Louis MO	NASDAQ	St. Louis, MO	Thrift	939 J	7	09-30	12/98	15.50	154
FFVC	FVR Capital Corp. of Solon OH	NASDAQ	Solon, OH	R.E.	912	16	06-30	12/92	10.35	80
FFPC	Hopped Bancorp, Inc. of KY	NASDAQ	Hopkinsville, KY	Thrift	759	9	12-31	02/98	16.26	60
CASH	Meta Financial Group of IA	NASDAQ	Storm Lake, IA	Thrift	747 J	16	09-30	09/93	26.70	68
PPBL	Peachtree Bancorp, Inc. of AR	NASDAQ	Jonesboro, AR	Thrift	733 J	20	09-30	04/98	16.32	76
FFBX	First Federal Bancshares of IA	NASDAQ	Sioux City, IA	Thrift	595	14	06-30	04/99	21.50	73
FFFD	North Central Bancshares of IA	NASDAQ	Fort Dodge, IA	Thrift	515	10	12-31	03/96	40.25	57
FFDC	Peoples Bancorp of Auburn IN	NASDAQ	Auburn, IN	Thrift	498 J	15	09-30	07/87	19.29	63
MFCB	MFB Corp. of Mishawaka IN	NASDAQ	Mishawaka, IN	Thrift	496	11	09-30	03/94	35.00	46
ABBI	Ameriana Bancorp of IN	NASDAQ	New Castle, IN	Thrift	479	10	12-31	03/87	13.87	43
FCAP	First Capital, Inc. of IN	NASDAQ	Corydon, IN	Thrift	452	12	12-31	01/99	16.55	53
WAYN	Wayne Savings Bancshares of OH	NASDAQ	Wooster, OH	Thrift	406	11	03-31	01/03	14.64	48
LSBI	LSB Fin. Corp. of Lafayette IN	NASDAQ	Lafayette, IN	Thrift	366	5	12-31	02/95	21.42	41
UCBA	United Comm Bncp MHC IN (45.0)	NASDAQ	Edwardsville, IL	Thrift	356	0	04-31	03/06	11.71	99
FCLP	First Clover Leaf Fin Cp of IL	NASDAQ	Edwardsville, IL	Thrift	341	4	12-31	07/06	11.50	104
FFBI	First Federal Bancshares of IL	NASDAQ	Colchester, IL	Thrift	340	8	12-31	09/00	22.82	29
RVR	River Valley Bancorp. of OH	NASDAQ	Cincinnati, OH	Thrift	334	6	12-31	12/96	19.10	31
FFRH	First Franklin Corp. of IN	NASDAQ	Cincinnati, OH	Thrift	324	8	12-31	01/88	15.99	27
CZWI	Citizens Comm Bancorp Inc of WI	NASDAQ	Cincinnati, OH	Thrift	313 P	0	11/06	11/06	9.79	70
CHEV	Cheviot Fin Cp MHC of OH(42.5)	NASDAQ	Cincinnati, OH	Thrift	312	5	12-31	01/04	13.15	124

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Characteristics of Publicly-Traded Thrifts
December 1, 2006 (1)

Ticker	Financial Institution	Exchg.	Primary Market	Operating Total Assets (\$Mil)	Offices	Fiscal Year	Conv. Date	Stock Price (\$)	Market Value (\$Mil)
Mid-West Companies (continued)									
FBEI	First Bancorp of Indiana of IN	NASDAQ	Evansville, IN	305	7	06-30	04/99	19.00	30
FBTC	First BancTrust Corp of IL	NASDAQ	Paris, IL	292	4	12-31	04/01	11.48	27
FFNM	First Fed of N. Michigan of MI	NASDAQ	Alpena, MI	286	10	12-31	04/05	9.19	28
LSCP	Liberty Bancorp. Inc. of MO	NASDAQ	Liberty, MO	283 P	6	09-30	07/06	10.05	48
KPFB	KY Fed Bd Sp MHC of KY (44.8)	NASDAQ	Hasard, KY	266	1	06-30	03/05	10.30	88
JRBB	Jacksonville Bcp MHC of IL(47.7)	NASDAQ	Jacksonville, IL	259	8	12-31	04/95	13.00	26
FBSI	First Bancshares, Inc. of MO	NASDAQ	Matn Grove, MO	227	10	06-30	12/93	16.40	25
FFED	Park Bancorp of Chicago IL	NASDAQ	Chicago, IL	226	4	12-31	08/96	33.45	37
CFBK	Central Federal Corp. of OH	NASDAQ	Shelbyville, OH	225	4	12-31	12/98	7.65	35
BRBI	Blue River Bancshares of IN	NASDAQ	Shelbyville, IN	214	5	12-31	06/98	6.27	22
FFDF	FFD Financial Corp of Dover OH	NASDAQ	Dover, OH	161	3	06-30	04/96	15.99	19
HCFC	Home City Fin. Corp. of OH	NASDAQ	Springfield, OH	149	2	12-31	12/96	15.87	13
FNFI	First Niles Fin., Inc. of OH	NASDAQ	Niles, OH	101	1	12-31	10/98	13.00	18
New England Companies									
FBCT	Peoples Bank MHC of CT (42.2)	NASDAQ	Bridgeport, CT	10,612	157	12-31	07/88	43.81	6,227
NAL	Newalliance Bancshares of CT	NYSE	New Haven, CT	7,199	64	12-31	04/04	16.38	1,794
BRKL	Brookline Bancorp. Inc. of MA	NASDAQ	Brookline, MA	2,375	15	12-31	07/02	13.84	852
BRLS	Berkshire Hills Bancorp of MA	NASDAQ	Pittsfield, MA	2,205	25	12-31	06/00	35.35	307
RCKB	Rockville Fin MHC of CT (45.0)	NASDAQ	Vtn Rockville CT	1,213	16	12-31	05/05	16.31	317
UBNK	United Fin Grp MHC of MA(46.6)	NASDAQ	W Springfield MA	948 M	11	12-31	07/05	14.46	248
BFBC	Benjamin Finkl Bancp of Inc of MA	NASDAQ	W Springfield, MA	902	9	12-31	04/05	14.31	118
MASB	MassBank Corp. of Reading MA	NASDAQ	Reading, MA	846	15	12-31	05/86	33.63	145
WFD	Westfield Finl MHC of MA(42.4)	AMEX	Westfield, MA	837	10	12-31	12/01	34.55	336
LEGC	Legacy Bancorp. Inc. of MA	NASDAQ	Pittsfield, MA	805	10	12-31	10/05	16.02	165
SIFI	SI Fin Op Inc MHC of CT (41.3)	NASDAQ	Williamantic, CT	744	16	12-31	10/04	12.05	150
HIFB	Hingham Inst. for Sav. of MA	NASDAQ	Hingham, MA	678	8	12-31	12/88	31.91	72
NRTS	NH Thrift Bancshares of NH	NASDAQ	Newport, NH	671	17	12-31	05/86	15.61	65
CEBK	Central Bancp of Somerville MA	NASDAQ	Somerville, MA	556	10	03-31	10/86	33.89	54
LSBK	LSB Corp of No. Andover MA	NASDAQ	North Andover, MA	522	7	12-31	05/86	16.25	74
FBBR	FBH Hldgs Inc MHC of CT (45.2)	NASDAQ	Putnam, CT	470	4	06-30	10/04	11.10	76
CBNK	Chicopee Bancorp. Inc. of MA	NASDAQ	Chicopee, MA	446	7	12-31	07/06	15.11	112
NVBL	Naug Vlylly Fin MHC of CT (44.6)	NASDAQ	Naugatuck, CT	405	6	12-31	10/04	12.43	93
NPBL	Newport Bancorp. Inc. of RI	NASDAQ	Newport, RI	293	5	12-31	07/06	14.00	68
NEBB	New England Bnchs Inc. of CT	NASDAQ	Enfield, CT	272	8	03-31	12/05	12.75	68
FLR	Mayflower Co-Op. Bank of MA	NASDAQ	Middleboro, MA	246 J	6	04-30	12/87	12.65	26
North-West Companies									
WFBL	Washington Federal, Inc. of WA	NASDAQ	Seattle, WA	9,069	121	09-30	11/82	23.24	2,030
FMSB	First Mutual Sncshrs Inc of WA	NASDAQ	Bellevue, WA	1,094	12	12-31	12/85	23.56	157
FPFO	Rainier Pacific Fin Group of WA	NASDAQ	Tacoma, WA	901	13	12-31	10/03	19.07	126
FBNN	FirstBank NW Corp. of WA	NASDAQ	Clarksom, WA	864	22	03-31	07/97	29.28	177
RVSB	Riverview Bancorp, Inc. of WA	NASDAQ	Vancouver, WA	844	16	03-31	10/97	14.25	165
TZBK	Timberland Bancorp, Inc. of WA	NASDAQ	Hoquiam, WA	577	25	09-30	01/98	36.80	138
South-East Companies									
NTBK	NetBank, Inc. of Alpharetta GA	NASDAQ	Alpharetta, GA	3,850	1	12-31	07/97	4.97	231
FFCH	First Fin. Holdings Inc. of SC	NASDAQ	Charleston, SC	2,658	47	09-30	11/83	36.16	459
SUPR	Superior Bancorp of AL	NASDAQ	Birmingham, AL	1,836	0			11.17	295
CFCP	Coastal Fin. Corp. of SC	NASDAQ	Myrtle Beach, SC	1,624 J	19	09-30	09/90	13.62	296
CFBN	Charter Finkl MHC of GA (19.2)	NASDAQ	West Point, GA	1,105 J	9	09-30	10/01	58.37	990
FFBR	First Fed. Bancshares of AR	NASDAQ	Waycross, AR	868	15	12-31	05/96	22.98	114
ACFC	Atl Cet Fed Cp of GA MHC(38.3)	NASDAQ	Waycross, GA	793	12	12-31	10/04	18.05	249
CSBK	Citizens South Banking of NC	NASDAQ	Gastonia, NC	726	11	12-31	10/02	12.90	106
TBR	Teche Hldng Cp of N Iberia LA	AMEX	New Iberia, LA	700 J	17	09-30	04/95	50.78	113
CFPC	Community Fin. Corp. of VA	NASDAQ	Staunton, VA	446	8	03-31	03/88	11.75	50
HBOS	Heritage Fm Op MHC of GA(30.3)	NASDAQ	Albany, GA	381	7	12-31	06/05	16.75	188

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Exhibit III-1
Characteristics of Publicly-Traded Thrifts
December 1, 2006(1)

Ticker	Financial Institution	Exchg. Market	Primary Market	Operating Total Strat.(2) Assets (\$Mil)	Offices	Fiscal Year	Conv. Date	Stock Price (\$)	Market Value (\$Mil)
South-East Companies (continued)									
JFBI	Jefferson Bancshares Inc of TN	NASDAQ	Morristown, TN	331	1	06-30	07/03	13.16	87
SBFC	South Street Fin. Corp. of NC	NASDAQ	Albemarle, NC	269	2	12-31	10/96	9.06	37
PEDE	Great Pee Dee Bancorp of SC	NASDAQ	Charaw, SC	214	3	06-30	12/97	15.99	29
GSIA	GS Financial Corp. of LA	NASDAQ	Metairie, LA	172	4	12-31	04/97	21.35	37
South-West Companies									
FBTX	Franklin Bank Corp of TX	NASDAQ	Houston, TX	5,173	32	12-31	12/03	19.62	462
VPPG	ViewPoint Finl MHC of TX(45.0)	NASDAQ	Plano, TX	1,557	34	12-31	10/06	17.25	445
Western Companies (Excl CA)									
UMBK	United Western Encp, Inc of CO	NASDAQ	Denver, CO	2,204	1	12-31	10/96	19.35	146
HOME	Home Fed Encp MHC of ID (40.7)	NASDAQ	Nampa, ID	761	15	09-30	12/04	17.90	272
Other Areas									

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

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

Date of Last Update: 12/01/06

EXHIBIT III-2
Public Market Pricing of Pennsylvania Thrifts

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Exhibit III-2
Market Pricing Comparatives
Prices As of November 24, 2006

Financial Institution	Market Capitalization		Per Share Data		Pricing Ratios (3)			Dividends (4)		Total Assets		Financial Characteristics (6)		Core					
	Price/Share (\$)	Market Value (\$Mil)	Market Value/Share (\$)	EPS (2) (\$)	P/E (X)	P/B (X)	P/A (X)	P/TS (X)	E/CORR (X)	Amount/Share (\$)	Yield (%)	Ratio (5) (%)	Total Assets (\$Mil)	Equity/Assets (%)	NPAs/Assets (%)	Reported ROA (%)	Core ROA (%)		
All Public Companies	19.74	427.00	0.87	13.24	19.46	154.46	18.31	174.01	19.96	0.42	2.09	33.60	3,003	11.69	0.46	0.62	6.34	0.60	
State of PA	19.34	875.19	0.90	12.82	19.76	155.74	16.38	184.64	18.95	0.41	2.03	31.69	6,949	10.29	0.34	0.58	6.47	0.61	6.63
State of PA	16.01	105.11	0.45	7.40	36.39	216.35	27.03	216.35	35.58	0.24	1.50	22.90	906	12.49	0.03	0.78	5.87	0.79	6.01
ABCC Abington Com Scp MRC PA (42.9)	22.91	15.76	0.44	9.98	NM	229.56	20.84	229.56	NM	0.36	1.57	NM	378	9.08	0.45	0.39	4.46	0.39	4.46
ALLS Alliance Bank MRC of PA (20.0)	10.74	139.59	0.61	9.93	16.03	108.16	7.28	166.00	13.26	0.40	3.72	49.38	1,918	6.73	0.19	0.46	7.00	0.56	8.46
BSBF BSB Financial Corp. of PA	10.00	29.76	0.06	6.88	NM	145.35	23.65	148.81	NM	0.00	0.00	0.00	284	16.27	0.25	-0.02	-0.15	0.15	0.88
FFCO Piedmont Fin MRC of PA (45.0)	18.83	55.74	1.17	14.81	14.37	127.14	7.63	135.76	16.09	0.56	2.97	47.86	730	6.00	NA	0.55	9.16	0.49	8.18
FBI Fidelity Bancorp, Inc. of PA	19.00	38.53	0.27	13.44	NM	141.37	7.28	141.37	NM	0.00	0.00	0.00	529	5.15	0.60	0.15	2.82	0.10	1.95
FICS Fox Chase Bncp MRC of PA(44.5)	13.74	89.76	0.17	8.37	NM	164.16	26.29	164.16	NM	0.00	0.00	0.00	767	16.02	0.42	0.35	2.85	0.33	2.69
HARL Harleysville Svcs Fin Cp of PA	18.68	71.92	1.09	12.59	17.14	148.37	9.27	148.37	17.14	0.68	3.64	62.39	776	6.25	NA	0.54	8.73	0.54	8.73
KHBT KBHT Bancorp, Inc. of PA	17.21	476.25	0.84	12.64	20.99	136.16	16.27	20.92	20.49	0.32	1.86	38.10	2,927	11.95	0.25	0.75	6.25	0.77	6.41
NWSS Northwest Bncp MRC of PA(39.0)	27.83	544.38	1.07	13.22	24.63	227.74	21.31	312.70	26.01	0.80	2.87	39.18	6,543	8.36	0.71	0.87	9.52	0.83	9.01
PVSA Parkvale Financial Corp of PA	32.63	185.34	2.34	22.05	13.65	147.98	9.64	198.72	13.94	0.80	2.45	34.19	3,924	6.51	0.35	0.73	11.30	0.71	11.06
PBIP Prudential Bncp MRC PA (43.5)	13.52	72.01	0.31	7.37	NM	183.45	34.94	183.45	NM	0.16	1.18	22.79	467	19.05	0.03	0.83	4.13	0.83	4.13
SOV Sovereign Bancorp, Inc. of PA	24.85	***.***	1.29	17.95	27.61	138.44	13.08	NM	19.26	0.32	1.29	34.81	90,409	9.44	0.35	0.58	6.36	0.83	8.98
THRD TF Fin. Corp. of Newtown PA	31.62	90.78	1.91	22.77	16.22	138.07	13.86	149.22	16.55	0.76	2.40	39.79	655	9.88	0.19	0.85	8.88	0.83	8.98
WVFC WVS Financial Corp. of PA	16.50	38.28	1.25	12.81	13.10	128.01	9.05	128.81	13.20	0.64	3.88	51.20	423	7.02	0.08	0.69	9.84	0.69	9.76
WFBC Willow Financial Bcp Inc of PA	13.35	228.35	0.91	13.96	17.25	109.96	14.70	225.40	16.87	0.48	3.13	52.75	1,553	13.37	1.00	0.84	6.54	0.85	6.49

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

Source: Corporate reports, offering circulars, and RP Financial, LC. calculations. The information provided in this report has been obtained from sources we believe are reliable, but we cannot guarantee the accuracy or completeness of such information.
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EXHIBIT III-3
Public Market Pricing of Mid-Atlantic Thrifts

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Exhibit III-3
Market Pricing Comparatives
Prices As of November 24, 2006

Financial Institution	Market Capitalization		Per Share Data		Pricing Ratio (3)				Dividends (4)		Financial Characteristics (6)								
	Market Value (\$)	Shares (\$M)	Core Book Value (\$)	12-Mth Value/SPB (2) (\$)	P/B (X)	P/B (Y)	P/A (W)	P/TA (V)	E/CORE (U)	Amount/Share (\$)	Yield % (S)	Payout % (R)	Total Assets (\$B)	NPAM/Assets (%)	ROA (%)	ROE (%)	Core ROA (%)	Core ROE (%)	
All Public Companies	19.74	427.00	0.87	13.24	19.46	154.46	18.31	174.01	19.96	0.42	2.09	33.60	3,003	11.69	0.46	0.62	6.34	0.60	6.06
Special Selection Grouping (8)	17.52	730.14	0.72	10.89	20.66	169.42	21.07	196.12	20.64	0.35	2.00	25.93	4,708	12.63	0.23	0.63	5.98	0.64	6.05
Special Comparative Group (9)																			
ABCC	16.01	105.11	0.45	7.40	36.39	216.35	27.03	216.35	35.58	0.24	1.50	22.50	906	12.49	0.03	0.78	5.87	0.79	6.01
ALLC	22.91	15.76	0.44	5.98	NM	229.56	20.84	229.56	NM	0.36	1.57	NM	378	9.08	0.45	0.39	4.46	0.39	4.46
ALB	12.07	170.69	0.16	8.84	NM	136.54	33.15	136.54	NM	0.16	1.33	NM	514	24.28	NA	0.41	1.92	0.43	2.05
ANFN	29.09	2968.88	1.92	12.70	15.17	235.35	13.75	275.99	15.57	0.96	3.21	50.00	21,599	5.84	0.25	0.88	14.80	0.86	14.50
AF	15.08	32.54	-1.17	5.39	NM	279.78	11.02	304.03	NM	0.50	3.32	NM	809	3.94	0.03	-0.07	-17.76	-0.05	-17.46
BBSB	12.05	50.99	0.34	6.05	37.79	213.40	41.65	213.40	37.79	0.00	0.00	0.00	608	19.61	0.05	1.21	5.80	1.22	5.80
BFSB	18.05	40.30	1.42	18.42	19.03	82.65	5.17	93.86	11.30	0.36	2.24	25.35	780	6.26	0.45	0.33	4.61	0.53	7.36
CBK	12.01	186.87	0.09	6.51	NM	184.49	43.22	184.49	NM	0.20	1.67	NM	823	23.43	NA	0.32	1.36	0.32	1.36
CBKX	13.11	27.68	0.32	8.19	NM	162.52	15.89	162.52	NM	0.00	0.00	0.00	379	9.78	0.03	0.43	4.15	0.41	4.03
CCBC	14.17	519.54	0.87	10.33	15.40	175.59	16.56	216.34	16.29	0.56	3.95	64.37	3,137	9.43	0.09	1.07	11.53	1.01	10.90
CCBCX	30.34	40.17	2.33	18.33	14.59	105.32	11.15	167.35	13.02	0.84	2.72	49.38	1,918	6.73	0.13	0.46	7.00	0.56	8.46
CCBCX	11.03	202.19	0.85	12.02	36.51	259.15	23.67	268.74	36.51	0.12	0.39	14.12	1,213	6.46	0.24	0.45	7.32	0.45	7.32
CCBCX	18.03	55.74	1.17	14.81	14.37	127.14	33.65	148.81	NM	0.00	0.00	0.00	284	16.27	0.25	-0.02	-0.15	0.15	0.88
CCBCX	19.00	38.53	0.27	13.44	NM	143.37	7.28	143.37	NM	0.00	0.00	0.00	730	5.00	NA	0.55	9.16	0.49	8.18
CCBCX	14.54	1610.96	0.85	13.41	17.11	117.16	19.98	262.45	17.11	0.48	3.20	56.47	8,065	17.05	0.23	1.10	6.91	1.18	6.91
CCBCX	17.49	369.30	1.06	10.19	16.50	171.64	13.49	186.86	16.50	0.44	2.52	41.51	2,737	7.86	0.09	0.90	11.76	0.90	11.76
CCBCX	13.74	89.76	0.17	8.37	24.04	147.41	22.42	147.41	24.51	0.30	2.40	25.18	129	16.02	0.36	0.97	6.28	0.33	6.16
CCBCX	12.50	12.26	0.51	4.88	NM	129.51	18.72	131.25	NM	0.00	0.00	NM	869	15.68	0.24	-0.01	-0.08	-0.01	-0.08
CCBCX	14.91	162.74	-0.01	14.49	NM	138.58	4.84	137.47	NM	0.00	0.00	NM	318	3.83	NA	1.55	-35.59	-2.04	-46.92
CCBCX	5.10	15.41	-2.36	4.03	NM	129.51	20.76	186.75	26.72	0.46	3.64	62.39	776	6.25	NA	0.74	6.91	0.80	7.15
CCBCX	18.50	28.54	0.58	8.30	27.68	148.75	9.27	148.37	17.14	0.68	2.97	38.10	2,927	11.95	0.25	0.75	6.25	0.77	6.41
CCBCX	14.50	71.92	1.09	13.59	17.14	146.37	9.27	148.37	17.14	0.68	2.97	38.10	2,927	11.95	0.25	0.75	6.25	0.77	6.41
CCBCX	13.36	7569.27	0.52	6.84	25.73	151.36	22.50	156.31	25.73	0.30	2.24	37.69	33,637	14.87	0.06	0.99	5.75	0.99	5.75
CCBCX	10.30	15.99	-2.27	7.97	NM	129.51	9.94	123.23	NM	0.00	0.00	NM	161	7.69	0.43	-1.65	-18.13	-2.14	-23.52
CCBCX	14.96	795.51	0.23	7.87	NM	190.09	30.92	190.09	NM	0.00	0.00	0.00	5,627	16.26	0.06	0.26	1.74	0.49	3.34
CCBCX	17.21	476.25	0.84	13.64	20.99	136.16	16.27	220.92	20.49	0.32	1.86	38.10	2,927	11.95	0.25	0.75	6.25	0.77	6.41
CCBCX	16.68	363.97	0.10	6.73	NM	247.85	59.59	298.39	NM	0.20	1.20	NM	2,028	24.04	0.05	0.35	1.45	0.35	1.45
CCBCX	12.97	38.60	0.31	8.37	NM	156.93	24.48	156.93	NM	0.12	0.93	17.42	350	15.61	0.36	0.54	4.69	0.58	5.02
CCBCX	13.75	37.44	0.54	6.30	NM	171.88	19.83	171.88	25.46	0.00	0.00	0.00	411	11.54	0.10	0.32	4.34	0.82	11.16
CCBCX	11.50	68.44	0.13	7.30	NM	157.53	52.42	157.53	NM	0.00	0.00	0.00	290	33.27	NA	0.57	2.45	0.57	2.45
CCBCX	17.30	4810.41	0.88	13.58	22.33	129.57	16.63	331.98	18.52	1.00	6.13	NM	28,924	12.84	0.11	0.79	6.22	0.95	7.50
CCBCX	27.83	544.38	1.07	12.22	24.63	227.74	21.31	312.70	26.01	0.80	2.87	39.18	6,543	9.36	0.71	0.60	5.50	0.60	5.50
CCBCX	13.00	51.65	0.39	7.20	33.33	180.56	19.92	180.56	33.33	0.00	0.00	0.00	563	11.03	0.01	0.60	5.50	0.60	5.50
CCBCX	22.83	281.93	0.91	11.09	14.92	205.86	13.60	207.55	25.09	0.80	3.50	NM	2,073	6.61	0.10	0.93	13.85	0.55	8.24
CCBCX	11.22	38.98	0.46	7.17	22.90	156.49	20.11	243.38	24.39	0.46	4.10	NM	434	12.85	0.03	0.87	7.03	0.82	6.60
CCBCX	23.10	114.95	1.35	12.06	16.27	191.54	17.87	191.54	17.11	0.92	3.98	68.15	643	9.33	0.16	1.09	11.96	1.04	11.37
CCBCX	32.63	185.34	2.34	22.05	13.65	147.98	9.64	198.72	13.94	0.80	2.45	34.19	1,924	6.51	0.25	0.73	11.30	0.71	11.06
CCBCX	11.54	511.12	0.59	11.12	20.25	103.78	13.56	215.30	19.56	0.28	2.14	47.46	3,770	13.06	0.18	0.67	4.90	0.69	5.07
CCBCX	13.45	11.84	0.31	8.67	NM	153.13	10.73	191.87	NM	0.41	3.05	NM	298	7.17	0.78	0.22	3.16	0.25	3.63
CCBCX	13.51	230.45	0.91	9.69	21.68	201.34	10.73	191.87	21.44	0.28	1.44	30.77	2,334	5.33	0.08	0.52	9.30	0.52	9.40
CCBCX	18.28	1161.95	0.86	15.94	21.01	114.68	19.92	199.35	21.26	0.40	2.19	46.51	5,824	17.40	0.10	0.93	5.26	0.92	5.20
CCBCX	15.22	649.88	0.47	9.49	32.38	160.28	22.88	278.75	32.38	0.20	1.31	42.55	2,840	14.27	0.17	0.74	5.09	0.74	5.09
CCBCX	13.52	72.01	0.31	7.37	NM	183.45	34.94	183.45	NM	0.15	1.18	22.79	467	19.05	0.02	0.83	4.13	0.83	4.13
CCBCX	15.84	160.73	0.12	7.13	NM	222.16	59.33	222.16	NM	0.00	0.00	0.00	874	26.70	NA	0.43	2.09	0.43	2.09
CCBCX	12.84	112.07	0.37	9.23	33.79	139.11	37.85	139.11	34.70	0.30	2.34	NM	296	27.21	0.28	1.09	3.75	1.06	3.65
CCBCX	19.15	175.24	1.72	9.10	10.94	210.44	19.25	211.37	11.13	0.24	1.23	13.95	910	9.10	0.32	1.84	21.01	1.81	20.65
CCBCX	24.85	183.36	0.37	8.47	27.61	138.40	13.08	196.20	19.26	0.32	1.29	24.81	90,409	9.44	0.35	0.50	6.26	0.83	8.98
CCBCX	16.11	183.36	0.37	8.47	NM	190.20	18.46	191.56	NM	0.24	1.49	64.86	993	9.71	0.05	0.43	4.40	0.43	4.40
CCBCX	31.62	90.78	1.91	22.77	16.22	138.87	28.08	149.22	16.56	0.76	5.68	NM	3,001	7.58	0.19	0.85	0.88	0.83	0.89
CCBCX	11.26	842.56	0.65	3.04	17.06	370.39	28.08	371.62	17.06	0.32	1.68	6.87	3,000	6.95	0.12	1.03	15.91	1.07	16.55
CCBCX	66.10	441.22	4.66	31.22	14.75	213.72	14.71	213.23	14.18	0.22	0.68	51.20	423	7.02	0.08	0.65	9.74	0.69	9.74
CCBCX	15.50	38.28	1.25	12.81	13.10	128.91	9.03	128.91	13.10	0.64	3.68	81.20	444	13.54	0.16	1.80	27.59	0.74	27.46
CCBCX	8.90	66.08	0.58	8.87	13.09	110.28	14.86	110.28	15.34	0.16	1.80	27.59	423	7.02	NA	1.63	8.74	0.88	8.74
CCBCX	15.35	228.95	0.																

- (6) ROA (return on assets) and ROE (return on equity) are indicated ratios based on trailing twelve month earnings and average equity and assets balances.
- (7) Excludes from averages those companies the subject of actual or rumored acquisition activities or unusual operating characteristics.
- (8) Includes Mid-Atlantic Companies.

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

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EXHIBIT III-4
Public Market Pricing of Midwest Thrifts

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Financial Services Industry Consultants
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Exhibit III-4
Market Pricing Comparatives
Prices As of November 24, 2006

Financial Institution	Market Capitalization		Per Share Data		Pricing Ratios(3)			Dividends(4)			Financial Characteristics(6)									
	Price/Share(\$)	Market Value(\$M)	Core EPS(\$)	12-Mth Value/Share(\$)	P/E(x)	P/B(x)	P/A(x)	P/TH(x)	P/COB(x)	Amount/Share(\$)	Field Ratio(%)	Payout Ratio(%)	Total Assets(\$M)	Assets/Share(\$)	ROA(%)	ROE(%)	Core ROA(%)	Core ROE(%)		
All Public Companies	19.74	427.00	0.87	13.24	19.46	134.46	18.31	174.01	19.96	0.42	2.09	33.60	3,003	11.69	0.46	0.82	6.34	0.60	6.06	
Special Selection Grouping(8)	19.77	153.32	0.91	15.01	19.68	134.17	15.27	148.23	20.35	0.52	2.64	43.82	1,579	11.43	0.86	0.59	5.90	0.57	5.85	
Special Comparative Group(9)																				
ABSI American Bancorp of IN	13.87	43.37	0.07	10.93	NM	126.90	9.06	130.11	NM	0.64	4.61	NM	479	7.14	1.42	0.07	0.89	0.05	0.62	
ABCW Anchor Bancorp Wisconsin of WI	28.95	630.73	1.85	15.18	14.07	202.87	14.07	202.87	15.65	0.68	2.35	36.76	4,482	7.38	0.43	0.59	13.30	0.94	12.55	
BFMC Bank Mutual Corp of WI	12.50	752.56	0.34	8.76	33.78	142.69	21.75	159.64	36.76	0.30	2.40	NM	3,660	15.24	0.26	0.64	4.16	0.59	3.82	
BFIN BankFinancial Corp. of IL	17.53	429.33	0.48	13.32	36.56	131.76	26.67	146.45	36.56	0.24	1.37	50.00	1,610	20.24	0.39	0.72	3.56	0.72	3.56	
BBSI Blue River Bancshares of IN	6.37	21.99	0.41	5.12	15.29	122.46	10.25	151.08	15.29	0.07	1.12	17.07	214	0.37	1.88	0.87	8.25	0.87	8.25	
CITS Citi Bancorp, Inc of Muskegon IN	14.30	161.49	0.48	11.78	29.18	121.39	12.50	122.64	29.18	0.48	3.36	NM	1,292	10.29	1.91	0.44	3.99	0.43	3.91	
CFPB Capital Fed Pa Banc of KS (29.5)	37.86	827.88	0.65	11.66	NM	324.70	34.13	324.70	NM	2.00	5.28	NM	8,199	10.53	0.11	0.58	5.58	0.58	5.58	
CFBK Central Federal Corp. of OH	7.65	34.76	0.22	6.45	NM	118.60	13.44	118.60	NM	0.36	4.71	NM	225	13.02	0.08	-0.40	-3.17	-0.31	-4.10	
CEWY Chevrolet Fin Cp MHC of OH(42.3)	13.15	53.02	0.20	7.70	NM	170.78	39.68	170.78	NM	0.28	2.13	NM	312	23.23	0.08	0.60	2.41	0.63	2.53	
CHWI Citizens Cm Bancorp Inc of WI	9.79	69.68	0.18	10.74	NM	91.15	23.24	100.93	NM	0.10	1.02	55.56	313	24.40	0.44	0.41	1.68	0.41	1.68	
CTZN Citizens First Bancorp of MI	30.06	245.08	1.09	21.35	28.36	140.80	13.78	153.82	27.58	0.36	1.20	33.03	1,778	9.79	1.18	0.51	5.06	0.52	5.21	
FDNY First Defiance Fin. Corp of OH	15.99	19.40	0.81	15.60	14.54	102.30	9.23	105.71	18.74	0.56	3.50	69.14	161	11.79	0.30	0.83	7.05	0.61	5.19	
FFDC First BancTrust Corp of IL	11.48	26.91	0.40	11.27	25.51	101.86	9.68	110.34	24.70	0.24	2.09	60.00	292	9.06	0.63	0.38	4.04	0.34	3.59	
FFBI First Bancorp of Indiana of IN	19.00	29.31	1.28	18.41	19.19	103.20	9.68	110.34	14.64	0.60	3.16	46.88	305	9.38	0.40	0.50	5.38	0.63	6.95	
FFBI First Bancshares, Inc. of MO	16.40	25.45	0.07	17.04	NM	96.24	11.21	97.39	NM	0.16	0.98	NM	227	11.65	0.59	-0.03	-0.23	0.05	0.41	
FCAP First Capital, Inc. of IN	18.55	52.81	1.20	15.28	14.61	121.40	11.63	140.00	15.46	0.68	3.67	56.67	452	9.63	0.89	0.80	8.41	0.76	7.94	
FCLE First Clover Leaf Fin Cp of IL	11.50	104.35	0.10	10.26	NM	112.09	30.63	128.06	NM	0.74	2.09	NM	341	27.32	0.34	0.82	3.17	0.31	3.54	
FFBF First Defiance Fin. Corp of OH	29.12	207.95	1.93	22.15	13.80	131.47	13.64	174.06	15.05	0.96	3.20	49.74	1,525	10.37	0.59	1.02	9.82	0.93	8.99	
FFBN First Fed of N. Michigan of MI	9.19	27.89	0.30	11.71	31.69	78.48	9.74	88.62	30.63	0.20	2.18	66.67	286	12.41	1.61	0.31	2.43	0.32	2.52	
FFBI First Federal Bancshares of IA	22.82	28.50	0.45	17.55	NM	130.03	8.39	139.74	NM	0.48	2.10	NM	340	6.45	0.38	0.16	2.64	0.16	2.64	
FFBS First Federal Bancshares of IA	15.99	72.73	0.90	20.48	20.87	104.98	12.23	143.24	23.89	0.42	1.95	46.67	595	11.63	1.43	0.59	5.05	0.51	4.42	
FFHS First Franklin Corp. of OH	24.96	24.96	0.87	15.00	24.60	106.60	8.33	106.60	18.38	0.36	2.25	41.38	324	7.81	1.37	0.36	4.41	0.48	5.90	
FFPI First Miles Fin., Inc. of OH	13.00	18.01	0.41	11.66	33.64	111.49	17.83	111.49	31.71	0.64	4.92	NM	101	15.99	0.60	0.77	4.74	0.57	3.53	
FFPC First Place Fin. Corp. of OH	45.08	437.80	1.25	18.28	18.31	137.20	14.53	203.90	20.06	0.62	2.47	49.60	3,012	18.59	0.66	0.86	6.73	0.78	7.97	
FFFC First Citizens Bancshares of MI	15.06	597.38	1.11	12.82	10.53	137.47	6.33	137.47	13.57	0.60	3.98	54.05	15,120	5.39	0.60	0.60	11.58	0.46	8.99	
FFFC First Citizens Bancshares of MI	17.32	68.67	1.51	14.71	16.04	137.74	6.33	137.47	11.47	0.42	2.42	37.81	987	5.21	1.34	0.40	7.34	0.61	10.27	
FFFC First Citizens Bancshares of MI	31.50	145.49	1.87	21.20	15.73	158.02	14.68	165.11	17.91	1.00	2.99	53.48	991	9.29	1.34	0.40	7.34	0.61	10.27	
FFFC First Citizens Bancshares of MI	13.27	13.27	0.94	16.59	16.88	95.66	8.89	97.18	16.88	0.44	2.77	46.81	149	9.29	1.34	0.40	7.34	0.61	10.27	
FFFC First Citizens Bancshares of MI	16.26	59.51	1.15	14.26	14.52	114.03	7.84	137.33	14.14	0.48	2.95	41.74	759	6.88	0.15	0.60	6.16	0.62	8.38	
FFFC First Citizens Bancshares of MI	13.00	12.31	0.50	10.57	35.00	122.99	9.95	142.54	26.00	0.30	2.31	28.62	259	6.09	0.35	0.40	5.09	0.39	4.89	
FFFC First Citizens Bancshares of MI	10.30	39.51	0.23	7.46	NM	138.07	32.94	181.66	NM	0.40	3.88	NM	266	32.86	0.56	0.70	2.95	0.74	3.08	
FFFC First Citizens Bancshares of MI	40.82	40.82	1.95	21.38	12.46	118.90	11.16	118.90	13.04	0.68	2.68	34.87	366	9.39	2.82	0.88	9.82	0.85	9.38	
FFFC First Citizens Bancshares of MI	10.05	47.77	0.37	9.86	27.16	101.93	16.89	101.93	27.16	1.00	2.25	27.03	283	16.57	0.71	0.62	3.75	0.62	3.75	
FFFC First Citizens Bancshares of MI	44.46	148.60	2.91	32.28	17.42	137.73	12.72	224.08	15.28	1.00	2.25	34.36	11,465	9.24	0.39	0.39	10.05	0.86	9.34	
FFFC First Citizens Bancshares of MI	35.00	46.24	1.81	29.48	21.34	115.72	9.32	131.09	19.34	0.66	1.89	36.46	496	7.83	1.79	0.41	5.63	0.46	6.22	
FFFC First Citizens Bancshares of MI	26.70	67.66	2.19	17.16	17.80	155.59	9.06	168.77	12.19	0.52	1.95	23.74	747	5.82	0.57	0.50	8.89	0.73	12.98	
FFFC First Citizens Bancshares of MI	21.95	94.40	1.26	20.01	17.02	109.70	9.73	132.23	17.42	0.60	2.73	47.62	991	9.87	0.90	0.58	6.41	0.57	6.27	
FFFC First Citizens Bancshares of MI	40.25	56.29	3.36	30.37	16.10	225.70	22.33	230.23	32.83	0.90	2.18	71.43	1,550	9.89	0.69	1.39	14.36	0.68	7.04	
FFFC First Citizens Bancshares of MI	10.35	79.87	0.61	9.07	11.98	132.53	11.08	149.74	11.98	1.32	3.28	39.29	515	8.36	0.73	0.96	11.03	0.96	11.03	
FFFC First Citizens Bancshares of MI	33.45	37.30	0.23	16.35	15.22	114.11	8.75	114.11	16.97	0.30	2.90	49.18	912	7.67	1.80	0.58	6.73	0.53	6.73	
FFFC First Citizens Bancshares of MI	19.29	62.62	1.13	19.29	18.37	106.94	16.47	126.24	NM	0.72	2.15	NM	226	14.58	1.58	-0.11	-0.86	-0.11	-0.86	
FFFC First Citizens Bancshares of MI	17.10	82.59	0.16	18.74	NM	147.26	7.84	139.24	NM	0.60	3.51	67.26	498	12.97	0.45	0.69	5.29	0.74	5.69	
FFFC First Citizens Bancshares of MI	16.32	75.76	0.47	11.09	35.50	147.16	10.34	199.27	34.72	0.32	1.96	68.09	733	7.02	0.34	0.40	5.70	0.30	4.19	
FFFC First Citizens Bancshares of MI	15.50	184.34	0.97	7.41	17.42	209.18	16.43	223.02	15.98	0.34	2.19	35.05	939	7.85	1.07	1.05	15.24	1.15	16.61	
FFFC First Citizens Bancshares of MI	15.10	30.90	1.03	14.68	17.69	130.11	9.43	130.29	18.54	0.78	4.08	NM	334	7.12	NA	0.54	7.52	0.51	7.17	
FFFC First Citizens Bancshares of MI	31.64	574.99	2.15	18.99	14.38	166.61	17.63	195.55	14.72	0.28	0.88	13.02	3,351	10.30	0.95	1.22	12.47	1.19	12.19	
FFFC First Citizens Bancshares of MI	11.71	44.60	0.15	7.53	NM	155.51	27.83	155.51	NM	0.28	2.39	NM	356	17.89	0.27	0.31	2.01	0.36	2.32	
FFFC First Citizens Bancshares of MI	13.70	403.74	0.72	8.94	16.94	145.86	15.12	167.18	18.11	0.36	2.76	50.00	2,671	10.16	1.22	0.92	6.88	0.86	6.30	
FFFC First Citizens Bancshares of MI	17.00	177.12	0.16	7.23	NM	245.15	34.62	245.15	NM	0.00	0.00	0.00	1,592	14.13	0.98	0.31	2.30	0.33	2.46	
FFFC First Citizens Bancshares of MI	14.64	48.37	0.66	10.81	26.62	135.43	11.92	145.38	22.18	0.48	3.28	72.73	406	8.80	0.22	0.45	5.08	0.54	6.10	

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

Sources: Corporate reports, offering circulars, and RP Financial, LC. calculations. The information provided in this

EXHIBIT III-5
Peer Group Market Area Comparative Analysis

Exhibit III-5
Peer Group Market Area Comparative Analysis

Institution	County	Population		Proj. Pop. 2011	2000-2006 % Change	2006-2011 % Change	Per Capita Income		Deposit Market Share(1)
		2000 (000)	2006 (000)				Amount	% State Average	
American Bancorp of NJ	Essex	794	810	823	2.1%	1.6%	30,301	88.6%	2.1%
CFS Bancorp, Inc. of IN	Lake	485	499	506	2.9%	1.4%	24,322	95.6%	8.5%
First Capital Inc. of IN	Harrison	34	37	40	8.4%	7.5%	23,183	91.1%	38.6%
First Federal Bankshares of IA	Woodbury	104	102	100	-1.8%	-1.9%	23,088	94.1%	14.9%
HMN Financial, Inc. of MN	Olmsted	124	142	157	14.4%	10.6%	32,873	109.9%	22.5%
Harleysville Savings Fin. Corp. of PA	Montgomery	750	781	805	4.1%	3.1%	40,652	151.7%	1.7%
Pamrapo Bancorp, Inc. of NJ	Hudson	609	621	629	1.9%	1.3%	25,868	75.6%	2.2%
Peoples Bancorp of IN	DeKalb	40	42	44	4.3%	3.9%	23,968	94.2%	35.6%
Synergy Financial Group of NJ	Union	523	539	548	3.1%	1.7%	33,195	97.0%	2.8%
TF Financial Corp. of PA	Bucks	598	635	661	6.3%	4.1%	36,137	134.9%	1.6%
	Averages:	406	421	431	4.6%	3.3%	29,359	103.3%	13.0%
	Medians:	504	519	527	3.6%	2.4%	28,085	94.9%	5.6%
ESSA Bank & Trust of PA	Monroe	139	167	196	20.7%	17.4%	24,588	91.8%	19.2%

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

Sources: ESRI, FDIC.

EXHIBIT IV-1
Stock Prices:
As of November 24, 2006

Exhibit IV-1
Weekly Thrift Market Line - Part One
Prices As Of November 24, 2006

Financial Institution	Market Capitalization		Price Change Data				Current Per Share Financials						
	Price/ Share(1)	Shares Outstanding(2)	52 Week (3)		% Change From		Trailing 12 Mo. EPS(3)	Book Value/ Share(4)	Book Value/ Assets/ Share(4)	Book Value/ Assets/ Share(4)			
			High (\$)	Low (\$)	Last Week (\$)	Last 52 Wks Avg(2)					2006(2)	2005(2)	
All Public Companies(131)	20.83	26,570	22.70	17.83	20.83	0.00	7.22	7.09	1.13	1.06	14.90	13.24	166.60
GAIF-Insured Thrifts(131)	20.83	26,570	22.70	17.83	20.83	0.00	7.22	7.09	1.13	1.06	14.90	13.24	166.60
RTSG-Traded Companies(13)	20.94	104,194	21.52	24.10	20.94	0.00	5.90	7.01	2.19	1.63	18.62	15.29	237.36
AMER-Traded Companies(4)	21.49	5,377	23.69	17.79	21.49	0.00	10.23	4.77	1.80	1.32	15.33	14.31	190.99
WASDAQ Listed CRC Companies(114)	19.80	17,766	21.57	17.06	19.80	0.00	7.36	7.19	1.00	0.98	14.43	12.91	156.91
California Companies(7)	22.71	17,487	35.02	21.08	22.71	0.00	6.72	7.34	2.99	2.22	21.16	20.85	283.50
Florida Companies(7)	15.13	29,338	18.17	13.52	15.13	0.00	3.05	6.40	0.86	0.74	9.59	8.66	171.79
Mid-Atlantic Companies(35)	19.39	62,381	22.09	16.74	19.39	0.00	5.07	5.90	1.01	1.00	12.93	10.59	149.42
Mid-West Companies(45)	20.12	9,466	22.09	17.40	20.12	0.00	7.04	6.08	1.02	1.00	15.90	14.24	168.72
New England Companies(14)	20.84	17,660	22.72	18.61	20.84	0.00	10.35	10.05	0.67	0.77	16.35	14.33	147.95
North-West Companies(6)	23.38	23,192	24.66	18.07	23.38	0.00	6.00	22.57	1.36	1.29	13.42	12.45	126.10
South-East Companies(12)	18.83	11,864	20.33	15.85	18.83	0.00	6.00	6.99	0.88	0.85	12.73	11.78	127.46
South-West Companies(11)	19.62	23,541	21.88	16.11	19.62	0.00	7.51	9.06	1.03	0.86	14.86	8.19	219.75
Western Companies (Excl CA)(1)	19.35	7,957	24.60	17.06	19.35	0.00	6.26	2.87	0.25	0.54	14.51	14.51	291.61
Thrift Strategy(123)	20.40	22,946	22.27	17.44	20.40	0.00	7.41	7.17	1.09	1.01	14.80	13.17	163.06
Mortgage Banker Strategy(4)	24.46	141,344	26.85	21.32	24.46	0.00	4.20	7.07	1.54	1.52	15.46	11.98	187.43
Real Estate Strategy(1)	10.35	7,117	11.38	9.70	10.35	0.00	-3.72	-2.73	0.69	0.61	9.07	9.07	118.23
Diversified Strategy(1)	66.10	6,675	66.91	57.22	66.10	0.00	7.22	7.92	4.48	4.66	31.22	31.00	449.39
Companies Issuing Dividends(116)	21.30	28,157	23.13	18.29	21.30	0.00	7.53	7.33	1.21	1.14	15.21	13.46	166.30
Companies Without Dividends(15)	17.14	14,329	19.40	14.31	17.14	0.00	4.83	5.22	0.51	0.39	12.31	11.52	168.93
Equity/Assets <6%(12)	18.04	29,857	21.15	16.31	18.04	0.00	5.85	5.22	1.18	1.22	13.29	12.40	251.27
Equity/Assets 6-12%(85)	23.05	17,452	25.10	19.78	23.05	0.00	4.06	4.68	1.37	1.24	15.83	14.13	190.07
Equity/Assets >12%(34)	16.09	48,613	17.43	13.62	16.09	0.00	15.17	13.19	0.54	0.56	13.19	11.38	84.76
Converted Last 3 Mths (no MRC)(1)	9.79	7,117	9.79	6.39	9.79	0.00	54.66	41.68	0.18	0.18	10.74	9.70	44.02
Actively Traded Companies(10)	28.53	62,858	30.47	24.94	28.53	0.00	5.08	7.23	1.49	1.53	18.95	16.10	212.71
Market Value Below \$20 Million(6)	13.25	1,322	16.08	11.89	13.25	0.00	-5.35	-9.75	0.36	0.17	12.44	12.39	132.43
Holding Company Structure(125)	21.01	27,747	22.86	17.99	21.01	0.00	7.80	7.66	1.15	1.08	15.02	13.28	166.89
Assets Over \$1 Billion(54)	24.12	59,331	26.11	20.59	24.12	0.00	5.05	6.48	1.49	1.28	15.69	12.70	185.53
Assets \$500 Million-\$1 Billion(38)	21.40	5,726	23.26	18.32	21.40	0.00	7.58	7.00	1.15	1.10	15.39	14.17	177.66
Assets \$250-\$500 Million(28)	15.80	3,919	17.30	13.61	15.80	0.00	12.75	11.54	0.71	0.74	13.28	12.79	133.27
Assets less than \$250 Million(11)	15.36	1,895	17.63	13.36	15.36	0.00	3.28	0.04	0.39	0.32	13.83	13.67	120.10
Goodwill Companies(93)	23.05	33,544	24.90	19.54	23.05	0.00	7.49	7.84	1.32	1.23	16.06	13.79	181.11
Non-Goodwill Companies(35)	16.20	6,956	18.18	14.42	16.20	0.00	5.20	4.10	0.71	0.69	12.51	12.51	135.53
Acquirers of Public Cases(4)	30.42	29,969	32.43	25.16	30.42	0.00	-0.75	0.46	1.73	1.33	20.48	20.22	242.58

(1) Averages of high/low or bid/ask price per share.
(2) Or since offering price if converted or first listed in 2005 or within the past 52 weeks. Percent change figures are actual year-to-date and are not annualized.
(3) EPS (earnings per share) is based on actual trailing twelve month data and is not shown on a pro forma basis.
(4) Excludes intangibles (such as goodwill, value of core deposits, etc.).
(5) ROA (return on assets) and ROE (return on equity) are indicated ratios based on trailing twelve month common earnings and average common equity and assets balances.
(6) Annualized, based on last regular quarterly cash dividend announcement.
(7) Indicated dividend as a percent of trailing twelve month earnings.
(8) Excluded from averages due to actual or rumored acquisition activities or unusual operating characteristics.
(9) For MRC institutions, market value reflects share price multiplied by public (non-MRC) shares.
* All thrifts are GAIF insured unless otherwise noted with an asterisk. Parentheses following market averages indicate the number of institutions included in the respective averages. All figures have been adjusted for stock splits, stock dividends, and secondary offerings.
Source: Corporate reports and offering circulars for publicly traded companies, and RP Financial, LC, calculations. The information provided in this report has been obtained from sources we believe are reliable, but we cannot guarantee the accuracy or completeness of such information.

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Exhibit IV-3 (continued)
Weekly Thrift Market Line - Part One
Prices As Of November 14, 2006

Financial Institution	Market Capitalization		Price Change Data				Current Per Share Financials						
	Price/Share (\$)	Shares Outstanding (\$MM)	52 Week High (\$)	52 Week Low (\$)	Last Week (\$)	Last 52 Weeks (%)	Trailing 12 Mo. EPS (\$)	12 Mo. EPS (\$)	12 Mo. EPS (\$)	Book Value/Share (\$)	Assets/Share (\$)		
All Public Companies(40)	16.24	19,124	17.12	12.85	16.24	0.00	22.10	23.55	0.28	7.88	7.49	61.66	
BAIF-Insured Thrifts(40)	16.24	19,124	17.12	12.85	16.24	0.00	22.10	23.55	0.28	7.88	7.49	61.66	
AMEX Traded Companies(2)	12.50	2,252	14.35	10.95	12.50	0.00	11.11	10.13	0.52	8.48	8.48	25.75	
NASDAQ Listed OTC Companies(38)	16.34	19,579	17.20	12.90	16.34	0.00	22.40	23.91	0.37	7.87	7.47	61.82	
California Companies(1)	18.21	14,126	18.25	11.73	18.21	0.00	45.91	51.75	0.28	6.59	6.28	31.50	
MID-Atlantic Companies(41)	14.70	20,385	15.73	11.93	14.70	0.00	19.42	20.79	0.25	7.78	7.34	63.43	
MID-West Companies(6)	17.29	22,587	18.37	14.27	17.29	0.00	14.91	13.92	0.31	8.43	8.15	66.43	
New England Companies(7)	13.27	12,663	13.62	11.01	13.27	0.00	14.36	17.59	0.29	7.38	7.11	60.12	
South-East Companies(3)	28.39	14,859	29.45	19.72	28.39	0.00	38.32	38.28	0.41	8.35	8.15	49.18	
South-West Companies(1)	17.25	25,789	17.35	14.25	17.25	0.00	72.50	72.50	0.11	6.10	6.25	60.37	
Western Companies(1)	17.90	15,169	17.99	12.05	17.90	0.00	37.90	47.57	0.41	6.36	7.11	50.19	
Thrift Strategy(39)	16.24	19,124	17.12	12.85	16.24	0.00	22.10	23.55	0.28	7.88	7.49	61.66	
Companies Issuing Dividends(28)	17.19	16,634	18.28	13.98	17.19	0.00	16.32	18.88	0.32	8.06	7.40	66.48	
Companies Without Dividends(12)	14.18	24,519	14.62	11.29	14.18	0.00	34.63	33.65	0.21	7.54	7.52	51.23	
Equity/Assets <68%(1)	15.08	5,913	15.52	10.55	15.08	0.00	16.81	16.00	-1.19	-1.17	5.39	4.96	136.87
Equity/Assets 6-12%(12)	17.65	15,690	19.18	14.72	17.65	0.00	8.15	12.06	0.45	8.78	8.12	90.18	
Equity/Assets >12%(27)	15.61	21,300	16.20	12.05	15.61	0.00	29.01	29.36	0.26	7.55	7.23	44.96	
Holding Company Structure(36)	16.39	19,169	17.31	13.03	16.39	0.00	21.84	23.13	0.28	7.97	7.56	63.52	
Assets Over \$1 Billion(9)	24.87	51,357	25.86	18.47	24.87	0.00	36.64	38.93	0.42	9.30	8.70	58.58	
Assets \$500 Million-\$1 Billion(12)	15.12	16,320	15.43	11.71	15.12	0.00	27.51	30.06	0.15	6.99	6.69	58.58	
Assets \$250-\$500 Million(18)	13.30	7,447	14.43	11.17	13.30	0.00	12.94	13.47	0.29	6.31	7.76	7.27	60.84
Assets less than \$250 Million(1)	12.50	2,252	14.35	10.95	12.50	0.00	11.11	10.13	0.52	8.48	8.48	55.75	
Goodwill Companies(19)	16.84	17,267	17.76	12.95	16.84	0.00	20.59	22.69	0.26	7.82	7.00	66.92	
Non-Goodwill Companies(21)	15.71	20,785	16.55	12.76	15.71	0.00	23.46	24.31	0.30	7.94	7.94	56.93	
MHC Institutions(40)	16.24	19,124	17.12	12.85	16.24	0.00	22.10	23.55	0.28	7.88	7.49	61.66	
MHC Converted Last 3 Months(2)	15.50	20,235	15.56	13.25	15.50	0.00	54.95	54.55	0.15	8.31	8.31	56.32	

(1) Average of high/low or bid/ask price per share.
(2) Or since offering price if converted or first listed in 2005 or within the past 52 weeks. Percent change figures are actual year-to-date and are not annualized.
(3) EPS (earnings per share) is based on actual trailing twelve month data and is not shown on a pro forma basis.
(4) Excludes intangibles (such as goodwill, value of core deposits, etc.).
(5) ROA (return on assets) and ROE (return on equity) are indicated ratios based on trailing twelve month common earnings and average common equity and assets balances.
(6) Annualized, based on last regular quarterly cash dividend announcement.
(7) Indicated dividend as a percent of trailing twelve month earnings.
(8) Excluded from averages due to actual or rumored acquisition activities or unusual operating characteristics.
(9) For MHC institutions, market value reflects share price multiplied by public (non-MHC) shares.

* All thrifts are BAIF insured unless otherwise noted with an asterisk. Parentheses following market averages indicate the number of institutions included in the respective averages. All figures have been adjusted for stock splits, stock dividends, and secondary offerings.
Source: Corporate reports and offering circulars for publicly traded companies, and RP Financial, LC. calculations. The information provided in this report has been obtained from sources we believe are reliable, but we cannot guarantee the accuracy or completeness of such information.
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Exhibit IV-1 (continued)
 Weekly Thrift Market Line - Part One
 Prices As Of November 24, 2006

Financial Institution	Market Capitalization			Price Change Data			Current Per Share Financials							
	Price/Share (\$)	Outst. Shares (000)	Cap. (000)	High (\$)	Low (\$)	Last Week (\$)	Last 52 Wks %	Last 52 Wks %	Last 52 Wks %	12 Mo. EPS (\$)	12 Mo. Core EPS (\$)	12 No. Book Value/Share (\$)	Tangible Assets/Share (\$)	
MYSE Traded Companies														
AF Astoria Financial Corp. of NY	25.89	99,327	2,969.9	31.95	27.25	29.89	0.00	3.18	1.67	1.97	1.92	12.70	10.83	217.45
AFP SFC Financial Corp. of FL	6.46	35,647	231.6	8.16	4.35	5.46	0.00	11.76	17.93	0.38	0.03	4.69	2.28	206.16
BBK BankAtlantic Bancorp. of FL	13.19	60,991	810.6	15.99	12.31	13.29	0.00	-7.84	-5.07	0.26	0.26	8.60	7.22	107.72
BSL Bonyon Financial Corp. of CA	74.78	27,854	2,069.0	77.30	59.08	74.28	0.00	10.22	8.61	6.94	5.89	48.55	48.43	609.71
FED FirstFed Financial Corp. of CA	66.63	16,613	1,066.9	68.44	49.57	66.63	0.00	22.10	22.21	7.45	7.25	40.19	40.08	606.56
FIC FirstCapital Bancorp. Inc. of MI	15.06	63,571	957.4	17.06	13.73	15.06	0.00	-1.63	4.98	1.43	1.31	12.82	12.82	237.84
GLK Great Lakes Bancorp. Inc. of NY	14.91	10,915	162.7	21.14	13.90	14.91	0.00	-9.25	-16.34	-0.01	-0.01	12.49	11.36	79.64
NYB IndyMac Bancorp. Inc. of CA	47.66	70,959	3,177.1	50.50	37.15	47.66	0.00	20.29	22.14	4.04	-1.10	27.35	25.75	366.48
NYS New York Community Bancorp. of NY	16.30	285,117	4,810.4	18.23	15.69	16.30	0.00	-4.23	-1.33	0.73	0.88	12.58	4.91	98.01
NAL NewAlliance Bancshares of CT	16.38	109,551	1,794.4	16.84	13.55	16.38	0.00	9.05	12.65	0.45	0.47	12.36	7.74	65.71
PPB PFB Bancorp. Inc. of Pomona CA	32.18	24,604	791.8	39.49	30.05	32.18	0.00	4.75	5.44	2.27	2.28	15.85	15.80	188.74
PFS Provident Fin. Serv. Inc. of NJ	18.78	63,564	1,161.9	19.16	17.16	18.78	0.00	0.11	-1.24	0.87	0.86	15.94	9.17	91.62
SOV Sovereign Bancorp. Inc. of PA	24.85	475,711	8,211.4	25.49	19.47	24.85	0.00	17.72	20.69	0.90	1.29	17.95	6.34	190.05
AMEX Traded Companies														
CNY Carver Bancorp. Inc. of NY	16.05	2,511	40.3	18.12	15.00	16.05	0.00	4.90	4.22	0.89	1.42	19.42	17.10	310.47
FNT Federal Trust Corp. of FL	10.24	9,352	95.8	12.45	9.71	10.24	0.00	-1.44	-17.39	0.41	0.39	5.77	5.77	78.05
GOV Gouverneur Bancorp. of NY (42.8)	12.50	2,292	12.3	14.35	10.95	12.50	0.00	10.13	10.13	0.52	0.51	8.48	8.48	55.75
TSH Tachas Holding Co of N Iberia LA	90.78	2,218	112.6	94.40	38.65	50.78	0.00	20.39	29.84	2.81	2.87	28.04	26.29	315.61
WSB Washington SB, FSB of Bowie MD	6.90	7,425	66.1	9.80	7.80	6.90	0.00	9.07	2.30	0.68	0.68	8.07	8.07	59.81
WTD Westfield Finl MNC of MA (42.4) (8)	34.55	9,725	142.3	35.30	23.01	34.55	0.00	42.24	43.90	0.53	0.55	12.03	12.03	86.08
NASDAQ Listed OTC Companies														
ABCC Abington Com Bcp MNC PA (42.9)	16.01	15,288	105.1	16.42	12.60	16.01	0.00	25.86	23.44	0.44	0.45	7.40	7.40	59.24
ALIA Alliance Bank MNC of PA (20.0)	22.91	3,441	15.8	28.95	21.31	22.91	0.00	-14.83	-13.19	0.44	0.44	9.98	9.98	109.95
ABSI Americana Bancorp. of IN	13.07	3,127	43.4	14.50	11.31	13.07	0.00	5.48	7.10	0.10	0.07	10.93	10.66	153.09
ABNJ American Bancorp. of NJ	12.07	14,125	170.5	13.39	9.77	12.07	0.00	20.46	21.67	1.15	1.16	8.84	8.84	36.41
ABCW Anchor Bancorp Wisconsin of WI	28.95	21,787	630.7	32.78	28.11	28.95	0.00	-6.58	-4.58	1.96	1.85	15.18	14.27	205.70
ACFC Atl Cst Fed Cp of GA MNC (39.3)	18.05	13,808	97.8	18.40	18.05	18.05	0.00	21.63	28.38	0.39	0.39	6.59	6.38	57.48
ACSB ACSB Bancorp MNC of MD (36.5)	15.08	5,913	32.5	15.52	10.55	15.08	0.00	16.81	16.00	-1.19	-1.17	5.39	4.96	136.87
ABKU Bank Mutual Corp. of WI	12.50	60,205	752.6	12.76	10.30	12.50	0.00	18.37	17.92	0.40	0.34	8.76	7.83	57.47
BFIN BankFinancial Corp. of IL	26.22	36,666	961.4	32.00	24.25	26.22	0.00	4.75	-1.32	2.27	2.04	20.37	19.60	370.12
BFUC Benjamin Franklin Bancorp Inc of MA	14.31	8,250	118.1	14.95	13.00	14.31	0.00	1.85	1.71	1.61	1.59	13.14	8.64	109.37
BSLS Berkshire Hills Bancorp of MA	35.35	8,689	307.2	39.67	32.08	35.35	0.00	8.40	5.52	1.38	1.65	29.31	17.96	253.78
BOFI Blue River Bancshares of IN	6.27	3,507	22.0	7.00	4.96	6.27	0.00	-16.47	-12.50	0.34	0.41	5.12	4.15	61.35
BOFI BofI Holding, Inc. Of CA	7.00	8,309	58.2	8.55	6.09	7.00	0.00	3.07	1.19	0.98	0.98	10.38	10.38	174.73
BRVC Broadway Financial Corp. of CA	11.08	1,625	18.0	11.50	10.02	11.08	0.00	0.00	3.07	0.98	0.98	10.38	10.38	174.73
BRKL Brookline Bancorp. Inc. of MA	13.84	61,584	852.3	15.31	12.48	13.84	0.00	-0.72	-2.33	0.34	0.34	9.43	8.60	38.57
BRFB Brooklyn Fed MNC of NY (20.0)	12.85	13,225	51.0	13.00	10.70	12.85	0.00	19.53	16.18	0.34	0.34	6.05	6.05	30.85
CITZ CFB Bancorp. Inc of Munster IN	14.30	11,293	161.5	15.16	13.80	14.30	0.00	2.36	0.00	0.49	0.48	11.78	11.66	114.44
CFPN Capitol Fd MNC of KS (29.5)	37.86	74,032	927.9	39.97	31.46	37.86	0.00	12.63	14.94	1.12	0.65	11.66	11.66	110.75
CFBK Central Bancorp of Somerville MA	33.83	1,591	53.8	36.20	27.00	33.83	0.00	18.70	21.04	3.12	0.87	25.20	23.60	349.52
CFBK Central Federal Corp. of OH	7.65	4,544	34.8	8.72	7.07	7.65	0.00	3.00	-2.42	-0.17	-0.23	6.45	6.45	49.54
CFBN Charter Fincl MNC of GA (19.2)	30.37	19,663	190.1	32.95	34.33	30.37	0.00	35.53	41.05	0.67	0.43	12.39	12.10	56.21
CFBV Chevrolet Fin Cp MNC of OH (42.5)	13.15	9,423	59.0	13.33	11.11	13.15	0.00	12.88	12.49	0.19	0.19	7.70	7.70	33.14
CFBK Citicorp Bancorp. Inc. of MA	15.11	7,439	112.4	15.19	14.11	15.11	0.00	51.10	51.10	-0.52	-0.52	14.46	14.46	59.92
CFBK Citicorp Comm Bancorp Inc of WI	9.79	7,137	69.7	11.12	6.39	9.79	0.00	54.66	41.68	0.16	0.16	10.74	9.70	44.02
CFBK Citizens First Bancorp of NC	30.06	8,153	345.1	32.43	21.98	30.06	0.00	34.98	27.54	1.06	1.09	21.35	19.80	218.14
CFBK Citizens South Banking of NC	12.90	8,200	105.8	13.86	11.70	12.90	0.00	4.88	7.95	0.65	0.64	10.46	6.58	88.53
CFBK Clifton SWB MNC of NJ (43.8)	12.01	29,605	356.9	12.20	10.01	12.01	0.00	15.33	15.31	0.09	0.09	6.51	6.51	27.79
CFBK Coastal Fin Corp. of SC	13.62	21,697	295.5	14.49	11.12	13.62	0.00	7.58	15.31	0.86	0.86	4.73	4.73	74.85
CFBK Colonial Bank MNC of NJ (46.0)	13.31	4,522	27.7	13.68	10.93	13.31	0.00	29.83	26.16	0.33	0.32	8.19	8.19	83.78
CFBK Community Fin Corp. of VA	11.75	4,248	49.9	12.97	10.30	11.75	0.00	6.92	10.34	0.96	0.96	8.74	8.74	104.97
DCOM Dias Community Bancshares of NY	14.17	34,665	138.5	15.63	13.33	14.17	0.00	-3.74	-3.01	0.67	0.87	8.07	6.55	85.57
EBK EBK Financial Corp. of PA	10.74	16,997	138.6	13.00	10.30	10.74	0.00	9.29	4.28	0.92	0.91	9.93	6.47	147.60
EBK Elmhi Svcl Bank, FSB of NY	30.34	1,324	40.2	30.98	23.16	30.34	0.00	18.40	22.33	2.08	2.33	18.33	18.13	272.13
FNB FNB Financial Corp. of Dover OH	18.99	1,213	19.4	22.46	15.00	18.99	0.00	-16.28	-18.29	1.10	0.81	15.60	15.60	132.35
FACO FCB Fin Corp. of Burlington NJ (8)	31.03	6,512	202.2	38.50	18.50	31.03	0.00	81.46	78.71	0.85	0.85	12.02	11.81	186.15
FFCO Fidelity Fin MNC of PA (45.0)	10.00	6,708	29.8	10.85	8.50	10.00	0.00	35.53	32.49	-0.01	0.06	6.88	6.72	42.28
FBI Fidelity Bancorp. Inc. of PA	18.83	2,960	55.7	20.85	17.13	18.83	0.00	-5.14	-0.31	1.31	1.17	14.81	13.87	246.76

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Exhibit IV-1
Weekly Thrift Market Line - Part Two
Prices As Of November 24, 2006

Financial Institution	Key Financial Ratios				Asset Quality Ratios				Pricing Ratios				Dividend Data(6)		
	Equity/ Assets (%)	Tang. Assets (%)	Reported Earnings ROA(1) ROE(15) (%)	Core Earnings ROA(3) ROE(15) (%)	NPAs Assets (%)	Revs/ Assets (%)	Losses Assets (%)	Revs/ Loans (%)	Price/ Earning (%)	Price/ Book (%)	Price/ Tang. Book (%)	Core Earnings (%)	Div./ Share (%)	Yield (%)	Payout Ratio(7) (%)
SAIF-Insured Thrifts(131)	10.62	9.37	0.65	7.21	4.88	0.62	6.79	0.81	18.31	141.29	14.45	163.33	10.95	2.24	38.49
AMEX Traded Companies(113)	9.67	7.03	0.70	10.03	5.34	0.63	7.43	0.72	17.61	151.96	13.85	203.62	17.45	2.02	33.10
AMEX Traded Companies(4)	9.01	8.68	0.70	7.86	5.68	0.71	8.18	1.42	18.34	137.87	12.31	163.66	17.85	1.97	36.07
RAIADQ Limited OTC Companies(114)	10.79	9.68	0.63	6.94	4.72	0.62	6.53	0.36	18.39	145.19	14.39	159.47	14.44	0.46	2.38
California Companies(16)	7.64	7.54	0.98	13.60	8.64	0.74	10.34	0.52	13.16	165.11	11.33	157.97	14.33	0.51	1.62
Florida Companies(7)	6.39	5.84	0.55	6.93	5.05	0.50	7.14	0.79	18.48	165.21	11.13	157.97	14.33	0.07	0.57
MID-Atlantic Companies(35)	10.00	8.73	0.73	7.84	4.58	0.71	7.66	0.74	18.48	165.21	11.13	157.97	14.33	0.46	43.33
MID-West Companies(45)	10.78	9.77	0.60	6.35	4.68	0.56	6.18	0.51	19.35	125.96	13.23	140.53	18.19	0.53	2.68
New-England Companies(14)	14.07	12.43	0.32	3.37	2.61	0.42	4.13	0.38	24.70	177.25	17.82	149.08	22.71	0.53	48.04
North-West Companies(6)	10.97	9.96	1.17	10.32	5.76	1.13	10.25	0.38	15.25	149.15	14.89	167.87	15.29	0.51	2.24
South-East Companies(12)	10.76	9.06	0.57	5.63	3.62	0.54	5.31	1.10	19.05	132.03	8.33	239.56	22.81	0.53	29.87
South-West Companies(11)	6.78	3.73	0.51	7.17	5.25	0.42	4.37	0.32	19.05	132.03	8.33	239.56	22.81	0.00	0.00
Western Companies (Incl CA)(1)	4.98	4.98	0.09	1.56	1.23	0.19	3.38	0.80	18.41	140.30	14.55	162.89	15.13	0.00	0.00
Thrift Strategy(125)	9.52	9.52	0.64	7.05	4.83	0.61	6.61	0.72	17.52	159.27	13.00	180.15	15.30	2.27	38.75
Mortgage Banker Strategy(4)	8.24	6.28	0.78	9.35	5.54	0.79	6.60	0.75	15.22	114.11	8.75	114.11	16.37	0.46	1.79
Real Estate Strategy(1)	7.67	7.67	0.58	7.50	6.57	0.52	6.75	0.59	15.22	114.11	8.75	114.11	16.37	0.30	2.90
Diversified Strategy(11)	6.95	6.90	1.03	15.91	6.76	1.07	16.55	1.33	18.75	211.72	14.71	213.23	14.38	0.48	7.14
Companies Issuing Dividends(116)	10.73	9.42	0.74	8.03	5.24	0.72	7.75	0.32	19.48	142.50	14.72	163.99	18.88	0.51	2.54
Companies without dividends(115)	9.74	8.99	-0.07	0.93	1.89	-0.17	-0.62	0.77	15.64	131.98	12.34	158.27	19.99	0.00	0.00
Equity/Assets <6%(12)	5.26	4.88	0.48	4.13	3.35	0.49	4.86	0.49	13.94	141.73	7.48	164.84	15.46	0.32	21.82
Equity/Assets 6-12%(85)	7.66	6.89	0.69	8.40	5.44	0.64	7.75	0.30	17.13	149.37	12.68	167.26	17.80	1.63	38.60
Equity/Assets >12%(34)	17.07	14.84	0.60	3.78	3.11	0.62	3.86	0.36	23.45	121.83	20.91	153.57	23.81	0.37	2.25
Converted Last 3 Mths (no MEC)(1)	24.40	22.04	0.41	1.68	1.84	0.41	1.68	0.44	19.16	184.57	14.40	172.11	19.41	1.02	55.56
Actively Traded Companies(10)	9.43	8.24	0.75	8.01	4.72	0.81	8.51	0.34	16.59	109.13	11.02	109.43	19.31	0.79	2.95
Market Value Below \$20 Million(6)	10.14	10.11	0.21	1.91	1.78	0.02	0.22	0.90	18.40	141.93	14.64	165.11	19.07	2.60	39.38
Holding Company Structure(123)	10.72	9.41	0.66	7.38	5.01	0.64	6.97	0.91	18.40	141.93	14.64	165.11	19.07	0.46	2.27
Assets Over \$1 Billion(54)	9.93	7.73	0.78	6.93	5.62	0.70	7.79	0.82	18.43	136.43	15.11	200.82	19.75	0.48	2.19
Assets \$500 Million-\$1 Billion(39)	9.68	6.90	0.67	7.67	5.19	0.70	7.92	0.84	17.38	140.79	13.57	153.89	17.69	0.49	40.37
Assets \$250-\$500 Million(28)	12.94	12.48	0.51	5.26	4.22	0.53	5.42	0.68	19.80	119.92	15.07	123.93	19.11	2.12	40.37
Assets less than \$250 Million(11)	11.51	11.32	0.30	2.33	2.10	0.23	1.63	0.74	17.42	113.63	12.90	116.75	19.00	0.40	2.65
Goodwill Companies(93)	10.18	8.54	0.71	7.86	5.22	0.69	7.48	0.48	18.72	145.52	14.41	173.74	19.04	3.32	40.66
Non-Goodwill Companies(35)	11.37	11.37	0.49	5.73	4.07	0.46	5.38	0.50	17.17	133.00	14.48	133.00	18.78	2.13	31.93
Acquirors of FSILIC Cases(4)	9.18	8.97	0.30	2.48	0.03	0.13	0.49	0.54	12.44	142.46	13.39	133.25	13.39	0.47	2.17

Market Averages - All Public Companies (no MECs)

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

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

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Exhibit IV-1 (continued)
Weekly Thrift Market Line - Part Two
Prices As Of November 24, 2006

Financial Institution	Key Financial Ratios				Asset Quality Ratios				Pricing Ratios				Dividend Data(6)		
	Equity/ Assets (%)	Tang. Assets (%)	Reported Earnings ROA(5) (%)	Core Earnings ROA(5) ROE(5) (%)	NPAs Assets (%)	Revs/ NPA (%)	Revs/ Loan (%)	Price/ Earning (x)	Price/ Book (x)	Price/ Tang. Book (x)	Price/ Core Earnings (x)	Ind. Div. Share (\$)	Div. Yield (%)	Payout Ratio(7) (%)	
Market Averages, MHC Institutions															
SAIF-Insured Thrifts(40)	15.13	14.50	0.52	3.53	1.74	0.26	278.44	0.71	30.85	197.86	30.69	208.94	29.94	1.98	23.90
AMEX Traded Companies(2)	15.21	15.21	0.97	6.28	4.16	0.36	201.53	0.89	24.04	147.41	22.42	147.41	24.51	0.30	57.69
MADDAQ Listed OTC Companies(38)	15.13	14.48	0.51	3.45	1.68	0.25	281.40	0.70	31.61	159.36	30.91	210.65	30.55	0.30	22.02
California Companies(1)	15.32	11.74	0.70	5.64	2.03	0.02	0.00	0.44	NM	276.33	34.04	289.97	NM	0.40	2.20
Mid-Atlantic Companies(21)	15.42	14.78	0.49	3.14	1.64	0.22	311.22	0.66	29.54	189.43	28.89	203.14	29.23	1.27	21.23
Mid-west Companies(6)	16.39	15.15	0.48	3.39	1.88	0.39	149.52	0.58	25.00	192.87	29.87	203.39	26.00	0.54	28.85
New England Companies(7)	17.36	11.95	0.52	4.12	2.19	0.20	239.76	0.81	38.39	179.56	22.30	186.13	39.64	0.16	33.33
South-East Companies(1)	17.13	16.76	0.82	4.60	1.62	0.38	233.89	1.27	NM	275.15	26.81	281.51	NM	0.01	0.00
South-west Companies(1)	13.67	13.67	0.18	1.78	0.64	0.25	184.11	0.65	NM	209.09	38.57	209.09	NM	0.00	0.00
Western Companies (Excl CA)(1)	14.17	14.17	0.85	5.95	2.29	0.00	0.00	0.58	NM	231.76	35.66	231.76	NM	0.22	1.23
Thrift Strategy(39)	15.13	14.50	0.52	3.53	1.74	0.26	278.44	0.71	30.85	197.86	30.69	208.94	29.94	0.30	57.69
Companies Issuing Dividends(28)	14.37	13.47	0.56	3.59	1.87	0.27	236.45	0.73	28.23	202.33	30.27	218.50	28.98	0.44	2.30
Companies Without Dividends(12)	16.77	16.72	0.45	3.17	1.46	0.23	401.91	0.67	36.97	188.56	31.60	189.03	32.20	0.00	0.00
Equity/Assets <6%(1)	3.94	3.62	-0.67	-17.76	-7.89	0.03	0.00	0.56	NM	279.78	11.02	304.03	NM	0.50	3.32
Equity/Assets <12%(12)	10.08	9.47	0.52	5.18	2.60	0.31	208.93	0.77	29.53	187.37	20.12	212.41	29.53	0.43	2.00
Equity/Assets >12%(27)	18.00	17.35	0.58	3.58	1.71	0.24	307.71	0.68	32.18	194.70	36.95	203.24	30.57	0.23	1.30
Holding Company Structure(36)	14.86	14.19	0.52	3.51	1.74	0.27	257.19	0.74	30.85	196.37	30.11	208.03	29.94	0.30	1.57
Assets Over \$1 Billion(9)	15.37	14.47	0.56	4.08	1.56	0.33	235.24	0.70	32.20	235.21	40.62	234.78	26.01	0.60	1.62
Assets \$500 Million-\$1 Billion(12)	14.37	14.14	0.43	3.27	0.99	0.17	278.14	0.61	34.85	219.45	30.38	233.94	34.46	0.21	1.37
Assets \$250-\$500 Million(18)	15.54	14.69	0.54	3.89	2.14	0.26	314.41	0.76	30.07	172.95	26.92	185.36	30.00	0.22	1.64
Assets less than \$250 Million(1)	15.21	15.21	0.97	6.28	4.16	0.36	201.53	0.89	24.04	147.41	22.42	147.41	24.51	0.30	57.69
Goodwill Companies(19)	14.32	12.89	0.49	2.97	1.53	0.27	328.28	0.81	29.86	201.18	31.39	235.28	29.01	0.37	2.03
Non-Goodwill Companies(21)	15.85	15.85	0.56	4.03	1.93	0.22	278.44	0.61	31.85	195.05	30.06	195.05	30.57	0.23	1.16
MHC Institutions(40)	15.13	14.50	0.52	3.53	1.74	0.26	278.44	0.71	30.85	197.86	30.69	208.94	29.94	0.30	23.90
MHC Converted Last 3 Months(2)	14.84	14.84	0.27	2.31	0.97	0.34	232.35	1.07	NM	186.62	27.43	186.62	NM	0.00	0.00

(1) Average of high/low or bid/ask price per share.
(2) Or since offering price if converted or first listed in 2001 or in the past 52 weeks. Percent change figures are actual year-to-date and are not annualized.
(3) EPS (earnings per share) is based on actual trailing twelve month data and is not shown on a pro forma basis.
(4) Excludes intangibles (such as goodwill, value of core deposits, etc.).
(5) ROA (return on assets) and ROE (return on equity) are indicated ratios based on trailing twelve month common earnings and average common equity and assets balances, ROI (return on investment) is current EPS divided by current price.
(6) Annualized, based on last regular quarterly cash dividend announcement.
(7) Indicated dividend as a percent of trailing twelve month earnings.
(8) Excluded from averages due to actual or rumored acquisition activities or unusual operating characteristics.
* All thrifts are SAIF insured unless otherwise noted with an asterisk. Parentheses following market averages indicate the number of institutions included in the respective averages. All figures have been adjusted for stock splits, stock dividends, and secondary offerings.

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

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Exhibit IV-1 (continued)
Weekly Thrift Market Line - Part Two
Prices As Of November 24, 2006

Financial Institution	Key Financial Ratios				Asset Quality Ratios				Pricing Ratios				Dividend Data (\$)		
	Equity/ Assets (%)	Reported Earnings ROA(5) (%)	ROE(5) (%)	ROI(5) (%)	NPAs Assets (%)	Revs/ Assets (%)	Loans Assets (%)	Price/ Earning (\$)	Price/ Book (%)	Price/ Assets (%)	Price/ Tang. Book (%)	Core Earnings (\$)	Ind. Div. Share (%)	Div. Yield (%)	Payout Ratio(%)
NYSE Traded Companies															
AF Astoria Financial Corp. of NY	5.84	4.39	0.68	14.88	6.59	0.86	14.50	15.17	235.33	13.75	275.99	15.57	0.96	3.21	48.73
BBF SFC Financial Corp. of FL	2.27	1.12	0.18	9.10	5.88	0.01	0.64	17.00	137.74	3.33	283.33	NM	0.00	0.00	0.00
BBK Sunbank Bancorp. of FL	7.98	6.70	0.25	3.04	1.96	0.36	3.16	NM	154.53	12.34	184.07	NM	0.16	1.20	61.54
DBL Downey Financial Corp. of CA	7.96	7.94	1.33	15.41	9.34	1.18	13.08	10.70	153.00	12.18	153.38	12.61	0.40	0.54	5.76
FED Firstfield Financial Corp. of CA	6.63	6.61	1.21	20.51	11.18	1.18	20.07	8.94	185.79	10.98	166.24	9.14	0.00	0.00	0.00
FPC Flagstar Bancorp. Inc. of MI	5.39	5.39	0.60	11.58	9.50	0.46	8.99	10.53	117.47	6.33	117.47	13.57	0.60	3.98	41.96
GLK Great Lakes Bancorp. Inc. of MI	15.68	14.36	-0.01	-0.08	-0.07	-0.01	-0.08	0.24	149.38	0.68	174.26	NM	0.00	0.00	NM
INDY IndyMac Bancorp. Inc. of CA	7.08	6.66	1.47	20.43	10.16	-0.33	-4.64	9.85	174.26	12.33	185.09	NM	2.00	4.20	41.32
NYB New York Community Bancorp. of NY	12.84	5.01	0.79	6.22	4.48	0.95	7.50	22.32	329.97	26.63	321.98	18.52	1.00	6.13	NM
MAL NewAlliance Bancshares of CT	18.81	11.78	0.72	3.68	2.75	3.84	15.37	36.40	132.52	34.93	211.63	34.85	0.24	1.47	53.33
PPS PFS Bancorp. Inc. of Pomona CA	8.40	8.37	1.30	15.31	7.05	1.31	15.37	14.18	203.03	17.05	203.67	14.11	0.60	2.11	29.96
POV Provident Fin. Serv. Inc. of NJ	17.40	10.61	0.93	5.26	4.76	5.20	5.20	21.01	114.68	19.95	199.35	21.26	0.40	2.19	45.98
SOV Sovereign Bancorp. Inc. of PA	9.44	3.34	0.58	6.26	3.62	0.83	8.98	27.61	138.44	13.08	NM	19.26	0.32	1.39	35.56
AMEX Traded Companies															
CNY Carver Bancorp. Inc. of NY	6.26	5.31	0.33	4.61	5.55	0.53	7.36	18.03	82.65	5.17	93.86	11.30	0.36	2.24	40.45
FDT Federal Trust Corp. of FL	7.39	7.39	0.52	7.99	4.00	0.50	7.60	24.98	177.47	13.12	177.47	26.26	0.16	1.56	39.02
GOV Gouverneur Bancorp. of NY	15.21	15.21	0.97	6.28	4.16	0.95	6.16	24.04	147.41	22.42	147.41	24.51	0.30	2.40	57.69
TSH Teche Trading Co of N Iberia LA	8.88	8.33	0.92	10.10	5.59	10.32	10.32	18.07	181.10	16.09	193.15	17.69	1.16	2.28	41.28
WSB Washington SB, FSB of Bowie MD	13.49	13.49	1.03	0.72	7.64	0.88	7.44	NM	110.29	14.88	110.29	15.34	0.16	1.00	23.53
WFD Westfield Finl MHC of MA(42.4)(8)	13.98	13.98	0.63	4.44	1.53	0.65	4.60	NM	287.20	40.14	287.20	NM	0.60	1.74	NM
NASDAQ Listed OTC Companies															
ABNDQ Abington Bancorp. of MA (42.3)	12.49	12.49	0.78	5.87	2.75	0.79	6.01	36.39	216.35	27.03	216.35	35.58	0.24	1.50	54.55
ALLB Alliance Bank MHC of PA (20.0)	9.08	9.08	0.39	4.46	1.92	0.39	4.46	0.45	474.10	0.26	474.10	NM	0.36	1.57	NM
ASBY Americana Bancorp. of NJ	7.14	6.96	0.07	0.89	1.24	0.05	0.89	1.42	48.59	1.23	NA	NM	0.64	1.33	NM
ANBY American Bancorp. of NJ	24.28	24.28	0.41	1.92	0.72	0.43	2.05	NM	136.94	33.15	136.94	NM	0.16	1.53	NM
AWC Anchor Bancorp Wisconsin of WI	7.18	6.94	0.99	13.30	6.77	0.94	12.55	14.77	190.71	14.07	201.97	15.65	0.68	2.35	34.69
ACPC Atl Cst Fed Co of GA MHC(38.3)	11.47	11.11	0.70	5.72	2.16	0.70	5.72	0.53	111.81	0.71	111.81	NM	0.44	2.44	NM
BCSB BCSB Bancorp MHC of MD (36.5)	3.94	3.62	-0.87	-17.76	-7.89	-0.85	-17.46	0.03	NA	0.56	279.78	21.02	0.42	3.44	NM
BRBU Bank Mutual Corp of WI	15.24	13.62	0.64	4.16	2.96	0.64	4.16	33.78	142.69	21.75	159.64	36.76	0.30	2.40	NM
BPIN BankFinancial Corp. of IL	20.24	18.20	0.72	3.56	2.74	0.72	3.56	36.56	131.76	26.67	146.49	36.56	0.24	1.37	50.00
BRUNA BankUnited Fin. Corp. of FL	5.50	5.50	0.57	4.64	4.26	0.62	11.86	11.55	138.72	7.08	133.78	12.83	0.08	0.88	0.88
BPBC Brooklyn Fed MHC of NY (30.0)	11.55	7.08	0.57	4.03	3.90	0.68	5.77	23.46	108.90	13.08	165.63	24.25	0.16	1.12	26.23
BHLS Berkshire Hills Bancorp of MA	8.37	6.79	0.67	8.25	6.54	0.67	8.25	25.52	120.61	13.33	196.83	21.42	0.16	1.58	40.58
BRBI Blue River Bancshares of IN	8.58	8.58	0.40	4.11	4.85	0.38	4.15	15.29	122.46	10.25	151.08	15.29	0.07	1.12	17.07
BOPI BofI Holding, Inc. of CA	5.94	5.94	0.55	10.11	8.84	0.55	10.11	1.88	42.94	0.98	20.59	88.50	0.00	0.00	0.00
BYPC Broadway Financial Corp. of CA	24.43	22.30	0.92	3.53	2.46	0.92	3.53	11.31	106.74	6.34	106.74	11.31	0.20	1.81	20.41
BRKL Brookline Bancorp. Inc. of MA	19.61	19.61	1.22	5.80	2.65	1.22	5.80	NM	146.77	35.88	160.93	NM	0.34	2.46	NM
BPFB Brooklyn Fed MHC of NY (30.0)	10.53	10.53	0.58	5.98	3.43	0.43	3.91	37.79	212.40	41.65	212.40	37.79	0.00	0.00	0.00
CITB CFB Bancorp. Inc of Manaster IM	10.29	10.29	0.44	3.99	3.43	0.43	3.91	29.18	121.39	12.50	122.64	29.18	0.48	3.36	NM
CPFB Capital Fed MHC of KS (29.5)	10.53	10.53	0.58	5.98	1.72	0.58	5.58	NM	334.70	34.19	334.70	NM	2.00	5.28	NM
CFBK Central Federal Corp. of MA	7.21	6.81	0.33	4.54	3.21	0.25	3.52	30.21	134.25	9.68	142.14	38.89	0.72	2.33	64.29
CFBN Central Federal Corp. of OR	13.02	13.02	-0.40	-3.17	-2.22	-0.51	-4.10	NM	118.60	15.44	118.60	NM	0.16	4.71	NM
CHFN Charter Finc MHC of CA (19.2)	22.04	21.53	1.21	5.15	1.33	0.78	3.31	NM	NM	89.61	NM	NM	0.36	3.57	NM
CHEV Chevrolet Fin Co MHC of OH(42.5)	23.23	23.23	0.60	2.41	1.44	0.63	3.33	NM	170.78	39.68	170.78	NM	0.28	2.13	NM
CHBK Chicopee Bancorp. Inc. of MA	24.13	24.13	-0.87	-5.10	-3.44	-0.87	-5.10	NM	104.50	25.22	104.50	NM	0.00	0.00	NM
CIMI Citizens Comm Bancorp Inc of WI	9.79	9.08	0.51	5.06	3.53	0.52	5.21	28.36	140.80	13.78	151.82	27.54	0.10	1.02	55.56
CSBK Citicore South Banking of NC	11.82	7.43	0.74	6.26	5.04	0.73	6.37	19.89	133.33	14.57	194.05	20.18	0.30	2.33	32.16
CSBK Citicore SVB MHC of NJ(43.8)	6.32	6.32	0.32	1.36	0.75	0.32	1.36	NM	184.48	43.21	184.48	NM	0.20	1.67	NM
CCPC Coastal Fin. Corp. of SC	9.78	9.78	1.18	18.86	6.31	1.23	19.32	15.84	287.95	18.40	287.95	19.30	0.20	1.87	23.26
COBK Colonial Bank MHC of NJ (46.0)	6.33	6.33	0.98	4.15	2.48	0.41	4.33	162.52	15.69	162.52	NM	0.00	0.00	0.00	
CCOM Community Fin. Corp. of VA	9.43	7.65	1.07	11.93	6.48	1.01	10.88	11.94	134.44	15.69	134.44	11.94	0.26	2.21	26.53
NSBK Dime Community Bancshares of NY	6.73	6.73	0.46	7.00	6.24	0.56	8.20	12.00	175.59	16.56	216.34	16.29	0.56	3.99	60.87
BSBK Banka Svcs Bank, FSB of PA	11.79	11.79	0.83	7.05	6.88	0.91	8.25	14.35	108.16	7.48	106.00	13.46	0.40	3.72	59.70
PFPO PFD Financial Corp of Dover OH	4.46	4.46	0.83	7.05	6.88	0.91	8.25	14.35	108.16	7.48	106.00	13.46	0.84	2.77	40.38
PNCO PNC Fin Corp. of Huntington WJ(8)	15.27	15.27	0.45	7.32	2.74	0.45	7.32	36.51	258.15	16.67	262.74	36.51	0.56	3.50	50.91
FFBI Fidelity Bancorp. Inc of PA	6.00	6.00	-0.22	-0.15	-0.10	0.15	0.68	145.35	16.65	148.81	NM	0.00	0.00	0.00	0.00
FFLI Fidelity Bancshares, Inc of FL(8)	6.95	6.48	0.73	10.47	3.03	0.74	10.65	34.96	329.86	22.91	353.44	32.42	0.56	2.87	42.75

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Schibit IV-1 (continued)
Weekly Thrift Market Line - Part Two
Prices As Of November 24, 2006

Financial Institution	Key Financial Ratios				Asset Quality Ratios				Pricing Ratios				Dividend Data(6)	
	Equity/ Assets (%)	Tang. Assets/ Assets (%)	Reported Earnings ROA(5) (%)	Core Earnings ROE(5) (%)	NPA Assets (%)	Revs/ Assets (%)	Revs/ Loans (%)	Price/ Earning Book (%)	Price/ Assets (%)	Price/ Book (%)	Tang. Book (%)	Core Earnings Book (%)	Ind. Div. Share (%)	Payout Ratio(7) (%)
MADMO Listed OTC Companies (continued)														
FBTC First Bancrust Corp of IL	3.06	8.73	0.36	3.92	0.63	144.35	1.34	25.51	101.86	9.23	105.71	28.70	2.09	53.33
FBBI First Bancorp of Indiana of IN	1.38	8.77	0.50	5.98	0.49	58.14	0.47	19.19	103.20	9.68	110.34	14.84	3.16	60.61
FBBI First Bancshares, Inc. of MO	11.55	11.51	-0.03	-0.21	0.59	184.49	1.68	14.61	121.40	11.21	97.39	NM	0.16	NM
FCAP First Capital, Inc. of IN	3.63	8.35	0.80	6.81	0.69	57.20	0.66	14.61	121.40	11.21	97.39	NM	0.16	53.54
FCLP First Clover Leaf Fin Cp of IL	27.32	23.91	0.82	3.97	0.04	98.85	0.59	20.25	227.63	30.63	230.06	20.04	2.09	NM
FDFL First Community Bk Corp of OH	8.91	8.70	1.09	1.23	0.04	NM	1.02	20.25	227.63	30.63	230.06	20.04	0.00	0.00
FDFP First Defiance Fin. Corp of OH	10.37	7.84	1.02	3.82	0.59	158.31	1.15	11.80	131.47	13.64	174.06	15.09	3.10	45.50
FFNM First Fed of N. Michigan of MI	12.41	10.39	0.31	2.16	1.61	33.31	0.79	31.69	78.48	9.74	88.62	30.63	2.10	68.97
FFNB First Fed. Bancshares of AR	9.06	9.06	0.16	2.64	1.61	37.23	0.34	14.54	145.35	13.17	145.35	15.12	2.61	37.97
FFBI First Federal Bancshares of IA	6.45	6.00	1.06	13.78	1.43	62.53	0.31	10.97	104.98	12.23	143.24	23.89	1.95	40.78
FFBS First Federal Bankshares of IA	11.55	8.54	0.59	3.03	1.46	212.36	0.70	16.60	248.71	17.27	284.93	17.51	2.63	43.48
FFCH First Fin. Holdings Inc. of SC	7.91	7.81	0.36	4.41	0.60	51.98	0.53	24.60	106.60	8.33	106.60	18.38	0.36	55.38
FFKS First Keystone Fin., Inc of PA	5.15	5.15	1.01	2.92	0.60	21.38	1.03	14.37	237.58	14.36	232.58	17.07	0.00	0.00
FFNB First Natl Bancshares Inc of MA	6.18	6.18	1.01	17.10	0.03	NM	1.08	17.11	137.16	19.98	262.45	17.11	1.53	21.95
FFNP First Niagara Fin. Group of NY	17.95	7.61	1.19	6.91	0.23	381.33	1.28	23.21	111.49	17.83	131.49	31.71	0.48	30.46
FFNZ First Miles Fin., Inc. of OH	15.99	15.99	0.77	4.74	0.30	89.77	1.64	26.31	153.57	15.24	153.57	26.31	0.64	4.92
FFPB First Pacific Bancorp of CA	9.32	9.32	0.86	3.99	0.66	107.85	0.64	18.31	137.20	14.53	203.90	26.31	0.62	2.27
FFPC First Place Fin. Corp. of OH	10.59	7.13	0.86	8.73	0.42	260.58	1.35	18.50	171.74	13.49	186.66	16.50	0.40	25.61
FFBN FirstBank NW Corp. of WA(8)	9.36	7.27	1.11	11.90	0.62	49.71	0.32	19.05	124.03	18.49	239.56	22.81	0.00	0.00
FFCB Fox Chase Banc MHC of PA(44.5)	16.02	16.02	0.35	2.85	0.21	285.86	3.29	3.38	184.16	26.29	184.16	0.00	0.00	0.00
FFTK Franklin Bank Corp of TX	6.76	3.73	0.51	7.17	0.62	10.61	0.31	20.50	106.52	13.68	100.05	9.70	0.00	0.00
GSIA GS Financial Corp. of LA	13.54	13.54	0.65	5.19	0.40	NM	1.07	20.50	106.52	13.68	100.05	9.70	0.00	0.00
FDSE Great Fee Bancorp of SC	3.93	3.52	1.55	10.12	0.21	285.86	0.63	27.88	184.16	26.29	184.16	0.00	0.00	0.00
GARC Greater Atlant. Fin Corp of VA(4)	11.12	11.12	0.77	6.91	0.40	NM	0.63	17.88	184.16	26.29	184.16	0.00	0.00	0.00
HFCF HF Financial, Inc. of MD	5.91	5.41	0.43	2.61	0.40	145.35	0.67	17.88	184.16	26.29	184.16	0.00	0.00	0.00
HARB Harbor Florida Bancshares of FL(8)	9.29	8.99	0.93	10.12	0.34	75.35	0.40	17.88	184.16	26.29	184.16	0.00	0.00	0.00
HALL Hallmark Financial Svcs Fin Cp of PA	10.70	10.57	1.49	4.33	1.34	75.35	1.18	17.18	137.72	20.76	138.68	11.47	2.43	38.89
HARL Harleysville Svcs Fin Cp of PA	6.25	6.25	0.54	1.81	0.43	47.35	0.73	15.73	358.02	14.68	165.11	17.91	2.89	46.93
HRCO Harrisonville Svcs Fin Cp of CA	5.74	5.18	0.74	3.84	0.73	NM	0.50	21.73	308.99	32.08	310.62	23.77	1.10	56.41
HROS Hartweg Fin Op MHC of GA(30.3)	17.88	17.64	0.55	2.94	0.09	549.85	0.78	11.31	143.21	8.27	148.86	17.14	0.68	62.39
HRYE Hingham Inst. for Sav. of MA	7.59	7.59	0.81	10.53	0.25	42.02	1.45	11.31	143.21	8.27	148.86	17.14	0.68	32.68
HCFE Home City Fin. Corp. of OH	9.29	9.15	0.83	5.79	0.25	42.02	1.45	11.31	143.21	8.27	148.86	17.14	0.68	32.68
HCFE Home Fed Banc MHC of ID(40.7)	14.37	14.37	0.85	5.95	0.13	370.03	0.88	16.88	139.32	10.58	139.32	13.78	0.60	32.52
HFCB HopFed Bancorp, Inc. of KY	6.88	5.71	0.60	8.16	0.06	137.64	0.15	14.52	114.03	7.84	137.33	14.14	1.77	46.81
HCBK Hudson City Bancorp, Inc of NJ	14.97	14.40	0.99	5.75	0.06	192.18	0.21	25.73	151.36	22.50	158.51	23.73	0.44	52.86
IFSB Independence FSB of DC	7.69	7.69	1.65	-18.13	0.43	64.66	0.32	NM	129.23	9.74	149.23	NM	0.44	57.89
JABC Investors Bcrp MHC of NJ(45.7)	16.36	16.36	0.26	1.74	0.06	208.74	1.23	25.00	122.59	9.35	142.54	26.00	0.00	0.00
JASB Jacksonville Bcrp MHC of IL(47.7)	6.09	22.46	0.58	2.40	0.35	208.74	1.23	NM	116.25	24.04	289.37	NM	0.24	57.89
JYBI Jefferson Bancshares Inc of TN	13.32	11.74	0.70	5.64	0.02	499.31	0.80	NM	129.23	9.74	149.23	NM	0.00	0.00
KFPD K-Fed Bancorp MHC of CA(37.6)	11.92	11.92	0.75	6.25	0.02	NM	0.44	20.99	136.16	18.27	220.92	20.49	1.86	33.02
KRBT KBT Bancorp, Inc. of PA	11.95	7.37	0.75	6.25	0.56	48.99	0.43	NM	139.07	32.94	181.66	NM	0.40	1.88
KRNY KY Fed Fed Bcrp MHC of KY(44.8)	23.86	18.13	0.70	2.95	0.56	48.99	0.43	NM	139.07	32.94	181.66	NM	0.40	1.88
LSBK LBB Corp of Mo. Andover MA	24.04	19.37	0.35	1.43	0.05	518.65	0.75	NM	247.85	59.59	238.39	NM	0.20	1.20
LSBI LBB Fin. Corp. of Lafayette IN	10.95	10.95	0.16	1.44	0.02	NM	1.59	NM	130.10	11.16	119.90	13.04	3.45	NM
LSBK Lake Shore Bcrp MHC of NY(45.0)	15.61	15.61	0.54	4.69	2.82	26.19	0.80	12.46	118.90	11.16	119.90	13.04	0.68	33.33
LSGC Legacy Bancorp, Inc. of MA	18.57	18.19	-0.26	-1.58	0.36	95.01	0.59	NM	156.83	24.48	156.83	NM	0.12	0.93
LBCF Liberty Bancorp, Inc. of MO	16.57	16.57	0.62	3.75	0.13	436.15	0.81	NM	110.41	20.50	112.74	NM	0.12	0.75
MABP MAP Bancorp, Inc. of IL	9.24	5.68	0.93	10.05	0.79	99.28	0.51	27.16	101.93	16.89	101.93	27.16	1.00	27.03
MFBC MFBC Corp. of Mishawaka IN	7.95	7.11	0.41	5.63	1.79	89.29	1.91	14.20	137.73	12.72	234.09	15.28	2.25	31.95
MOYR Magyar Bancorp MHC of NJ(46.0)	11.54	11.54	0.32	4.34	0.10	886.40	1.11	21.34	118.72	9.32	131.09	19.34	0.66	40.24
MFRB Meta Bank Corp. of Reading MA	12.52	12.52	0.81	6.85	0.01	NM	0.65	NM	171.88	18.93	171.88	25.46	0.00	0.00
MFLR Meta Financial Group of MA	7.67	7.65	0.52	6.73	0.74	7.48	0.65	20.26	137.04	17.35	138.45	21.42	3.33	67.47
MFSF MutualFirst Fin. Inc. of IN	5.92	5.37	0.50	8.93	0.57	143.92	1.52	21.08	140.40	10.77	160.87	19.17	0.30	66.67
MFSB NASB Fin. Inc. of Grandview MO	8.87	7.36	0.58	6.11	0.90	92.65	0.96	17.80	155.59	9.06	166.77	12.19	1.95	34.67
MFCB NE Comm Bcrp MHC of NY(45.0)	33.37	31.37	0.79	2.45	0.69	71.31	0.56	16.10	225.70	22.33	230.22	32.83	2.18	46.51
MVGL Naug Villy Fin MHC of CT(44.6)	7.34	5.42	0.79	11.05	0.08	755.45	0.80	12.39	134.69	9.74	179.63	13.34	0.00	0.00
MVTK NatBank, Inc. of Alpharetta GA	13.61	12.55	0.51	3.69	0.23	231.99	0.68	NM	182.53	23.01	183.33	NM	0.00	0.00
NEBS New England Bnchrs Inc. of CT(8)	21.02	20.29	0.47	2.24	1.82	36.37	0.92	NM	79.39	5.99	97.45	NM	0.00	0.00
NEFS Newport Bancorp, Inc. of RI	20.25	20.25	-0.95	-7.30	0.13	512.39	0.97	NM	115.23	25.05	122.63	NM	0.12	50.00
FFFD North Central Bancshares of IA	8.36	7.40	0.96	11.03	0.73	93.64	0.74	11.98	132.53	11.08	149.74	11.98	3.28	39.29

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Exhibit IV-1 (continued)
Weekly Thrift Market Line - Part Two
Prices As Of November 24, 2006

Financial Institution	Key Financial Ratios				Asset Quality Ratios				Pricing Ratios				Dividend Data(6)					
	Equity/Assets (%)	Tang. Assets (%)	ROA(S) (%)	ROE(S) (%)	Reported Earnings (%)	Core Earnings (%)	NPAs Assets (%)	NPAs Assets (%)	Resvs/Loans (%)	Price/Book (%)	Price/Book (%)	Price/Book (%)	Price/Book (%)	Core Earnings (%)	Div./Share (\$)	Yield (%)	Payout Ratio(7) (%)	
NASDAQ Listed OTC Companies (continued)																		
NWES Northwest Bancorp of WA(15.0)	9.36	6.92	0.87	9.52	4.06	0.83	9.01	0.71	70.29	0.84	24.63	227.74	21.31	312.70	26.01	0.80	2.97	70.80
OSBK Ocean Shrs Bldg MFC of NJ(45.5)	11.03	11.03	0.60	5.50	3.06	0.60	5.50	0.01	NA	0.45	33.33	180.56	19.92	180.56	33.33	0.00	0.00	0.00
OCFC Oceanairst Fin. Corp. of NJ	6.61	6.55	0.93	13.85	6.70	0.55	8.24	0.10	527.96	0.98	14.32	205.86	13.60	207.55	23.09	0.80	3.50	52.29
OCWC Oneida Financ. MFC of NY(44.6)	12.85	8.26	0.87	7.03	4.37	0.82	6.60	0.03	NA	0.84	32.90	156.49	20.11	143.38	24.39	0.46	4.10	NM
PSBR PSB Bldg. Inc. MFC of CT (45.2)	10.79	9.06	0.48	4.01	2.70	0.45	3.74	0.31	109.03	0.78	37.00	148.99	16.08	147.30	39.64	0.24	2.16	NM
PVPC PVF Capital Corp. of Solon OH	7.67	7.67	0.58	7.50	6.57	0.52	6.73	1.80	28.73	0.52	15.22	114.11	6.75	114.11	10.22	0.30	2.90	44.12
PPBI Pacific Premier Bancorp of CA	8.02	8.02	1.13	14.80	12.46	0.89	11.62	0.13	317.67	0.59	18.22	110.23	8.94	110.23	10.22	0.00	0.00	0.00
PPCI Pampso Bancorp. Inc. of NJ	9.33	9.33	1.09	11.96	6.15	1.04	11.37	0.16	258.65	0.58	16.37	191.54	17.87	191.54	17.11	0.52	3.98	64.79
PFED Park Bancorp of Chicago IL	12.98	12.98	-0.11	-0.86	-0.69	-0.11	-0.86	1.58	38.52	0.37	NM	126.94	16.47	126.94	NM	0.72	2.15	NM
PVFA Parkvale Financial Corp. of PA	6.51	4.85	0.73	11.30	7.32	0.71	11.06	0.18	326.62	1.22	13.65	147.98	9.64	198.72	13.94	0.80	2.45	33.47
PVTA Parkvale Trust Fin. Corp. of NY	13.06	6.30	0.67	4.90	4.94	0.69	5.07	0.18	539.18	1.53	20.35	103.78	13.56	215.30	19.56	0.28	2.43	49.12
PSBC Pathfinder BC MFC of NY (35.7)	7.17	5.80	0.22	3.16	2.01	0.25	3.63	0.78	72.19	0.83	21.68	201.34	11.13	191.87	NM	0.41	3.05	NM
PFBS Parnafed Fin. Services of NJ(8)	5.33	5.33	0.52	9.30	4.61	0.52	9.40	0.08	319.83	0.34	21.68	201.34	10.73	201.34	21.44	0.28	1.44	31.11
PFDC Peoples Bancorp of Auburn IN	12.57	12.05	0.69	5.29	5.44	0.74	5.69	0.45	84.33	0.82	18.37	100.00	12.57	104.27	17.07	0.78	3.94	72.38
PFBI Peoples Bank MFC of CT (42.2) (8)	12.74	11.75	1.10	9.13	1.92	1.29	10.76	0.26	263.35	0.81	NM	NM	56.68	NM	NM	1.00	2.28	NM
PFBI Peoples Bank MFC of CT (41.3)	8.60	5.72	-0.16	-1.99	-1.99	-0.07	-0.87	1.21	71.67	1.64	NM	91.25	7.84	137.24	NM	0.60	3.51	NM
PFBI Peoples Bank MFC of CT (41.3)	7.02	5.19	0.40	5.70	3.32	0.30	4.19	0.34	100.20	0.59	25.50	147.16	10.34	199.27	34.72	0.32	1.96	50.00
PROV Provident Fin. Holdings of CA	8.16	8.16	1.39	15.61	9.83	1.13	13.70	0.16	407.71	1.76	10.17	153.38	12.52	153.46	11.59	0.72	2.34	23.76
PBYI Provident NY Bancorp, Inc. of NY	14.27	8.21	0.74	5.09	3.09	0.74	5.09	0.17	427.55	1.38	32.38	160.38	22.88	278.75	32.38	0.20	1.31	42.55
PPBI Prudential Bancorp MFC PA (41.5)	19.05	19.05	0.83	4.13	2.29	0.83	4.13	0.02	570.87	0.28	NM	183.45	34.94	183.45	NM	0.16	1.18	51.61
PULS Pulaski Fin. Co. of St. Louis MO	7.85	7.17	1.05	15.24	5.74	1.15	16.61	1.07	76.11	0.92	17.43	209.18	16.43	223.02	15.98	0.34	2.19	38.20
RPGG Ranier Pacific Fin Group of WA	9.63	9.61	0.32	3.26	2.20	0.30	3.10	0.01	NA	1.34	17.69	130.11	14.01	145.68	18.54	0.24	1.26	57.34
RIVA River Valley Bancorp. of IN	7.12	7.11	0.54	7.52	5.65	0.53	7.17	0.53	7.17	0.95	15.00	172.10	19.53	172.10	15.16	0.40	2.81	42.11
KVBS RiverView Bancorp. Inc. of VA	11.35	8.22	1.43	11.92	6.67	1.40	11.79	0.15	650.13	1.18	39.78	201.86	26.13	203.37	NM	0.00	0.00	0.00
KTCS Rockville Fin MFC of CT (45.0)	12.94	12.85	0.72	5.21	2.51	0.70	5.08	0.14	591.95	0.94	16.22	138.87	13.66	192.22	16.55	0.28	2.40	38.37
ROMA Roma Fin Corp MFC of NJ (30.0)	26.70	26.63	0.43	2.09	0.76	0.43	2.09	0.34	2.09	0.76	14.38	196.81	17.46	192.22	17.72	0.48	0.88	12.73
ROMA Roma Bancorp, Inc. of Rome NY	27.21	27.21	1.09	3.75	2.96	1.05	3.55	0.38	172.77	0.74	33.74	139.11	27.85	139.11	34.70	0.20	1.36	33.18
SIFI ST Fin Co. Inc. MFC of CT (41.3)	10.95	10.85	0.43	3.71	1.99	0.44	3.86	0.04	NA	0.73	10.94	210.44	19.25	211.37	11.13	0.16	1.32	65.67
SVEI Severn Bancorp, Inc. of MD	9.15	9.11	1.84	21.01	9.14	1.81	20.65	0.32	418.54	1.02	18.88	102.60	9.96	102.60	18.12	0.40	4.42	NM
SSFC South Street Fin. Corp. of NC	9.71	9.71	0.56	5.49	3.30	0.55	5.72	0.37	5.72	0.74	18.08	102.60	16.08	102.60	18.12	0.00	0.00	0.00
SUPB Superior Bancorp. of AL	9.85	6.56	0.26	3.30	1.34	0.17	2.20	0.37	218.44	1.04	NM	153.30	16.08	154.96	NM	0.00	0.00	0.00
STBF Synovus Financial Group of NJ	9.71	9.64	0.43	4.40	2.30	0.43	4.40	0.37	4.40	0.76	15.00	172.10	19.53	172.10	15.16	0.40	2.81	42.11
THRD TP Fin Corp. of Newtowo PA	9.98	9.29	0.85	8.88	6.17	0.83	8.69	0.35	312.18	0.56	16.22	138.87	13.66	192.22	16.55	0.28	2.40	38.37
TONE Tiorona Corp. of Lincoln NE	10.10	8.77	1.32	12.47	6.95	1.19	12.18	0.45	101.78	1.08	14.38	196.81	17.46	192.22	17.72	0.48	0.88	12.73
TSBK Timberland Bancorp, Inc. of WA	13.75	12.51	1.46	10.55	5.90	1.41	10.21	0.37	201.27	0.86	14.38	196.81	17.46	192.22	17.72	0.48	0.88	12.73
TSTT Trustco Bank Corp NY of NY	7.58	7.56	1.49	22.00	5.86	1.49	22.00	0.17	620.81	2.53	17.06	150.33	57.08	171.27	17.06	0.48	5.68	NM
UCBA United Coma Banc MFC IN (45.0)	17.89	17.89	0.31	2.01	1.11	0.36	2.32	0.37	216.58	0.83	16.94	153.31	17.03	155.51	NM	0.28	2.35	NM
UCTY United Community Fin. of OH	14.46	14.46	0.42	8.88	5.80	0.46	8.39	1.22	49.48	0.72	16.94	145.86	12.12	167.18	18.11	0.38	2.76	48.75
UBNK United Fin. Corp MFC of MA(46.6)	14.46	14.46	0.38	3.99	1.73	0.48	3.99	1.27	268.08	0.94	NM	190.75	28.18	180.38	NM	0.20	1.38	NM
UNBK United Water Bancp. Inc. of CO	14.46	14.46	0.38	3.99	1.73	0.48	3.99	1.27	268.08	0.94	NM	190.75	28.18	180.38	NM	0.20	1.38	NM
VPRG ViewPoint Finl MFC of TX(45.0)	12.87	12.87	0.38	1.76	0.64	0.38	1.76	1.96	186.11	0.89	NM	209.09	28.57	209.09	NM	0.00	0.00	0.00
WSPB WSP Financial Corp. of PA	9.25	9.20	0.58	13.91	6.98	0.57	16.55	0.12	708.94	1.33	14.75	211.72	16.71	213.23	14.18	0.32	0.48	7.14
WFSL Washington Federat. Inc. of VA	13.75	13.75	0.89	3.94	7.84	0.89	3.94	0.09	300.94	1.64	13.10	128.81	9.05	128.81	13.20	0.64	3.88	50.79
WAMW Washington Flds MFC of WI(30.3)	14.12	14.12	0.31	2.30	0.95	0.31	2.30	0.35	384.00	0.35	14.17	160.72	22.38	168.28	14.17	0.82	3.55	50.00
WBYW Wayne Savings Bancshares of OH	8.60	8.20	0.45	5.06	3.76	0.54	6.10	0.22	163.24	0.63	26.62	135.43	11.92	145.38	22.18	0.00	0.00	0.00
WYFC Willow Financial Bcp Inc of PA	13.37	6.52	0.84	6.54	5.80	0.85	6.69	1.00	108.01	1.46	17.25	109.96	14.70	125.40	16.87	0.48	3.13	53.93

EXHIBIT IV-2
Historical Stock Price Indices

Exhibit IV-2
Historical Stock Price Indices(1)

<u>Year/Qtr. Ended</u>	<u>DJIA</u>	<u>S&P 500</u>	<u>NASDAQ Composite</u>	<u>SNL Thrift Index</u>	<u>SNL Bank Index</u>
1998: Quarter 1	8799.8	1101.8	1835.7	869.3	456.1
Quarter 2	8952.0	1133.8	1894.7	833.5	457.7
Quarter 3	7842.6	1017.0	1693.8	651.3	363.5
Quarter 4	9181.4	1229.2	2192.7	705.9	439.6
1999: Quarter 1	9786.2	1286.4	2461.4	707.6	448.4
Quarter 2	10970.8	1372.7	2686.1	695.6	479.3
Quarter 3	10337.0	1282.7	2746.2	609.1	409.9
Quarter 4	11497.1	1469.3	4069.3	562.4	416.7
2000: Quarter 1	10921.9	1498.6	4572.8	545.6	421.2
Quarter 2	10447.9	1454.6	3966.1	567.8	387.4
Quarter 3	10650.9	1436.5	3672.8	718.3	464.6
Quarter 4	10786.9	1320.3	2470.5	874.3	479.4
2001: Quarter 1	9878.8	1160.3	1840.3	885.2	459.2
Quarter 2	10502.4	1224.4	2160.5	964.5	493.7
Quarter 3	8847.6	1040.9	1498.8	953.9	436.6
Quarter 4	10021.5	1148.1	1950.4	918.2	473.7
2002: Quarter 1	10403.9	1147.4	1845.4	1006.7	498.3
Quarter 2	9243.3	989.8	1463.2	1121.4	468.9
Quarter 3	7591.9	815.3	1172.1	984.3	396.8
Quarter 4	8341.6	879.8	1335.5	1073.2	419.1
2003: Quarter 1	7992.1	848.2	1341.2	1096.2	401.0
Quarter 2	8985.4	974.5	1622.8	1266.6	476.1
Quarter 3	9275.1	996.0	1786.9	1330.9	490.9
Quarter 4	10453.9	1112.0	2003.4	1482.3	548.6
2004: Quarter 1	10357.7	1126.2	1994.2	1585.3	562.2
Quarter 2	10435.5	1140.8	2047.8	1437.8	546.6
Quarter 3	10080.3	1114.6	1896.8	1495.1	556.0
Quarter 4	10783.0	1211.9	2175.4	1605.6	595.1
2005: Quarter 1	10503.8	1180.6	1999.2	1516.6	551.0
Quarter 2	10275.0	1191.3	2057.0	1577.1	563.3
Quarter 3	10568.7	1228.8	2151.7	1527.2	546.3
Quarter 4	10717.5	1248.3	2205.3	1616.4	582.8
2006: Quarter 1	11109.3	1294.8	2339.8	1661.1	595.5
Quarter 2	11150.2	1270.2	2172.1	1717.9	601.1
Quarter 3	11679.1	1335.9	2258.4	1727.1	634.0
Nov. 24, 2006	12280.2	1401.0	2460.3	1784.9	639.4

(1) End of period data.

Sources: SNL Financial and The Wall Street Journal.

EXHIBIT IV-3
Historical Thrift Stock Indices

Index Values

	Index Values				Price Appreciation (%)		
	09/29/06	08/31/06	12/31/05	09/30/05	One-month	YTD	LTM
All Pub. Traded Thrifts	1,727.1	1,684.1	1,616.4	1,527.2	2.55	6.85	13.09
MHC Index	3,526.1	3,378.5	2,912.4	2,864.2	4.37	21.07	23.11
Stock Exchange Indexes							
AMEX Thrifts	732.4	697.8	620.5	604.0	4.96	18.04	21.26
NYSE Thrifts	1,077.4	1,045.6	1,024.4	948.1	3.04	5.17	13.64
OTC Thrifts	2,148.7	2,113.7	1,952.7	1,913.1	1.66	10.03	12.31
Geographic Indexes							
Mid-Atlantic Thrifts	3,849.5	3,807.9	3,608.0	3,532.5	1.09	6.69	8.97
Midwestern Thrifts	3,497.9	3,455.5	3,295.6	3,307.7	1.23	6.14	5.75
New England Thrifts	2,031.5	1,927.8	1,750.8	1,721.3	5.38	16.03	18.02
Southeastern Thrifts	1,574.2	1,556.1	1,455.6	1,463.5	1.16	8.14	7.56
Southwestern Thrifts	1,468.7	1,467.5	1,260.7	1,121.5	0.08	16.50	30.96
Western Thrifts	1,632.1	1,579.4	1,544.1	1,404.4	3.33	5.69	16.21
Asset Size Indexes							
Less than \$250M	1,286.1	1,264.7	1,273.4	1,311.1	1.69	0.99	-1.91
\$250M to \$500M	3,512.2	3,445.7	3,235.2	3,295.2	1.93	8.56	6.58
\$500M to \$1B	2,017.6	2,001.2	1,777.9	1,773.4	0.82	13.49	13.77
\$1B to \$5B	2,598.4	2,591.2	2,402.3	2,389.1	0.28	8.16	8.76
Over \$5B	1,029.1	998.9	967.8	902.9	3.02	6.33	13.97
Pink Indexes							
Pink Thrifts	503.0	472.5	420.9	423.0	6.44	19.50	18.90
Less than \$75M	526.9	512.5	479.4	503.1	2.80	9.90	4.73
Over \$75M	522.4	490.3	436.3	438.2	6.55	19.71	19.21
Comparative Indexes							
Dow Jones Industrial	11,679.1	11,381.2	10,717.5	10,568.7	2.62	8.97	10.51
S&P 500	1,335.9	1,303.8	1,248.3	1,228.8	2.46	7.01	8.71

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

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

EXHIBIT IV-4
Market Area Acquisition Activity

**Exhibit IV-4
Pennsylvania Thrift Acquisitions 2003-Present**

Announce Date	Complete Date	Buyer/Short Name	Target Name	Target Financials at Announcement							Deal Terms and Pricing at Announcement							
				Total Assets		ROA		ROAA		NPLs		Deal Value (\$M)	Share	P/B (%)	P/TB (%)	P/E (x)	P/A (%)	Cdepts (%)
				(\$000)	(%)	(%)	(%)	(%)	(%)	(%)	(%)							
04/27/2006	08/28/2006	First Commonwealth Financial	PA Laurel Capital Group, Inc.	PA	314,295	8.85	0.61	6.78	0.21	298.95	57.5	28,250	202.22	227.64	28.25	18.29	13.94	
04/13/2006	09/11/2006	Allegheny Valley Bancorp Inc.	PA RSV Bancorp, Inc.	PA	77,741	12.81	0.93	7.27	0.32	168.29	16.6	29,000	159.96	159.96	31.52	21.29	14.03	
09/06/2005	01/26/2006	National Penn Bancshares Inc.	PA Nittany Financial Corp.	PA	326,517	7.23	1.20	16.01	NA	NA	97.8	41,750	373.86	404.17	25.15	29.95	52.62	
06/06/2005	11/10/2005	Beneficial Savings Bank, MHC	PA Northeast Pennsylvania Financial Corp.	PA	9,251	10.32	1.76	17.32	0.00	NA	NA	NA	NA	NA	NA	NA	NA	
12/08/2004	05/19/2005	KNBT Bancorp Inc.	PA Northeast Pennsylvania Financial Corp.	PA	836,011	6.99	0.59	8.62	0.86	122.96	98.7	23,000	156.46	190.24	18.25	11.80	16.21	
08/12/2004	02/11/2005	ESB Financial Corp.	PA PHSB Financial Corp.	PA	323,003	14.06	0.91	6.70	NA	NA	82.6	27,000	172.52	172.52	25.71	25.58	19.96	
03/08/2004	01/21/2005	Sovereign Bancorp Inc.	PA Waypoint Financial Corp.	PA	5,329,902	7.55	0.77	9.95	0.18	326.57	995.7	28,100	232.23	244.77	22.30	18.68	28.89	
12/11/2003	05/24/2004	First Commonwealth Financial	PA GA Financial, Inc.	PA	882,962	10.71	0.79	7.15	0.30	166.17	185.2	35,000	183.82	183.92	24.31	20.97	20.57	
09/22/2003	01/05/2004	Royal Bank of Scotland Group	PA Thistle Group Holdings, Co.	PA	913,630	8.35	0.58	6.24	0.38	147.98	147.3	26,000	177.96	197.87	27.37	16.12	19.02	
09/11/2003	04/30/2004	Northwest Bancorp Inc. (MHC)	PA Skibo Financial Corp. (MHC)	PA	157,413	14.88	-0.13	-0.85	0.01	NM	22.8	17,000	227.88	227.88	NM	34.98	45.88	
08/28/2003	02/02/2004	FleetBoston Financial Corp.	MA Progress Financial Corporation	PA	1,109,882	5.81	0.71	11.66	0.46	142.45	210.4	27,738	294.77	299.54	32.63	18.95	27.76	
08/08/2003	12/05/2003	First Commonwealth Financial	PA Pittsburgh Financial Corp.	PA	376,450	6.07	0.14	2.43	NA	NA	31.0	20,000	124.77	125.63	41.67	8.24	5.40	
03/12/2003	08/31/2003	Northwest Bancorp Inc. (MHC)	PA First Bell Bancorp, Inc.	PA	892,885	8.25	0.98	11.88	0.20	51.22	120.0	26,250	161.54	161.54	13.00	13.44	8.93	
02/14/2003	06/06/2003	Advance Bank	MD Berean Bank	PA	52,793	4.24	-0.49	-11.19	2.59	24.82	NA	NA	NA	NA	NA	NA	NA	
Average:					828,767	9.01	0.67	7.14	0.50	161.05			205.67	216.31	26.38	19.86	22.77	
Median:					351,484	8.30	0.74	7.21	0.30	147.98			180.89	194.06	25.71	18.82	19.49	

Source: SNL Financial, LC.

EXHIBIT IV-5
ESSA Bank & Trust
Director and Senior Management Summary Resumes

ESSA Bank & Trust
Director and Senior Management Summary Resumes

Directors

John E. Burrus has served as Chairman of the Board of ESSA Bank & Trust since 1989. In 2005, Mr. Burrus retired as the owner of John E. Burrus Landscape which designs, sells, installs and maintains landscapes for private homes, and commercial properties in Monroe County, Easton and Scranton, Pennsylvania. Mr. Burrus is a graduate of Rutgers University.

William P. Douglass has been President of Douglass Enterprises, Inc., doing business as Olde Engine Works Market Place which is an antiques and collectibles co-operative. Mr. Douglass is a graduate of Texas Christian University.

Daniel J. Henning is a builder/real estate developer has been the Owner/President of A.C. Henning Enterprises, Inc., a general contract of custom built homes, multi-family townhouses and light commercial construction and renovation, since 1982. Mr. Henning is a graduate of Spring Garden College.

Frederick E. Kutteroff served as President, Chief Executive Officer of Keystone Savings Bank from 1990 until his retirement in 2003. Mr. Kutteroff holds a Certificate of Business Administration from Temple University.

Gary S. Olson has been President and Chief Executive Officer of ESSA Bank & Trust since 2000. Mr. Olson began his career at ESSA Bank & Trust in 1977. Mr. Olson is a graduate of East Stroudsburg University.

John S. Schoonover, Jr. has been a registered architect/principal in the architectural firm of Schoonover and Vanderhoof, LLC since 1978. He is a licensed architect registered to practice in Pennsylvania, New Jersey, New York and North Carolina. Mr. Schoonover served in the United States Marine Corps from 1962 through 1967.

Robert C. Selig, Jr. has served as President of Selig Construction Company since 1972. Selig Construction Company is in the business of building primary and vacation residences. Mr. Selig is a graduate of West Side Area Vocational/Technical School.

William A. Viechnicki, D.D.S. has been in the private practice of orthodontics in East Stroudsburg, Pennsylvania since 1971. Dr. Viechnicki is a graduate of Pennsylvania State University and Temple University School of Dentistry where he serves as a professor of orthodontics.

Elizabeth B. Weekes has been a partner in the law firm Bensinger and Weekes, P.A. since 1987. Ms. Weekes' practice focuses on real estate, civil litigation, domestic relations, banking, municipalities and estates. Ms. Weekes is a graduate of Colgate University and Dickinson School of Law.

ESSA Bank & Trust
Director and Senior Management Summary Resumes(continued)

Executive Officers of ESSA Bank & Trust Who Are Not Also Directors

Allan A. Muto has been the Executive Vice President and Chief Financial Officer of ESSA Bank & Trust since January 2006. Prior to that time Mr. Muto served as Executive Vice President, Chief Operating Officer beginning in 2001. Mr Muto previously served as Senior Vice President, Chief Financial Officer at Pioneer American Bank, N.A. in Carbondale, Pennsylvania.

Robert S. Howes, Jr. has been with ESSA Bank & Trust in various capacities since 1985 and has been Senior Vice President, Lending Services Division since 2001. Previously, Mr. Howes served as Branch Manager at Franklin First Federal Savings and Loan Association in Wilkes-Barre, Pennsylvania.

Diane K. Reimer has been Vice President, Administrative Services Division since 1998 and first joined ESSA Bank & Trust in 1983.

V. Gail Warner has been Vice President, Retail Services Division since 1999. Previously, Ms. Warner served as Assistant Vice President, Branch Sales Manager at First Eastern Bank in Mount Pocono, Pennsylvania.

Thomas J. Grayuski has been Vice President, Human Resources Services Division since 2000. Previously, Mr. Grayuski was the Senior Personnel Management Specialist at the United States Army Armament Research, Development and Engineering Center in Dover, New Jersey.

Source: ESSA Bank's prospectus.

EXHIBIT IV-6
ESSA Bank & Trust
Pro Forma Regulatory Capital Ratios

EXHIBIT IV-6
ESSA Bank & Trust
Pro Forma Regulatory Capital Ratios

	ESSA Bank & Trust Historical at September 30, 2006		Pro Forma at September 30, 2006, Based Upon the Sale in the Offering of							
	Amount	Percent of Assets (2)	9,350,000 Shares		11,000,000 Shares		12,650,000 Shares		14,547,500 Shares (1)	
			Amount	Percent of Assets (2)	Amount	Percent of Assets (2)	Amount	Percent of Assets (2)	Amount	Percent of Assets (2)
(Dollars in thousands)										
Equity capital	\$ 58,337	8.04%	\$ 92,073	12.00%	\$ 98,129	12.66%	\$ 104,199	13.32%	\$ 111,186	14.05%
Tangible capital.....	\$ 58,333	8.06%	\$ 92,069	12.02%	\$ 98,125	12.69%	\$ 104,195	13.34%	\$ 111,182	14.08%
Tangible requirement.....	<u>10,859</u>	<u>1.50</u>	<u>11,488</u>	<u>1.50</u>	<u>11,600</u>	<u>1.50</u>	<u>11,713</u>	<u>1.50</u>	<u>11,842</u>	<u>1.50</u>
Excess	<u>\$ 47,474</u>	<u>6.56%</u>	<u>\$ 80,581</u>	<u>10.52%</u>	<u>\$ 86,525</u>	<u>11.19%</u>	<u>\$ 92,482</u>	<u>11.84%</u>	<u>\$ 99,340</u>	<u>12.58%</u>
Core capital	\$ 58,333	8.06%	\$ 92,069	12.02%	\$ 98,125	12.69%	\$ 104,195	13.34%	\$ 111,182	14.08%
Core requirement (3).....	<u>28,959</u>	<u>4.00</u>	<u>30,635</u>	<u>4.00</u>	<u>30,934</u>	<u>4.00</u>	<u>31,234</u>	<u>4.00</u>	<u>31,578</u>	<u>4.00</u>
Excess	<u>\$ 29,374</u>	<u>4.06%</u>	<u>\$ 61,434</u>	<u>8.02%</u>	<u>\$ 67,191</u>	<u>8.69%</u>	<u>\$ 72,961</u>	<u>9.34%</u>	<u>\$ 79,604</u>	<u>10.08%</u>
Total risk-based capital (4).....	\$ 62,212	15.77%	\$ 95,948	23.82%	\$ 102,004	25.23%	\$ 108,074	26.63%	\$ 115,061	28.23%
Risk-based requirement.....	<u>31,557</u>	<u>8.00</u>	<u>32,224</u>	<u>8.00</u>	<u>32,344</u>	<u>8.00</u>	<u>32,464</u>	<u>8.00</u>	<u>32,601</u>	<u>8.00</u>
Excess	<u>\$ 30,655</u>	<u>7.77%</u>	<u>\$ 63,724</u>	<u>15.82%</u>	<u>\$ 69,660</u>	<u>17.23%</u>	<u>\$ 75,610</u>	<u>18.63%</u>	<u>\$ 82,460</u>	<u>20.23%</u>

- (1) As adjusted to give effect to an increase in the number of shares which could occur due to a 15% increase in the offering range to reflect demand for the shares, changes in market or general financial conditions following the commencement of the offering or regulatory considerations.
- (2) Tangible and core capital levels are shown as a percentage of total adjusted assets. Risk-based capital levels are shown as a percentage of risk-weighted assets.
- (3) The current Office of Thrift Supervision core capital requirement for financial institutions is 3% of total adjusted assets for financial institutions that receive the highest supervisory rating for safety and soundness and a 4% to 5% core capital ratio requirement for all other financial institutions.
- (4) Pro forma amounts and percentages assume net proceeds are invested in assets that carry a 20% risk weighting.

Source: ESSA Bank's prospectus.

EXHIBIT IV-7
ESSA Bank & Trust
Pro Forma Analysis Sheet

Exhibit IV-7
PRO FORMA ANALYSIS SHEET
ESSA Bank & Trust
Prices as of November 24, 2006

Price Multiple	Symbol	Subject (1)	Peer Group		Pennsylvania Companies		All Publicly-Traded	
			Mean	Median	Mean	Median	Mean	Median
Price-earnings ratio (x)	P/E	22.21 x	18.55x	16.70x	17.37x	16.22x	19.46x	17.42x
Price-core earnings ratio (x)	P/Core	22.23 x	19.37x	17.12x	16.31x	16.55x	19.96x	17.91x
Price-book ratio (%) =	P/B	76.98%	141.13%	137.70%	132.52%	137.30%	154.46%	142.69%
Price-tangible book ratio (%) =	P/TB	76.98%	149.25%	145.80%	168.29%	149.22%	174.01%	166.12%
Price-assets ratio (%) =	P/A	14.35%	15.63%	13.21%	10.81%	9.45%	18.31%	15.12%

Valuation Parameters

Pre-Conversion Earnings (Y)	\$3,954,000	ESOP Stock Purchases (E)	8.00% (5)
Pre-Conversion Earnings (CY)	\$3,949,000	Cost of ESOP Borrowings (S)	0.00% (4)
Pre-Conversion Book Value (B)	\$58,337,000	ESOP Amortization (T)	30.00 years
Pre-Conv. Tang. Book Val. (TB)	\$58,337,000	RRP Amount (M)	4.00%
Pre-Conversion Assets (A)	\$725,796,000	RRP Vesting (N)	5.00 years (5)
Reinvestment Rate (2)(R)	4.91%	Foundation (F)	7.48%
Est. Conversion Expenses (3)(X)	1.97%	Tax Benefit (Z)	1,880,000
Tax Rate (TAX)	34.00%	Percentage Sold (PCT)	100.00%
		Option (O1)	10.00% (6)
		Estimated Option Value (O2)	38.40% (6)
		Option vesting (O3)	5.00 (6)
		Option pct taxable (O4)	25.00% (6)

Calculation of Pro Forma Value After Conversion

$$\begin{aligned}
 1. \quad V &= \frac{P/E * (Y)}{1 - P/E * PCT * ((1-X-E-M-F)*R*(1-TAX) - (1-TAX)*E/T - (1-TAX)*M/N) - (1-(TAX*O4))*(O1*O2)/O3} & V &= \$117,700,000 \\
 2. \quad V &= \frac{P/Core * (Y)}{1 - P/core * PCT * ((1-X-E-M-F)*R*(1-TAX) - (1-TAX)*E/T - (1-TAX)*M/N) - (1-(TAX*O4))*(O1*O2)/O3} & V &= \$117,700,000 \\
 3. \quad V &= \frac{P/B * (B+Z)}{1 - P/B * PCT * (1-X-E-M-F)} & V &= \$117,700,000 \\
 4. \quad V &= \frac{P/TB * (TB+Z)}{1 - P/TB * PCT * (1-X-E-M-F)} & V &= \$117,700,000 \\
 5. \quad V &= \frac{P/A * (A+Z)}{1 - P/A * PCT * (1-X-E-M-F)} & V &= \$117,700,000
 \end{aligned}$$

Conclusion	Shares Issued	Price Per	Gross Offering	Shares	Total Shares	Aggregate
	To the Public	Share	Proceeds	Issued To Foundation	Issued	Market Value of Shares Issued
Supermaximum	14,547,500	10.00	\$ 145,475,000	1,018,325	15,565,825	\$ 155,658,250
Maximum	12,650,000	10.00	126,500,000	885,500	13,535,500	135,355,000
Midpoint	11,000,000	10.00	110,000,000	770,000	11,770,000	117,700,000
Minimum	9,350,000	10.00	93,500,000	654,500	10,004,500	100,045,000

- (1) Pricing ratios shown reflect the midpoint value.
- (2) Net return reflects a reinvestment rate of 4.91 percent and a tax rate of 34.0 percent.
- (3) Offering expenses shown at estimated midpoint value.
- (4) No cost is applicable since holding company will fund the ESOP loan.
- (5) ESOP and MRP amortize over 30 years and 5 years, respectively; amortization expenses tax effected at 34.0 percent.
- (6) 10 percent option plan with an estimated Black-Scholes valuation of 38.40 percent of the exercise price, including a 5 year vesting with 25 percent of the options (granted to directors) tax effected at 34.0 percent.

EXHIBIT IV-8
ESSA Bank & Trust
Pro Forma Effect of Conversion Proceeds

Exhibit IV-8
PRO FORMA EFFECT OF CONVERSION PROCEEDS
ESSA Bank & Trust
At the Minimum

1.	Pro Forma Market Capitalization	\$100,045,000
	Less: Foundation Shares	6,545,000
2.	Offering Proceeds	\$93,500,000
	Less: Estimated Offering Expenses	2,017,069
	Net Conversion Proceeds	\$91,482,931
3.	Estimated Additional Income from Conversion Proceeds	
	Net Conversion Proceeds	\$91,482,931
	Less: Cash Contribution to Foundation	935,000
	Less: Non-Cash Stock Purchases (1)	12,005,400
	Net Proceeds Reinvested	\$78,542,531
	Estimated net incremental rate of return	3.24%
	Reinvestment Income	\$2,545,249
	Less: Estimated cost of ESOP borrowings (2)	0
	Less: Amortization of ESOP borrowings (3)	176,079
	Less: Amortization of Options (4)	703,036
	Less: Recognition Plan Vesting (5)	528,238
	Net Earnings Impact	\$1,137,896

	<u>Before Conversion</u>	<u>Net Cash Proceeds</u>	<u>Net Earnings Increase</u>	<u>After Conversion</u>
4. Pro Forma Earnings				
12 Months ended September 30, 2006 (reported)	\$3,954,000		\$1,137,896	\$5,091,896
12 Months ended September 30, 2006 (core)	\$3,949,000		\$1,137,896	\$5,086,896
5. Pro Forma Net Worth	<u>Before Conversion</u>	<u>Net Cash Proceeds</u>	<u>Tax Benefit Of Contribution</u>	<u>After Conversion</u>
September 30, 2006	\$58,337,000	\$78,542,531	\$1,880,000	\$138,759,531
September 30, 2006 (Tangible)	\$58,337,000	\$78,542,531	\$1,880,000	\$138,759,531
6. Pro Forma Assets	<u>Before Conversion</u>	<u>Net Cash Proceeds</u>	<u>Tax Benefit Of Contribution</u>	<u>After Conversion</u>
September 30, 2006	\$725,796,000	\$78,542,531	\$1,880,000	\$806,218,531

- (1) Includes ESOP and RRP stock purchases equal to 8.0 and 4.0 percent of total shares issued, respectively.
(2) ESOP stock purchases are internally financed by a loan from the holding company.
(3) ESOP borrowings are amortized over 30 years, amortization expense is tax-effected at a 34.0 percent rate.
(4) Option valuation based on Black-Scholes model, 5 year vesting, and assumes 25 percent is taxable.
(5) RRP is amortized over 5 years, and amortization expense is tax effected at 34.0 percent.

Exhibit IV-8
PRO FORMA EFFECT OF CONVERSION PROCEEDS
 ESSA Bank & Trust
 At the Midpoint

1. Pro Forma Market Capitalization		\$117,700,000
Less: Foundation Shares		<u>7,700,000</u>
2. Offering Proceeds		\$110,000,000
Less: Estimated Offering Expenses		<u>2,167,945</u>
Net Conversion Proceeds		\$107,832,055

3. Estimated Additional Income from Conversion Proceeds

Net Conversion Proceeds	\$107,832,055
Less: Cash Contribution to Foundation	1,100,000
Less: Non-Cash Stock Purchases (1)	<u>14,124,000</u>
Net Proceeds Reinvested	\$92,608,055
Estimated net incremental rate of return	<u>3.24%</u>
Reinvestment Income	\$3,001,057
Less: Estimated cost of ESOP borrowings (2)	0
Less: Amortization of ESOP borrowings (3)	207,152
Less: Amortization of Options (4)	827,101
Less: Recognition Plan Vesting (5)	<u>621,456</u>
Net Earnings Impact	\$1,345,347

	<u>Before Conversion</u>	<u>Net Earnings Increase</u>	<u>After Conversion</u>
4. Pro Forma Earnings			
12 Months ended September 30, 2006 (reported)	\$3,954,000	\$1,345,347	\$5,299,347
12 Months ended September 30, 2006 (core)	\$3,949,000	\$1,345,347	\$5,294,347

	<u>Before Conversion</u>	<u>Net Cash Proceeds</u>	<u>Tax Benefit Of Contribution</u>	<u>After Conversion</u>
5. Pro Forma Net Worth				
September 30, 2006	\$58,337,000	\$92,608,055	\$1,880,000	\$152,825,055
September 30, 2006 (Tangible)	\$58,337,000	\$92,608,055	\$1,880,000	\$152,825,055

	<u>Before Conversion</u>	<u>Net Cash Proceeds</u>	<u>Tax Benefit Of Contribution</u>	<u>After Conversion</u>
6. Pro Forma Assets				
September 30, 2006	\$725,796,000	\$92,608,055	\$1,880,000	\$820,284,055

- (1) Includes ESOP and RRP stock purchases equal to 8.0 and 4.0 percent of total shares issued, respectively.
 (2) ESOP stock purchases are internally financed by a loan from the holding company.
 (3) ESOP borrowings are amortized over 30 years, amortization expense is tax-effected at a 34.0 percent rate.
 (4) Option valuation based on Black-Scholes model, 5 year vesting, and assumes 25 percent is taxable.
 (5) RRP is amortized over 5 years, and amortization expense is tax effected at 34.0 percent.

Exhibit IV-8
PRO FORMA EFFECT OF CONVERSION PROCEEDS
 ESSA Bank & Trust
 At the Maximum Value

1. Pro Forma Market Capitalization		\$135,355,000
Less: Foundation Shares		8,855,000
2. Offering Proceeds		\$126,500,000
Less: Estimated Offering Expenses		2,290,317
Net Conversion Proceeds		\$124,209,683

3. Estimated Additional Income from Conversion Proceeds

Net Conversion Proceeds	\$124,209,683
Less: Cash Contribution to Foundation	1,265,000
Less: Non-Cash Stock Purchases (1)	16,242,600
Net Proceeds Reinvested	\$106,702,083
Estimated net incremental rate of return	3.24%
Reinvestment Income	\$3,457,788
Less: Estimated cost of ESOP borrowings (2)	0
Less: Amortization of ESOP borrowings (3)	238,225
Less: Amortization of Options (4)	951,167
Less: Recognition Plan Vesting (5)	714,674
Net Earnings Impact	\$1,553,722

	<u>Before Conversion</u>	<u>Net Earnings Increase</u>	<u>After Conversion</u>
4. Pro Forma Earnings			
12 Months ended September 30, 2006 (reported)	\$3,954,000	\$1,553,722	\$5,507,722
12 Months ended September 30, 2006 (core)	\$3,949,000	\$1,553,722	\$5,502,722

	<u>Before Conversion</u>	<u>Net Cash Proceeds</u>	<u>Tax Benefit Of Contribution</u>	<u>After Conversion</u>
5. Pro Forma Net Worth				
September 30, 2006	\$58,337,000	\$106,702,083	\$1,880,000	\$166,919,083
September 30, 2006 (Tangible)	\$58,337,000	\$106,702,083	\$1,880,000	\$166,919,083

	<u>Before Conversion</u>	<u>Net Cash Proceeds</u>	<u>Tax Benefit Of Contribution</u>	<u>After Conversion</u>
6. Pro Forma Assets				
September 30, 2006	\$725,796,000	\$106,702,083	\$1,880,000	\$834,378,083

- (1) Includes ESOP and RRP stock purchases equal to 8.0 and 4.0 percent of total shares issued, respectively.
 (2) ESOP stock purchases are internally financed by a loan from the holding company.
 (3) ESOP borrowings are amortized over 30 years, amortization expense is tax-effected at a 34.0 percent rate.
 (4) Option valuation based on Black-Scholes model, 5 year vesting, and assumes 25 percent is taxable.
 (5) RRP is amortized over 5 years, and amortization expense is tax effected at 34.0 percent.

Exhibit IV-8
PRO FORMA EFFECT OF CONVERSION PROCEEDS
ESSA Bank & Trust
At the Supermaximum Value

1. Pro Forma Market Capitalization		\$155,658,250
Less: Foundation Shares		10,183,250
2. Offering Proceeds		\$145,475,000
Less: Estimated Offering Expenses		2,420,448
Net Conversion Proceeds		\$143,054,552
3. Estimated Additional Income from Conversion Proceeds		
Net Conversion Proceeds		\$143,054,552
Less: Cash Contribution to Foundation		1,454,750
Less: Non-Cash Stock Purchases (1)		18,678,990
Net Proceeds Reinvested		\$122,920,812
Estimated net incremental rate of return		3.24%
Reinvestment Income		\$3,983,372
Less: Estimated cost of ESOP borrowings (2)		0
Less: Amortization of ESOP borrowings (3)		273,959
Less: Amortization of Options (4)		1,093,842
Less: Recognition Plan Vesting (5)		821,876
Net Earnings Impact		\$1,793,696

	<u>Before Conversion</u>		<u>Net Earnings Increase</u>	<u>After Conversion</u>
4. Pro Forma Earnings				
12 Months ended September 30, 2006 (reported)	\$3,954,000		\$1,793,696	\$5,747,696
12 Months ended September 30, 2006 (core)	\$3,949,000		\$1,793,696	\$5,742,696
	<u>Before Conversion</u>	<u>Net Cash Proceeds</u>	<u>Tax Benefit Of Contribution</u>	<u>After Conversion</u>
5. Pro Forma Net Worth				
September 30, 2006	\$58,337,000	\$122,920,812	\$1,880,000	\$183,137,812
September 30, 2006 (Tangible)	\$58,337,000	\$122,920,812	\$1,880,000	\$183,137,812
	<u>Before Conversion</u>	<u>Net Cash Proceeds</u>	<u>Tax Benefit Of Contribution</u>	<u>After Conversion</u>
6. Pro Forma Assets				
September 30, 2006	\$725,796,000	\$122,920,812	\$1,880,000	\$850,596,812

- (1) Includes ESOP and RRP stock purchases equal to 8.0 and 4.0 percent of total shares issued, respectively.
(2) ESOP stock purchases are internally financed by a loan from the holding company.
(3) ESOP borrowings are amortized over 30 years, amortization expense is tax-effected at a 34.0 percent rate.
(4) Option valuation based on Black-Scholes model, 5 year vesting, and assumes 25 percent is taxable.
(5) RRP is amortized over 5 years, and amortization expense is tax effected at 34.0 percent.

EXHIBIT IV-9
Peer Group Core Earnings Analysis

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

FIRM QUALIFICATION STATEMENT

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

STRATEGIC & CAPITAL PLANNING

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

MERGER & ACQUISITION SERVICES

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

VALUATION SERVICES

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

OTHER CONSULTING SERVICES & DATA BASES

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

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

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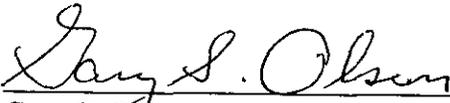
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SIGNATURES

The Registrant has duly caused this form to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Stroudsburg, Commonwealth of Pennsylvania on December 7, 2006.

ESSA BANCORP, INC.

By: 
Gary S. Olson
President and Chief Executive Officer