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IN ACCORDANCE WITH RULE 202 OF REGULATION S-T,  
THE SUPPORTING FINANCIAL DATA OF  
THIS EXHIBIT 99.3.2 TO THE REGISTRANT'S FORM S-1 IS BEING  
FILED IN PAPER PURSUANT TO A CONTINUING  
HARDSHIP EXEMPTION



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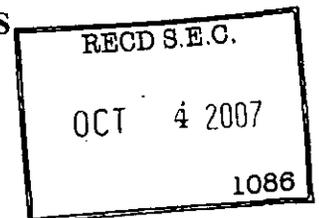
SECURITIES AND EXCHANGE COMMISSION

Washington, DC 20549

FORM SE

FORM FOR SUBMISSION OF PAPER FORMAT EXHIBITS

BY ELECTRONIC FILERS



Atlantic Coast Financial Corporation  
(Exact Name of Registrant as Specified in Charter)

0001404296  
(Registrant's CIK Number)

Exhibit 99.3.2 to the Form S-1  
(Electronic Report, Schedule or Registration Statement of Which the Documents Are a Part  
(Give Period of Report))

333-144149  
(SEC File Number, if Available)

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

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FINANCIAL



DIVISION OF  
CORPORATION FINANCE

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

3040

May 30, 2007

Richard S. Garabedian  
Luse Gorman Pomeroy & Schick  
5335 Wisconsin Avenue, NW  
Suite 400  
Washington, DC 20015



Re: Atlantic Coast Financial Corporation  
Incoming letter dated May 29, 2007

Dear Mr. Garabedian:

This letter is to inform you that your written request for a continuing hardship exemption, as provided in Rule 202 of Regulation S-T, has been

Granted

Denied

for the statistical information only of Exhibit 99.3, Valuation Appraisal Report to Form S-1. All written portions must be EDGARized. Please include the following notation at the top of your document, "In accordance with Rule 202 of Regulation S-T, this (specify document) is being filed in paper pursuant to a continuing hardship exemption" and also include a copy of this letter.

Sincerely,

*for* Herbert D. Scholl  
EDGAR and Information Analysis  
Division of Corporation Finance

**SIGNATURES**

The Registrant has duly caused this form to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Waycross, State of Georgia, on October 4, 2007.

**ATLANTIC COAST FINANCIAL CORPORATION**



By: \_\_\_\_\_

Robert J. Larison, Jr.  
President and Chief Executive Officer

***PRO FORMA VALUATION REPORT***  
***ATLANTIC COAST FEDERAL CORPORATION***  
***HOLDING COMPANY FOR***  
***ATLANTIC COAST BANK***  
***Waycross, Georgia***

***Dated As Of:***  
***September 28, 2007***

***Prepared By:***  
***RP<sup>®</sup> Financial, LC.***  
***1700 North Moore Street***  
***Suite 2210***  
***Arlington, Virginia 22209***

September 28, 2007

Boards of Directors  
Atlantic Coast Federal MHC  
Atlantic Coast Federal Corporation  
Atlantic Coast Bank  
505 Haines Avenue  
Waycross, Georgia 31501

**Members of the Boards of Directors:**

At your request, we have completed and hereby provide an independent appraisal ("Appraisal") of the estimated pro forma market value of the common stock to be issued by Atlantic Coast Federal Corporation, Waycross, Georgia ("ACFC" or the "Company") in connection with the mutual-to-stock conversion of Atlantic Coast Federal MHC (the "MHC"). The MHC currently has a majority ownership interest in, and its principal asset consists of, approximately 63.82% of the common stock of ACFC (the "MHC Shares"), the mid-tier holding company for Atlantic Coast Bank, Waycross, Georgia (the "Bank"). The remaining 36.18% of ACFC's common stock is owned by public stockholders. ACFC, which completed its initial public stock offering in October 2004, owns 100% of the common stock of the Bank. It is our understanding that ACFC will offer its stock, representing the majority ownership interest held by the MHC, in a subscription offering to Eligible Account Holders, 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 in a community offering to members of the local community and the public at large.

This Appraisal is furnished pursuant to the requirements of the Code of Federal Regulations 563b.7 and 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" of the Office of Thrift Supervision ("OTS"), which have been adopted in practice by the Federal Deposit Insurance Corporation ("FDIC").

**Plan of Conversion and Stock Issuance**

On May 7, 2007, the respective Boards of Directors of the MHC, the Company and the Bank adopted a Plan of Conversion and Reorganization (the "Plan of Conversion"), pursuant to which the mutual holding company will convert to the stock form of organization. Pursuant to the Plan of Conversion, (i) the MHC will convert to stock form, (ii) the MHC and the Company

**Washington Headquarters**

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will merge into the Bank and the Bank will become a wholly owned subsidiary of a newly chartered stock company (the "Company"), (iii) the shares of common stock of the Company held by persons other than the MHC will be converted into shares of common stock of the Company pursuant to an exchange ratio designed to preserve the percentage ownership interests of such persons, and (iv) the Company will offer and sell shares of its common stock to certain depositors of the Bank, residents of Bank's local community and shareholders of the Company and others in the manner and subject to the priorities set forth in the Plan of Conversion. As of June 30, 2007, the date of financial data herein, the MHC's ownership interest in ACFC approximated 63.82%. The Company will also issue shares of its common stock to the public stockholders of ACFC pursuant to an exchange ratio that will result in the public shareholders owning the same aggregate percentage of the newly issued ACFC common stock as owned immediately prior to the conversion. As of June 30, 2007, the date of financial data herein, the public stockholders' ownership interest in ACFC approximated 36.18%.

#### RP<sup>®</sup> Financial, LC.

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

#### Valuation Methodology

In preparing our Appraisal, we have reviewed the regulatory applications of ACFC, the Bank and the MHC, including the prospectus as filed with the OTS and the Securities and Exchange Commission ("SEC"). We have conducted a financial analysis of ACFC, the Bank and the MHC that has included a review of audited financial information for fiscal years ended December 31, 2002 through 2006, a review of various unaudited information and internal financial reports through June 30, 2007, and due diligence related discussions with ACFC's management; Crowe Chizek and Company LLC, the Company's independent auditor; Luse, Gorman Pomerenk and Schick, the Company's legal counsel for the stock conversion counsel; and Ryan Beck and Company, ACFC's marketing advisor in connection with the stock offering. All assumptions and conclusions set forth in the Appraisal were reached independently from such discussions. In addition, where appropriate, we have considered information based on other available published sources that we believe are reliable. While we believe the information and data gathered from all these sources are reliable, we cannot guarantee the accuracy and completeness of such information.

We have investigated the competitive environment within which ACFC operates and have assessed ACFC's relative strengths and weaknesses. We have kept abreast of the changing

regulatory and legislative environment for financial institutions and analyzed the potential impact on ACFC and the industry as a whole. We have analyzed the potential effects of the stock conversion on ACFC's operating characteristics and financial performance as they relate to the pro forma market value of ACFC. We have analyzed the assets held by the MHC, which will be consolidated with ACFC's assets and equity pursuant to the completion of conversion. We have reviewed the economic and demographic characteristics of the Company's primary market area. We have compared ACFC's financial performance and condition with selected publicly-traded thrifts in accordance with the Valuation Guidelines, as well as all publicly-traded thrifts and thrift holding companies. We have reviewed the current conditions in the securities markets in general and the market for thrift stocks in particular, including the market for existing thrift issues, initial public offerings by thrifts and thrift holding companies, and second-step conversion offerings. We have excluded from such analyses thrifts subject to announced or rumored acquisition, and/or institutions that exhibit other unusual characteristics.

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

Our appraised value is predicated on a continuation of the current operating environment for ACFC and for all thrifts and their holding companies. Changes in the local, state and national economy, the legislative and regulatory environment 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 value of ACFC's stock alone. It is our understanding that there are no current plans for selling control of ACFC following completion of the second-step stock offering. To the extent that such factors can be foreseen, they have been factored into our analysis.

The estimated pro forma market value is defined as the price at which ACFC's common stock, immediately upon completion of the second-step stock 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 September 28, 2007, the estimated aggregate pro forma valuation of the shares to be issued in the conversion of the MHC, including: (1) newly-issued shares representing the MHC's ownership interest in ACFC, and (2) exchange shares issued to existing public shareholders of ACFC, was \$211,521,980 at the midpoint, equal to 21,152,198 shares at a per share value of \$10.00. The resulting range of value pursuant to regulatory

guidelines and the corresponding number of shares based on the Board approved \$10.00 per share offering price is set forth below.

<u>Shares</u>	<u>Total Shares</u>	<u>Offering Shares</u>	<u>Exchange Shares Issued to the Public Shareholders</u>	<u>Exchange Ratio (x)</u>
Supermaximum	27,973,782	17,853,750	10,120,032	2.04545
Maximum	24,325,027	15,525,000	8,800,027	1.77866
Midpoint	21,152,198	13,500,000	7,652,198	1.54666
Minimum	17,979,368	11,475,000	6,504,368	1.31466

Distribution of Shares

Supermaximum	100.00%	63.82%	36.18%
Maximum	100.00%	63.82%	36.18%
Midpoint	100.00%	63.82%	36.18%
Minimum	100.00%	63.82%	36.18%

Aggregate Market Value(1)

Supermaximum	\$279,737,820	\$178,537,500	\$101,200,320
Maximum	243,250,270	155,250,000	88,000,270
Midpoint	211,521,980	135,000,000	76,521,980
Minimum	179,793,680	114,750,000	65,043,680

(1) Based on offering price of \$10.00 per share.

Establishment of the Exchange Ratio

OTS regulations provide that in a conversion of a mutual holding company, the minority stockholders are entitled to exchange the public shares for newly issued shares of ACFC stock as a fully converted company. The Board of Directors of the MHC has independently determined the exchange ratio. The determined exchange ratio has been designed to preserve the current aggregate percentage ownership in ACFC equal to 63.82% as of June 30, 2007. The exchange ratio to be received by the existing minority shareholders of ACFC will be determined at the end of the offering, based on the total number of shares sold in the subscription and community offerings. Based upon this calculation, and the valuation conclusion and offering range concluded above, the exchange ratio would be 1.31466 shares, 1.54666 shares, 1.77866 shares and 2.04545 shares of newly issued shares of ACFC stock for each share of stock held by the public shareholders at the minimum, midpoint, maximum and supermaximum of the offering range, respectively. RP Financial expresses no opinion on the proposed exchange of newly

issued Company shares for the shares held by the public stockholders or on the proposed exchange ratio.

#### Limiting Factors and Considerations

Our 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 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 ACFC 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 following the completion of the second-step offering.

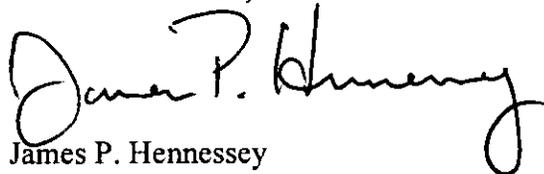
RP Financial's valuation was based on the financial condition, operations and shares outstanding of ACFC as of June 30, 2007, the date of the financial data included in the prospectus. The proposed exchange ratio to be received by the current public stockholders of ACFC and the exchange of the public shares for newly issued shares of ACFC common stock as a full public company was determined independently by the Boards of Directors of the MHC, ACFC and the Bank. RP Financial expresses no opinion on the proposed exchange ratio to public stockholders or the exchange of public shares for newly issued shares.

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 client institutions.

This valuation will be updated as provided for in the conversion regulations and guidelines. These updates will consider, among other things, any developments or changes in the financial performance and condition of ACFC, management policies, and current conditions in the equity markets for thrift shares, 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 legislative and regulatory environment 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. The valuation will also be updated at the completion of ACFC's stock offering.

Respectfully submitted,

RP® FINANCIAL, LC.

A handwritten signature in black ink, appearing to read "James P. Hennessey". The signature is written in a cursive style with a large initial "J" and a long, sweeping tail.

James P. Hennessey  
Senior Vice President

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## I. OVERVIEW AND FINANCIAL ANALYSIS

### Introduction

Atlantic Coast Bank (the “Bank”) is a federally-chartered stock savings bank which conducts operations through its main office in Waycross, Georgia, and a total of 12 additional full service branch offices which cover a broad section of southeastern portions of the State of Georgia and northeastern sections of the State of Florida. Specifically, the northernmost office is located in Garden City, Georgia, near the City of Savannah, to the Orange Park and Lake City offices in northeast Florida, which are outside the City of Jacksonville. Certain of the locations reflect, in part, the credit union roots and the location of CSX Corporation’s operations, and reflect several prior acquisitions (credit unions and bank branch acquisitions). The Bank also employs a variety of alternative delivery mechanisms, including ATMs, online banking and a telephone call center.

Originally chartered in 1939 as “Atlantic Coast Line Credit Union”, serving the employees of the CSX Corporation and its predecessors, Atlantic Coast evolved through the years into a full-service multi-branch financial institution serving the general public and operating in southeast Georgia and northeast Florida. Atlantic Coast completed a conversion from a federal credit union charter to a federal mutual savings bank charter as of November 1, 2000 (the “Charter Conversion”). The objective of the Charter Conversion was to better serve customers and the local community through the broader lending and to expand its customer base beyond the limited field of membership permitted for credit unions. The Charter Conversion and related growth potential coupled with the ability to raise external capital through the mutual holding company structure are believed to enhance the ability to remain competitive while providing customers with superior service and a broad array of financial services products.

The Bank’s post Charter Conversion operations have been characterized by relatively strong growth in loans and deposits. A portion of the growth is attributable to several branch acquisitions as Atlantic Coast acquired a total of three branches in fiscal 2002 and 2003 in two separate transactions. Additionally, Atlantic Coast has taken advantage of its expanded lending authority, as evidenced in the growth of permanent residential mortgages and commercial and

multi-family loans (“income producing property loans”), while continuing to expand its branch office network through de novo branching.

Since the Charter Conversion, the Bank has been regulated by the Office of Thrift Supervision (“OTS”). The Bank is currently a member of the Federal Home Loan Bank (“FHLB”) system. The Bank’s deposits are insured up to the regulatory maximums by the Federal Deposit Insurance Corporation (“FDIC”).

Atlantic Coast reorganized into a mutual holding company (“MHC”) structure in January 2003, and no stock was issued publicly at the time. Simultaneous with the MHC reorganization, a wholly-owned mid-tier stock holding company was formed known as Atlantic Coast Federal Corporation (“ACFC” or the “Company”), and Atlantic Coast became a wholly-owned subsidiary of the Company. The MHC and the Company were both capitalized with \$50,000 in cash concurrent with their formation.

In October 2004, the Company completed a minority stock issuance, selling a minority ownership position (i.e., 40% of the total outstanding shares) to the public while the MHC retained a majority ownership interest (60% ownership). Gross proceeds raised in pursuant to the minority stock issuance totaled \$58.2 million. The most significant asset of the Company is its equity investment in the Bank; in addition, the Company has extended a loan to the Bank’s employee stock ownership plan (“ESOP”). As of June 30, 2007, the Company had \$898.4 million in assets, \$598.1 million in deposits and total equity of \$89.1 million, or 9.92% of total assets. The Company’s audited financial statements are included by reference as Exhibit I-1.

#### Plan of Conversion and Reorganization

On May 7, 2007 the Company announced that the Boards of Directors of the MHC, the Company and the Bank unanimously adopted a Plan of Conversion and Reorganization (the “Plan of Conversion”), pursuant to which the organization will convert from the two-tier mutual holding company structure to the full stock holding company structure and undertake a second-step conversion. In the second-step conversion, the Company will sell shares of common stock in an offering (the “Second Step Conversion” or the “Offering”) that will represent the ownership interest in ACFC currently owned by the MHC. As of June 30, 2007, the date of

financial data herein, the MHC's ownership interest in ACFC approximated 63.82%. The Company will also issue shares of its common stock to the public stockholders of ACFC pursuant to an exchange ratio that will result in the public shareholders owning the same aggregate percentage of the newly issued ACFC common stock as owned immediately prior to the conversion. As of June 30, 2007, the public stockholders' ownership interest in the Company approximated 36.18%.

#### Purpose of the Reorganization

A key component of the Company's business plan is to complete a Second Step Conversion offering. In particular, the additional equity capital raised in the Second Step Conversion will increase the capital level to support further expansion, improve the overall competitive position of ACFC in the local market area, enhance profitability and reduce interest rate risk. Importantly, the additional equity capital raised in the conversion will provide a larger capital cushion for continued growth and diversification in the regional area, as well as increase the lending capability. Future growth opportunities are expected through the current branch network as well as through de novo branching. Additionally, the Company anticipates that growth opportunities will result from bank consolidation in the local market and the resulting fallout of customers who are attracted to ACFC's community-bank orientation and emphasis on customer service. The MHC structure has limited the opportunity to acquire other institutions – so the Second Step Conversion should facilitate the Company's ability to pursue such acquisitions through increased capital as well as the ability to use common stock as merger consideration. Further, the Second Step Conversion will increase the public ownership, which is expected to improve the liquidity of the common stock. The increased capital should facilitate the ability of the Company to pursue further diversification of products and services as well as support recent diversification efforts. An added benefit of the Company's increased capital will be the increased regulatory loans-to-borrower limit at the Bank level as the Company seeks to build commercial account relationships, including some large relationships.

The projected use of stock proceeds is highlighted below.

- The Company. The Company is expected to retain up to 50% of the net conversion proceeds. At present, Company funds, net of the loan to the

ESOP, are expected to be invested initially into investment securities consistent with the Bank's current composition (i.e., U.S. Agency securities and high quality mortgage-related securities with laddered maturities and durations typically no longer than five years) Over time, Company funds are anticipated to 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.

- The Bank. The balance of the net offering proceeds will be infused into the Bank. The increase in the Bank's capital will be less, as the amount to be borrowed by the ESOP to fund a 6% stock purchase will be accounted for as a contra-equity. 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 initially be invested in short-term investments pending longer term deployment, i.e., funding lending activities, purchasing MBS and for general corporate purposes.

#### Strategic Overview

Throughout much of its corporate history, ACFC's strategic focus was on serving its historical credit union field of membership. However, the Charter Conversion was undertaken to broaden the traditional customer base tied to the CSX corporation with the objective of enhancing future growth prospects while minimizing the risk exposure related to conducting businesses with a customer base tied to a single employer. The Company has been generally successful in diversifying the customer base as a result of deposit growth, particularly in the Florida market and as a result of the purchase of branches and expanded mortgage lending activities, including both internal originations and purchases.

In summary, following the Charter Conversion, management began to reengineer the Company's operations to a community-oriented institution emphasizing service, its local orientation and a comparatively broader array of commercial and consumer products and services. Balance sheet growth has been focused on the Jacksonville market in northern Florida given the large size and more favorable growth characteristics of the Jacksonville area in comparison to the Waycross area where the Company's operations have historically been centered. In order to accelerate the ability to grow in ACFC's northern Florida markets, the

Company acquired three branches in two separate transactions (consummated in fiscal 2002 and 2003). In total, the Company assumed approximately \$30 million of deposits, acquired \$2 million in fixed assets, and \$15 million in branch-related loans. The transaction resulted in both amortizable intangibles and non-amortizable goodwill, totaling \$3 million. The core deposit intangible (approximately \$1 million in the aggregate for the three acquisitions) is being amortized to expense over 10 years using an accelerated method. The Company will seek to continue to grow through the acquisition of branches or other financial institutions, as well as through de novo branching and organic growth realized through the current existing branch and delivery system. In this regard, ACFC has recently opened one new branch office and will be opening a second new office shortly while relocating the existing operations of an existing branch to a new owned facility in a superior location. Additionally, the Company anticipates that growth opportunities may result from bank consolidation in the local market and the resulting fallout of customers who are attracted to ACFC's community-bank orientation and emphasis on customer service.

The ability to market to a broader customer base (both from an employer and geographic standpoint) and the ability to offer an expanded line of products, particularly in the mortgage area, have contributed to the Company's asset and loan growth, which have equaled 16.5% and 13.3% respectively, since the end of fiscal 2002. Additionally, the Charter Conversion enhanced the ability to expand deposits, loans and assets, coupled with the additional capital from the Minority Stock Issuance have led to earnings growth for the Company, notwithstanding a highly competitive environment as well as spread compression attributable to a flat yield curve.

The Company's current operating strategy is designed to take advantage of the broad geographic footprint encompassed by ACFC's offices, particularly in the northern Florida market which is perceived to be a growth oriented market by management. The Company's strong loan growth in recent years has been largely attributable to the origination of mortgage loans (as well as limited purchases), most of which are secured by properties within the Company's markets. The focus of the ACFC's mortgage lending encompasses both residential (i.e., secured by 1-4 family properties) and commercial and multi-family property lending. Approximately 38% of the Company's residential mortgage loans are originated through broker relationships while the balance is originated by in-house personnel. The Company has also supplemented its internal

loan origination capacity through 1-4 family residential loan purchases, primarily of adjustable rate loans. The Company also employs a staff of three commercial loan officers who originated the majority of the Company's commercial and multi-family mortgage loan volume in recent years. Additionally, ACFC has a credit administration function separate and apart from the loan origination function with the objective of maintaining the Company's asset quality.

Retail deposits have consistently served as the primary interest-bearing funding source for the Company. In recent years, the Company has sought to expand checking and other transaction accounts in conjunction with the increased emphasis on marketing to commercial accounts. At the same time, the Company has been required to maintain a large base of certificates of deposits ("CDs") and high cost money market accounts in order to generate sufficient deposit funds to fund loan growth.

The Company utilizes borrowings as a supplemental funding source to facilitate management of funding costs and interest rate risk. FHLB advances constitute the Company's largest source of borrowings; the majority of the Company's borrowed funds have fixed rates and have been used to fund both leveraging through investment in securities and whole loans. Following the Second Step Conversion, the Company may use additional borrowings to facilitate leveraging of its higher capital position that will result from the stock offering, in which borrowings would be utilized to fund purchases of investment securities and MBS at a positive spread to improve earnings and return on equity. To the extent additional borrowings are utilized by the Company, FHLB advances would likely continue to be the principal source of such borrowings followed by reverse repurchase agreements.

The Company's earnings base is largely dependent upon net interest income and operating expense levels, as sources of non-interest operating income remain relatively limited, notwithstanding management's efforts to increase their levels. The Company's core earnings have generally been trending upward as the Company benefited from loan growth funded through a mix of deposits and borrowed funds. Additionally, earnings increased as a result of the reinvestment benefit of the proceeds raised in the minority stock issuance completed in fiscal 2004 net of the cost of the stock-related benefit plans.

The post-offering business plan of the Company is expected to continue to focus on products and services which the Company has recently emphasized. Specifically, the Company will continue to be an independent community-oriented financial institution with a commitment to local real estate and non-mortgage financing with operations funded by retail deposits, borrowings, equity capital and internal cash flows. In addition, the Company will emphasize pursuing further diversification into commercial real estate and construction loans, and the development of broad-based commercial loan and deposit relationships within market constraints.

### Balance Sheet Trends

#### Growth Trends

Over the last 5 years, the Company has implemented a strategy of growth and expansion, realized both through internal growth at existing branches as well as through the acquisition of two offices in Florida in fiscal 2002 and the establishment of a de novo branch in the most recent fiscal year. The impetus for the balance sheet growth in the 2000 to 2004 period primarily included a strategic intent to grow and diversify the customer base away from its traditional credit union membership. More recently, since the minority stock issuance completed in 2004, the Company has been seeking to grow the balance sheet with the objective of increasing earnings per share and long-term shareholder value.

This growth and expansion strategy is evidenced in the summary balance sheet data set forth in Table 1.1, which shows that total assets increased 16.54% annually from \$447.7 million at the end of fiscal 2002, to \$898.4 million as of June 30, 2007. While loans reflect the greatest increase in dollar terms, investments increased at a faster rate on a percentage basis; investments and MBS together increased from \$28.6 million to \$126.9 million, or by 38.74% in aggregate on a compounded annual basis. The more rapid growth rate for investments is reflective of the impact of the infusion of the net offering proceeds from the minority stock issuance completed in fiscal 2004 and subsequent efforts to maintain adequate liquidity as well as the desire of management to leverage the Company's strengthened capital position.

Table 1.1  
Atlantic Coast Federal Corporation  
Historical Balance Sheets  
(Amount and Percent of Assets)

	For the Fiscal Year Ended December 31,												Compounded Annual Growth Rate	
	2002		2003		2004		2005		2006		As of June 30, 2007		Amount (\$'000)	Pct (%)
	Amount (\$'000)	Pct (%)	Amount (\$'000)	Pct (%)	Amount (\$'000)	Pct (%)	Amount (\$'000)	Pct (%)	Amount (\$'000)	Pct (%)	Amount (\$'000)	Pct (%)	Amount (\$'000)	Pct (%)
Total Amount of:														
Assets	\$447,721	100.00%	\$498,417	100.00%	\$637,678	100.00%	\$744,116	100.00%	\$843,079	100.00%	\$898,415	100.00%	\$898,415	100.00%
Cash and Cash Equivalents	13,975	3.12%	8,978	1.80%	38,408	6.02%	37,959	5.10%	41,057	4.87%	40,036	4.46%	40,036	4.46%
Loans Receivable (net)	379,778	84.82%	435,614	87.40%	517,792	81.20%	580,441	78.00%	639,517	75.85%	668,837	74.45%	668,837	74.45%
Loans Held for Sale	0	0.00%	0	0.00%	0	0.00%	100	0.01%	4,365	0.52%	2,332	0.26%	2,332	0.26%
Investment Securities - AFS	28,599	6.39%	26,039	5.22%	53,363	8.37%	71,965	9.67%	99,231	11.77%	126,857	14.12%	126,857	14.12%
Other Investments	1,135	0.25%	500	0.10%	0	0.00%	1,800	0.24%	1,200	0.14%	0	0.00%	0	0.00%
FHLB Stock	2,305	0.51%	3,082	0.62%	5,511	0.86%	7,074	0.95%	7,948	0.94%	7,988	0.89%	7,988	0.89%
Intangible Assets	1,580	0.35%	3,134	0.63%	3,052	0.48%	2,969	0.40%	2,888	0.34%	2,864	0.32%	2,864	0.32%
Deposits	360,880	80.60%	392,256	78.70%	435,682	68.32%	516,321	69.39%	573,052	67.97%	598,091	66.57%	598,091	66.57%
Borrowed Funds	45,443	10.15%	60,971	12.23%	100,314	15.73%	129,000	17.34%	173,000	20.52%	205,500	22.87%	205,500	22.87%
Total Equity	38,924	8.69%	43,218	8.67%	98,700	15.48%	92,918	12.49%	91,087	10.80%	89,097	9.92%	89,097	9.92%
Loans/Deposits		105.88%		111.84%		120.11%		113.79%		112.99%		113.16%		113.16%
Number of Full Service Offices		10		12		12		12		13		13		13

Source: Atlantic Coast Federal Corporation's prospectus.

The Company's assets are funded through a combination of deposits, borrowings and retained earnings. Deposits have always comprised the majority of funding liabilities, increasing at an annual rate of 11.7% since 2002. Borrowings have also increased at a healthy pace reflecting certain asset-liability management strategies and wholesale leveraging opportunities. In the future, the Company expects to continue to utilize FHLB advances and reverse repurchase agreements in several ways: (1) as an alternative source of liquidity to fund loan and other balance sheet growth; and (2) in connection with potential leveraging and/or interest rate risk management strategies, particularly if the yield curve steepens.

Annual equity growth equaled 20.0% since the end of fiscal 2002, with the expanded capital base primarily reflecting the impact of retained earnings over the period and the minority stock issuance completed in fiscal 2004. Since the end of fiscal 2004, capital has decreased from \$98.7 million to \$89.1 million which is attributable to dividend payments and stock repurchases exceeding retained earnings for the period. Coupled with moderate to strong balance sheet growth achieved over the period, the equity-to-assets ratio declined from 15.5% as of the end of fiscal 2004 to 9.9% as of June 30, 2007. The post-offering equity growth rate is expected to be impacted by a number of factors including the higher level of capitalization, the reinvestment of the offering proceeds, the expense of the stock benefit plans and the potential impact of dividends and stock repurchases.

#### Loans Receivable

The Company has been emphasizing real estate secured lending, including primarily the origination and purchase of 1-4 family residential mortgage loans as well as commercial and multi-family mortgage loans. The majority of ACFC's 1-4 family residential mortgage loans consist of loans which are conforming to standards set by Freddie Mac, Fannie Mae or Ginnie Mae, notwithstanding the fact that the Company generally holds the majority of the loans it originates for portfolio. The Company seeks to emphasize residential mortgages which are variable rate or hybrid ARMs (i.e., fixed for a period of up to 7 years and adjustable thereafter). The Company also offers 15 and 30 year fixed rate loans, and may sell a portion of such loans for interest rate risk management purposes. The Company typically designates the longer term fixed rate loans which it intends to sell as "available for sale" at the time of origination; loans

available for sale totaled \$2.3 million as of June 30, 2007. The remaining balance of the mortgage loan portfolio consists of a mix of loans secured by multi-family and commercial properties as well as properties under construction reflecting the Company's efforts to diversify the loan portfolio mix.

ACFC's loan portfolio composition as of June 30, 2007, reflects the emphasis on mortgage lending and that notwithstanding efforts to increase the commercial and construction loan portfolios, 1-4 family mortgage loans remain the single largest component of the loan portfolio. Specifically, permanent first mortgage loans secured by 1-4 family residential properties totaled \$349.4 million, equal to 52.1% of total loans, while an additional 14.5% of the portfolio was comprised of home equity loans or lines of credit secured by 1-4 family residential properties. At the same date, multi-family and commercial real estate loans and land loans approximated 16.3% of the loan portfolio while the balance of the loan portfolio consisted of construction loans (5.3%) and non-mortgage consumer and business loans (11.8% excluding home equity loans).

#### Cash, Investments and Mortgage-Backed Securities

ACFC's preference is to deploy the majority of assets into loans while maintaining required liquidity. The Company anticipates initially reinvesting the net offering proceeds into investments with short-to-intermediate maturities, pending longer-term deployment primarily into loans.

As of June 30, 2007, the Company's portfolio of cash and cash equivalents totaled \$40.0 million, equal to 4.5% of assets. It is the Company's current practice to classify all investment securities (including MBS) as available for sale ("AFS"). As of June 30, 2007, the investment portfolio totaled \$126.9 million, equal to 14.1% of total loans (see Exhibit I-3 for the investment portfolio composition). MBS comprise the largest segment of the investment portfolio, totaling \$105.5 million, or 11.7% of assets and 83.2% of investment securities, as of June 30, 2007. The balance of the investment portfolio was comprised of U.S. Government and agency securities (\$15.2 million) and municipal securities (\$6.2 million).

No major changes to the composition and practices with respect to the management of the investment portfolio are anticipated over the near term. The level of cash and investments is

anticipated to increase initially following Offering, pending gradual redeployment into higher yielding loans.

#### Bank Owned Life Insurance

As of June 30, 2007, the balance of bank owned life insurance ("BOLI") totaled \$21.8 million, which reflects a modest increase over the last several fiscal years owing to increases in the cash surrender value of the policies. The balance of the BOLI reflects the value of life insurance contracts on selected members of the Company's management and has been purchased with the intent to offset various benefit program expenses on a tax advantaged basis. The increase in the cash surrender value of the BOLI is recognized as an addition to non-interest income on an annual basis.

#### Funding Structure

Retail deposits have generally met the substantial portion of the Company's funding needs supplemented with a modest amount of borrowed funds from the Federal Home Loan Bank of Atlanta and through reverse repurchase agreements.

The Company maintains a strong level of savings and transaction accounts, which totaled \$303.9 million, or 49.2% of total deposits, as of June 30, 2007, however, certificates of deposits ("CDs") comprise the single largest element of deposits and equaled \$294.2 million, or 49.2% of total deposits. In comparison, demand deposit, money market and passbook savings accounts equaled \$92.6 million (15.5% of deposits), \$170.7 million (28.5% of deposits), and \$40.6 million (6.8% of deposits).

The Company has continually utilized borrowed funds over the last five fiscal years, with the majority of borrowings consisting of FHLB advances. As of June 30, 2007, FHLB advances totaled \$142.0 million, representing 15.8% of total assets. The Company typically utilizes borrowings: (1) when such funds are priced attractively relative to deposits; (2) to lengthen the duration of liabilities; (3) to enhance earnings when attractive revenue enhancement opportunities arise; and (4) to generate additional liquid funds, if required. Recent growth in borrowings was attributable to efforts to fund loan growth without relying solely on deposits.

The other source of borrowings consists of repurchase agreements which totaled \$63.5 million, equal to 7.1% of total assets as of June 30, 2007.

### Capital

As a mutual institution, the Company's equity was primarily impacted by the level of earnings for the period from fiscal 2002 through the end of fiscal 2004. With the completion of the minority stock issuance in October 2004, ACFC's capital was more than doubled and equaled \$98.7 million, or 15.48% of assets as of December 31, 2004. Earnings since year end 2004 have been more than offset by the impact of the Company's capital management strategies, including the payment of dividends and share repurchases. As a result, the Company's equity had diminished to \$89.1 million as of June 30, 2007, reflecting a 4.0% compounded annual rate of decline since the end of fiscal 2004. Moreover, the capital ratio has diminished at an even faster pace reflecting the impact of asset growth, as the equity-to-assets ratio which equaled 15.48% as of December 31, 2004, had declined to 9.92% as of June 30, 2007. The Bank maintained capital surpluses relative to its regulatory capital requirements at June 30, 2007, and thus qualified as a "well capitalized" institution. The offering proceeds will serve to further strengthen the Company's regulatory capital position and support further growth. As discussed previously, the post-offering equity growth rate is expected to be impacted by a number of factors including the higher level of capitalization, the reinvestment of the offering proceeds, the expense of the stock benefit plans and the potential impact of dividends and stock repurchases.

### Income and Expense Trends

Table 1.2 shows the Company's historical income statements for the fiscal years ended December 31, 2002 to 2006 and for the twelve months ended June 30, 2007. The Company's net earnings have fluctuated, increasing to \$4.4 million (0.91% of average assets) in fiscal 2003, from \$3.2 million (0.76% of average assets) in fiscal 2002, primarily as a result significant gains on the sale of loans reported during the year (\$2.6 million of net non-operating income). However, core earnings, excluding the gains on sale, was in a much narrower range of \$2.7 million to \$3.2 million over the fiscal 2002 to fiscal 2004 timeframe, with the limited earnings growth resulted from the earnings benefit of comparatively modest loan and asset growth being

offset by spread compression as loan yields declined at a faster pace than funding costs as many portfolio loans refinanced in response to the low interest rates prevailing over the period.

The Company reported higher earnings in fiscal 2005 and 2006, with profitability increasing to \$5.0 million (0.71% of average assets) and \$5.1 million (0.66% of average assets), respectively, before declining to \$3.8 million equal to 0.47% of average assets for the twelve months ended June 30, 2007. Increased earnings reported by the Company for the fiscal 2005 to fiscal 2006 period, is both the result of the reinvestment benefit of the proceeds raised in the minority stock issuance net of the cost of the stock-related benefit plans and balance sheet growth achieved over the last two fiscal years since the ACFC completed its minority stock issuance. Specifically, the Company benefited from growth on both a retail basis (i.e., loans and deposits) and wholesale basis (i.e., investment securities and borrowed funds). Core earnings followed the same trend as non-recurring income and expenses have typically been a limited factor in the Company's operations. These trends are described more fully below.

#### Net Interest Income

Net interest income increased over the last five and one-quarter fiscal years reflecting the reinvestment of proceeds from the minority stock issuance and the impact of balance sheet growth. However, the ratio of net interest income to average assets has diminished dramatically over the corresponding timeframe. Specifically, net interest income increased from a level of \$17.8 million in fiscal 2002 to \$21.9 million for the twelve months ended June 30, 2007, owing to several factors previously discussed; the reinvestment benefit of the proceeds raised in the minority stock issuance net of the cost of the stock-related benefit plans as well as loan and overall balance sheet growth realized over the period following the minority stock issuance. However, the ratio of net interest income to average assets has diminished, from 4.24% in fiscal 2002, to 2.65% for the twelve months ended June 30, 2007. Importantly, growth in net interest income achieved in fiscal 2005 and 2006 has occurred notwithstanding ongoing spread compression as described below.

Data pertaining to the Company's interest rate spreads are set forth in Exhibit I-4 and show that its spreads have declined modestly over the last three fiscal years. Specifically, the Company's interest rate spread decreased from 3.29% in fiscal 2004 to 2.55% in fiscal 2006, and

Table 1.2  
Atlantic Coast Federal Corporation  
Historical Income Statements

	For the Fiscal Year Ended December 31,												For the 12 Months Ended	
	2002			2003			2004			2005			June 30, 2007	
	Amount (\$000)	Pct(L) (%)		Amount (\$000)	Pct(L) (%)		Amount (\$000)	Pct(L) (%)		Amount (\$000)	Pct(L) (%)		Amount (\$000)	Pct(L) (%)
Interest Income	\$30,813	7.35%		\$31,213	6.43%		\$31,772	5.41%		\$37,254	5.26%		\$51,759	6.28%
Interest Expense	(13,035)	-3.11%		(11,781)	-2.43%		(11,644)	-1.98%		(17,139)	-2.42%		(29,866)	-3.62%
Net Interest Income	\$17,778	4.24%		\$19,432	4.00%		\$20,128	3.43%		\$20,115	2.84%		\$21,893	2.65%
Provision for Loan Losses	(3,683)	-0.88%		(4,238)	-0.87%		(2,975)	-0.51%		(2,121)	-0.30%		(1,000)	-0.12%
Net Interest Income after Provisions	\$14,095	3.36%		\$15,194	3.13%		\$17,153	2.92%		\$17,994	2.54%		\$20,893	2.53%
Other Operating Income	4,628	1.10%		4,893	1.01%		5,023	0.85%		7,816	1.10%		7,631	0.93%
Operating Expense	(14,711)	-3.51%		(15,911)	-3.28%		(17,256)	-2.94%		(19,616)	-2.77%		(23,110)	-2.80%
Net Operating Income	\$ 4,012	0.96%	\$	4,176	0.86%	\$	4,920	0.84%	\$	6,194	0.88%	\$	7,444	0.66%
Net Gain(Loss) on Sale of Loans	\$ 126	0.03%	\$	2,697	0.56%	\$	185	0.03%	\$	121	0.02%	\$	66	0.01%
Net Gain(Loss) on Sale of Foreclosed Assets	-	0.00%	(93)	-	-0.02%	-	-	0.00%	-	-	0.00%	-	0	0.00%
Net Gain(Loss) on Sale of AFS Securities	634	0.15%	36	0.01%	36	0.01%	-	0.00%	-	-	0.00%	119	0.01%	
Total Non-Operating Income/(Expense)	\$ 760	0.18%	\$	2,640	0.54%	\$	185	0.03%	\$	121	0.02%	\$	185	0.02%
Net Income Before Tax	\$ 4,772	1.14%	\$	6,816	1.40%	\$	5,105	0.87%	\$	6,315	0.89%	\$	7,511	0.97%
Income Taxes	(1,585)	-0.38%	(2,399)	-0.49%	(1,815)	-0.31%	(1,290)	-0.18%	(2,382)	-0.31%	(1,751)	-0.21%	(1,751)	-0.21%
Net Income (Loss) Before Extraord. Items	\$ 3,187	0.76%	\$	4,417	0.91%	\$	3,290	0.56%	\$	5,025	0.71%	\$	5,760	0.66%
Estimated Core Net Income	\$ 3,187	0.76%	\$	4,417	0.91%	\$	3,290	0.56%	\$	5,025	0.71%	\$	5,760	0.66%
Net Income	(760)	-0.18%	(2,640)	-0.54%	(1,815)	-0.31%	(1,290)	-0.18%	(2,382)	-0.31%	(1,751)	-0.21%	(1,751)	-0.21%
Addback(Deduct): Non-Recurring (Inc)/Exp	289	0.07%	1,003	0.21%	70	0.01%	46	0.01%	25	0.00%	70	0.01%	70	0.01%
Tax Effect (1)	\$ 2,716	0.65%	\$	2,780	0.57%	\$	3,175	0.54%	\$	4,950	0.70%	\$	5,087	0.65%
Estimated Core Net Income	\$ 2,716	0.65%	\$	2,780	0.57%	\$	3,175	0.54%	\$	4,950	0.70%	\$	5,087	0.65%
Memo:														
Expense Coverage Ratio (2)	120.85%		122.13%		116.64%		102.54%		99.91%		94.73%		94.73%	
Efficiency Ratio (3)	65.66%		65.41%		68.61%		70.23%		73.24%		78.28%		78.28%	
Effective Tax Rate	33.21%		35.20%		35.55%		20.43%		31.71%		31.27%		31.27%	

(1) Reflects a 38% effective tax rate.

(2) Net interest income divided by operating expenses.

(3) Operating expenses as a percent of the sum of net interest income and other operating income (excluding gains on sale).

Source: Atlantic Coast Federal Corporation's prospectus.

diminishing still further to 2.24% for the six months ended June 30, 2007. The yield-cost spreads are the result of several factors including the flattening yield curve experienced over the last several fiscal years as the Federal Reserve Open Market Committee has increased the targeted Federal Funds rate 17 times in 25 basis point increments (prior to the recent easing of short-term rate targets in September 2007) while longer term interest rates have increased at a much more modest pace. Additionally, the increased reliance on borrowed funds to fund operations and the highly competitive loan market, particularly strong competition for the high credit quality relationships which ACFC seeks to build have also been factors in the spread compression, increasing the cost of funds and limiting the Company's yields, respectively. The initial reinvestment of the offering proceeds should increase net interest income as the funds are reinvested with longer-term earnings benefits realized through leveraging of the proceeds.

#### Loan Loss Provisions

Provisions for loan losses have historically reflected the large balance of consumer loans, particularly automobile loans which resulted in a high level of chargeoffs. Loan loss remained relatively high subsequent to the Charter Conversion and shift in lending strategy reflecting: (1) the high growth in total loans, including income producing property loans; and (2) the Company's limited experience historically with respect to income producing property lending and the higher risk profile of such lending. Additionally, loan loss provisions in the 2002 to 2004 time period reflected the impact of a relatively high level of NPAs, including reserves allocated to specific problem loans included in the balance of classified assets.

Loan loss provisions diminished in fiscal 2006 relative to the prior year levels as the perceived assets quality has improved, and the ratio of NPAs to assets appears to have stabilized at comparatively modest levels. Additionally, the limited level of chargeoffs in fiscal 2006 and for the six months ended June 30, 2007, have reduced the need to establish additional loan loss provisions. Going forward, the Company will continue to evaluate the adequacy of the level of general valuation allowances ("GVAs") on a regular basis, and establish additional loan loss provisions in accordance with the Company's asset classification and loss reserve policies. For the 12 months ended June 30, 2007, loan loss provisions totaled \$1.0 million, or 0.12% of average assets.

### Non-Interest Income

The contribution from non-interest income (before net gains) has increased over the last five fiscal years, from \$4.6 million, equal to 1.10% of average assets in fiscal 2002, to \$7.6 million, equal to 0.93% of average assets for the twelve months ended June 30, 2007. The largest component of the Company's non-interest income consists of deposit services charges and fees, which are earned primarily based on transaction services for deposit account customers. Other components of non-interest income include returns on the investment in BOLI, and from other financial services including debit card interchange income and safe deposit box rentals.

Growth in non-interest income from fiscal 2004 to fiscal 2006 is largely the result of increased ATM and check card overdraft fees which reflects the impact of several fee initiatives started in 2005, which focused on improving the Company's discipline over service charge fees and collections. Management expects the growth of service charges and fees to be flat as most of the initiatives became fully effective in the third and fourth quarters of 2005 and that new revenues, to the extent they can be realized, will be principally generated from expanded products and services in existing markets and new branches opened in the fourth quarter of 2006 and in fiscal 2007.

### Operating Expenses

The Company's operating expenses have increased in recent years due to asset growth, emphasis in commercial lending, and branching, both from acquisition and de novo branching. In particular, cost increases have been associated with expanded commercial lending activities and the need to maintain compensation levels in line with the market in a highly competitive banking environment. Similarly, increasing benefit costs including the expense of the stock-based benefit plans and such benefits as medical insurance premiums have also been a factor in increasing compensation costs. Reflecting the foregoing, operating expenses have increased from \$14.7 million, or 3.51% of average assets in fiscal 2002, to \$23.1 million, or 2.80% of average assets, for the twelve months ended June 30, 2007. Importantly, we note the reduction in the operating expense ratio attributable to asset growth exceeding the rate of growth of operating expenses.

Operating expenses are expected to increase on a post-offering basis as a result of the expense of the stock-related benefit plans, as well as to the planned branching and growth initiatives which are currently underway. At the same time, continued balance sheet growth and reinvestment of the offering proceeds should largely offset the anticipated expense increase.

#### Non-Operating Income/Expense

Non-operating income and expense items have not been a significant factor in the Company's operations, with the exception of the impact of the sale of the credit card portfolio in fiscal 2003, which generated a \$2.7 million pre-tax gain (the sale reflected the termination of the credit card product offering on a direct basis). Other than this one non-recurring item, non-operating revenues and expenses have been limited. For the 12 months ended June 30, 2007, net non-operating income totaled \$185,000, equal to 0.02% of average assets.

#### Taxes

The Company's tax rate was in the 33% to 35% range from fiscal 2002 and fiscal 2004. The Company adopted several tax planning strategies including the BOLI investment as well as investment in non-taxable municipal securities which have subsequently reduced the effective tax rate to 32% for fiscal 2006, and to 31% for the twelve months ended June 30, 2007.

#### Efficiency Ratio

The Company's efficiency ratio reflects an adverse trend since the beginning of 2004, reflecting the fact that the benefit of a diminishing operating expense ratio has been more than offset by declining spreads and margins. The Company has sought to counter a worsening efficiency ratio through growth, which has translated into higher net income and earnings per share. Specifically, the efficiency ratio increased from 65.66% in fiscal 2002 to 78.28% for the twelve months ended June 30, 2007. On a post-offering basis, the efficiency ratio may show some improvement from the benefit of reinvesting the proceeds from the Offering. However, a portion of the benefit may be offset by the increased expense of the stock benefit plans.

### Interest Rate Risk Management

The primary aspects of the Company's interest rate risk management include:

- Emphasizing the origination of adjustable rate residential mortgage loans or hybrid ARMS with repricing frequencies of up to seven years when market conditions permit;
- Selling a portion of the fixed rate mortgage loans originated based on risk and profitability considerations;
- Maintaining a diversified loan portfolio which includes loans secured by commercial real estate and multi-family properties as well as non-mortgage loans which carry short terms to maturity and/or variable interest rates;
- Improving commercial loan underwriting and administration with the objective of maintaining strong asset quality (this will limit loan losses and enable the Company to maintain a high ratio of interest-earning assets);
- Utilizing interest rate swap agreements on a limited basis to more finely tune the effective repricing structure of funding liabilities;
- Maintaining a balance of cash or short-term investments; and
- Maintaining an acceptable level of capital which provides a favorable level of interest-earning assets relative to interest-bearing liabilities.

The rate shock analysis as of June 30, 2007 (see Exhibit I-5) shows that the expected change in the economic value of equity ("EVE") under a 200 basis point increase or decrease in interest rates was a negative \$10.24 million (10.87% of base case EVE) and negative \$5.68 million (6.04% of base case EVE), suggesting that the Company's economic value would be adversely impacted under both rising and falling interest rate scenarios. Importantly, there are numerous limitations inherent in such analyses, such as the credit risk of Company's adjustable rate loans in a rising interest rate environment. Moreover, the Company's interest rate risk exposure is projected to be further reduced following the completion of the conversion and reinvestment of the net conversion proceeds into interest-earning assets.

## Lending Activities and Strategy

Over the last five fiscal years, the Company has been primarily emphasizing real estate lending, primarily 1-4 family residential mortgage loans and, to a lesser extent, commercial mortgage and multi-family mortgage loans. The majority of the Company's 1-4 family residential mortgage loans consist of loans which are conforming to agency standards, and the non-conforming residential loans are conforming but for the loan amount (i.e., jumbo loans). To a lesser extent, the Company extends consumer loans. Details regarding the Company's loan portfolio composition are included in Exhibits I-6, I-7 and I-8.

### Residential Lending

As of June 30, 2007, residential mortgage loans approximated \$349.4 million, or 52.1% of total loans. ACFC originates both fixed rate and adjustable rate 1-4 family mortgage loans. The Company's general philosophy is to seek to originate adjustable rate loans and/or shorter-term fixed rate mortgage loans for portfolio (hybrid loans with a fixed rate of up to 7 years initially) when competitive and market conditions permit. The Company also originates longer term fixed rate loans and may either place such loans into portfolio or sell them on a servicing released basis, depending upon various considerations which include an assessment of the interest rate risk exposure of holding the loans. ACFC has recently been originating longer term fixed rate loans for portfolio with the objective of maintaining overall yields and profitability.

The repricing of ARM loans is tied to a variety of indexes primarily including the U.S. Treasury rate and LIBOR. Depending on the type of loan, there are a variety of periodic and lifetime rate caps which are generally structured based on the conditions prevailing in the competitive market.

ACFC originates one-to-four family loans up to a loan-to-value ("LTV") ratio of 90%, with private mortgage insurance ("PMI") being required for loans in excess of an 80.0% LTV ratio. Substantially all of the 1-4 family mortgage loans originated or purchased by the Company are secured by residences in the Company's markets in Georgia and Florida.

As a complement to 1-4 family permanent mortgage lending, the Company also offers home equity loans including fixed rate amortizing term loans and variable rate lines of credit tied to the Prime rate.

#### Commercial Mortgage , Multi-Family Mortgage and Land Loan Lending

Commercial real estate loans totaled \$69.4 million, equal to 10.4% of total loans, while other mortgage loans, consisting primarily of multi-family mortgage and land loans totaled \$39.6 million, equal to 5.9% of total loans. Commercial real estate and multi-family loans originated by ACFC are extended up to a loan-to-value ("LTV") ratio of 75% and carry adjustable rates with amortization periods generally ranging from 20 to 30 years, and a minimum debt service coverage of 1.2 times. The Company's fixed rate product have typically been originated with five or ten year call provisions and priced at a premium to the rate of the U.S. Treasury of corresponding maturity. The majority of adjustable-rate loans carry an initial fixed-rate of interest for either three or five years and then convert to an interest rate that is adjusted annually based upon the index. Prepayment penalties are frequently incorporated into the loan agreements to discourage prepayment within the first several years of the loan. Adjustable rate loans typically consist of loans which are fixed for the first five years and reprice annually thereafter.

Loans to commercial and individual borrowers secured by land and multi-family property total \$39.6 million as of June 30, 2007. Multi-family residential loans are generally originated with adjustable interest rates based on prime or U.S. Treasury securities. Loan-to-value ratios on multi-family residential loans do not exceed 75% of the appraised value of the property securing the loan. These loans require monthly payments, amortize over a period of up to 30 years. The Company offers both fixed and adjustable rate land loans to individual and commercial borrowers. Essentially all of these loans are secured by property located in the Company's primary market. The loans carry a maximum loan-to-value ratio of 90% for loans to individuals and 65% to commercial entities.

The typical commercial or multi-family loans that the Company seeks to originate or purchase has a principal balance in the range of \$500,000 to \$2.0 million, but may be larger, particularly if the loan is well-collateralized or extended to a very credit-worthy borrower. Such

loans are typically collateralized by local properties (within the Company's normal lending territory), consisting primarily of small office buildings, family-type business establishments and apartment buildings. The Company's commercial real estate and multi-family loan portfolio has exhibited relatively strong growth over the last five fiscal years. Furthermore, management has targeted the portfolio for future growth, both in dollar terms and as a percentage of the loan portfolio.

#### Construction Loans

Construction loans comprised the balance of the Company's mortgage loan portfolio, amounting to \$35.2 million (5.3% of total loans) at June 30, 2007. While the Company was for several years an active participant in commercial construction lending, ACFC has deemphasized this business line and is primarily focused on residential construction lending.

Residential construction loans will continue to be emphasized by the Company in the future, generally for the construction of pre-sold homes, which typically convert into permanent loans at the end of the construction period. The Company requires an 85% LTV ratio for construction loans on owner occupied homes. ACFC may lend to builders for "spec" homes but in such cases, will require a LTV ratio of 85% or less. In this regard, the Company is seeking to participate in the significant residential construction business in prevailing in the northern Florida area. The Company's builder loan portfolio is typically limited to small to mid-sized developers, and the Company seeks to limit the exposure to any one builder to approximately four houses under construction at any one time.

#### Non-Mortgage Loans

ACFC originates non-mortgage loans, including commercial and consumer loans (excluding mortgage-based home equity loans which totaled \$97.3 million), which in the aggregate, totaled \$79.2 million as of June 30, 2007 (11.8% of total loans). Automobile loans currently represent the largest portion of its consumer loan portfolio. The Company offers fixed-rate automobile loans on a direct basis with terms of up to 84 months for new and recent model used cars and up to 60 months for older model used cars. ACFC will make such loans up to 100% of the vehicle purchase price on new cars and up to 100% of the NADA retail value of used cars.

The Company also extends commercial loans for the purpose of financing leases, working capital lines of credit, loans for equipment and loans for other business purposes. As of June 30, 2007, the portfolio of commercial non-mortgage loans totaled \$15.6 million, equal to 2.3% of total loans.

#### Loan Originations, Purchases and Sales

The Company's 1-4 family mortgage loan originations will primarily come from the following: (1) internal loan originations generated through direct solicitation by the Company's business development officers or by referrals through ACFC's branches or presence on the Internet; (2) loan brokers; and (3) whole loan participation purchases from other lenders (primarily within the Company's normal lending territory). The Company also periodically evaluates the purchase of 1-4 family residential mortgage loan pools from various secondary market sources. Such loans may be comprised of loans both within and outside the Company's primary market.

The Company also employs a staff of three commercial loan officers who originate the majority of the Company's commercial, multi-family and land loan volume in fiscal 2006. ACFC may also utilize loan brokers to acquire commercial and multi-family mortgage loans from time-to-time or may purchase participation interests from other lenders.

Consumer loans are primarily extended to provide a full range of services to customers and are originated by in-house staff. Such loans are primarily evaluated utilizing statistical credit scoring models to evaluate the borrowers creditworthiness.

#### Asset Quality

The Company's asset quality unfavorably impacted by loan underwriting and credit administration procedures in the fiscal 2002 through 2004. In this regard, the Bank experienced and increase in nonperforming loans and impaired loans primarily during this period, consisting of a few large commercial real estate loans. As a result, the Company increased its loan loss allowances and established provisions to bolster the allowance for loan loss account in response to an increase in loan chargeoffs.

Non-performing assets reached a fiscal year end peak of \$7.0 million, equal to 1.09% of assets in fiscal 2004. The level of NPAs and the Company's apparent credit risk exposure has subsequently diminished as management revamped the loan underwriting and credit administration procedures, and employed individuals with significant in-market lending experience to manage the commercial and construction lending function. Specifically, NPAs have diminished from \$7.0 million in fiscal 2005, to \$3.3 million (0.40% of assets) at the end of fiscal 2006, and \$4.9 million (0.55% of assets) as of June 30, 2007. The ratio of allowances to total loans equaled 0.75% while reserve coverage in relation to NPAs equaled 103.53% as of June 30, 2007 (see Exhibit I-9 and I-10).

With respect to asset quality, management remains watchful of conditions in the real estate market, particularly in Florida which experienced a significant run-up in real estate values through 2006. Many areas of Florida appear to be overbuilt and property values have declined in many areas of the state. As yet, the Company's asset quality has not been significantly impacted by these trends.

#### Funding Composition and Strategy

As of June 30, 2007, the Company's assets were funded primarily with deposits, and, to a lesser extent, borrowings and equity (see Exhibits I-11, I-12 and I-13). The Company's deposit services cater to primarily individuals rather than commercial businesses, although the commercial segment has been growing in recent periods.

#### Deposits

Local retail deposits have consistently addressed the substantial portion of ACFC's funding needs, with core deposits in the form of non-interest bearing checking, passbook accounts, and money market deposit accounts comprising the majority of deposits. In the aggregate, these accounts totaled \$303.9 million, or 50.8% of total deposits as of June 30, 2007. At this same date, CDs accounted for approximately 49.2% of deposits. Approximately 70% of CDs had remaining maturities of one year or less. Large balance CDs (i.e. balances greater than \$100,000), which tend to be more rate sensitive than lower balance CDs, accounted for \$108.3 million, or 18.1% of deposits, at June 30, 2007.

### Borrowings

Borrowings have been utilized primarily as a supplemental funding source to fund lending and investment security activity. As of June 30, 2007, borrowed funds consisted of \$142.0 million of Federal Home Loan Bank (FHLB) advances. Maturities on ACFC's portfolio of borrowed funds extend out to as long as 9 years (2016). Fixed-rate advances includes amounts which may be converted by the FHLB, at various designated dates following issuance, from fixed-rate to variable-rate debt, or for certain advances, adjusted to current market fixed rates. As of the most recent fiscal year end, convertible advances had a balance of \$99.0 million

Securities sold under agreements to repurchase are secured by mortgage-backed securities with a carrying amount of \$63.5 million at June 30, 2007. The agreements carry various periods of fixed interest rates that convert to callable floating rates in the future. Upon conversion, each agreement may be terminated in whole by the lender each following quarter. At maturity or termination, the securities underlying the agreements will be returned to the Company. As of June 30, 2007, the weighted average rate of the agreements was 4.52%.

Borrowed funds have been employed both as a liquidity management tool (i.e., to bolster funds when deposits fall short of the Company's requirements), as an earnings tool (i.e., to increase interest-earning assets through leverage), and as an interest rate risk management tool (i.e., a means of locking in longer term funds). The Company will continue to utilize borrowings as a supplemental funding source in the future, generally for these same purposes.

### Subsidiaries

At June 30, 2007, ACFC did not have any active subsidiaries other than the Bank. During 2005, the Bank formed Atlantic Coast Holdings, Inc. as a wholly owned subsidiary for the purpose of managing and investing in certain securities, as well as owning all of the common stock and 85% of the preferred stock of Coastal Properties, Inc., a real estate investment trust. Coastal Properties, Inc. was formed for the purpose of holding Georgia and Florida first lien residential mortgages originated by Atlantic Coast Bank. First Community Financial Services, Inc., an additional subsidiary of Atlantic Coast Bank, is currently inactive.

Legal Proceedings

Other than the routine legal proceedings that occur in the Company's ordinary course of business, the Company is not involved in litigation which is expected to have a material impact on the ACFC's financial condition or operations.

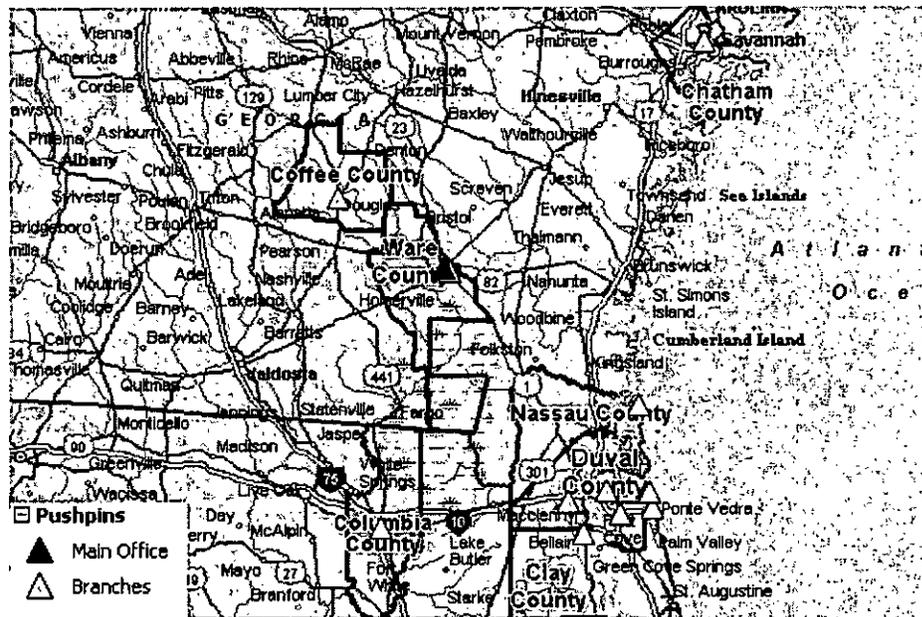
## II. MARKET AREA

### Introduction

ACFC currently conducts operations through its main office in Waycross, Georgia, and a total of 12 additional branch offices which cover a broad section of southeastern portions of the State of Georgia and northeastern sections of the State of Florida. Specifically, the northernmost office is located in Garden City, Georgia, near the City of Savannah, and the branch network extends to their newest branch, the Julington Creek office in northeast Florida, which is midway between Jacksonville and St. Augustine. Certain of the locations reflect, in part, the credit union roots and the location of CSX Corporation's operations, and reflect several prior acquisitions (credit unions and bank branch acquisitions).

Important from the perspective of this analysis, the Company's offices, deposits and lending activities are concentrated in two areas including Waycross, Georgia (Ware County) where the headquarters office, one branch, and a drive-up facility are located, and in Jacksonville (Duval County) where six branches are situated, and which has been an area of growth for the Company which has purchased 3 branches in Jacksonville over the last several years. Overall, approximately three-quarters of the Company's deposits were in these two markets as of June 30, 2006. Given this regional concentration, the regional economic and demographic trends for the Waycross, Georgia and Jacksonville markets have been the focus of the analysis set forth herein.

A map reflecting the broad geographic coverage of ACFC's offices as well as the relative concentration of offices in the Waycross and Jacksonville markets is set forth below.



Future growth opportunities for ACFC depend on the growth and stability of the regional economy, demographic growth trends, and the nature and intensity of the competitive environment. These factors have been briefly examined in the following pages to help determine the growth potential that exists for the Company and the relative economic health of ACFC's market area. The growth potential and the stability provided by the market area have a direct bearing on the market value of the Company, and will be factored into our valuation analysis accordingly.

### Local and Regional Market Conditions

#### Economic Overview – Ware County, Georgia

Ware County is a primarily rural area with a population estimated at 34,000, less than 15,000 of who lived in the City of Waycross. The economy of the market area is based on manufacturing, transportation and service industries and agriculture. The transportation sector is dominated by CSX Transportation, which employs more than 1,200 workers at its “Hump Yard” in Waycross, which is essentially serves as a major southeastern switching yard and service center for the CSX Railroad. Many of the smaller manufacturing industries and other employers in Waycross and the surrounding area are related to the town’s location at a major regional rail hub for CSX Transportation and ready access to major highways (Waycross is at the junction of

U.S. Routes 1, 82 and 84, which provide easy access to major interstate routes including I-95 and I-75). Farm products produced in Ware County and the surrounding area primarily include blueberries, tobacco and cotton as well as livestock, including cattle and hogs. Importantly, Ware County is a relatively small market with limited growth trends. Thus, the Company has been seeking to expand its market into larger more growth oriented markets such as Duval County, Florida, which is described below.

#### Economic Overview – Duval County, Florida

Jacksonville's economy has historically been tied to the military and defense industries, primarily the Navy, and has realized strong growth since the beginning of World War II. As a result of the mild climate and relatively low cost of living in comparison to many areas of southern Florida, the area has attracted many retirees. The surrounding area also has a significant tourism industry. Moreover, many other businesses including banks and financial services companies have transformed Jacksonville into a regional financial center in the southeastern U.S. These characteristics, coupled with growth of the Port of Jacksonville into the 40<sup>th</sup> largest port in the U.S. have all contributed to growth of the Jacksonville area economy.

#### Market Area Demographics

Table 2.1 includes detailed information regarding the demographic trends for the Company's market area counties from 2000 to 2007 and projected through 2012. Data for the States of Georgia and Florida is included for comparative purposes. The data shows a wide diversity of size and growth levels for the markets served by ACFC. In this regard, the Ware County market (Waycross) where the Company maintains approximately one-third of its deposits, is relatively small (total population approximating 34,000) and has actually been experiencing a decline in growth in terms of its total population base from 2000 to 2007. While the Company's other markets in Georgia (Chatham County and Coffee County) are larger in terms of the overall population and household levels, the Company's retail presence in these markets is relatively limited (they represented 3.2% and 3.0% of the Company's total deposits as of June 30, 2006).

Table 2.1  
Atlantic Coast Federal Corporation  
Summary Demographic Information

<u>Population (000)</u>	<u>Year</u>			<u>Growth Rate</u>	
	<u>2000</u>	<u>2007</u>	<u>2012</u>	<u>2000-2007</u>	<u>2007-2012</u>
United States	281,422	306,348	325,526	1.2%	1.2%
Georgia	8,186	9,655	10,784	2.4%	2.2%
Chatham County	232	252	264	1.2%	1.0%
Coffee County	37	41	43	1.2%	1.0%
Ware County	35	34	34	-0.5%	-0.1%
<b><u>Households (000)</u></b>					
United States	105,480	115,337	122,831	1.3%	1.3%
Georgia	3,006	3,555	3,974	2.4%	2.3%
Chatham County	90	98	104	1.3%	1.2%
Coffee County	13	15	15	1.2%	1.2%
Ware County	13	14	14	0.2%	0.1%
<b><u>Median Household Income (\$)</u></b>					
United States	\$42,164	\$53,154	\$62,503	3.4%	3.3%
Georgia	42,686	55,102	65,884	3.7%	3.6%
Chatham County	37,854	47,952	56,393	3.4%	3.3%
Coffee County	30,698	36,607	41,386	2.5%	2.5%
Ware County	28,527	35,471	40,728	3.2%	2.8%
<b><u>Per Capita Income (\$)</u></b>					
United States	\$21,587	\$27,916	\$33,873	3.7%	3.9%
Georgia	21,154	28,047	34,445	4.1%	4.2%
Chatham County	21,152	27,336	33,358	3.7%	4.1%
Coffee County	15,530	18,631	21,337	2.6%	2.7%
Ware County	14,384	18,921	22,255	4.0%	3.3%
<b><u>2007 HH Income Dist.(%)</u></b>					
	<u>Less Than</u>	<u>\$25,000 to</u>	<u>\$50,000-</u>	<u>\$100,000 to</u>	
	<u>\$25,000</u>	<u>50,000</u>	<u>\$100,000</u>	<u>\$150,000</u>	<u>\$150,000+</u>
United States	21.9	25.0	32.3	12.3	8.4
Georgia	21.3	23.7	33.4	12.5	9.2
Chatham County	26.4	25.1	30.6	10.3	7.5
Coffee County	33.4	31.6	26.1	5.7	3.3
Ware County	36.5	29.4	26.4	5.4	2.3

**Table 2.1**  
**Atlantic Coast Federal Corporation**  
**Summary Demographic Information**

<u>Population (000)</u>	<u>Year</u>			<u>Growth Rate</u>	
	<u>2000</u>	<u>2007</u>	<u>2012</u>	<u>2000-2007</u>	<u>2007-2012</u>
United States	281,422	306,348	325,526	1.2%	1.2%
Florida	15,982	18,894	21,312	2.4%	2.4%
Clay County	141	186	229	4.1%	4.2%
Columbia County	57	66	74	2.2%	2.3%
Duval County	779	898	993	2.0%	2.0%
Nassau County	58	71	82	3.0%	3.0%
St. Johns County	123	178	224	5.4%	4.7%
<b><u>Households (000)</u></b>					
United States	105,480	115,337	122,831	1.3%	1.3%
Florida	6,338	7,511	8,501	2.5%	2.5%
Clay County	50	67	83	4.3%	4.3%
Columbia County	21	25	28	2.4%	2.5%
Duval County	304	356	395	2.3%	2.1%
Nassau County	22	27	32	3.2%	3.1%
St. Johns County	50	71	90	5.3%	4.8%
<b><u>Median Household Income (\$)</u></b>					
United States	\$42,164	\$53,154	\$62,503	3.4%	3.3%
Florida	38,843	48,591	56,912	3.3%	3.2%
Clay County	48,948	60,328	69,111	3.0%	2.8%
Columbia County	30,811	36,891	41,820	2.6%	2.5%
Duval County	40,737	50,508	59,545	3.1%	3.3%
Nassau County	46,054	54,990	63,347	2.6%	2.9%
St. Johns County	50,102	63,436	75,293	3.4%	3.5%
<b><u>Per Capita Income (\$)</u></b>					
United States	\$21,587	\$27,916	\$33,873	3.7%	3.9%
Florida	21,557	27,311	32,994	3.4%	3.9%
Clay County	20,868	26,643	32,020	3.6%	3.7%
Columbia County	14,598	18,699	21,647	3.6%	3.0%
Duval County	20,753	26,433	31,876	3.5%	3.8%
Nassau County	22,836	28,080	32,934	3.0%	3.2%
St. Johns County	28,674	37,499	46,390	3.9%	4.3%
<b><u>2007 HH Income Dist.(%)</u></b>					
	<u>Less Than</u>	<u>\$25,000 to</u>	<u>\$50,000-</u>	<u>\$100,000 to</u>	<u>\$150,000+</u>
	<u>\$25,000</u>	<u>50,000</u>	<u>\$100,000</u>	<u>\$150,000</u>	
United States	21.9	25.0	32.3	12.3	8.4
Florida	23.3	28.0	31.3	10.4	7.0
Clay County	14.0	25.6	39.3	14.8	6.3
Columbia County	32.7	31.8	27.0	6.3	2.2
Duval County	21.7	27.7	33.7	10.8	6.1
Nassau County	19.6	24.9	36.7	12.0	6.8
St. Johns County	16.7	22.6	32.0	14.6	14.0

Source: ESRI.

At the same time, the rationale for targeted expansion into larger more vibrant markets is clearly evidenced in the data as Duval County, Florida (i.e., the Jacksonville market) represents a comparatively huge market (898,000 residents and 1.4 million residents in the Jacksonville MSA) which has been growing by approximately 2.0% from 2000 to 2007. Likewise, the other Florida markets in Clay, Columbia, and Nassau Counties where the Company maintains office facilities have experienced favorable growth trends. ACFC has recently expanded its footprint into the nearby attractive St. Johns County area, with the Julington branch opening in October of 2006. This area shows the most growth out of all the counties that ACFC serves, it also will continue to grow at a faster pace into 2012. ACFC plans to build another branch in St. Johns County later in the year.

Income characteristics for the Company's markets are also reflected in the data set forth in Table 2.1. Generally, ACFC's markets in Georgia are in rural and/or less prosperous regions of the state, which is reflected in the comparatively moderate income levels as measured by average household income, median household income and per capita income. Specifically, the median household and per capita income in Ware County equaled \$35,471 and \$18,921 respectively, as of 2007, which falls approximately 36% and 33% below the state aggregate, respectively. While income levels in the Company's other Georgia markets are higher than Ware County, they too fall below the Georgia aggregate level.

By comparison, income levels in Duval County where the Company is growing are relatively comparable to the Florida aggregate. In this regard, the median household income in Duval County equaled \$50,508 as of 2007, which exceeded the state aggregate by 3.9%, while per capita income equaled \$26,433, which fell 3.2% below the state aggregate. In St. Johns County, where ACFC is seeking to grow, the income levels exceeded the Florida average. The median household income and per capita income averages in St. Johns County equaled \$63,436 and \$37,499, which were 30.6% and 37.3% higher than the state aggregates.

#### Local Economy/Largest Employers

The largest employers in Ware County and the Jacksonville MSA reflect the characteristics and trends previously described. In this regard, the major employers in Ware County reflect the status of Waycross and Ware County as a regional center for jobs, shopping

and health care, among other components. In this regard, the population of Ware County approximately doubles during the working day when residents of nearby areas commute into the market for work, at such large employers as CSX (1,250 employees), Satilla Health Services (1,200 employees) and Baptist Village Inc. (575 employees). Other large manufacturing employers include Simmons Company (mattress manufacturer), Clayton Homes (producer of manufactured homes), Carolina Skiff which manufactures small boats and Voith Paper Fabrics which produces paper machine dryer fabrics.

The largest employers in the Jacksonville MSA reflects the traditionally large role played by the military, but also reflects the growing importance of other business and industries on the local economy including health care, retailing and financial services (see Table 2.2). In this regard, the largest employer and two of the five largest employers in the market is the U.S. Navy, which employs more than 25,000 workers at the Mayport Naval Station and the Jacksonville Naval Air Station. Retailing is also important as Jacksonville serves as the corporate headquarters for one of the largest grocers in the U.S. (Winn-Dixie employing 6,200). Other large employers include health care providers and financial services companies, whose presence in Jacksonville has been growing over the last several decades.

Table 2.2  
Atlantic Coast Federal Corporation  
Major Employers in Ware County and the Jacksonville MSA

<u>Company</u>	<u>2006 Employees</u>	<u>Product/Service</u>
<b><u>Ware County</u></b>		
CSX Transportation	1,250	Rail/Freight Transport.
Satilla Health Services	1,200	Hospital
Ware County Board of Education	1,200	Gov./Education
Baptist Village, Inc.	575	Nursing Home
Simmons Company	225	Mattress Manufacturer
Scotbuilt Homes	200	Manufactured Housing
Carolina Skiff	256	Boat Manufacturer
Clayton Homes	178	Manufactured Housing
GATX	135	Railroad Car Repairs
Voith Paper Fabrics	132	Man. Paper Fabrics
<b><u>Jacksonville MSA</u></b>		
Jacksonville Naval Air Station	25,245	Government/Military
Duval County Public Schools	16,003	Govt./Education
Mayport Naval Station	15,293	Government/Military
City of Jacksonville	8,828	Municipal Govt.
Blue Cross/Blue Shield	8,200	Health Insurer
Baptist Health System	7,000	Health Care
Winn-Dixie Stores (Corporate Hqtrs.)	6,200	Grocery
Mayo Clinic	5,000	Health Care
CSX Transportation	4,400	Railroad Corp. Hqtrs.
Citibank	4,200	Credit Card Company
Bank of America	4,000	Regional Bank Sys.
Clay County School Board	4,000	Public Education

Sources: Okefenokee Development Authority for Ware County and the Northeast Florida Regional Development Partnership for the Jacksonville MSA.

### Unemployment Rates

Unemployment levels on a local, state and national level have generally remained stable or improved slightly, reflecting both the impact of the economic recovery as well as limited job creation in the face of strong productivity growth. Specifically, the national unemployment rate has improved, but there has been an increase in the Florida unemployment

rate and Georgia's unemployment rate held constant over the year. The unemployment rates in the Company's markets have generally increased slightly over the year.

Table 2.3  
Atlantic Coast Federal Corporation  
Unemployment Trends (1)

<u>Region</u>	<u>July 2006 Unemployment</u>	<u>July 2007 Unemployment</u>
United States	4.8%	4.6%
Georgia	4.6	4.6
Chatham County	4.6	4.4
Coffee County	5.7	6.4
Ware County	5.5	5.2
Florida	3.3	3.9
Columbia County	3.5	3.7
Clay County	3.3	3.7
Duval County	4.1	4.5
Nassau County	3.2	3.4
St. Johns County	2.9	3.5

(1) Unemployment rates are not seasonally adjusted.

Source: U.S. Bureau of Labor Statistics.

### Competition

As a savings bank with its primary business functions of real estate lending and the gathering deposits in southeast Georgia and northeast Florida, ACFC's primary competitors are: (1) other financial institutions with offices in the local market (including banks, thrifts and credit unions); (2) other mortgage loan originators; (3) those depository and lending organizations not physically located within the market but capable of doing business remotely through the Internet or by other means; and (4) other competitors such as investment firms, mutual funds, insurance companies, etc.

Competition among financial institutions in the Company's market is significant. As larger institutions compete for market share to achieve economies of scale, the environment for the Company's products and services is expected to remain highly competitive. Community-

sized institutions such as ACFC typically compete with larger institutions on pricing or operate in a niche that will allow for operating margins to be maintained at profitable levels. The Company's Plan as set forth herein reflects elements of both strategies.

Table 2.4 displays deposit market trends in recent years for Ware and Duval Counties as well as the other markets where ACFC maintains branch offices. The Company maintains a relatively strong market share in Ware County, where it is the largest financial institution holding approximately 26% of the total deposit market. Importantly, growth in the Ware County market has been limited, as total deposits have only realized 2.6% annual growth overall over the last two years. The Duval County market represents a much larger market overall (in excess of \$23 billion of total deposits) but ACFC's market share is much smaller, equal to approximately 1.1% of the total deposit market.

The largest competitors in the markets served by ACFC are comprised of some of the largest financial institutions in the Southeast U.S. and the nation as a whole (See Table 2.5). In this regard, while ACFC holds the largest market share in Ware County, there are other significant competitors including PrimeSouth Bank, Waycross Bank & Trust and SunTrust Bank, each of which holds a 10% share of the deposit market or greater. The Duval County market also reflects a significant level of competition with a significant number of large banks, community banks and credit unions. In this regard, the two largest financial institutions in the market (Bank of America and Wachovia) together hold more than 50% of the deposit market.

Table 2.4  
Atlantic Coast Federal Corporation  
Deposit Summary  
(Dollars in Thousands)

	As of June 30,						
	2004			2006			Deposit Growth Rate 2004-2006
	Deposits	Market Share	Number of Branches	Deposits	Market Share	No. of Branches	
<u>State of Georgia</u>	\$132,040,745	100.0%	2,596	\$169,489,384	100.0%	2,741	13.3%
Commercial Banks	126,380,298	95.7%	2,444	162,798,692	96.1%	2,536	13.5%
Savings Institutions	5,660,447	4.3%	152	6,690,692	3.9%	205	8.7%
<u>Chatham County</u>	\$3,548,273	100.0%	78	\$4,417,585	100.0%	88	11.6%
Commercial Banks	3,496,572	98.5%	76	4,362,223	98.7%	85	11.7%
Savings Institutions	51,701	1.5%	2	55,362	1.3%	3	3.5%
Atlantic Coast	21,354	0.6%	1	17,502	0.4%	1	-9.5%
<u>Coffee County</u>	\$542,538	100.0%	17	\$602,979	100.0%	16	5.4%
Commercial Banks	526,822	97.1%	16	586,494	97.3%	15	5.5%
Savings Institutions	15,716	2.9%	1	16,485	2.7%	1	2.4%
Atlantic Coast	15,716	2.9%	1	16,485	2.7%	1	2.4%
<u>Ware County</u>	\$623,097	100.0%	9	\$655,431	100.0%	10	2.6%
Commercial Banks	459,357	73.7%	7	483,271	73.7%	8	2.6%
Savings Institutions	163,740	26.3%	2	172,160	26.3%	2	2.5%
Atlantic Coast	163,740	26.3%	2	172,160	26.3%	2	2.5%
<u>State of Florida</u>	\$300,961,284	100.0%	4,897	\$363,415,173	100.0%	5,310	9.9%
Commercial Banks	248,611,907	82.6%	4,217	296,868,502	81.7%	4,465	9.3%
Savings Institutions	52,349,377	17.4%	680	66,546,671	18.3%	845	12.7%
<u>Clay County</u>	\$797,812	100.0%	28	\$1,176,186	100.0%	29	21.4%
Commercial Banks	766,700	96.1%	27	1,071,754	91.1%	26	18.2%
Savings Institutions	31,112	3.9%	1	104,432	8.9%	3	83.2%
Atlantic Coast	31,112	3.9%	1	37,319	3.2%	1	9.5%
<u>Columbia County</u>	\$587,941	100.0%	17	\$875,839	100.0%	16	22.1%
Commercial Banks	464,532	79.0%	13	549,055	62.7%	12	8.7%
Savings Institutions	123,409	21.0%	4	326,784	37.3%	4	62.7%
Atlantic Coast	32,490	5.5%	1	46,917	5.4%	1	20.2%
<u>Duval County</u>	\$16,352,509	100.0%	166	\$23,163,135	100.0%	175	19.0%
Commercial Banks	13,868,218	84.8%	152	19,285,097	83.3%	153	17.9%
Savings Institutions	2,484,291	15.2%	14	3,878,038	16.7%	22	24.9%
Atlantic Coast	176,181	1.1%	5	256,572	1.1%	5	20.7%
<u>Nassau County</u>	\$609,236	100.0%	18	\$814,037	100.0%	17	15.6%
Commercial Banks	605,646	99.4%	17	806,484	99.1%	16	15.4%
Savings Institutions	3,590	0.6%	1	7,553	0.9%	1	45.0%
Atlantic Coast	3,590	0.6%	1	7,553	0.9%	1	45.0%

Table 2.5  
Atlantic Coast Federal Corporation  
Competitor Analysis

Rank	Company Name	City	State	Charter	Branches	June 30, 2006		
						Total Deposits (\$000)	Market Share (%)	
<i>Ware County</i>								
<b>1</b>	<b>Atlantic Coast Bank</b>	<b>Waycross</b>	<b>GA</b>	<b>Thrift</b>	<b>2</b>	<b>\$172,160</b>	<b>24.24</b>	
2	PrimeSouth Bank	Atlanta	GA	Bank	1	129,767	18.27	
3	Waycross Bank & Trust	Waycross	GA	Bank	1	90,085	12.68	
4	SunTrust Bank	Atlanta	GA	Bank	1	83,324	11.73	
5	United Community Bank	Blairsville	GA	Bank	1	53,319	7.51	
6	Bank of America NA	Charlotte	NC	Bank	1	52,069	7.33	
7	Branch Banking & Trust Company	Winston-Salem	NC	Bank	1	42,203	5.94	
8	Patterson Bank	Patterson	GA	Bank	1	40,072	5.64	
9	Peoples Bank	Blackshear	GA	Bank	1	30,157	4.25	
10	Community United FCU	Waycross	GA	Credit Union	1	11,315	1.59	
11	Ware County School Emps. FCU	Waycross	GA	Credit Union	1	3,436	0.48	
12	Heritage Bank	Hinesville	GA	Bank	1	2,347	0.34	
	<b>Total</b>				<b>13</b>	<b>\$710,254</b>	<b>100.00</b>	
<i>Duval County</i>								
1	Bank of America NA	Charlotte	NC	Bank	27	8,326,668	29.42	
2	Wachovia Bank NA	Charlotte	NC	Bank	41	6,131,657	21.66	
3	Everbank	Jacksonville	FL	Thrift	5	3,026,895	10.69	
4	VyStar Credit Union	Jacksonville	FL	Credit Union	1	2,642,875	9.34	
5	SunTrust Bank	Atlanta	GA	Bank	25	1,590,295	5.62	
6	Community First CU of FL	Jacksonville	FL	Credit Union	1	951,131	3.36	
7	Compass Bank	Birmingham	AL	Bank	14	882,067	3.12	
8	AmSouth Bank	Birmingham	AL	Bank	13	421,943	1.49	
9	First Guaranty B&TC	Jacksonville	FL	Bank	7	322,868	1.14	
10	Florida Telco Credit Union	Jacksonville	FL	Credit Union	1	305,298	1.08	
<b>11</b>	<b>Atlantic Coast Bank</b>	<b>Waycross</b>	<b>GA</b>	<b>Thrift</b>	<b>5</b>	<b>256,572</b>	<b>0.91</b>	
12	R-G Crown Bank	Casselberry	FL	Thrift	6	278,277	0.98	
13	JAX Federal Credit Union	Jacksonville	FL	Credit Union	1	261,316	0.92	
14	Mercantile Bank	Orlando	FL	Bank	5	260,015	0.92	
15	Jacksonville Bank	Jacksonville	FL	Bank	5	256,592	0.91	
16	Branch Banking & Trust Co.	Winston-Salem	NC	Bank	6	215,659	0.76	
17	State Emps Credit Union	Jacksonville	FL	Credit Union	1	188,911	0.67	
18	Oceanside Bank	Jacksonville Beach	FL	Bank	4	183,511	0.65	
19	Monticello Bank	Jacksonville	FL	Thrift	2	180,860	0.64	
	All Others Financial Insitutions		N.A.	N.A.	N.A.	43	1,623,874	5.74
	<b>Total</b>				<b>213</b>	<b>\$28,307,284</b>	<b>100.0</b>	

### III. PEER GROUP ANALYSIS

This chapter presents an analysis of ACFC'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 ACFC 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 ACFC, 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 165 publicly-traded institutions nationally, including approximately 35 publicly-traded MHC 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 ACFC will be a full public company upon completion of the offering, we considered only full stock 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 the Company. In the selection process, we applied the following "screen" to the universe of all publicly traded full stock companies:

Screen #1. All Southeast thrift institutions, including Florida based thrifts, with total assets of less than \$2 billion with return on equity ratios of less than 12.0% and which were profitable on a core operating basis. All seven of the companies meeting the foregoing search criteria were included in the Peer Group. Federal Trust Corp of Florida which otherwise met the selection criteria was excluded owing to operating losses related to asset quality issues.

Additionally, in order to round out the Peer Group to a total of ten fully converted institutions, we selected three mid-Atlantic based thrifts (ESB Financial, Fidelity Bancorp and Parkvale Financial Corp) which have similar asset sizes compared to the Company and which are located outside of the northeast megalopolis. Thus, their markets were deemed to be relatively comparable to the Company's Florida and Georgia markets.

Table 3.1 shows the general characteristics of each of the 10 Peer Group companies. While there are expectedly some differences between the Peer Group companies and ACFC, 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 ACFC's financial condition, income and expense trends, loan composition, interest rate risk and credit risk versus the Peer Group as of the most recent publicly available date.

Table 3.1  
Peer Group of Publicly-Traded Thrifts  
September 28, 2007(1)

<u>Ticker</u>	<u>Financial Institution</u>	<u>Exchange</u>	<u>Primary Market</u>	<u>Operating Strategy(2)</u>	<u>Total Assets</u>	<u>Offices</u>	<u>Fiscal Year</u>	<u>Conv. Date</u>	<u>Stock Price (\$)</u>	<u>Market Value (\$Mil)</u>
ESBF	ESB Financial Corp. of PA	NASDAQ	Ellwood City, PA	Thrift	1,889	26	D	June-90	10.60	\$135.0
PVSA	Parkvale Financial Corp of PA	NASDAQ	Monroeville, PA	Thrift	1,844	47	J	July-87	29.01	\$163.0
FFBH	First Fed. Bancshares of AR	NASDAQ	Harrison, AR	Thrift	820	15	D	May-96	18.00	\$88.0
CSBC	Citizens South Banking of NC	NASDAQ	Gastonia, NC	Thrift	755	11	D	October-02	12.33	\$97.0
FSBI	Fidelity Bancorp, Inc. of PA	NASDAQ	Pittsburgh, PA	Thrift	727	13	S	June-88	15.50	\$46.0
TSH	Teche Hlding Cp of N Iberia LA	AMEX	New Iberia, LA	Thrift	714	17	S	April-95	41.00	\$90.0
CFFC	Community Fin. Corp. of VA	NASDAQ	Staunton, VA	Thrift	479	8	M	March-88	9.30	\$40.0
FCFL	First Community Bk Corp of FL	NASDAQ	Pinellas Park FL	Thrift	413	4	D	May-03	13.98	\$57.0
JFBI	Jefferson Bancshares Inc of TN	NASDAQ	Morristown, TN	Thrift	340	1	J	July-03	10.75	\$69.0
GSLA	GS Financial Corp. of LA	NASDAQ	Metairie, LA	Thrift	170	4	D	April-97	18.15	\$23.0

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.

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

- **ESB Financial Corp of PA** reported total assets of \$1.9 billion and operates through a total of 26 branch offices in western Pennsylvania. ESB Financial Corp.'s assets reflect the lowest ratio of loans in comparison to any Peer Group company on an individual basis, while borrowed funds were also relatively high. As a result of the relatively high ratio of wholesale investment and borrowed funds, operating expenses for ESB Financial Corp. were comparatively modest but the net interest income and ROA was also comparatively limited as a result of its narrow spreads. NPAs were low for ESB Financial Corp.
- **Parkvale Financial Corp. of PA** reported total assets of \$1.8 billion and operates through a total of 47 branch offices in western Pennsylvania. Parkvale Financial's balance sheet mixture compares closely to the Peer Group average though it has a relatively leverage equity position with the lowest tangible equity ratio of any of the Peer Group companies. Notwithstanding its leveraged equity ratio, earnings approximated the Peer Group average reflecting its relatively low operating expense ratio. NPAs are below the Peer Group average and loan losses have historically been modest.
- **First Fed. Bancshares of AR** maintains \$820 million in total assets and operates through a total of 15 branches in Arkansas. The balance sheet composition reflects a relatively high proportion of loans, with a comparatively high proportion of the loan portfolio comprised of higher risk-weight construction and commercial mortgage loans. Earnings are modestly below the Peer Group average as its strong spreads and non-interest income levels are offset by its higher operating expenses in comparison to the Peer Group average. The level of high risk-weight lending may contribute to the higher NPAs in relation to the Peer Group average; reserve coverage ratios are lower as well in comparison to the Peer Group.
- **Citizens South Banking of NC** was selected for the Peer Group primarily based on its size (\$755 million of assets) and location in the southeastern U.S. which is relatively comparable to the Company's market. Citizens South reported an ROA which was above the Peer Group average as earnings were supported by its loan portfolio, which included a relatively high level of diversification into multi-family and commercial mortgage loans. NPAs were below the Peer Group average while reserve coverage ratios in relation to NPAs were above the Peer Group average.
- **Fidelity Bancorp, Inc. of PA** operates through a total of 13 branch offices in the Pittsburgh metropolitan area. The balance sheet reflects a comparatively high ratio of leveraging, with investments and borrowings comprising significant segments of the balance sheet. The ROA is modestly below the Peer Group average reflecting the limited spreads and notwithstanding its low operating

expenses. Lending is primarily concentrated in 1-4 family mortgage loans, both in terms of whole loans and a significant investment in MBS.

- **Teche Holding Company of LA** has \$714 million of total assets and operates through 17 offices in southern Louisiana. The asset base is comprised primarily of loans and deposits with limited balances of investments and borrowed funds. Teche Holding Company reports a relatively strong ROA above the Peer Group average which provides it with a comparatively favorable ROE. NPA are modestly above the Peer Group average.
- **Community Financial Corp. of VA** has \$479 million of total assets and operates through eight branch offices in western Virginia. The asset base is comprised primarily of loans and deposits with limited balances of investments and borrowed funds. Reflecting the foregoing, the ROA is above the Peer Group average supported by its relatively strong net interest margin (i.e., resulting from the high ratio of loans and the yield potential of the commercial loan portfolio) and strong fee income. The ratio of NPAs is below the Peer Group average while reserve coverage is relatively comparable.
- **First Community Bank Corp. of Florida** has \$413 million of total assets and operates through 4 offices in the Miami metropolitan area. First Community Bank Corp. maintains the highest ratio of loans and deposits of any of the Peer Group companies and its ROA, which is modestly above the Peer Group average, is supported by its relatively strong net interest margin as a result. Asset quality is strong in comparison to the Peer Group average, both in terms of the ratio of NPAs and reserve coverage.
- **Jefferson Bancshares of TN** has \$340 million of total assets and operates through a single office eastern Tennessee. The asset base is comprised primarily of loans and deposits with limited balances of investments and borrowed funds. Enhancing the comparability to the Company, Jefferson Bancshares has the highest capital ratio of any of the Peer Group companies reflecting the impact of the completion of its second step conversion in July 2003. Notwithstanding the strong capital ratio, operating returns are below the Peer Group average reflecting high expenses as Jefferson Bancshares has focused on balance sheet growth.
- **GS Financial Corp. of LA** has \$170 million of total assets and is thus, the smallest of the Peer Group companies in terms of total assets. GS Financial operates through four offices in Louisiana and maintains a relatively large investment portfolio for leveraging purposes. Earnings are supported by loan loss recoveries over the past twelve months and the loan portfolio shows a modest level of diversification into multi-family and commercial mortgage loans. Asset quality appears to have been strengthened by new management with a background in commercial banking.

In aggregate, the Peer Group companies maintain a lower level of capital as the industry average (10.35% of assets versus 12.63% for all public companies), generate a higher level of

core earnings as a percent of average assets (0.72% core ROAA for the Peer Group and 0.56% for all public companies), and generate a slightly higher ROE based on core earnings (7.68% core ROE versus 5.03% for all public companies). Overall, the Peer Group's pricing ratios were at a modest discount to all publicly traded thrift institutions, including both the P/E multiple and the P/B and P/TB ratios.

	<i>All</i> <u>Publicly-Traded</u>	<u>Peer Group</u>
<u>Financial Characteristics (Averages)</u>		
Assets (\$Mil)	\$3,169	\$815
Market Capitalization (\$Mil)	\$420	\$81
Equity/Assets (%)	12.63%	10.35%
Core Return on Average Assets (%)	0.56%	0.72%
Core Return on Average Equity (%)	5.03%	7.68%
<u>Pricing Ratios (Averages)(1)</u>		
Price/Core Earnings (x)	20.71x	17.26x
Price/Book (%)	130.86%	115.02%
Price/Tangible Book (%)	147.57%	133.95%
Price/Assets (%)	16.63%	11.45%

(1) Based on market prices as of September 28, 2007.

Ideally, the Peer Group companies would be comparable to ACFC 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 ACFC, as will be highlighted in the following comparative analysis.

#### Financial Condition

Table 3.2 shows comparative balance sheet measures for the Company and the Peer Group. The Company's ratios reflect balances as of June 30, 2007, while the Peer Group's ratios are as of the latest date for which financial data is publicly available (March 31, 2007 or June 30, 2007). ACFC's equity-to-assets ratio of 9.9% fell between the Peer Group's average and median net worth ratio of 10.3% and 8.9%, respectively, even before the completion of the Offering. Tangible equity equaled 9.6% while intangibles maintained by the Peer Group averaged 0.9% of

Table 3.2  
Balance Sheet Composition and Growth Rates  
Atlantic Coast Federal Corp. and the Comparable Group  
As of June 30, 2007

	Balance Sheet as a Percent of Assets				Balance Sheet Annual Growth Rates				Regulatory Capital										
	Cash & Equivalents	MBS & Invest	Loans	Deposits	Borrowed Funds	Subd. Debt	Net Worth	Goodwill & Intang	Tng Net Worth	MEMO: Pref. Stock	MBS, Cash & Investments	Loans	Deposits	Borrow. & Subdebt	Net Worth	Tng Net Worth	Ineligible	Core	Reg. Cap.
<b>Atlantic Coast Federal Corp.</b>																			
June 30, 2007	4.5%	15.0%	74.7%	68.6%	22.9%	0.0%	9.9%	0.3%	9.6%	0.0%	48.28%	9.13%	9.13%	56.87%	-6.31%	-6.44%	8.12%	8.12%	12.56%
<b>All Public Companies</b>																			
Averages	4.3%	20.0%	70.2%	68.6%	17.0%	0.7%	12.4%	1.0%	11.4%	0.0%	-1.90%	7.83%	5.58%	-4.97%	2.61%	2.01%	10.79%	10.61%	17.81%
Medians	2.7%	18.4%	70.3%	70.5%	16.0%	0.0%	10.7%	0.1%	9.3%	0.0%	-4.06%	8.92%	3.53%	-6.67%	2.62%	1.89%	9.35%	9.32%	15.04%
<b>State of GA</b>																			
Averages	3.6%	24.8%	64.8%	73.2%	11.3%	0.0%	14.1%	0.2%	13.8%	0.0%	35.65%	12.13%	27.75%	-0.32%	-7.07%	-8.54%	13.20%	13.20%	18.00%
Medians	3.6%	24.8%	64.8%	73.2%	11.3%	0.0%	14.1%	0.2%	13.8%	0.0%	35.65%	12.13%	27.75%	-0.32%	-7.07%	-8.55%	13.20%	13.20%	18.00%
<b>Comparable Group</b>																			
Averages	3.0%	20.5%	70.5%	71.1%	17.0%	0.7%	10.3%	0.9%	9.4%	0.0%	-5.19%	7.94%	6.48%	-13.76%	4.04%	6.08%	10.50%	9.71%	15.46%
Medians	2.4%	15.4%	73.7%	75.5%	11.7%	0.0%	8.9%	0.2%	8.3%	0.0%	-4.88%	8.97%	3.76%	-12.16%	5.83%	7.43%	8.28%	7.79%	12.42%
<b>Comparable Group</b>																			
CSBC Citizens South Banking of NC	1.7%	18.0%	70.1%	77.2%	8.4%	2.0%	11.1%	4.1%	7.0%	0.0%	11.42%	4.97%	8.82%	-9.85%	-0.38%	0.70%	9.19%	9.19%	11.80%
CFFC Community Fin. Corp. of VA(1)	1.8%	8.9%	85.6%	69.6%	21.5%	0.0%	8.1%	0.0%	8.1%	0.0%	3.26%	11.39%	9.32%	11.53%	9.65%	9.65%	7.75%	7.75%	10.54%
ESBF ESB Financial Corp. of PA	1.4%	59.4%	31.9%	44.7%	44.8%	2.7%	6.4%	2.3%	4.1%	0.0%	-3.87%	6.92%	4.31%	-4.87%	7.04%	12.83%	7.10%	7.10%	15.50%
FSBI Fidelity Bancorp. Inc. of PA	1.5%	32.6%	62.7%	58.6%	31.5%	1.4%	6.3%	0.4%	5.9%	0.0%	-13.22%	8.78%	3.20%	-7.44%	10.20%	11.02%	NA	7.42%	12.91%
FCFL First Community Bk. Corp. of FL	2.7%	4.5%	88.9%	83.2%	6.5%	0.0%	8.6%	0.1%	8.5%	0.0%	15.47%	15.36%	18.98%	-17.13%	12.38%	12.55%	7.83%	7.83%	11.27%
FFBH First Fed. Bancshares of AR	4.7%	9.6%	78.3%	79.0%	11.2%	0.0%	9.1%	0.0%	9.1%	0.0%	24.56%	-13.03%	2.76%	-45.49%	-5.82%	-5.62%	8.73%	8.73%	12.10%
GSLA GS Financial Corp. of LA	2.5%	30.5%	62.1%	73.7%	9.9%	0.0%	15.9%	0.0%	15.9%	0.0%	-31.77%	25.14%	1.82%	-28.78%	5.97%	5.97%	15.93%	15.93%	30.00%
JFBI Jefferson Bancshares Inc of TN	2.3%	8.6%	81.6%	64.8%	13.2%	0.0%	21.7%	0.0%	21.7%	0.0%	-15.97%	9.14%	10.68%	-14.50%	-1.21%	-1.21%	19.90%	19.90%	26.40%
PVSA Parkville Financial Corp of PA	8.1%	20.6%	66.9%	79.7%	12.2%	0.4%	7.0%	1.7%	5.3%	0.0%	-5.89%	1.40%	1.19%	-14.60%	5.68%	6.72%	NA	5.87%	11.34%
TSH Teche Hdng Cp of N Iberia LA	3.4%	12.7%	77.4%	78.5%	10.3%	0.0%	9.2%	0.5%	8.7%	0.0%	-25.20%	9.32%	2.74%	-6.45%	5.64%	6.14%	7.54%	7.54%	12.74%

(1) Financial information is as of March 31, 2007.

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

assets, translating into a tangible equity-to-assets ratio of 9.4% on average for the Peer Group. The Company's pro forma tangible capital position will increase with the addition of stock proceeds. The increase in ACFC's pro forma capital position will be favorable from a risk perspective and in terms of future earnings potential that may be realized through leverage and lower funding costs. At the same time, the Company's higher pro forma capitalization will also result in a lower return on equity. Both the Company's and the Peer Group's capital ratios reflected capital surpluses with respect to the regulatory capital requirements.

The Company's asset composition reflects a higher concentration of loans to assets, at 74.7% versus a 70.5% average for the Peer Group. Comparatively, the ratio of cash, investments, and MBS for the Company was lower than for the Peer Group (20.5% of assets versus 17.6% for the Peer Group). Overall, the Company's interest-earning assets ("IEA") approximated 94.2% of assets, which is nearly equal to the comparative Peer Group ratio of 94.0%. On a pro forma basis, the Company's IEA advantage is expected to increase as the net proceeds are reinvested into IEA.

The Company's deposits equaled 66.6% of assets, which was similar to the Peer Group average of 71.1%. Borrowings were also utilized to a relatively comparable degree by the Company and the Peer Group, based on borrowings/assets ratios of 22.9% and 17.7% (includes subordinated debt), respectively. Total interest-bearing liabilities ("IBL") maintained by ACFC and the Peer Group, equaled 89.5% and 88.8% of assets, respectively. The ratio of IBL will be reduced on a post-offering basis as the Company funds a greater portion of its operations out of capital.

ACFC posted higher annual asset growth than the Peer Group, at 15.30% and 2.68%, respectively. In this regard, balance sheet growth rates for the Company are calculated for the twelve months ended June 30, 2007, while growth rates for the Peer Group are for the most recent twelve month period for which data is publicly available. The Company's comparatively faster growth is attributable to efforts to expand lending, particularly following the completion of the minority stock issuance in 2004. In this regard, the Company has employed additional loan officers and otherwise sought to expand the loan and deposit portfolios, both through internal organic growth (i.e. loan originations and deposit growth at existing offices) supplemented by

growth achieved through loan participations funded by increased borrowings and deposits generated at new branches. The results of such efforts are evidenced in the rate of growth of the loan portfolio, which increased at a 9.13% for the Company, while the Peer Group's loan portfolio also realized strong growth equal to 7.94%. The portfolio of cash, investment and MBS increased significantly for the Company, by 48.28% as compared to modest shrinkage of 5.19% for the Peer Group.

The Company's deposit growth rate exceeded the Peer Group average as ACFC sought to fund targeted asset growth. Importantly, as discussed in the financial analysis in Section One, much of the Company's deposit growth has been accomplished with CDs and high yield money market accounts which the Company has priced on a highly competitive basis in order to realize the targeted growth objectives. Likewise, borrowed funds increased much more rapidly for the Company at a 58.87% annual pace versus shrinkage for the Peer Group equal to 13.76%.

The Company's capital declined by 6.31% as compared to modest growth of 4.94% for the Peer Group based on the average. Reduction of the Company's equity and the modest growth for the Peer Group reflects the adoption of dividend and capital management strategies by both the Company and the Peer Group. On a post-offering basis, the Company's capital growth rate is expected to remain comparatively modest as the benefit of reinvestment of the Offering proceeds may be offset by additional share repurchases, the payment of dividends and as expenses may likely increase reflecting the impact of the expanded stock benefit plans.

#### Income and Expense Components

Table 3.3 displays comparative statements of operations for the Company and the Peer Group. ACFC and the Peer Group reported net income to average assets ratios of 0.47% and 0.74%, respectively. The Company's lower ROA is the result of a higher ratio of operating expenses to average assets and lower net interest income, as non-interest fee income was superior.

The Company's interest income ratio exceeded the Peer Group average which was offset by the higher ratio of interest expense to average assets in comparison to the Peer Group. The Company's higher interest income ratio was the result of its higher yield on interest-earning

Table 3.3  
Income as Percent of Average Assets and Yields, Costs, Spreads  
Atlantic Coast Federal Corp. and Comparables  
For the 12 Months Ended June 30, 2007

	Net Interest Income				Other Income				G&A/Other Exp.				Non-Op. Items				Yields, Costs, and Spreads				MEMO: Assets/ FTE Emp.	MEMO: Effective Tax Rate
	Net Income	Income Expense	NI Provis.	Loss on IEA	NI After Provis.	Loan Fees	R.E. Oper.	Other Income	Total Income	G&A Expense	Goodwill Amort.	Net Gains	Extrao. Items	Yield On Assets	Cost Of Funds	Yid-Cost Spread	Yield	Cost				
<u>Atlantic Coast Federal Corp.</u> June 30, 2007	0.47%	6.28%	3.62%	2.65%	0.12%	2.80%	0.00%	0.93%	0.93%	2.79%	0.01%	0.02%	0.00%	6.67%	4.27%	2.40%			\$5,223	31.27%		
<u>All Public Companies</u>																						
Averages	0.52%	5.82%	3.10%	2.72%	0.09%	2.63%	0.03%	0.66%	0.69%	2.54%	0.02%	-0.02%	0.00%	6.18%	3.58%	2.60%			\$5,481	31.70%		
Medians	0.55%	5.74%	3.10%	2.72%	0.06%	2.61%	0.00%	0.50%	0.52%	2.49%	0.00%	0.01%	0.00%	6.04%	3.62%	2.66%			\$4,541	32.42%		
<u>State of GA</u>																						
Averages	0.55%	6.20%	2.73%	3.47%	0.27%	3.19%	0.10%	1.46%	1.56%	4.05%	0.00%	-0.02%	0.00%	6.66%	3.30%	3.38%			\$3,500	19.33%		
Medians	0.56%	6.20%	2.73%	3.47%	0.27%	3.20%	0.10%	1.46%	1.56%	4.05%	0.00%	-0.02%	0.00%	6.66%	3.30%	3.38%			\$3,500	19.33%		
<u>Comparable Group</u>																						
Averages	0.74%	6.09%	3.29%	2.80%	-0.03%	2.83%	0.06%	0.60%	0.65%	2.44%	0.02%	0.03%	0.01%	6.41%	3.69%	2.71%			\$4,300	28.33%		
Medians	0.74%	6.25%	3.41%	3.04%	0.09%	2.84%	0.04%	0.45%	0.50%	2.57%	0.00%	0.02%	0.00%	6.68%	3.77%	3.00%			\$3,904	32.47%		
<u>Comparable Group</u>																						
CSBC Citizens South Banking of NC	0.80%	6.19%	3.41%	2.78%	0.17%	2.61%	0.21%	0.74%	0.95%	2.30%	0.09%	-0.09%	0.00%	6.91%	3.91%	3.00%			\$5,320	32.01%		
CFFC Community Fin. Corp. of VA(3)	0.86%	6.72%	3.54%	3.19%	0.11%	3.07%	0.14%	0.00%	0.69%	2.49%	0.00%	0.00%	0.00%	NM	NM	NM			\$3,552	NM		
ESBF ES Financial Corp. of PA	0.46%	5.10%	3.72%	1.38%	0.07%	1.31%	0.01%	0.35%	0.36%	1.15%	0.04%	0.07%	0.00%	5.48%	4.03%	1.46%			\$7,556	5.42%		
FSBI Fidelity Bancorp. Inc. of PA	0.57%	5.54%	3.61%	1.93%	0.11%	1.82%	0.05%	-0.02%	0.47%	1.70%	0.01%	0.06%	0.06%	5.72%	3.88%	1.83%			\$4,979	19.64%		
FCFL First Community BK Corp of FL(3)	0.75%	7.13%	3.41%	3.71%	0.17%	3.54%	0.00%	0.33%	0.33%	2.77%	0.00%	0.07%	0.00%	7.43%	3.80%	3.63%			\$3,858	36.40%		
FFBH First Fed. Bancshares of AR	0.57%	6.31%	3.40%	2.91%	0.37%	2.54%	0.00%	0.82%	0.82%	2.67%	0.00%	0.09%	0.00%	6.74%	3.75%	2.98%			\$2,699	26.96%		
GSLA GS Financial Corp. of LA	1.16%	6.39%	3.04%	3.35%	-1.34%	4.69%	0.00%	0.07%	0.07%	3.05%	0.00%	0.03%	0.00%	6.85%	3.64%	3.04%			\$3,952	32.98%		
JFBI Jefferson Bancshares Inc of TN	0.51%	6.33%	2.91%	3.42%	0.01%	3.41%	0.14%	0.25%	0.39%	3.01%	0.00%	-0.01%	0.00%	6.85%	3.77%	3.08%			\$3,653	34.94%		
PVSA Parkvale Financial Corp of PA	0.72%	5.22%	3.16%	2.06%	0.04%	2.02%	0.05%	0.48%	0.53%	1.46%	0.05%	0.02%	0.00%	5.45%	3.41%	2.04%			\$4,669	32.47%		
TSH Teche Hlding Cp of N Iberia LA	0.98%	6.01%	2.73%	3.28%	0.04%	3.24%	0.02%	1.95%	2.01%	3.76%	0.01%	0.01%	0.00%	6.40%	3.03%	3.37%			\$2,757	34.14%		

(1) Annualized based on available information.

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

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assets (6.67% versus 6.41% for the Peer Group) and may have resulted from recent growth of the loan portfolio in the higher interest rate environment which has prevailed over the last several years. The Company's higher interest expense ratio, 3.62% versus 3.29% of average assets for the Peer Group, may likely reflect the impact of the recent growth initiatives by ACFC which were funded, in part, by CDs and money market accounts priced on a highly competitive basis in relation to the prevailing market. The increase in wholesale borrowed funds was also a factor in the Company's increasing funding costs. ACFC's interest expense ratio is expected to diminish on a pro forma basis, as the Offering proceeds will represent interest-free funds for the Company. Overall, the Company's net interest income ratio of 2.65% fell short of the Peer Group average of 2.80% as previously noted.

Non-interest operating income is a higher contributor to ACFC's earnings relative to the Peer Group, at 0.93% and 0.65%, respectively. The Company's non-interest income ratio is comparatively higher, primarily reflecting the high level of fee income generated through the Company's deposit accounts and ATM network. Moreover, the level of fee income reflects in part, the high level of transaction accounts and the recent imposition of a revamped service fee schedule. Importantly, while the Company has benefited from the high level of fee income, there have been offsetting operating costs associated with ACFC's base of transaction accounts as noted below.

ACFC operates with a modestly higher operating expense ratio than the Peer Group, reflecting the costs associated with maintaining its base of transaction accounts and providing retail banking services through 13 offices. The relatively high cost structure of the Company's operations is evidenced by data showing the number of employees maintained relative to asset size. Assets per full time equivalent employee equaled \$5.2 million for the Company, versus a comparable measure of \$4.3 million for the Peer Group on average. Overall, the operating expense ratios for ACFC were 2.79% versus 2.44% and 2.57% for the Peer Group based on the average and median, respectively. Intangible assets amortization was nominal for the Peer Group, and the Company had no amortizing intangible assets. On a post-offering basis, the Company's operating expenses can be expected to increase with the incremental cost of the stock-based benefit plans and to the costs of targeted expansions, including the branching and

other expansion initiatives. At the same time, the Company will be seeking to offset such costs by increasing revenues through targeted growth.

ACFC's efficiency ratio (operating expenses as a percent of the sum of non-interest operating income and net interest income) of 78.3% is slightly less favorable than the Peer Group's ratio of 71.3%. On a post-offering basis, the Company's efficiency ratio may improve marginally with the reinvestment of the offering proceeds. Thus, the Company's efficiency ratio is expected to remain at an advantage.

Loan loss provisions for the Company and the Peer Group were relatively modest, amounting to 0.12% and 0.03% (recovery) of average assets for ACFC and the Peer Group, respectively, reflecting relatively strong asset quality and limited loan chargeoffs for both. However, the modestly higher level of loss provisions established by the Peer Group is consistent with its higher level of NPAs in comparison to the Company's lower ratio.

Non-operating income and expense were negligible for ACFC and the Peer Group enhancing their overall comparability and limiting the need for valuation adjustment in the section to follow.

The Company's effective tax rate for the last 12 months of 31.3% is modestly higher than the Peer Group average of 28.3%. The Company expects that its effective tax rate will continue to approximate the recent historical level in fiscal 2007, and thus may continue to be modestly above the Peer Group average.

#### Loan Composition

ACFC's loan portfolio reflects a comparatively greater concentration of 1-4 family residential mortgage loans and MBS, which aggregated to 61.5% of assets and 43.0% of assets for the Company and the Peer Group, respectively (see Table 3.4). Loans secured by permanent 1-4 family residential mortgage loans equaled 49.7% of assets for the Company versus 33.7% on average for the Peer Group, while MBS comprised 11.8 and 9.3%, respectively.

The Peer Group's lending activities show greater diversification in various areas of high risk-weight lending including multi-family and commercial mortgage lending and non-mortgage

Table 3.4  
Loan Portfolio Composition and Related Information  
Atlantic Coast Federal Corp. and the Comparable Group  
As of June 30, 2007

Institution	Portfolio Composition as a Percent of Assets							RWA/ Assets (%)	Serviced For Others (\$000)	Servicing Assets (\$000)
	MBS (%)	1-4 Family (%)	Constr. & Land (%)	5+Unit Comm RE (%)	Business (%)	Consumer (%)				
Atlantic Coast Federal Corp.	11.75%	49.72%	3.92%	12.13%	1.73%	7.09%	68.52%	\$5,204	\$0	
<u>All Public Companies</u>										
Averages	10.18%	37.29%	6.68%	18.39%	4.24%	3.03%	63.35%	\$1,297,195	\$15,314	
Medians	7.62%	35.45%	4.32%	16.78%	2.79%	0.78%	63.98%	\$31,870	\$120	
<u>State of GA (1)</u>										
Averages	7.04%	34.58%	7.31%	11.19%	4.97%	10.06%	68.21%	\$4,355	\$0	
Medians	7.04%	34.58%	7.31%	11.19%	4.97%	10.06%	68.21%	\$4,355	\$0	
<u>Comparable Group</u>										
Averages	9.33%	33.71%	11.59%	17.84%	4.26%	3.82%	68.11%	\$12,890	\$24	
Medians	5.07%	32.61%	10.54%	18.41%	3.21%	2.99%	69.49%	\$5,761	\$0	
<u>Comparable Group</u>										
CSBC Citizens South Banking of NC	8.65%	19.83%	25.30%	20.96%	4.27%	0.73%	81.04%	\$0	\$0	
CFCC Community Fin. Corp. of VA	0.00%	31.13%	14.07%	20.01%	8.42%	12.17%	80.97%	\$6,632	\$0	
ESBF ESB Financial Corp. of PA	47.38%	19.70%	2.30%	6.23%	0.79%	3.63%	47.38%	\$16,942	\$123	
FSBI Fidelity Bancorp, Inc. of PA	12.52%	42.47%	4.62%	11.65%	3.51%	0.45%	65.78%	\$0	\$0	
FCFL First Community Bk Corp of FL	0.67%	34.85%	17.05%	27.73%	4.59%	4.88%	77.30%	\$4,890	\$0	
FFBH First Fed. Bancshares of AR	0.00%	34.09%	21.70%	16.81%	2.91%	3.01%	73.19%	\$28,542	\$0	
GS LA GS Financial Corp. of LA	13.08%	30.00%	6.52%	25.58%	1.34%	0.40%	55.30%	\$2,626	\$35	
JFBI Jefferson Bancshares Inc of TN	0.00%	22.93%	16.34%	28.14%	12.31%	2.97%	78.09%	\$1,476	\$0	
PVSA Parkvale Financial Corp. of PA	1.49%	54.81%	1.00%	7.63%	2.44%	1.67%	56.60%	\$53,150	\$0	
TSH Teche Holding Corp. of N. Iberia LA	9.47%	47.30%	7.01%	13.71%	2.01%	8.26%	65.52%	\$14,641	\$80	

(1) Financial information is for the quarter ending March 31, 2007.

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

consumer lending. Specifically, multi-family and commercial mortgage loans represented 17.8% of assets which was modestly greater than the 12.1% ratio for the Company, while construction loans equaled 11.6% of assets on average for the Peer Group versus 3.9% for the Company. Conversely, the Company was a more active consumer lender, with 7.1% of assets invested in consumer loans versus 3.8% percent for the Peer Group on average. Overall, risk-weighted assets to total assets equaled 68.5% for the Company which was comparable to the Peer Group average of 68.1%. The comparable risk assets/assets ratio is attributable to the similar ratio of loans overall and relatively similar level of diversification into high risk weight lending, albeit in different loan types.

#### Credit Risk

The Company's credit risk exposure appears to be similar to the Peer Group's risk exposure, on average, based on the ratio of non-performing assets. As shown in Table 3.5, the Company's ratio of non-performing assets and accruing loans that are more than 90 days past due equaled 0.55% of assets, which was lower than the comparable Peer Group ratio of 0.60% based on the average but higher than the 0.32% of assets ratio based on the median. The Company maintained a ratio of non-performing loans/loans which fell between the Peer Group average and median (0.47% versus 0.63% based on the average and 0.35% based on the median for the Peer Group). Chargeoffs were modest for both the Company and Peer Group while the ratio of reserves/loans and reserves/NPAs is below the Peer Group average and median.

The one area of potential risk relates to recent adverse trends with respect to Florida real estate. In this regard, many areas of Florida, particularly southern portions of the state appear to be overbuilt and have realized declining values. As yet, the Company's asset quality has not been impacted by these trends and the Company's market appears to have remained comparatively stable in relation to many areas of Florida.

#### Interest Rate Risk

Table 3.6 reflects various key ratios highlighting the relative interest rate risk exposure of the Company and the Peer Group. From a balance sheet perspective, ACFC's higher capital

Table 3.5  
Credit Risk Measures and Related Information  
Atlantic Coast Federal Corp. and the Comparable Group  
As of June 30, 2007 or Most Recent Date Available

Institution	REO/ Assets (%)	NPAs & 90+Del/ Assets (%)	NPLs/ Loans (%)	Rsvs/ Loans (%)	Rsvs/ NPLs (%)	Rsvs/ NPAs & 90+Del (%)	Net Loan Chargeoffs (\$000)	NLCs/ Loans (%)
Atlantic Coast Federal Corp.	0.20%	0.55%	0.47%	0.75%	161.24%	103.53%	\$548	0.08%
<u>All Public Companies</u>								
Averages	0.10%	0.58%	0.60%	0.83%	235.23%	207.72%	\$454	0.09%
Medians	0.01%	0.38%	0.43%	0.78%	178.00%	118.15%	\$59	0.02%
<u>State of GA</u>								
Averages	0.07%	0.16%	0.13%	1.53%	826.74%	587.64%	\$7	0.01%
Medians	0.07%	0.16%	0.13%	1.53%	826.74%	587.64%	\$7	0.01%
<u>Comparable Group</u>								
Averages	0.15%	0.60%	0.63%	1.10%	313.62%	212.50%	\$188	0.11%
Medians	0.08%	0.32%	0.35%	0.87%	256.25%	213.19%	\$91	0.09%
<u>Comparable Group</u>								
CSBC Citizens South Banking of NC	0.06%	0.25%	0.32%	1.14%	249.00%	320.54%	\$225	0.18%
CFFC Community Fin. Corp. of VA	0.02%	0.32%	0.33%	0.76%	263.50%	205.75%	\$51	0.05%
ESBF ESB Financial Corp. of PA	0.08%	0.23%	0.49%	0.87%	221.97%	121.14%	\$185	0.12%
FSBI Fidelity Bancorp, Inc. of PA	0.01%	NA	0.57%	0.63%	102.32%	NA	\$33	0.03%
FCFL First Community Bk Corp of FL	0.09%	0.33%	0.27%	1.03%	267.06%	271.22%	\$2	0.00%
FFBH First Fed. Bancshares of AR	0.90%	2.91%	2.93%	0.66%	19.29%	17.66%	\$373	0.22%
GSLA GS Financial Corp. of LA	0.00%	0.20%	0.33%	3.15%	683.67%	NA	\$0	0.00%
JFBI Jefferson Bancshares Inc of TN	0.08%	0.14%	0.12%	0.70%	778.88%	438.54%	\$93	0.14%
PVSA Parkvale Financial Corp. of PA	0.10%	0.37%	0.37%	1.14%	327.01%	220.63%	\$831	0.27%
TSH Teche Holding Corp. of N. Iberia LA	0.11%	0.65%	0.52%	0.87%	223.53%	104.49%	\$88	0.06%

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.

Table 3.6  
Interest Rate Risk Measures and Net Interest Income Volatility  
Atlantic Coast Federal Corp. and the Comparable Group  
As of June 30, 2007 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)						
	Tangible Equity/ Assets (%)	Non-Earn. Assets/ Assets/ (%)	6/30/2007	3/31/2007	12/31/2006	9/30/2006	6/30/2006	3/31/2006	
Atlantic Coast Federal Corp.	9.6%	105.3%	5.8%	0	-18	-17	3	4	-3
All Public Companies	11.4%	110.1%	5.6%	1	0	-7	-6	-3	-1
State of GA	13.8%	110.4%	6.8%	3	-34	-17	-5	0	-4
<u>Comparable Group</u>									
Averages	9.4%	106.3%	5.9%	2	1	-7	-8	0	2
Medians	8.3%	104.4%	5.8%	2	1	-4	-8	-1	2
<u>Comparable Group</u>									
CSBC Citizens South Banking of NC	7.0%	102.5%	10.1%	-1	-6	-10	-5	4	NA
CFCC Community Fin. Corp. of VA	8.1%	105.6%	3.7%	NA	NA	-10	-7	1	0
ESBF ESB Financial Corp. of PA	4.1%	100.5%	7.3%	-4	2	-12	-10	-11	10
FSBI Fidelity Bancorp, Inc. of PA	5.9%	104.6%	3.2%	2	9	-1	0	-4	4
FCFL First Community Bk Corp of FL	8.5%	106.8%	4.2%	-1	NA	NA	-2	7	-3
FFBH First Fed. Bancshares of AR	9.1%	102.7%	7.3%	2	0	-1	-29	0	-1
GSLA GS Financial Corp. of LA	15.9%	113.7%	5.0%	3	-5	-26	-13	21	NA
JFBI Jefferson Bancshares Inc of TN	21.7%	118.6%	7.5%	9	4	5	-12	-9	-17
PVSA Parkvale Financial Corp. of PA	5.3%	103.7%	4.3%	7	8	-4	-9	-2	9
TSH Teche Holding Corp. of N. Iberia LA	8.7%	104.1%	6.5%	-2	-1	-3	8	-7	17

NA=Change is greater than 100 basis points during the quarter.

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

position on a pro forma basis and improved pro forma IEA/IBL ratio suggest lower exposure. On a post-offering basis, these ratios should improve relative to the Peer Group. In the absence of comparability in timely interest rate risk reporting and methodology, we reviewed quarterly changes in the net interest income ratio. In general, the quarterly fluctuations in the Company's net interest income ratio were below the Peer Group average.

To analyze interest rate risk associated with the net interest margin, we also reviewed quarterly changes in net interest income as a percent of average assets for ACFC and the Peer Group. In general, the recent relative fluctuations in the Company's net interest income to average assets ratios were considered to be slightly greater than the Peer Group average, and thus, based on the interest rate environment that prevailed during the period analyzed in Table 3.6, ACFC was viewed as maintaining a similar to modestly greater degree of interest rate risk exposure in the net interest margin. However, the Company's net interest income ratio should be stabilized to some degree following the Offering, given the initial expected proceeds reinvestment strategy (primarily short-to-intermediate term investment securities).

#### Summary

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

## IV. VALUATION ANALYSIS

### Introduction

This chapter presents the valuation analysis and methodology used to determine ACFC's estimated pro forma market value of the common stock to be issued in conjunction with the Second Step Conversion transaction. The valuation incorporates the appraisal methodology promulgated by the Federal and state banking agencies for standard conversions and mutual holding company offerings, particularly regarding selection of the Peer Group, fundamental analysis on both the Company and the Peer Group, and determination of the Company's pro forma market value utilizing the market value approach.

### Appraisal Guidelines

The OTS written appraisal guidelines, originally released in October 1983 and updated in late-1994, and adopted by the FDIC, specify the market value methodology for estimating the pro forma market value of an institution. The valuation methodology provides for: (1) the selection of a peer group of comparable publicly-traded institutions, excluding from consideration institutions which have recently converted, subject to acquisition or in MHC form; (2) a financial and operational comparison of the subject company to the selected peer group, identifying key differences and similarities; 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 Second Step Conversion process, RP Financial will: (1) review changes in ACFC's operations and financial condition; (2) monitor ACFC'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 Second Step Conversion process, RP Financial will evaluate if updated valuation reports should be prepared reflecting such changes and their related impact on value, if any. RP Financial will also prepare a final valuation update at the closing of the offering to determine if the prepared valuation analysis and resulting range of value continues to be appropriate.

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

#### Valuation Analysis

A fundamental analysis discussing similarities and differences relative to the Peer Group was presented in Chapter III. The following sections summarize the key differences between the Company and the Peer Group and how those differences affect the pro forma valuation. Emphasis is placed on the specific strengths and weaknesses of the Company relative to the Peer

Group in such key areas as financial condition, profitability, growth and viability of earnings, asset growth, primary market area, dividends, liquidity of the shares, marketing of the issue, management, and the effect of government regulations and/or regulatory reform. We have also considered the market for thrift stocks, including the market for new issues, to assess the impact on value of ACFC coming to market at this time.

1. Financial Condition

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

- Overall A/L Composition. The Company's asset composition includes a higher proportion of loans overall, with both residential mortgage loans and consumer loans exceeding the Peer Group average. The Peer Group was modestly more diversified in the areas of construction and commercial lending, including both commercial mortgage and commercial non-mortgage lending. The Company's net interest income ratio is comparable to the Peer Group average, reflecting the loan portfolio composition and the Company's higher funding costs. The composition of funding liabilities for the Company and the Peer Group is relatively similar in broad terms, as the ratio of deposits and borrowings for the Company compared closely to the Peer Group average. However, ACFC's recent growth has primarily been funded through higher cost CDs and short term borrowed funds increasing the cost of funds which impacted the Company's spreads and margins. Overall, the Company maintained a comparable level of interest-earning assets and a slightly higher level of interest-bearing liabilities compared to the Peer Group, which provided for a modestly lower IEA/IBL ratio for the Company. The Company's ratio of IEA/IBL will improve on a post-offering basis, potentially reversing the current disadvantage.
- Credit Quality. The Company's credit risk profile appears to be similar based on NPAs/assets, which fell between the Peer Group median and average. At the same time, the ratio of reserves/loans and reserves/NPAs is below the range of the Peer Group average and median. The Company maintains a comparable ratio of loans and a similar ratio of risk-weighted asset/total assets. The Company will continue to seek to expand higher risk-weight loans in the future, primarily with respect to the commercial loan portfolio, potentially increasing its credit exposure on an incremental basis over the long term.

Additionally, we also considered recent adverse trends with respect to the Florida real estate markets where the Company conducts lending operations. While there appears to be some weakness in terms of sales and values, ACFC's markets have been less impacted than other markets in Florida, and the Company's asset quality has not been impacted as yet.

- Balance Sheet Liquidity. The Company currently maintains a slightly lower level of cash, investments and MBS on a pre-Offering basis. Like the Peer Group, the majority of the Company's investments are designated AFS. The Company's borrowing capacity is considered to be similar to the Peer Group's borrowings capacity, in light of the comparable level of borrowings maintained by the Company. The infusion of the Offering proceeds will initially increase the Company's level of liquid assets pending investment into loans and other longer-term investments.
- Capital. The Company operates with a lower pre-offering capital ratio than the Peer Group, 9.9% and 10.3% of assets, respectively. However, following the Second Step Conversion offering, the Company's equity-to-assets ratio will exceed the Peer Group average. ACFC's higher pro forma capital position implies greater leverage capacity, lower dependence on interest-bearing liabilities to fund assets and a greater capacity to absorb unanticipated losses. At the same time, the Company's higher pro forma capital position will depress its return on equity.

On balance, ACFC's balance sheet strength was considered to be more favorable than that of the Peer Group, based on the relatively comparability of their asset /liability composition, taking into account the relative credit quality and overall capital strength. Accordingly, a moderate upward adjustment was determined to be appropriate for the Company's financial condition.

## 2. Profitability, Growth and Viability of Earnings

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

- Reported Earnings. The Company reported modestly lower profitability in terms of its ROA in comparison to the Peer Group average for the most recent 12 months, primarily reflecting its comparatively higher level of operating expense

coupled with a lower level of net interest income, which was only partially offset by its higher level of non-interest income. Reinvestment of stock proceeds into interest-earning assets will serve to increase the Company's earnings on an ROAA basis. At the same time, the Company will incur additional expenses related to the stock benefit plans that will be implemented in connection with the Offering (6.00% ESOP and 3.00% Restricted Stock Plan based on the offering amount).

- Core Earnings. Non-operating items were negligible for both the Company and the Peer Group and thus, ACFC's ROA on core earnings basis remained at a modest disadvantage in comparison to the Peer Group average.
- Interest Rate Risk. Quarterly changes in the Company's and the Peer Group's net interest income to average assets ratios indicated a greater degree of volatility was associated with the Company's net interest margin. ACFC's capital ratios were less favorable on a pre-Offering basis, but the equity/assets and the IEA/IBL ratios will improve with the infusion of the Second Step Conversion proceeds.
- Credit Risk. Loan loss provisions had a limited impact on the Company's and Peer Group's profitability for the past year and the Company's NPA/assets ratio is similar in comparison to the Peer Group, with the ratio falling between the average and median. The Company's ratio of reserves to total loans and reserves to NPAs is below the average and median indicated by the Peer Group. However, while the Company maintains a similar risk weighted assets ratio, a portion of the Company's loan portfolio is secured by Florida real estate, which may increase risk exposure relative to the Peer Group (nine out of ten of the Peer Group companies are based outside of Florida).
- Earnings Growth Potential. Several factors were considered in assessing earnings growth potential. First, the infusion of stock proceeds will increase the Company's earnings growth potential with respect to leverage capacity and providing the Company with additional liquidity for purposes of funding loan growth. Second, opportunities to increase earnings through loan and deposit growth are considered to be slightly more favorable based on the demographic and economic trends prevailing in Duval County versus the Peer Group's markets (i.e., reflecting its markets comparatively strong income levels and slightly lower unemployment rate). While growth trends in the Company's Georgia markets are relatively less favorable, the Company expects that most of its future growth will take place in northern Florida. Additionally, the Company has a favorable track record recently with respect to the ability to realize asset and earnings growth in comparison to the Peer Group. The Company will be seeking to continue its retail expansion following the offering and the strengthened pro forma capital position will support such efforts.
- Return on Equity. The Company's pro forma capital position will exceed the Peer Group average. Notwithstanding the expected improvement in the ROA as the

Company reinvests the offering proceeds, the Company's pro forma core ROE is anticipated to be lower than the Peer Group average as a result of its very strong capital ratio.

Overall, we concluded that a slight upward adjustment for profitability, growth and viability of earnings was appropriate, in view of ACFC's improved post-offering ROA and lower pro forma ROE in comparison to the Peer Group, as well as the factors relating to the Company's credit risk and interest rate exposure and earnings growth.

3. Asset Growth

The Company's recent asset growth exceeded the Peer Group average, reflecting the Company's efforts to support earnings through leveraging equity, which has included both growth in the loan and investment portfolios. Specifically, ACFC experienced comparatively strong asset growth of 15.30% during the most recent twelve month period, versus a 2.68% asset growth rate posted by the Peer Group based on the average. As described in Section III, the Company's comparatively faster growth is attributable to efforts to expand lending, particularly following the completion of the minority stock issuance in 2004. In this regard, the Company has employed additional loan officers and has otherwise sought to expand the loan portfolio, both through internal originations and through loan participations. Similarly, the Company has been expanding its retail branch presence with the objective of increasing the retail deposit base. On a pro forma basis, the Company should have the equity to facilitate continued growth and expansion. On balance, we believe a moderate upward 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. The majority of the Company's loans and deposits are generated in Ware County, Georgia, and Duval County, Florida; whereas the former has a relatively small population base and limited growth characteristics, the latter has realized relatively favorable economic and demographic trends in comparison to the Peer Group (see Table 4.1).

Table 4.1  
Atlantic Coast Federal Corporation  
Peer Group Market Area Comparative Analysis

Institution	Headquarters County	Estimated Population		Projected Population 2012 (000)	Estimated 2000-2007 % Change		Projected 2007-2012 % Change		Per Capita Income		6/30/06 Deposit Market Share(1)	Unemployment Rate 7/31/2007
		2000 (000)	2007 (000)		2000-2007 % Change	2007-2012 % Change	Amount	% State Average				
Citizens South Banking of NC	Gaston	190	199	204	4.36%	2.73%	\$24,112	91.30%	10.13%	6.1%		
Community Fin. Corp. of VA	Augusta	66	73	78	10.62%	7.35%	\$24,294	75.95%	14.07%	2.7%		
ESB Financial Corp. of PA	Lawrence	95	92	90	-2.63%	-1.94%	\$21,755	78.82%	16.47%	4.9%		
Fidelity Bancorp, Inc. of PA	Allegheny	1,282	1,241	1,211	-3.18%	-2.43%	\$29,961	108.55%	0.76%	4.3%		
First Community Bk Corp. of FL	Pinellas	921	943	953	2.34%	1.02%	\$29,875	109.39%	0.94%	4.0%		
First Fed. Bancshares of AR	Boone	34	36	37	6.06%	4.02%	\$20,804	95.72%	34.49%	5.3%		
GS Financial Corp. of LA	Jefferson	455	437	424	-4.01%	-2.97%	\$22,982	116.09%	1.05%	NA		
Jefferson Bancshares Inc. of TN	Hamblen	58	61	63	5.10%	3.42%	\$22,121	88.74%	23.36%	4.4%		
Parkvale Financial Corp of PA	Allegheny	1,282	1,241	1,211	-3.18%	-2.43%	\$29,961	108.55%	1.91%	4.3%		
Teche Hlding Cp of N Iberia LA	Iberia	73	76	78	3.31%	2.40%	\$16,400	82.85%	7.47%	3.7%		
<b>Averages:</b>		<b>446</b>	<b>440</b>	<b>435</b>	<b>1.88%</b>	<b>1.11%</b>	<b>\$24,227</b>	<b>95.59%</b>	<b>11.07%</b>	<b>4.4%</b>		
<b>Medians:</b>		<b>143</b>	<b>145</b>	<b>147</b>	<b>2.83%</b>	<b>1.71%</b>	<b>\$23,547</b>	<b>93.51%</b>	<b>8.80%</b>	<b>4.3%</b>		
<b>Atlantic Coast Federal Corporation</b>	<b>Ware</b>	<b>35</b>	<b>34</b>	<b>34</b>	<b>-3.37%</b>	<b>-0.34%</b>	<b>\$18,921</b>	<b>67.46%</b>	<b>26.27%</b>	<b>5.2%</b>		
	<b>Duval</b>	<b>779</b>	<b>898</b>	<b>993</b>	<b>15.24%</b>	<b>10.64%</b>	<b>\$26,433</b>	<b>96.79%</b>	<b>0.91%</b>	<b>4.5%</b>		

(1) Total institution deposits in headquarters county as percent of total county deposits (banks and thrifts only).

Sources: SNL, FDIC, US Dept. of Labor.

Overall, the average characteristics of the Peer Group's markets generally fell within the range reflected for ACFC's principal markets. Specifically, the Peer Group's markets were moderately sized in terms of total population in comparison to the relatively small market represented by Ware County and the relatively large market represented by Duval County. While population growth rates were comparatively strong for Duval County in comparison to the Peer Group average, growth in Ware County fell below the Peer Group average, while per capita income levels were below the Peer Group average for Ware County, Duval County had modestly higher income levels. The Peer Group's deposit market share and average unemployment rate fell within the range exhibited by ACFC's principal markets. On balance, we concluded that a slight upward adjustment was required for the Company's market area, primarily reflecting that the Company has oriented its future growth toward the northern Florida market which has experienced relatively favorable economic and demographic growth trends.

5. Dividends

ACFC has indicated its preliminary intent to pay dividends in an amount such that current minority shareholders of ACFC will continue to receive the same total cash dividend payment, with the per share dividend amount adjusted for the exchange ratio in the Second Step Conversion. At the current midpoint valuation, the annual dividend payment would equal \$0.36 per share and provide a yield of 3.6% based on the \$10.00 per share initial offering price (i.e., reflects the stated intent to maintain the current dividend of \$0.56 per share adjusted for the exchange ratio to minority shareholders). However, future declarations of dividends by the Board of Directors will depend upon a number of factors, including investment opportunities, growth objectives, financial condition, profitability, tax considerations, minimum capital requirements, regulatory limitations, stock market characteristics and general economic conditions.

Nine out of the ten of the Peer Group companies pay regular cash dividends, with implied dividend yields ranging from 2.20% to 3.77%. The average dividend yield on the stocks of the Peer Group institutions was 2.70% as of September 28, 2007, representing an average payout ratio of 39.76% of core earnings. As of September 28, 2007, approximately 85% of all publicly-traded thrifts had adopted cash dividend policies (see Exhibit IV-1) with the average public thrift

exhibiting an average yield of 2.34% and an average payout ratio of 35.84% of earnings. The dividend paying thrifts generally maintain higher than average profitability ratios, facilitating their ability to pay cash dividends.

The Company's indicated dividend policy provides for a modestly lower yield compared to the yield provided by the Peer Group. While the Company's implied payout ratio of 120.38% of pro forma earnings at the midpoint is above the Peer Group's payout ratio, the Company's ability to maintain a higher payout ratio is supported by its higher pro forma equity to-assets ratio equal to 20.60% at the midpoint compared to 10.30% for the Peer Group. On balance, considering the Company's strong capitalization and earnings growth potential, we concluded that no adjustment was warranted for purposes of the Company's dividend policy.

6. Liquidity of the Shares

The Peer Group is by definition composed of companies that are traded in the public markets. Nine of the Peer Group companies trade on the NASDAQ system while one company is traded on the American Stock Exchange ("AMEX"). Typically, the number of shares outstanding and market capitalization provides an indication of how much liquidity there will be in a particular stock. The market capitalization of the Peer Group companies ranged from \$23.0 million to \$162.8 million as of September 28, 2007, with average and median market values of \$80.8 million and \$78.2 million, respectively. The shares issued and outstanding to the public shareholders of the Peer Group members ranged from 1.3 million to 12.7 million, with average and median shares outstanding equaling 5.2 million and 4.6 million, respectively. The Company's pro forma market value and shares outstanding for the Company will exceed the Peer Group average and median, as well as each of the Peer Group companies individually. Accordingly, we anticipate that the liquidity in the Company's stock will be modestly greater relative to the Peer Group companies' stocks and have applied a slight upward adjustment for this factor.

7. Marketing of the Issue

We believe that four separate markets need to be considered for thrift stocks such as the Company coming to market: (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; (3) the acquisition market for thrift franchises in Georgia and Florida; and (4) the market for the public stock of the Company. All of these markets were considered in the valuation of the Company's to-be-issued stock.

A. The Public Market

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

In terms of assessing general stock market conditions, the performance of the overall stock market has been mixed over the past year. 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 market. The DJIA closed above 12000 heading into late-October 2006, with optimism about corporate earnings, the Federal Reserve's decision to hold rates steady and lower oil prices sustaining the rally. Despite a slight pullback at the end of October, the 3.4% gain in DJIA for October was the best monthly gain since November 2005. Stocks continued to edge lower at the beginning of November, but then rebounded strongly in mid-November. Favorable inflation data reflected in wholesale and consumer prices for October, merger news and upbeat comments by the Federal Reserve about interest rates were factors that contributed to rally in the broader market. Stocks traded in a narrow range ahead of the holiday shopping season in late-November. After posting a big one day loss in late-November on concerns about retail sales, lower oil prices,

merger news and favorable economic reports provided a boost to stocks in early-December. The DJIA traded to record highs in mid- and late-December, as stocks benefited from some robust economic reports and investors betting on a strong finish for the year.

Lower oil prices helped to sustain the positive trend in stocks at the start of 2007, which was followed by a mild pullback due to weakness in technology stocks. Optimism about the economy and some favorable earnings reports helped to lift the DJIA to a record high heading into late-January 2007, which was followed by a one day sell-off on a weak housing report and concerns about higher rates. Stocks surged higher at the end of January 2007, as the Federal Reserve concluded its late-January meeting with no change in rates. The broader stock market traded in a narrow range in early-February and then the DJIA rallied to a new record in mid-February. Comments by the Federal Reserve Chairman that helped to alleviate concerns of higher rates, as well as lower oil prices, were factors that contributed to the mid-February rally. Comparatively, higher oil prices contributed to a downturn in stocks heading into late-February. A sell-off in China's stock market turned into a global market sell-off, as the DJIA plunged over 400 points on February 27<sup>th</sup>.

Stocks recovered some of the losses from the one day sell-off in early-March 2007, as the broader stock market benefited from a rebound in China's stock market. Mounting troubles for subprime mortgage lenders and weak economic data fueled a sharp downturn in the broader stock market in mid-March, reflecting concerns that rising subprime mortgage delinquencies would filter into the broader economy. Following the sell-off, merger announcements, rallies in overseas markets and a drop in oil prices supported a rebound in the broader stock market ahead of the March meeting of the Federal Reserve. The Federal Reserve's decision to hold rates steady strengthened the stock market rebound, as investors were buoyed by the Federal Reserve's assessment that the economy continued to expand at a moderate pace. Stocks fluctuated at the close of the first quarter on mixed economic data.

Signs of an improving housing market provided a boost to the stock market at the start of the second quarter 2007, with news of an increase in an index of pending existing home sales during February supporting a one-day gain of more than 120 points in the DJIA. News of Iran's release of British hostages, lower oil prices and a favorable March employment report also

contributed to the broader market gains in early-April. The broader market rally continued through most of April, as merger news and strong corporate profits lifted the DJIA above a close of 13000 in late-April. For the month of April, the DJIA closed up 5.7%. Stronger than expected manufacturing data and lower oil prices helped to propel the DJIA to five consecutive record highs in early-May. Following a sharp one day sell-off on a weak retail sale report for April, the positive trend in the broader stock market continued into mid-May. A new wave of corporate deals, lower oil prices and a stronger than expected reading for May consumer confidence were noted factors that help to sustain the rally. Stocks eased lower in late-May, reflecting profit taking and concerns about a pullback in China's stock market. Inflation worries and higher rates pushed stocks lower in early-June, while a strong retail sales report for May triggered a rebound in the stock market in mid-June. Stocks generally traded lower in the second half of June on continued inflation concerns, as well as higher oil prices and weakness in the housing market.

The broader stock market showed a positive trend at the start of third quarter of 2007, with the DJIA closing at record highs in mid-July. A positive report on manufacturing activity in June, healthy job growth reflected in the June employment report and merger news contributed to the stock market rally. A favorable second quarter earnings report by IBM helped the DJIA close above the 14000 mark heading into late-July, which was followed a general downturn in stocks during late-July and early-August. Stocks were driven lower by fears that the housing slump was spreading to the broader economy and concerns of a widening credit crunch prompted by home mortgage lenders cutting off credit or raising rates for a growing number of borrowers. The stock market turned highly volatile in mid-August, reflecting mixed economic news and the ongoing fallout from the credit crisis. Volatility in the stock market continued to prevail through the end of August, based on concerns about the impact of the credit crunch on the economy and speculation about whether or not the Federal Reserve would cut rates at the September meeting. A disappointing employment report for August, which showed a drop in jobs for the first time in four years, caused stocks to plummet in early-September. However, upbeat news about consumer demand boosted stocks in mid-September ahead of the Federal Reserve meeting. Investors expectations with respect to the Federal Reserves' intentions as the Federal Reserve cut the targeted federal funds rate by 50 basis points at its September 18, 2007,

leading to a stock market rally which culminated in the DJIA rallying to near the 14000 point mark through the last ten days of September. As an indication of the general trends in the nation's stock markets over the past year, as of September 28, 2007 the DJIA closed at 13895.63 an increase of 19.0% from one year ago and an increase of 11.5% year-to-date, and the NASDAQ closed at 2701.5 an increase of 19.6% from one year ago and an increase of 11.9% year-to-date. The Standard & Poors 500 Index closed at 1526.75 on September 28, 2007 an increase of 14.3% from one year ago and an increase of 7.7% year-to-date.

The market for thrift stocks has been mixed during the past twelve months, but, in general, thrift stocks have underperformed the broader stock market. 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. Merger news, including Bank of New York's announced merger with Mellon Financial Corp., sparked gains in thrift stocks in early-December 2006. Thrift stocks traded in a narrow range through mid-December, as the Federal Reserve left interest rates unchanged as expected. An upbeat report on home sales helped thrift and bank stocks participate in the broader market rally in late-December.

Thrift stocks traded lower at the start of 2007, as a favorable employment report for December reduced expectations of the Federal Reserve cutting interest rates. Mixed fourth quarter earnings reports and investor nervousness ahead of the Federal Reserve rate meeting provided for a choppy trading market for thrift issues in mid- and late-January 2007. Thrift stocks posted gains in late-January and early-February 2007, as thrift investors reacted favorably to the Federal Reserve's decision to hold rates steady at its late-January meeting. While the DJIA moved to a new high in mid-February, thrift stocks traded in a narrow range heading into late-February. The late-February sell-off triggered by the downturn in China's stock market hit

thrift stocks as well. Selling pressure in thrift stocks increased during the first half of March, as mortgage lenders in general were hurt by the deterioration in market conditions for subprime mortgage lenders. In mid-March, the Mortgage Bankers Association reported that subprime mortgage delinquencies rose to a four year high during the fourth quarter of 2006. Thrift stocks participated in the broader stock market rally following the Federal Reserve's decision to hold rates steady at its March meeting, based on expectations that the economy would continue to expand at a moderate pace. Thrift stocks pulled back in late-March, as lenders were hurt by news that sales of new homes fell for the second straight month in February and consumer confidence dropped in March.

A favorable report on February pending existing home sales sparked gains in thrift stocks at the start of the second quarter of 2007. In contrast to the broader market, thrift stocks trended lower in mid-April as a weak housing market and the overhang of problems in the subprime lending market continued to weigh on the thrift sector. Some positive earnings reports helped to boost thrift stocks heading into the second half of April, but the rally did not match gains posted in the broader market. A late-April report showing a decline in home sales in March served to dampen enthusiasm for thrift stocks, while news of Bank of America's \$21 billion proposed acquisition of LaSalle Bank Corp. had little impact on trading activity among thrift and bank stocks. Thrift stocks headed higher along with the broader stock market in early-May, but did not sustain the upward momentum into mid-May. A disappointing report on the outlook for the housing market weighed on the thrift sector in mid-May, with the National Association of Home Builders report projecting that home sales and housing production would not begin to improve until late in 2007. Merger news provided a boost to thrift stocks heading into late-May, but the gains were not sustained as thrift stocks traded lower on news of stronger than expected economic data and higher interest rates. A favorable employment report for May boosted thrift stocks at the start of June, which was followed by a general downturn in thrift stocks going into mid-June on higher interest rates. Higher interest rates and lackluster housing data furthered the downward trend in thrift stocks during the second half of June.

The thrift sector continued to struggle at the beginning of the third quarter of 2007 on earnings worries and the widening meltdown in the subprime market as Standard & Poor and Moody's announced plans to downgrade securities backed by subprime mortgages. Bargain

hunting and strength in the broader market supported a brief rebound in thrift stocks in mid-July, which was followed a sharp sell off on fears of spreading subprime problems and some second quarter earnings reports showing deterioration in credit quality. A disappointing second quarter earnings report by Countrywide Financial and a larger-than-expected decline in new home sales knocked thrift equities lower in late-July. The downturn in thrift stocks continued into the beginning of August on news that American Home Mortgage Investment Corp. was shutting down operations due to liquidity problems. Thrift stocks participated in the volatility exhibited in the broader market volatility in mid-August, but, in general, the downward trend in thrift equities continued during the first half of August. Thrift equities benefited from the mid-August discount rate cut by the Federal Reserve and then fluctuated along with the broader market through the end of August based on speculation over the outcome of the Federal Reserve's next meeting. The weaker-than-expected employment for August depressed thrift issues in early-September, but thrift stocks bounced back in mid-September. The recovery in thrift stocks was aided by news that Countrywide Financial had arranged for an additional \$12 billion of secured borrowings. Thrift stocks traded in a relatively narrow range in the latter part of September as the perceived positive impact of the reduction in targeted short term interest rates by the Federal Reserve was mitigated by ongoing concerns with respect to credit quality in the industry and trends with regard to future earnings. On September 28, 2007, the SNL Index for all publicly-traded thrifts closed at 1523.3, a decrease of 11.8% from one year ago and 16.7% year-to-date.

B. The New Issue Market

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

converting and existing issues is perhaps no clearer than in the case of the price/book ("P/B") ratio in that the P/B ratio of a converting thrift will typically result in a discount to book value whereas in the current market for existing thrifts the P/B ratio 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.

The market for recent conversions has pulled back along with the thrift sector in general, with fewer offerings being oversubscribed and typically reflecting only modest price appreciation or, in some cases, trading below their IPO prices in initial after market trading activity. As shown in Table 4.2, two standard conversions, one second-step conversion and three mutual holding company offerings were completed during the past three months. The second step offering was considered to be more relevant for purposes of our analysis. In general, second-step conversions tend to be priced (and trade in the aftermarket) at higher P/B ratios than standard conversions. We believe investors take into consideration the generally more leveraged pro forma balance sheets of second-step companies, their track records as public companies prior to conversion, and their generally higher pro forma ROE measures relative to standard conversions in pricing their common stocks. The second step conversion, Abington Bancorp of PA ("Abington"), closed just above the minimum of the offering range, effective June 28, 2007. Abington is a similarly sized institution as ACFC, and closed its offering at a price/tangible book value ratio of 102.9% and a price/core earnings multiple of 22.8 times. Abington's stock price closed 4.0% below the IPO price on the first day of trading and closed 2.5% below the IPO price as of September 28, 2007.

Although post-conversion trading activity appears orderly, a trend has emerged in secondary offerings of stock by MHC institutions that suggests less investor interest in these offerings. Specifically, five recent second step or secondary offerings (including Abington Bancorp of PA, Westfield Financial of MA, Osage Bancorp of OK, Peoples United of CT and Alliance Bancorp of PA) were unsuccessful in reaching the minimum of the valuation range in the initial subscription period. These five transactions required a syndicated offering to raise sufficient capital to successfully close the offerings. Even with the assistance of the syndicate, all these offerings closed within the valuation range without oversubscription.

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 Pric. (\$M)	% Offered	% of Exp./Pric.	Form	% of Offenses	ESOP Plans (%)	Recog. Plans (%)	% Off. Inc. Fdn.	Initial Yield (%)	P/E	P/B	Core P/E	P/A	ROA (%)	IEA (%)	Core ROE (%)	IPO Price (\$)	First Trading Day (\$)	First Change (%)	After First Week (\$)	After First Month (\$)	After First 3 Months (\$)	After First 6 Months (\$)	After First 12 Months (\$)	Thru 12/31/07 (\$)	Change (%)	Change (%)	Change (%)								
			Assets (\$M)	Equity/Assets (%)	NPAs/Assets (%)	Res. CDR (%)																													% of Exp./Pric.							
<b>Standard Conversions</b>																																										
Louisiana Bancorp, Inc., LA	7/10/07	LABC-NASDAQ	\$ 216	13.74%	0.12%	852%	\$ 63.5	100%	120%	2.3%	N.A.	N.A.	8.0%	4.0%	10.0%	3.4%	0.0%	75.5%	31.5x	23.5%	0.7%	31.1%	2.4%	\$10.00	\$10.95	9.5%	\$10.40	4.0%	\$10.91	9.1%	\$10.90	9.0%										
Quaint Oak Bancorp, Inc., PA(1)	7/5/07	QNTC-OTCBB	\$ 61	7.96%	1.46%	64%	\$ 13.9	100%	132%	4.0%	N.A.	N.A.	8.0%	4.0%	10.0%	6.1%	0.0%	84.1%	20.3x	19.1%	0.9%	22.3%	4.2%	\$10.00	\$9.80	-2.0%	\$9.30	-7.0%	\$9.80	-11.0%	\$9.00	-10.0%										
Averages - Standard Conversions:																																										
Medians - Standard Conversions:																																										
<b>Second Step Conversions</b>																																										
Adington Bancorp, Inc., PA	6/28/07	ABBC-NASDAQ	\$ 951	12.15%	0.25%	67%	\$ 139.7	57%	87%	3.6%	N.A.	N.A.	7.5%	3.7%	9.3%	4.9%	1.50%	102.9%	27.2x	22.8%	0.8%	22.1%	3.6%	\$10.00	\$9.60	-4.0%	\$9.84	-1.6%	\$9.62	-4.8%	\$9.75	-2.5%										
Averages - Second Step Conversions:																																										
Medians - Second Step Conversions:																																										
<b>Mutual Holding Company Conversions</b>																																										
FBS Community Bancorp, Inc., NY	8/15/07	FSBC-OTCBB	\$ 151	9.05%	0.03%	700%	\$ 8.4	47%	85%	10.2%	N.A.	N.A.	8.3%	4.2%	10.4%	3.2%	0.0%	88.5%	166.7x	11.3%	0.1%	12.6%	0.6%	\$10.00	\$10.00	0.0%	\$10.00	0.0%	\$9.50	-5.0%	\$11.25	12.5%										
Beneficial Mutual Bancorp, Inc., PA	7/16/07	BNCL-NASDAQ	\$ 3,483	11.44%	0.50%	207%	\$ 238.1	44%	132%	1.3%	C/S 300K/4,027	N.A.	8.9%	4.4%	11.1%	1.3%	0.0%	97.6%	44.9x	20.2%	0.3%	12.2%	2.0%	\$10.00	\$9.21	-7.9%	\$9.38	-6.7%	\$8.70	-13.0%	\$9.75	-2.5%										
Homestead Bancorp, Inc., NY	6/28/07	HTWC-OTCBB	\$ 124	7.04%	0.39%	167%	\$ 10.7	45%	132%	6.5%	N.A.	N.A.	8.7%	4.4%	10.9%	4.2%	0.0%	82.6%	23.9x	16.6%	0.7%	13.1%	4.9%	\$10.00	\$10.00	0.0%	\$10.00	0.0%	\$9.50	-5.0%	\$8.07	-19.3%										
Averages - Mutual Holding Company Conversions:																																										
Medians - Mutual Holding Company Conversions:																																										
Averages - All Conversions:																																										
Medians - All Conversions:																																										

Note: \* - Appraisal performed by RP Financial; BOLD=RP Financial did the Conversion Business Plan. "NT" - Not Traded; "NA" - Not Applicable; Not Available; C/S-Cash/Stock.  
 (1) Non-OTS regulated thrift.  
 (2) As a percent of MHC offering for MHC transactions.  
 (3) Does not take into account the adoption of SOP 93-6.  
 (4) Latest price if offering is less than one week old.  
 (5) Latest price if offering is more than one week but less than one month old.  
 (6) Mutual holding company pro forma data on full conversion basis.  
 (7) Simultaneously completed acquisition of another financial institution.  
 (8) Simultaneously converted to a commercial bank charter.  
 (9) Former credit union.  
 September 28, 2007

C. The Acquisition Market

Also considered in the valuation was the potential impact on the Company's stock price of recently completed and pending acquisitions of other savings institutions headquartered in Georgia and Florida. As shown in Exhibit IV-4, there were nine thrift acquisitions completed from the beginning of 2006 through year-to-date 2007. The recent acquisition activity involving savings institutions may imply a certain degree of acquisition speculation for the Company's stock. To the extent that acquisition speculation may impact the Company's offering, we have largely taken this into account in selecting companies for the Peer Group which operate in markets that have experienced a comparable level of acquisition activity as the Company's market and, thus, are subject to the same type of acquisition speculation that may influence ACFC's stock. However, since converting thrifts are subject to a three-year regulatory moratorium from being acquired, acquisition speculation in ACFC's stock would tend to be less compared to the stocks of the Peer Group companies.

D. Trading in ACFC's Stock

Since ACFC's minority stock currently trades under the symbol "ACFC" on the NASDAQ national stock market, RP Financial also considered the recent trading activity in the valuation analysis. ACFC had a total of 13,676,071 shares issued and outstanding at June 30, 2007, of which 4,947,571 shares were held by public shareholders and traded as public securities. As of September 28, 2007, the Company's closing stock price was \$15.11 per share. There are significant differences between the Company's minority stock (currently being traded) and the conversion stock that will be issued by the Company. Such differences include different liquidity characteristics (the new conversion stock will be more liquid owing to larger number of public shares available to trade) and a different return on equity for the conversion stock. We have considered the current trading price as one element of the valuation process as well as the fundamental valuation techniques set forth herein.

\* \* \* \* \*

In determining our valuation adjustment for marketing of the issue, we considered trends in both the overall thrift market, the new issue market including the new issue market for

second-step conversions and the acquisition market. Taking these factors and trends into account, particularly the recent need for syndicated orders to complete offerings by MHC institutions, RP Financial concluded that a slight downward adjustment was appropriate in the valuation analysis for purposes of marketing of the issue.

8. Management

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

Similarly, the returns, 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 federally-insured institution, ACFC will operate in substantially the same regulatory environment as the Peer Group members – all of whom are well capitalized institutions and are operating with no apparent restrictions. Exhibit IV-6 reflects the Company's pro forma regulatory capital ratios, while the Peer Group's regulatory capital ratios were previously shown in Table 3.2. On balance, no adjustment has been applied for the effect of government regulation and regulatory reform.

### Summary of Adjustments

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

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

### Valuation Approaches

In applying the accepted valuation methodology promulgated by the OTS and adopted by the FDIC, i.e., the pro forma market value approach, including the fully-converted analysis described above, we considered the three key pricing ratios in valuing the Company's to-be-issued stock – price/earnings (“P/E”), price/book (“P/B”), and price/assets (“P/A”) approaches -- all performed on a pro forma basis including the effects of the stock proceeds. In computing the pro forma impact of the Second Step Conversion and the related pricing ratios, we have incorporated the valuation parameters disclosed in ACFC'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:

- P/E Approach. The P/E approach is generally the best indicator of long-term value for a stock. Given the similarities between the Company's and the Peer Group's operating strategies, earnings composition and overall financial condition, the P/E approach was carefully considered in this valuation. At the same time, since reported earnings for both the Company and the Peer Group included certain non-recurring items, we also made adjustments to earnings to

arrive at core earnings estimates for the Company and the Peer Group and resulting price/core earnings ratios.

- P/B Approach. P/B ratios have generally served as a useful benchmark in the valuation of thrift stocks, particularly in the context of 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.
- 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.
- Trading of ACFC Stock. As of the date of the filing of RP Financial's first appraisal (June 8, 2007) in conjunction with the filing of the offering prospectus incorporating March financial data, the stock price of \$18.56 per share and the 13,676,071 shares of ACFC stock outstanding, the Company's implied market value of \$253.8 million was considered in the valuation process. However, after filing of the prospectus and RP Financial's first appraisal based on March 31, 2007, financial data, ACFC's stock price decreased to \$15.11 per share as of September 28, 2007, resulting in an implied market value of \$206.6 million, which is between the minimum and midpoint of the valuation range set forth herein. We will continue to evaluate the trading price during the period prior to closing and may give more weight to the stock price in the future as an indicator of market interest. At the same time, the speculation in market price prior to closing is no substitute to the fundamental valuation methodology set forth in the valuation guidelines.

The Company has adopted Statement of Position ("SOP") 93-6, which causes 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 SOP 93-6 in the valuation.

Based on the application of the three valuation approaches, taking into consideration the valuation adjustments discussed above, RP Financial concluded that, as of September 28, 2007, the aggregate pro forma market value of ACFC's conversion stock was \$211,521,980 at the midpoint, equal to 21,152,198 shares at \$10.00 per share. The midpoint and resulting valuation range is based on the sale of a 63.82% ownership interest to the public, which provides for a \$135.0 million public offering at the midpoint value.

1. Price-to-Earnings ("P/E"). The application of the P/E valuation method requires calculating the Company's pro forma market value by applying a valuation P/E multiple to the pro forma earnings base. In applying this technique, we considered both reported earnings and a recurring earnings base, that is, earnings adjusted to exclude any one-time non-operating items, plus the estimated after-tax earnings benefit of the reinvestment of the net proceeds. The Company's reported earnings equaled \$3.848 million for the twelve months ended June 30, 2007. In deriving the Company's core earnings, the only adjustment made to reported earnings was to eliminate gains on the sale of REO loans and investment securities of \$185,000. Accordingly, on a tax affected basis, reflecting the marginal tax rate of 38%, the Company's core earnings were determined to equal \$3.733 million for the 12 months ended June 30, 2007 (Note: see Exhibit IV-9 for the adjustments applied to the Peer Group's earnings in the calculation of core earnings).

Based on the Company's reported and estimated core earnings, and incorporating the impact of the pro forma assumptions discussed previously, the Company's pro forma reported P/E multiple at the \$211.5 million midpoint value equaled 33.25 times, which provided for a premium of 137.0% relative to the Peer Group's average reported earnings multiples of 14.03 times (see Table 4.3). On a core earnings basis, the Company's P/E at the midpoint of the valuation range was 33.86 times, which was 96.2% higher than the Peer Group's average core earnings multiple of 17.26 times.

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

Table 4.3  
Public Market Pricing  
Atlantic Coast Federal Corporation  
As of September 28, 2007

	Market Capitalization		Per Share Data		Pricing Ratios(3)				Dividends(4)		Financial Characteristics(5)				Offering			
	Price/ Share(1)	Market Value (\$MM)	Core EPS(2)	Book Value/ Share (\$)	P/E (x)	P/B (%)	P/A (%)	P/TB (%)	P/CoE (x)	Amount/ Share (\$)	Yield (%)	Payout Ratio(5)	Total Assets (\$MM)	Equity/ Assets (%)	NPAAR <sup>(6)</sup>		Exchange Ratio (x)	
															ROA (%)	ROE (%)		ROA (%)
<b>Atlantic Coast Federal Corporation</b>																		
Superrange	\$10.00	\$279.74	\$0.26	\$8.91	38.94x	112.24%	26.43%	113.54%	38.58x	\$0.27	2.74%	106.81%	\$1,059	23.55%	0.46%	0.88%	2.80%	2.84%
Maximum	\$10.00	\$243.25	\$0.28	\$9.38	36.07x	106.59%	23.45%	107.94%	36.69x	\$0.31	3.15%	113.56%	\$1,038	22.00%	0.47%	0.65%	2.96%	2.90%
Midpoint	\$10.00	\$211.52	\$0.30	\$9.92	33.25x	100.76%	20.75%	102.15%	33.86x	\$0.36	3.82%	120.38%	\$1,019	20.60%	0.48%	0.62%	3.03%	2.88%
Minimum	\$10.00	\$175.79	\$0.33	\$10.86	30.06x	93.82%	17.96%	95.24%	30.65x	\$0.43	4.26%	128.07%	\$1,001	19.15%	0.49%	0.60%	3.12%	3.08%
<b>All Public Companies(7)</b>																		
Averages	\$16.66	\$419.56	\$0.77	\$13.48	20.27x	130.86%	16.63%	147.57%	20.71x	\$0.41	2.34%	35.84%	\$3,169	12.63%	0.59%	0.54%	5.18%	5.03%
Medians	14.10	94.49	0.49	11.55	17.91x	121.99%	13.81%	136.93%	16.95x	\$0.32	2.40%	20.46%	\$776	10.69%	0.37%	0.55%	4.54%	4.64%
<b>Comparable Group Averages</b>																		
Averages	\$17.66	\$60.78	\$1.24	\$15.44	14.03x	115.02%	11.45%	133.96%	17.28x	\$0.50	2.70%	39.79%	\$815	10.35%	0.60%	0.74%	8.00%	7.68%
Medians	\$14.74	\$78.23	\$0.93	\$13.41	13.02x	113.34%	11.66%	131.61%	14.33x	\$0.40	2.92%	40.00%	\$721	8.84%	0.32%	0.73%	8.02%	7.62%
<b>Comparable Group</b>																		
CSBC	\$12.33	\$97.23	\$0.80	\$10.68	16.44	115.45%	12.87%	184.03%	15.41x	\$0.32	2.60%	40.00%	\$755	11.15%	0.25%	0.80%	6.94%	7.40%
CFBC	\$9.30	\$39.95	\$0.97	\$9.05	9.59	102.76%	8.33%	102.76%	9.59x	\$0.26	2.80%	26.80%	\$479	8.11%	0.32%	0.87%	10.72%	10.72%
ESBF	\$10.60	\$134.80	\$0.62	\$9.53	15.36	111.23%	7.14%	175.50%	17.10x	\$0.40	3.77%	64.52%	\$1,889	6.42%	0.23%	0.46%	7.04%	6.33%
FSBI	\$15.50	\$46.35	\$1.17	\$15.36	11.07	100.91%	6.37%	107.27%	13.25x	\$0.58	3.61%	47.86%	\$727	6.32%	NA	0.57%	9.38%	7.84%
FCFL	\$13.98	\$57.01	\$0.71	\$8.89	18.89	180.87%	13.81%	182.75%	19.69x	\$0.00	0.00%	0.00%	\$413	6.58%	0.33%	0.74%	8.60%	8.28%
FFBH	\$18.00	\$87.53	\$0.88	\$15.33	18.18	117.42%	10.87%	117.42%	20.45x	\$0.64	3.56%	72.73%	\$820	9.09%	2.81%	0.57%	6.30%	5.60%
GSJA	\$18.15	\$22.98	\$1.54	\$21.32	11.58	85.13%	13.52%	85.13%	11.79x	\$0.40	2.20%	25.97%	\$170	15.86%	0.20%	1.17%	7.43%	7.28%
JFBI	\$10.75	\$68.93	\$0.27	\$11.49	NM	93.56%	20.29%	93.56%	39.81x	\$0.24	2.23%	NM	\$340	21.69%	0.14%	0.50%	2.25%	2.34%
PVSA	\$29.01	\$182.80	\$2.34	\$23.11	12.14	125.53%	8.83%	165.39%	12.40x	\$0.88	3.03%	37.61%	\$1,844	7.03%	0.37%	0.72%	10.58%	10.35%
TSH	\$41.00	\$90.24	\$3.12	\$29.86	13.02	137.31%	12.84%	145.80%	13.14x	\$1.32	3.22%	42.31%	\$714	9.20%	0.85%	0.99%	10.79%	10.68%

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

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

from the Peer Group's P/B ratio, to the Company's pro forma book value, including approximately \$518,000 of net assets at the MHC. In applying the P/B approach, we considered both reported book value and tangible book value. Based on the \$211.5 million midpoint valuation, ACFC's pro forma P/B and P/TB ratios equaled 100.76% and 102.15%, respectively. In comparison to the respective average P/B and P/TB ratios indicated for the Peer Group of 115.02% and 133.95%, the Company's ratios reflected discounts of 12.4% and 23.7%. At the top of the super range, the Company's P/B and P/TB ratios equaled 112.24% and 113.54%, respectively. In comparison to the Peer Group's average P/B and P/TB ratios, the Company's P/B and P/TB ratios at the top of the super range reflected discounts of 2.4% and 15.2%, respectively.

3. Price-to-Assets ("P/A"). The P/A valuation methodology determines market value by applying a valuation P/A ratio to the Company's pro forma asset base, conservatively assuming no deposit withdrawals are made to fund stock purchases. In all likelihood there will be deposit withdrawals, which results in understating the pro forma P/A ratio computed herein. At the midpoint of the valuation range, ACFC's value equaled 20.75% of pro forma assets. Comparatively, the Peer Group companies exhibited an average P/A ratio of 11.45%, indicating an 81.22% premium.

#### Comparison to Recent Conversions

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). The only second-step conversion completed within the past three months closed at a price/tangible book ratio of 102.9% (see Table 4.2) and declined 1.6% during the first week of trading and remained 2.5% below its IPO price as of September 28, 2007.

Valuation Conclusion

Based on the foregoing, it is our opinion that, as of September 28, 2007, the estimated aggregate pro forma market value of the Company, inclusive of the sale of the MHC's ownership interest to the public shareholders was \$211,521,980 at the midpoint. Based on this valuation and the approximate 63.82% ownership interest being sold in the public offering, the midpoint value of the Company's stock offering is \$135,000,000, equal to 13,500,000 shares at a per share value of \$10.00. The resulting range of value pursuant to regulatory guidelines and the corresponding number of shares based on the Board approved \$10.00 per share offering price is set forth below. The pro forma valuation calculations relative to the Peer Group are shown in Table 4.3 and are detailed in Exhibit IV-7 and Exhibit IV-8.

	<u>Total Shares</u>	<u>Offering Shares</u>	<u>Exchange Shares Issued to the Public Shareholders</u>	<u>Exchange Ratio (x)</u>
<u>Shares</u>				
Supermaximum	27,973,782	17,853,750	10,120,032	2.04545
Maximum	24,325,027	15,525,000	8,800,027	1.77866
Midpoint	21,152,198	13,500,000	7,652,198	1.54666
Minimum	17,979,368	11,475,000	6,504,368	1.31466

Distribution of Shares

Supermaximum	100.00%	63.82%	36.18%
Maximum	100.00%	63.82%	36.18%
Midpoint	100.00%	63.82%	36.18%
Minimum	100.00%	63.82%	36.18%

Aggregate Market Value(1)

Supermaximum	\$279,737,820	\$178,537,500	\$101,200,320
Maximum	243,250,270	155,250,000	88,000,270
Midpoint	211,521,980	135,000,000	76,521,980
Minimum	179,793,680	114,750,000	65,043,680

(1) Based on offering price of \$10.00 per share.

Establishment of the Exchange Ratio

OTS regulations provide that in a conversion of a mutual holding company, the minority stockholders are entitled to exchange the public shares for newly issued shares of ACFC stock as a fully converted company. The Board of Directors of the MHC has independently determined the exchange ratio. The determined exchange ratio has been designed to preserve the current aggregate percentage ownership in ACFC equal to 36.18% as of June 30, 2007, the date of financial data herein. The exchange ratio to be received by the existing minority shareholders of ACFC will be determined at the end of the offering, based on the total number of shares sold in the subscription and community offerings. Based upon this calculation, and the valuation conclusion and offering range concluded above, the exchange ratio would be 1.31466 shares, 1.54666 shares, 1.77866 shares and 2.04545 shares of newly issued shares of ACFC stock for each share of stock held by the public shareholders at the minimum, midpoint, maximum and supermaximum of the offering range, respectively. RP Financial expresses no opinion on the proposed exchange of newly issued Company shares for the shares held by the public stockholders or on the proposed exchange ratio.

**EXHIBITS**

*LIST OF EXHIBITS*

<u>Exhibit</u>	
<u>Number</u>	<u>Description</u>
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I-3	Investment Portfolio Composition
I-4	Yields and Costs
I-5	Interest Rate Risk Analysis
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III-1	General Characteristics of Publicly-Traded Institutions
IV-1	Stock Prices: As of September 28, 2007
IV-2	Historical Stock Price Indices
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IV-7	Pro Forma Analysis Sheet – Fully-Converted Basis
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V-1	Firm Qualifications Statement

EXHIBIT I-1

Atlantic Coast Federal Corporation  
Audited Financial Statements

[Incorporated by Reference]

EXHIBIT I-2

Atlantic Coast Federal Corporation  
Key Operating Ratios

Exhibit I-2  
Atlantic Coast Federal Corporation  
Key Operating Ratios

	At or For the Six Months Ended		At or For the Years Ended December 31,				
	June 30,		2006	2005	2004	2003	2002
	2007	2006					
<b>Selected Consolidated Financial Ratios and Other Data:</b>							
<b>Performance Ratios:</b>							
Return on assets (ratio of net income to average total assets) <sup>(2)</sup> .....	0.32%	0.71%	0.66%	0.71%	0.56%	0.91%	0.76%
Return on equity (ratio of net income to average equity) <sup>(2)</sup> .....	3.11%	5.80%	5.48%	5.07%	6.05%	10.77%	8.49%
Dividend payout ratio <sup>(2)(3)</sup> .....	245.45%	95.00%	110.53%	72.22%	— %	— %	— %
Average interest rate spread <sup>(2)(4)</sup> .....	2.24%	2.62%	2.55%	2.62%	3.29%	3.98%	4.06%
Net interest margin <sup>(2)(5)</sup> .....	2.67%	3.04%	2.99%	3.06%	3.64%	4.25%	4.45%
Efficiency ratio <sup>(6)</sup> .....	80.65%	71.18%	73.08%	69.93%	68.11%	59.01%	63.50%
Operating expense to average total assets <sup>(2)</sup> .....	2.72%	2.77%	2.78%	2.78%	2.95%	3.28%	3.50%
Average interest-earning assets to average interest-bearing liabilities.....	110.70%	113.39%	113.01%	116.92%	116.63%	110.55%	112.03%
<b>Asset Quality Ratios:</b>							
Non-performing assets to total assets.....	0.55%	0.53%	0.40%	0.39%	1.09%	1.73%	0.90%
Non-performing loans to total loans.....	0.47%	0.62%	0.48%	0.45%	1.28%	1.72%	0.75%
Allowance for loan losses to non-performing loans.....	161.24%	121.20%	154.21%	175.36%	59.42%	87.13%	161.96%
Allowance for loan losses to total loans.....	0.75%	0.75%	0.73%	0.78%	0.75%	1.47%	1.20%
Net charge-offs to average outstanding loans.....	0.14%	0.08%	0.06%	0.27%	1.16%	0.57%	0.76%
<b>Capital Ratios:</b>							
Total capital to risk-weighted assets.....	12.6%	14.6%	13.9%	15.9%	17.4%	12.9%	12.6%
Tier I capital to risk-weighted assets.....	11.8%	13.8%	13.1%	15.0%	16.8%	11.7%	11.4%
Tier I capital to average assets.....	8.1%	9.8%	9.3%	10.0%	11.6%	8.1%	8.4%
Average equity to average assets.....	10.43%	12.29%	12.00%	14.07%	9.29%	8.46%	8.93%
<b>Other Data:</b>							
Number of full service offices.....	13	13	13	12	12	12	10
Number of loans.....	13,529	13,599	14,679	15,151	15,840	15,378	16,558
Number of deposit accounts <sup>(7)</sup> .....	45,174	46,243	49,896	51,738	56,962	65,954	68,253

- (1) The 2005 income tax expenses included a benefit of \$895,000 for the elimination of a tax-related contingent liability for the same amount. The tax-related contingent liability has been established by us in 2000 upon becoming a taxable entity and reflected the tax effect of the bad deduction taken by us in 2000 and 2001 calendar tax years. We believed the filing position was supportable based upon a reasonable interpretation of the federal income tax laws and the underlying regulations. However, due to the lack of prior rulings on similar fact patterns, it was unknown whether the accounting method would be sustained upon audit by either the federal or state tax authorities. The applicable statute of limitations expired with respect to the 2001 tax year on September 15, 2005, making the contingent liability unnecessary.
- (2) Ratios for the six months ended June 30, 2007 and 2006 are annualized.
- (3) The dividend payout ratio represents dividends declared per share divided by net income per share. The following table sets forth aggregate cash dividends paid per period, which is calculated by multiplying the dividend declared per share by the number of shares outstanding as of the applicable record date:

	For the Six Months Ended June 30,		For the Years Ended December 31,				
	2007	2006	2006	2005	2004	2003	2002
	(In thousands)						
Dividends paid to public stockholders.....	\$ 1,249	\$ 962	\$ 2,048	\$ 1,384	\$ —	\$ —	\$ —
Dividends paid to Atlantic Coast Federal, MHC.....	—	—	—	524	—	—	—
Total dividends paid.....	\$ 1,249	\$ 962	\$ 2,048	\$ 1,908	\$ —	\$ —	\$ —

Payments listed above exclude cash dividends waived by Atlantic Coast Federal, MHC of \$2.4 million and \$1.7 million during the six-month periods ended June 30, 2007 and 2006, respectively, and \$3.7 million, \$1.7 million and \$0 during the years ended December 31, 2006, 2005 and 2004 respectively. Atlantic Coast Federal, MHC began waiving dividends in May 2005 and, as of June 30, 2007, had waived dividends totaling \$7.8 million.

- (4) The average interest rate spread represents the difference between the weighted-average yield on interest-earning assets and the weighted-average cost of interest-bearing liabilities for the period.
- (5) The net interest margin represents net interest income as a percent of average interest-earning assets for the period.
- (6) The efficiency ratio represents non-interest expense divided by the sum of net interest income and non-interest income.
- (7) Changes to our deposit system in 2004, enabled us to purge old account information that had existed since a system conversion in 2002. Approximately 7,000 accounts were affected.

EXHIBIT I-3

Atlantic Coast Federal Corporation  
Investment Portfolio Composition

Exhibit I-3  
Atlantic Coast Federal Corporation  
Investment Portfolio Composition

	At June 30, 2007		At December 31,					
	Carrying Value	Percent of Total	2006		2005		2004	
			Carrying Value	Percent of Total	Carrying Value	Percent of Total	Carrying Value	Percent of Total
	(Dollars in Thousands)							
Securities available for sale:								
U.S. government and agency .....	\$ 15,191	11.97%	\$ 16,280	16.41%	\$ 32,079	44.58%	\$ 20,853	39.07%
State and municipal .....	6,119	4.82	1,729	1.74	5,361	7.45	11,930	22.36
Mortgage-backed securities .....	105,547	83.21	81,222	81.85	34,525	47.97	10,603	19.87
Corporate commercial paper .....	—	—	—	—	—	—	9,967	18.68
Mutual Funds .....	—	—	—	—	—	—	10	0.02
Total .....	<u>\$ 126,857</u>	<u>100.00%</u>	<u>\$ 99,231</u>	<u>100.00%</u>	<u>\$ 71,965</u>	<u>100.00%</u>	<u>\$ 53,363</u>	<u>100.00%</u>

	At June 30, 2007		At December 31,					
	Carrying Value	Percent of Total	2006		2005		2004	
			Carrying Value	Percent of Total	Carrying Value	Percent of Total	Carrying Value	Percent of Total
	(Dollars in Thousands)							
Other earning assets:								
Interest-earning deposits with banks .....	\$ 31,907	79.98%	\$ 30,486	76.92%	\$ 15,918	64.21%	\$ 18,286	50.10%
Federal funds sold and securities purchased under agreements to resell .....	—	—	—	—	—	—	11,800	32.33
Federal Home Loan Bank stock .....	7,988	20.02	7,948	20.05	7,074	28.53	5,511	15.10
Other investments .....	—	—	1,200	3.03	1,800	7.26	900	2.47
Total .....	<u>\$ 39,895</u>	<u>100.00%</u>	<u>\$ 39,634</u>	<u>100.00%</u>	<u>\$ 24,792</u>	<u>100.00%</u>	<u>\$ 36,497</u>	<u>100.00%</u>

EXHIBIT I-4

Atlantic Coast Federal Corporation  
Yields and Costs

Exhibit I-4  
Atlantic Coast Federal Corporation  
Yields and Costs

	For the Six Months Ended June 30,					
	At June, 30 2007	2007		2006		Average Yield/ Cost <sup>(b)</sup>
	Average Yield/Cost	Average Outstanding Balance	Interest	Average Yield/ Cost <sup>(b)</sup>	Average Outstanding Balance	Interest
(Dollars in Thousands)						
<b>Interest-earning assets:</b>						
Loans receivable <sup>(2)</sup> .....	6.92%	\$ 648,712	\$ 22,533	6.95%	\$ 600,179	\$ 19,402
Securities <sup>(3)</sup> .....	5.48%	121,712	3,232	5.33%	69,990	1,500
Other interest-earning assets <sup>(4)</sup> .....	5.57%	46,711	1,257	5.38%	31,222	768
Total interest-earning assets.....		816,595	27,022	6.62%	701,391	21,670
Non-interest-earning assets.....		58,775			57,799	
Total assets.....		<u>\$ 875,370</u>			<u>\$ 759,190</u>	
<b>Interest-bearing liabilities:</b>						
Savings deposits.....	0.38%	\$ 41,531	83	0.40%	\$ 52,596	105
Interest-bearing demand accounts.....	3.04%	51,649	788	3.05%	66,326	800
Money market accounts.....	4.66%	144,651	3,325	4.60%	60,813	1,305
Time deposits.....	5.00%	308,055	7,618	4.95%	304,118	6,161
Federal Home Loan Bank advances.....	4.47%	142,822	3,209	4.49%	126,005	2,716
Securities sold under agreement to repurchase.....	4.57%	46,379	1,108	4.53%	8,517	195
Total interest-bearing liabilities.....		737,671	16,131	4.37%	618,375	11,012
Non-interest-bearing liabilities.....		46,379			46,821	
Total liabilities.....		784,050			665,196	
Stockholders' equity.....		91,320			93,994	
Total liabilities and stockholders' equity.....		<u>\$ 875,370</u>			<u>\$ 759,190</u>	
Net interest income.....			<u>\$ 10,891</u>			<u>\$ 10,658</u>
Net interest spread <sup>(5)</sup> .....	2.19%			2.24%		
Net earning assets <sup>(6)</sup> .....		<u>\$ 78,924</u>			<u>\$ 83,016</u>	
Net interest margin <sup>(7)</sup> .....	2.65%			2.67%		
Average interest-earning assets to interest-bearing liabilities.....	110.73%			110.70%		

Exhibit I-4 (continued)  
Atlantic Coast Federal Corporation  
Yields and Costs

	For the Years Ended December 31,			
	2006	2005		2004
	Average Outstanding Balance	Average Outstanding Balance	Average Outstanding Balance	Average Outstanding Balance
	Interest	Interest	Interest	Interest
	Average Yield/ Cost	Average Yield/ Cost	Average Yield/ Cost	Average Yield/ Cost
	(Dollars in Thousands)			
<b>Interest-earning assets:</b>				
Loans receivable <sup>(2)</sup> .....	\$ 613,532	\$ 549,259	\$ 33,606	\$ 484,978
Securities <sup>(3)</sup> .....	75,917	63,338	2,092	29,815
Other interest-earning assets <sup>(4)</sup> .....	34,205	45,632	1,556	38,523
Total interest-earning assets.....	723,654	658,229	37,254	553,316
Non-interest-earning assets.....	56,600	46,658		31,541
Total assets.....	\$ 780,254	\$ 704,887		\$ 584,857
<b>Interest-bearing liabilities:</b>				
Savings deposits.....	\$ 49,104	61,069	260	77,333
Interest-bearing demand accounts.....	58,454	60,774	1,307	26,191
Money market accounts.....	77,989	53,942	1,415	58,293
Time deposits.....	312,564	267,725	9,186	224,965
Federal Home Loan Bank advances.....	128,260	119,463	4,971	87,640
Securities sold under agreement to repurchase.....	13,951			
Total interest-bearing liabilities.....	640,322	562,973	17,139	474,422
Non-interest-bearing liabilities.....	46,318	42,744		56,083
Total liabilities.....	686,640	605,717		530,505
Stockholders' equity.....	93,614	99,170		54,352
Total liabilities and stockholders' equity.....	\$ 780,254	\$ 704,887		\$ 584,857
Net interest income.....	\$ 21,660	\$ 20,115	\$ 20,115	\$ 20,129
Net interest spread <sup>(5)</sup> .....	2.55%	2.55%	2.62%	3.29%
Net earning assets <sup>(6)</sup> .....	\$ 83,332	\$ 95,256	\$ 78,894	\$ 78,894
Net interest margin <sup>(7)</sup> .....	2.99%	2.99%	3.06%	3.64%
Average interest-earning assets to average interest-bearing liabilities.....	113.01%	116.92%	116.63%	116.63%

(1) Yields and rates for the six months ended June 30, 2007 and 2006 are annualized.  
(2) Calculated net of deferred loan fees and allowance for loan losses. Nonaccrual loans included as loans carrying a zero yield.  
(3) Calculated based on carrying value. Not full tax equivalents, as the numbers would not change materially from those presented in the table.  
(4) Includes Federal Home Loan Bank stock at cost and term deposits with other financial institutions.  
(5) Net interest rate spread represents the difference between the yield on average interest-earning assets and the cost of average interest-bearing liabilities.  
(6) Net interest-earning assets represents total interest-earning assets less total interest-bearing liabilities.  
(7) Net interest margin represents net interest income divided by average total interest-earning assets.

EXHIBIT I-5

Atlantic Coast Federal Corporation  
Interest Rate Analysis

Exhibit I-5  
Atlantic Coast Federal Corporation  
Interest Rate Risk Analysis

**Economic Value of Equity and Duration of Assets and Liabilities at June 30, 2007**  
**Change in Interest Rate**

	Decrease 3%	Decrease 2%	Decrease 1%	Increase 1%	Increase 2%	Increase 3%
Duration of assets <sup>(1)</sup>	2.20	2.20	2.25	2.59	2.58	2.58
Duration of liabilities <sup>(1)</sup>	2.51	2.51	2.51	2.01	2.01	2.13
Differential in duration	(0.31)	(0.31)	(0.26)	0.58	0.57	0.45
Amount of change in Economic Value of Equity <sup>(2)</sup>	\$ (8,526)	\$ (5,684)	\$ (2,371)	\$ (5,223)	\$ (10,235)	\$ (12,134)
Percentage change in Economic Value of Equity <sup>(2)</sup>	(9.05%)	(6.04%)	(2.52%)	(5.55%)	(10.87%)	(12.89%)

(1) Expressed as number of years before asset/liability reprices to achieve state rate of interest rate increase.

(2) Represents the cumulative five year pre-tax impact on our equity due to increased or (decreased) net interest margin.

EXHIBIT I-6

Atlantic Coast Federal Corporation  
Fixed Rate and Adjustable Rate Loans

Exhibit I-6  
Atlantic Coast Federal Corporation  
Fixed Rate and Adjustable Rate Loans

	Due After December 31, 2007		
	Fixed Rate	Adjustable Rate	Total
	(Dollars in Thousands)		
<b>Real estate loans:</b>			
One- to four-family .....	\$ 115,449	\$ 218,539	\$ 333,988
Commercial .....	21,199	32,819	54,018
Other <sup>(1)</sup> .....	15,780	14,653	30,433
<b>Construction loans:</b>			
One- to four-family .....	\$ 4,027	\$ 6,407	\$ 10,434
Commercial .....	1,758	1,104	2,862
Acquisition & development .....	—	2,103	2,103
<b>Other loans:</b>			
Home equity .....	\$ 20,175	\$ 70,788	\$ 90,963
Consumer .....	58,938	747	59,685
Commercial business .....	1,047	9,386	10,433
Total loans .....	\$ 238,373	\$ 356,546	\$ 594,919

(1) Consists of land and multi-family loans.

EXHIBIT I-7

Atlantic Coast Federal Corporation  
Loan Portfolio Composition

**Exhibit I-7**  
**Atlantic Coast Federal Corporation**  
**Loan Portfolio Composition**

	At December 31,											
	2007		2006		2005		2004		2003		2002	
	Amount	Percent										
<b>Real estate loans:</b>												
One- to four-family.....	\$ 349,412	52.14%	\$ 334,000	52.14%	\$ 324,681	55.88%	\$ 303,544	58.44%	\$ 236,959	53.73%	\$ 177,295	46.14%
Commercial.....	69,390	10.35%	60,912	9.51%	59,074	10.16%	57,178	11.01%	56,228	12.75%	36,161	9.41%
Other <sup>(1)</sup> .....	39,587	5.91%	34,446	5.38%	20,302	3.49%	20,120	3.87%	13,568	3.08%	11,502	2.99%
<b>Total real estate loans.....</b>	<b>458,389</b>	<b>68.40%</b>	<b>429,358</b>	<b>67.03%</b>	<b>404,057</b>	<b>69.53%</b>	<b>380,842</b>	<b>73.32%</b>	<b>306,755</b>	<b>69.56%</b>	<b>224,958</b>	<b>58.54%</b>
<b>Construction loans:</b>												
One- to four-family.....	18,742	2.80%	32,467	5.07%	24,243	4.17%	14,275	2.75%	11,913	2.70%	7,552	1.97%
Commercial.....	13,040	1.95%	2,862	0.45%	2,577	0.44%	2,577	0.50%	18,663	4.23%	22,975	5.97%
Acquisition & development.....	3,453	0.51%	2,103	0.33%	—	—	—	—	—	—	—	—
<b>Total construction loans.....</b>	<b>35,235</b>	<b>5.26%</b>	<b>37,432</b>	<b>5.85%</b>	<b>26,820</b>	<b>4.61%</b>	<b>16,852</b>	<b>3.25%</b>	<b>30,576</b>	<b>6.93%</b>	<b>30,527</b>	<b>7.94%</b>
<b>Other loans:</b>												
Home equity.....	97,306	14.52%	91,062	14.22%	79,016	13.60%	60,077	11.57%	39,217	8.89%	32,645	8.50%
Consumer.....	63,662	9.50%	63,630	9.93%	62,846	10.81%	57,893	11.15%	60,925	13.81%	88,071	22.92%
Commercial business.....	15,577	2.32%	19,044	2.97%	8,430	1.45%	3,711	0.71%	3,553	0.81%	8,065	2.10%
<b>Total other loans.....</b>	<b>176,545</b>	<b>26.34%</b>	<b>173,736</b>	<b>27.12%</b>	<b>150,292</b>	<b>25.86%</b>	<b>121,681</b>	<b>23.43%</b>	<b>103,695</b>	<b>23.51%</b>	<b>128,781</b>	<b>33.52%</b>
<b>Total loans.....</b>	<b>\$ 670,170</b>	<b>100.00%</b>	<b>640,526</b>	<b>100.00%</b>	<b>581,169</b>	<b>100.00%</b>	<b>519,375</b>	<b>100.00%</b>	<b>441,026</b>	<b>100.00%</b>	<b>384,266</b>	<b>100.00%</b>
<b>Less:</b>												
Net deferred loan origination (fees) costs.....	3,476		3,348		3,164		1,473		554		(231)	
Premiums on purchased loans.....	263		348		695		819		635		435	
Allowance for loan losses.....	(5,071)		(4,705)		(4,587)		(3,956)		(6,593)		(4,692)	
<b>Total loans, net.....</b>	<b>\$ 668,837</b>		<b>\$ 639,517</b>		<b>\$ 580,441</b>		<b>\$ 517,711</b>		<b>\$ 435,622</b>		<b>\$ 379,778</b>	

(1) Consists of land and multi-family loans.

EXHIBIT I-8

Atlantic Coast Federal Corporation  
Contractual Maturity by Loan Type

Exhibit I-8  
Atlantic Coast Federal Corporation  
Contractual Maturity By Loan Type

	One- to Four-Family Real Estate		Commercial Real Estate		Other Real Estate <sup>(1)</sup>		One- to Four-Family Construction <sup>(2)</sup>		Commercial Construction <sup>(2)</sup>	
	Amount	Weighted Average Rate	Amount	Weighted Average Rate	Amount	Weighted Average Rate	Amount	Weighted Average Rate	Amount	Weighted Average Rate
At December 31, 2006										
1 year or less .....	\$ 12	7.51%	\$ 6,894	8.09%	\$ 4,013	8.69%	\$ 22,033	8.31%	\$ —	—
Greater than 1 to 3 years .....	1,303	4.34%	16,076	8.17%	4,981	7.76%	2,342	8.49%	1,105	8.25%
Greater than 3 to 5 years .....	5,972	5.36%	13,927	8.11%	10,276	7.76%	—	—	495	8.25%
Greater than 5 to 10 years .....	6,609	6.49%	16,309	6.85%	2,733	8.53%	—	—	423	7.50%
Greater than 10 to 20 years .....	69,643	5.64%	7,124	6.60%	9,456	6.69%	944	6.04%	839	8.05%
More than 20 years .....	250,461	5.62%	582	6.62%	2,987	7.52%	7,148	6.47%	—	—
Total .....	\$ 334,000		\$ 60,912		\$ 34,446		\$ 32,467		\$ 2,862	
	Acquisition & Development		Home Equity		Consumer		Commercial Business		Total	
	Amount	Weighted Average Rate	Amount	Weighted Average Rate	Amount	Weighted Average Rate	Amount	Weighted Average Rate	Amount	Weighted Average Rate
At December 31, 2006										
1 year or less .....	\$ —	—	\$ 99	9.16%	\$ 3,945	8.64%	\$ 8,611	8.22%	\$ 45,607	8.32%
Greater than 1 to 3 years .....	2,103	8.75%	66	7.68%	12,665	9.83%	1,129	7.65%	41,770	8.54%
Greater than 3 to 5 years .....	—	—	5,129	8.25%	25,699	10.66%	4,600	7.71%	66,098	8.78%
Greater than 5 to 10 years .....	—	—	6,102	8.25%	6,041	8.36%	4,704	8.45%	42,921	7.49%
Greater than 10 to 20 years .....	—	—	22,046	8.81%	12,756	9.86%	—	—	122,808	6.80%
More than 20 years .....	—	—	57,620	8.53%	2,524	10.45%	—	—	321,322	6.22%
Total .....	\$ 2,103		\$ 91,062		\$ 63,630		\$ 19,044		\$ 640,526	

(1) Consists of land and multi-family loans.

(2) Construction loans include notes that cover both the construction period and the end permanent financing, and therefore, the schedule shows maturities for periods greater than one year.

EXHIBIT I-9

Atlantic Coast Federal Corporation  
Non-Performing Assets

Exhibit I-9  
Atlantic Coast Federal Corporation  
Non-Performing Assets

	At June 30, 2007	At December 31,				
		2006	2005	2004	2003	2002
	(Dollars in Thousands)					
<b>Non-accrual loans:</b>						
<b>Real estate:</b>						
One- to four-family .....	\$ 604	\$ 325	\$ 697	\$ 1,931	\$ 465	\$ 365
Commercial .....	341	430	238	3,271	5,670	—
Other <sup>(1)</sup> .....	285	104	109	—	—	—
<b>Construction:</b>						
One- to four-family .....	—	551	—	—	—	—
Commercial .....	—	—	—	—	—	—
Acquisition & development .....	—	—	—	—	—	—
<b>Other:</b>						
Home equity .....	660	280	35	—	—	—
Consumer .....	345	445	597	290	267	868
Commercial business .....	909	915	940	1,166	1,165	1,664
Total non-performing loans .....	<u>\$ 3,145</u>	<u>\$ 3,050</u>	<u>\$ 2,616</u>	<u>\$ 6,658</u>	<u>\$ 7,567</u>	<u>\$ 2,897</u>
<b>Loans 90 days or greater delinquent and still accruing:</b>						
<b>Real estate:</b>						
One- to four-family .....	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Commercial .....	—	—	—	—	—	—
Other <sup>(1)</sup> .....	—	—	—	—	—	—
<b>Construction:</b>						
One- to four-family .....	—	—	—	—	—	—
Commercial .....	—	—	—	—	—	—
Acquisition & development .....	—	—	—	—	—	—
<b>Other:</b>						
Home equity .....	—	—	—	—	—	—
Consumer .....	—	—	—	—	—	—
Commercial business .....	—	—	—	—	—	—
Total loans 90 days or greater and still accruing .....	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>
Total non-performing loans .....	<u>3,145</u>	<u>3,050</u>	<u>2,616</u>	<u>6,658</u>	<u>7,567</u>	<u>2,897</u>
<b>Real estate owned:</b>						
<b>Real estate:</b>						
One- to four-family .....	\$ 123	\$ 247	\$ 310	\$ 323	\$ 1,079	\$ 1,141
Commercial .....	84	39	—	—	—	—
Other <sup>(1)</sup> .....	—	—	—	—	—	—
<b>Construction:</b>						
One- to four-family .....	1,546	—	—	—	—	—
Commercial .....	—	—	—	—	—	—
Acquisition & development .....	—	—	—	—	—	—
<b>Other:</b>						
Home equity .....	—	—	—	—	—	—
Consumer .....	—	—	—	—	—	—
Commercial business .....	—	—	—	—	—	—
Total real estate owned .....	<u>1,753</u>	<u>286</u>	<u>310</u>	<u>323</u>	<u>1,079</u>	<u>1,141</u>
Total non-performing assets .....	<u>\$ 4,898</u>	<u>\$ 3,336</u>	<u>\$ 2,926</u>	<u>\$ 6,981</u>	<u>\$ 8,646</u>	<u>\$ 4,038</u>
<b>Ratios:</b>						
Non-performing loans to total loans .....	0.47%	0.48%	0.45%	1.28%	1.72%	0.75%
Non-performing loans to total assets .....	0.35%	0.40%	0.39%	1.09%	1.73%	0.90%

(1) Consists of land and multi-family loans.

EXHIBIT I-10

Atlantic Coast Federal Corporation  
Loan Loss Allowance Activity

Exhibit I-10  
Atlantic Coast Federal Corporation  
Loan Loss Allowance Activity

	At or For the Six Months Ended June 30,		At or For the Years Ended December 31,				
	2007	2006	2006	2005	2004	2003	2002
	(Dollars in Thousands)						
Balance at beginning of period .....	\$ 4,705	\$ 4,587	\$ 4,587	\$ 3,956	\$ 6,593	\$ 4,692	\$ 3,766
Charge-offs:							
Real estate loans:							
One- to four-family .....	44	76	107	192	78	300	500
Commercial .....	—	—	—	605	4,637	—	—
Other <sup>(1)</sup> .....	41	—	—	—	—	—	—
Construction loans:							
One- to four-family .....	274	—	—	—	—	—	—
Commercial .....	—	—	—	—	—	—	—
Acquisition & development .....	—	—	—	—	—	—	—
Other loans:							
Home equity .....	59	14	14	160	63	25	—
Consumer .....	532	578	1,094	1,249	1,642	2,259	2,752
Commercial business .....	—	—	—	120	—	664	251
Total charge-offs .....	<u>950</u>	<u>668</u>	<u>1,215</u>	<u>2,326</u>	<u>6,420</u>	<u>3,248</u>	<u>3,503</u>
Recoveries:							
Real estate loans:							
One- to four-family .....	4	10	54	40	7	86	1
Commercial .....	60	42	83	51	—	—	—
Other <sup>(1)</sup> .....	—	—	—	—	—	—	—
Construction loans:							
One- to four-family .....	—	—	—	—	—	—	—
Commercial .....	—	—	—	—	—	—	—
Acquisition & development .....	—	—	—	—	—	—	—
Other loans:							
Home equity .....	58	14	18	1	11	2	—
Consumer .....	389	354	703	732	790	823	745
Commercial business .....	—	—	—	12	—	—	—
Total recoveries .....	<u>511</u>	<u>420</u>	<u>858</u>	<u>836</u>	<u>808</u>	<u>911</u>	<u>746</u>
Net charge-offs .....	439	248	357	1,490	5,612	2,337	2,757
Provision for loan losses .....	<u>805</u>	<u>280</u>	<u>475</u>	<u>2,121</u>	<u>2,975</u>	<u>4,238</u>	<u>3,683</u>
Balance at end of period .....	<u>\$ 5,071</u>	<u>\$ 4,619</u>	<u>\$ 4,705</u>	<u>\$ 4,587</u>	<u>\$ 3,956</u>	<u>\$ 6,593</u>	<u>\$ 4,692</u>
Ratios:							
Net charge-offs to average loans <sup>(2)</sup> .....	0.14%	0.08%	0.06%	0.27%	1.16%	0.57%	0.76%
Net charge-offs to average non- performing loans .....	13.96%	6.51%	11.36%	43.41%	122.10%	30.88%	95.17%
Allowance for loan losses to non- performing loans .....	161.24%	121.20%	154.21%	175.36%	59.42%	87.13%	161.96%
Allowance as a percent of total loans <sup>(2)</sup> .....	0.75%	0.75%	0.73%	0.78%	0.75%	1.47%	1.20%

(1) Consists of land and multi-family loans.

(2) Total loans are net of deferred fees and costs and purchase premiums or discounts.

EXHIBIT I-11

Atlantic Coast Federal Corporation  
Deposit Composition

Exhibit I-11  
Atlantic Coast Federal Corporation  
Deposit Composition

	At June 30, 2007			At December 31, 2006		
	Balance	Percent	Weighted Average Rate	Balance	Percent	Weighted Average Rate
	(Dollars in Thousands)					
Deposit type:						
Non-interest bearing demand .....	\$ 42,298	7.07%	—%	\$ 38,301	6.68%	—%
Savings .....	40,618	6.79	0.38	41,915	7.31	0.42
Interest bearing demand .....	50,325	8.41	3.04	52,895	9.23	3.00
Money market demand .....	<u>170,666</u>	<u>28.54</u>	4.66	<u>116,314</u>	<u>20.31</u>	4.69
Total transactions accounts .....	303,907	50.81	3.17	249,425	43.53	2.89
Certificates of deposit .....	<u>294,184</u>	<u>49.19</u>	5.00	<u>323,627</u>	<u>56.47</u>	4.83
Total deposits .....	<u>\$ 598,091</u>	<u>100.00%</u>	4.07%	<u>\$ 573,052</u>	<u>100.00%</u>	3.99%

EXHIBIT I-12

Atlantic Coast Federal Corporation  
Time Deposit Rate/Maturity

Exhibit I-12  
Atlantic Coast Federal Corporation  
Time Deposit Rate/Maturity

	At June 30, 2007	At December 31,		
		2006	2005	2004
	(In Thousands)			
<b>Interest Rate:</b>				
Less than 2.00%.....	\$ —	\$ —	\$ —	\$ 31,809
2.00% - 2.99%.....	559	2,316	26,103	116,689
3.00% - 3.99%.....	12,754	39,929	159,222	66,954
4.00% - 4.99%.....	55,694	104,175	108,841	26,144
5.00% - 5.99%.....	224,887	177,070	1,520	1,162
6.00% - 6.99%.....	289	137	2,183	5,973
<b>Total .....</b>	<b><u>\$ 294,184</u></b>	<b><u>\$ 323,627</u></b>	<b><u>\$ 297,869</u></b>	<b><u>\$ 248,731</u></b>

	Less than or equal to one year	More than one to two years	More than two to three years	More than three to four years	More than four years	Total
	(In Thousands)					
<b>Interest Rate:</b>						
Less than 2.00% ....	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
2.00% - 2.99%.....	156	284	119	—	—	559
3.00% - 3.99%.....	9,291	3,432	29	2	—	12,754
4.00% - 4.99%.....	16,431	18,065	15,263	5,934	—	55,694
5.00% - 5.99%.....	187,360	23,848	6,490	2,226	4,963	224,887
6.00% - 6.99%.....	289	—	—	—	—	289
<b>Total .....</b>	<b><u>\$ 213,527</u></b>	<b><u>\$ 45,629</u></b>	<b><u>\$ 21,902</u></b>	<b><u>\$ 8,162</u></b>	<b><u>\$ 4,963</u></b>	<b><u>\$ 294,184</u></b>

EXHIBIT I-13

Atlantic Coast Federal Corporation  
Borrowings Activity

Exhibit I-13  
Atlantic Coast Federal Corporation  
Borrowings Activity

	At or For the Six Months Ended June 30,		At or For the Years Ended December 31,		
	2007	2006	2006	2005	2004
	(Dollars in Thousands)				
Balance at end of period.....	\$ 142,000	\$ 119,000	\$ 144,000	\$ 129,000	\$ 100,314
Average balance outstanding.....	\$ 142,818	\$ 119,167	\$ 128,260	\$ 119,462	\$ 87,640
Maximum month-end balance.....	\$ 144,000	\$ 129,000	\$ 144,000	\$ 129,000	\$ 100,314
Weighted average interest rate during the period .	4.53%	4.60%	4.26%	4.18%	4.26%
Weighted average interest rate at end of period....	4.39%	4.30%	4.45%	4.18%	3.67%

EXHIBIT II-1

Description of Office Facilities

Exhibit II-1  
Atlantic Coast Federal Corporation  
Description of Office Facilities

Location	Owned or Leased	Net Book Value June 30, 2007 (In Thousands)
HOME AND EXECUTIVE OFFICE AND MAIN BRANCH 505 Haines Avenue Waycross, GA 31501	Owned	\$ 1,552
FLORIDA REGIONAL CENTER 10151 Deerwood Park Blvd. Building 100 Suite 501 Jacksonville, FL 32256 <sup>(1)</sup>	Leased	155
BRANCH OFFICES: Drive-up Facility 400 Haines Avenue Waycross, GA 31501	Owned	70
2110 Memorial Drive Waycross, GA 31501	Owned	\$ 578
1390 South Gaskin Avenue Douglas, GA 31533	Owned	462
213 Hwy 80 West Garden City, GA 31408	Owned	282
10328 Deerwood Park Blvd. Jacksonville, FL 32256	Owned	1,040
8048 Normandy Blvd. Jacksonville, FL 32221	Owned	1,102
1970 Solomon Street Orange Park, FL 32073	Owned	192
463 West Duval Street Lake City, FL 32055	Owned	149
930 University Avenue, North Jacksonville, FL 32211	Owned	1,095
1700 South Third Street Jacksonville Beach, FL 32250	Owned	1,500
1425 Atlantic Blvd. Neptune Beach, FL 32266	Owned	2,957
2766 Race Track Road Jacksonville, FL 32259	Owned	2,514
715 Centre Street Fernandina Beach, FL 32034	Owned	1,086

<sup>(1)</sup> Lease expires in June 2008.

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>
1999: Quarter 1	7.75%	4.49%	4.72%	5.25%
Quarter 2	7.75%	4.78%	5.07%	5.81%
Quarter 3	8.25%	4.88%	5.22%	5.90%
Quarter 4	8.50%	5.33%	5.98%	6.45%
2000: Quarter 1	9.00%	5.88%	6.28%	6.03%
Quarter 2	9.50%	5.88%	6.08%	6.03%
Quarter 3	9.50%	6.23%	6.07%	5.80%
Quarter 4	9.50%	5.89%	5.32%	5.12%
2001: Quarter 1	8.00%	4.30%	4.09%	4.93%
Quarter 2	6.75%	3.65%	3.72%	5.42%
Quarter 3	6.00%	2.40%	2.49%	4.60%
Quarter 4	4.75%	1.74%	2.17%	5.07%
2002: Quarter 1	4.75%	1.79%	2.70%	5.42%
Quarter 2	4.75%	1.70%	2.06%	4.86%
Quarter 3	4.75%	1.57%	1.53%	3.63%
Quarter 4	4.25%	1.22%	1.32%	3.83%
2003: Quarter 1	4.25%	1.14%	1.19%	3.83%
Quarter 2	4.00%	0.90%	1.09%	3.54%
Quarter 3	4.00%	0.95%	1.15%	3.96%
Quarter 4	4.00%	0.95%	1.26%	4.27%
2004: Quarter 1	4.00%	0.95%	1.20%	3.86%
Quarter 2	4.00%	1.33%	2.09%	4.62%
Quarter 3	4.75%	1.70%	2.16%	4.12%
Quarter 4	5.25%	2.22%	2.75%	4.24%
2005: Quarter 1	5.75%	2.80%	3.43%	4.51%
Quarter 2	6.00%	3.12%	3.51%	3.98%
Quarter 3	6.75%	3.55%	4.01%	4.34%
Quarter 4	7.25%	4.08%	4.38%	4.39%
2006: Quarter 1	7.75%	4.63%	4.82%	4.86%
Quarter 2	8.25%	5.01%	5.21%	5.15%
Quarter 3	8.25%	4.88%	4.91%	4.64%
Quarter 4	8.25%	5.02%	5.00%	4.71%
2007: Quarter 1	8.25%	5.04%	4.90%	4.65%
Quarter 2	8.25%	4.82%	4.91%	5.03%
As of Sept. 28, 2007	7.75%	3.82%	4.05%	4.59%

(1) End of period data.

Sources: Federal Reserve.

EXHIBIT III-1

General Characteristics of Publicly-Traded Institutions

Exhibit III-1  
Characteristics of Publicly-Traded Thrifts  
October 3, 2007(1)

Ticker	Financial Institution	Exchgl. Market	Primary Market	Operating Total Strat.(2) Assets (\$M)	Offices	Fiscal Year	Conv. Date	Stock Price (\$)	Market Value (\$M)
<b>California Companies</b>									
IMB	IndyMac Bancorp, Inc. of CA		Pasadena, CA	31,659	14	12-31	11/86	23.61	1,739
DGL	Dowey Financial Corp. of CA		Newport Beach CA	14,903	172	12-31	01/71	57.80	1,610
NYSE	FirstFed Financial Corp. of CA		Santa Monica, CA	7,669	29	12-31	12/83	49.55	793
PZB	PFZ Bancorp, Inc. of Pomona CA		Pomona, CA	4,469	30	03-31	03/96	15.34	359
NYSE	Provident Fin. Holdings of CA		M.B.	1,647	12	06-30	06/96	22.27	142
PROV	Harrington West Finl Grp of CA		Northridge, CA	1,130	15	12-31	11/02	15.79	88
NYSE	Sofi Holding, Inc. of CA		SAN DIEGO, CA	947	1	06-30	03/05	7.39	61
BOFI	Sofi Holding, Inc. of CA		SAN DIEGO, CA	947	1	06-30	03/05	7.39	61
KFED	K-Fed Bancorp MHC of CA (37.3)		COVINA, CA	800	5	06-30	03/04	13.17	184
NYSE	First PacTrust Bancorp of CA		Chula Vista, CA	769	3	12-31	08/02	24.25	107
NYSE	First PacTrust Bancorp of CA		Chula Vista, CA	769	3	12-31	08/02	24.25	107
NYFC	Broadway Financial Corp. of CA		Los Angeles, CA	318	4	12-31	01/96	9.01	15
<b>Florida Companies</b>									
KUNA	BankUnited Fin. Corp. of FL		Coral Gables, FL	14,489	55	09-30	12/85	15.54	554
BFF	BFC Financial Corp. of FL		FortLauderdaleFL	7,606 D	74	12-31	/	2.92	105
BBK	BankAtlantic Bancorp of FL		M.B.	6,495	75	12-31	11/83	8.67	504
PDT	Federal Trust Corp of FL		Sanford, FL	721	6	12-31	12/97	5.00	47
FCFL	First Community BK Corp of FL		Pineallas Park FL	433	4	12-31	05/03	13.98	57
<b>Mid-Atlantic Companies</b>									
SOV	Sovereign Bancorp, Inc. of PA		Philadelphia, PA	82,735	677	12-31	08/86	17.04	8,165
HCBK	Hudson City Bancorp, Inc of NJ		Paramus, NJ	39,690	86	12-31	06/05	15.38	8,180
NYB	New York Community Bcorp of NY		Westbury, NY	29,624	143	12-31	11/93	19.05	5,979
AP	Astoria Financial Corp. of NY		Lake Success, NY	21,650	86	12-31	11/93	26.53	2,569
FNFG	First Niagara Fin. Group of NY		Lockport, NY	7,945 D	122	12-31	01/03	14.15	1,503
NMBS	Northwest Banc MHC of PA(39.1)		Warren, PA	6,898	154	06-30	11/94	28.46	1,399
NYSE	Provident Fin. Serv. Inc. of NJ		Jersey City, NJ	5,743 D	79	12-31	01/03	16.37	1,039
ISBC	Investors Banc MHC of NJ(45.7)		Short Hills, NJ	5,601	46	06-30	10/05	14.16	1,578
BNCL	Beneficial Mut MHC of PA(44.3)		Utica, NY	3,671 P	0	07/07	07/07	9.75	802
NYSE	Partners Trust Fin. Grp. of NY		Utica, NY	3,650	37	12-31	07/04	12.17	529
TRST	TrustCo Bank Corp NY of NY		Glenville, NY	3,374	75	12-31	/	10.93	820
DCOM	Dime Community Bancshares of NY		Brooklyn, NY	3,250	20	12-31	06/96	14.97	528
NYSE	Flushing Fin. Corp. of NY		Lake Success, NY	3,042	11	12-31	11/95	16.80	357
NYSE	WFS Financial Corp. of DE		Wilmington, DE	3,018	23	12-31	11/86	62.40	393
NYSE	KBW Bancorp, Inc. of PA		Bethlehem, PA	2,889	57	12-31	11/03	16.54	450
NYSE	OceanFirst Fin. Corp. Inc. of NY		Montebello, NY	2,783	39	09-30	01/04	13.11	546
OCFC	OCFC Bancorp, Inc. of NJ		Toms River, NJ	1,978	17	12-31	07/96	17.35	214
ESBF	ESB Financial Corp. of PA		Fairfield, NJ	1,917	25	06-30	02/05	12.79	910
NYSE	Kerry Fin Cp MHC of NJ (29.7)		Willowville, PA	1,889	26	12-31	06/90	10.60	135
NYSE	ParVal Financial Corp of PA		Monroeville, PA	1,844	47	06-30	07/87	29.01	163
WVBC	Willow Financial Bcp Inc of PA		Maple Glen, PA	1,553	14	06-30	04/02	12.44	194
ORIT	Oritani Fin Cp MHC of NJ(32.0)		Towamencin, PA	1,194	20	06-30	01/07	15.84	642
ABSC	Ablington Bancorp, Inc. of PA		Jenkintown, PA	1,050	12	12-31	06/07	9.75	238
SVBI	Synergy Financial Group of NJ		Cranford, NJ	933	18	12-31	01/04	15.16	173
ESBA	ESBA Bancorp, Inc. of MD		Annapolis, MD	926	2	12-31	/	13.25	133
GLK	Great Lakes Bancorp, Inc of NY		Stroudsburg, PA	892	0	04/07	04/07	11.15	189
ROHA	Roma Fin Corp MHC of NJ (31.0)		Buffalo, NY	882	14	12-31	/	13.45	147
CSBK	Clifton Svq Bp MHC of NJ(43.3)		Robbinsville, NJ	887	8	12-31	07/06	17.10	560
HALL	Harleysville Svgs Fin Cp of PA		Clifton, NJ	801	10	03-31	03/04	11.83	337
CAVY	Carver Bancorp, Inc. of NY		Harleysville Svgs Fin Cp of PA	778	5	09-30	08/87	13.71	53
FICB	Fox Chase Banc MHC of PA(44.5)		New York, NY	764	8	03-31	10/94	15.85	40
FBSI	Fidelity Bancorp, Inc. of PA		Hatboro, PA	761	11	12-31	10/06	13.24	194
TRHD	TF Fin. Corp. of Newtown PA		Pittsburgh, PA	727	13	09-30	06/89	15.50	46
BCSB	BCSB Bancorp MHC of MD (36.5)		Newtown, PA	664	14	12-31	07/94	27.60	80
PCBC	Pearapo Bancorp, Inc. of NJ		Baltimore, MD	651	17	09-30	07/98	8.25	49
OSHC	Ocean Sbr Hldg MHC of NJ(44.8)		Ocean City, NJ	582	6	12-31	11/89	18.99	94
AMNJ	American Bancorp of NJ		Bloomfield, NJ	562	2	09-30	10/05	10.87	136

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Exhibit III-1  
Characteristics of Publicly-Traded Thrifts  
October 3, 2007(1)

Ticker	Financial Institution	Exchg.	Primary Market	Operating Total Stat.(2)	Assets (\$Mil)	Offices	Fiscal Year	Conv. Date	Price (\$)	Stock Value (\$Mil)	Market Value (\$Mil)
FFFC	First Keystone Fin. Inc of PA	NASDAQ	Berwick, PA	Thrift	525	8	09-30	01/85	13.30	13	32
ONFC	Onida Financial MC of NY (44.6)	NASDAQ	Onida, NY	Thrift	504	10	12-31	12/98	11.97	91	91
PRTP	Prudential Bancorp MC PA (42.7)	NASDAQ	Philadelphia, PA	Thrift	477	6	09-30	03/05	10.38	144	144
MYFT	Myriad Bancorp MC of NJ (45.0)	NASDAQ	NY Brunswick, NJ	Thrift	474	3	09-30	01/06	10.76	63	63
COBK	Coastal Bancorp MC of NJ (44.0)	NASDAQ	Bridgeport, NJ	Thrift	432	5	12-31	06/05	10.81	48	48
MBKX	Midwest Bancorp. FES of Iowa MO	AMEX	Boone MO	Thrift	430 M	5	07-31	08/88	7.00	53	53
ALBA	Alliance Bank MC of PA (45.0)	NASDAQ	Broomall, PA	Thrift	423	9	12-31	01/07	9.15	66	66
SEBK	Seaboard Bank MC of NY (30.0)	NASDAQ	Brooklyn, NY	Thrift	398	6	12-31	03/85	13.75	184	184
WVFC	West Virginia Bank FES of NY	NASDAQ	Elkton, NY	Thrift	396	6	12-31	11/83	16.44	31	31
LEBK	Lake Shore Bancorp MC of PA	NASDAQ	Pittsburgh, PA	Thrift	390 M	7	06-30	11/93	16.44	18	18
GCBC	Green Coast Bancorp MC of NY (44.4)	NASDAQ	Dunkirk, NY	Thrift	349	8	12-31	04/06	10.30	67	67
NOBK	Norfolk Bancorp Inc of Rhode NY	NASDAQ	Cataki, NY	Thrift	326	7	06-30	12/98	12.30	51	51
NCBK	North Carolina Bancorp Inc of NC	NASDAQ	Rose, NC	Thrift	311	4	12-31	03/05	11.86	99	99
NRBC	Northwest Bancorp MC of NY (45.0)	NASDAQ	White Plains, NY	Thrift	306	6	12-31	07/06	10.80	143	143
PRBC	Prudential Bancorp MC of NJ (35.8)	NASDAQ	Millington, NJ	Thrift	305	8	12-31	11/85	9.79	24	24
MSBP	Metropolitan Bancorp MC of NJ (45.0)	NASDAQ	Millington, NJ	Thrift	283 M	4	06-30	01/07	10.16	57	57
FFCO	First Federal Fin MC of PA (45.8)	NASDAQ	Monaca, PA	Thrift	273	7	12-31	04/05	9.11	60	60
IFBC	Independence FES of DC	NASDAQ	Washington, DC	Thrift	149	5	12-31	06/85	10.00	16	16
CSNB	Chesapeake Bancorp Inc of NY	NASDAQ	White Plains, NY	Thrift	142	0	04/07	10.82	22	22	
GOV	Governor Bancorp MC of NY (42.8)	AMEX	Gouverneur, NY	Thrift	133	2	09-30	03/99	11.25	26	26

Mid-West Companies

FFFC	First Keystone Fin. Inc of PA	NASDAQ	Berwick, PA	Thrift	525	8	09-30	01/85	13.30	13	32
ONFC	Onida Financial MC of NY (44.6)	NASDAQ	Onida, NY	Thrift	504	10	12-31	12/98	11.97	91	91
PRTP	Prudential Bancorp MC PA (42.7)	NASDAQ	Philadelphia, PA	Thrift	477	6	09-30	03/05	10.38	144	144
MYFT	Myriad Bancorp MC of NJ (45.0)	NASDAQ	NY Brunswick, NJ	Thrift	474	3	09-30	01/06	10.76	63	63
COBK	Coastal Bancorp MC of NJ (44.0)	NASDAQ	Bridgeport, NJ	Thrift	432	5	12-31	06/05	10.81	48	48
MBKX	Midwest Bancorp. FES of Iowa MO	AMEX	Boone MO	Thrift	430 M	5	07-31	08/88	7.00	53	53
ALBA	Alliance Bank MC of PA (45.0)	NASDAQ	Broomall, PA	Thrift	423	9	12-31	01/07	9.15	66	66
SEBK	Seaboard Bank MC of NY (30.0)	NASDAQ	Brooklyn, NY	Thrift	398	6	12-31	03/85	13.75	184	184
WVFC	West Virginia Bank FES of NY	NASDAQ	Elkton, NY	Thrift	396	6	12-31	11/83	16.44	31	31
LEBK	Lake Shore Bancorp MC of PA	NASDAQ	Pittsburgh, PA	Thrift	390 M	7	06-30	11/93	16.44	18	18
GCBC	Green Coast Bancorp MC of NY (44.4)	NASDAQ	Dunkirk, NY	Thrift	349	8	12-31	04/06	10.30	67	67
NOBK	Norfolk Bancorp Inc of Rhode NY	NASDAQ	Rose, NC	Thrift	311	4	12-31	03/05	11.86	99	99
NCBK	North Carolina Bancorp Inc of NC	NASDAQ	White Plains, NY	Thrift	306	6	12-31	07/06	10.80	143	143
PRBC	Prudential Bancorp MC of NJ (35.8)	NASDAQ	Millington, NJ	Thrift	305	8	12-31	11/85	9.79	24	24
MSBP	Metropolitan Bancorp MC of NJ (45.0)	NASDAQ	Millington, NJ	Thrift	283 M	4	06-30	01/07	10.16	57	57
FFCO	First Federal Fin MC of PA (45.8)	NASDAQ	Monaca, PA	Thrift	273	7	12-31	04/05	9.11	60	60
IFBC	Independence FES of DC	NASDAQ	Washington, DC	Thrift	149	5	12-31	06/85	10.00	16	16
CSNB	Chesapeake Bancorp Inc of NY	NASDAQ	White Plains, NY	Thrift	142	0	04/07	10.82	22	22	
GOV	Governor Bancorp MC of NY (42.8)	AMEX	Gouverneur, NY	Thrift	133	2	09-30	03/99	11.25	26	26

Mid-West Companies

FFFC	First Keystone Fin. Inc of PA	NASDAQ	Berwick, PA	Thrift	525	8	09-30	01/85	13.30	13	32
ONFC	Onida Financial MC of NY (44.6)	NASDAQ	Onida, NY	Thrift	504	10	12-31	12/98	11.97	91	91
PRTP	Prudential Bancorp MC PA (42.7)	NASDAQ	Philadelphia, PA	Thrift	477	6	09-30	03/05	10.38	144	144
MYFT	Myriad Bancorp MC of NJ (45.0)	NASDAQ	NY Brunswick, NJ	Thrift	474	3	09-30	01/06	10.76	63	63
COBK	Coastal Bancorp MC of NJ (44.0)	NASDAQ	Bridgeport, NJ	Thrift	432	5	12-31	06/05	10.81	48	48
MBKX	Midwest Bancorp. FES of Iowa MO	AMEX	Boone MO	Thrift	430 M	5	07-31	08/88	7.00	53	53
ALBA	Alliance Bank MC of PA (45.0)	NASDAQ	Broomall, PA	Thrift	423	9	12-31	01/07	9.15	66	66
SEBK	Seaboard Bank MC of NY (30.0)	NASDAQ	Brooklyn, NY	Thrift	398	6	12-31	03/85	13.75	184	184
WVFC	West Virginia Bank FES of NY	NASDAQ	Elkton, NY	Thrift	396	6	12-31	11/83	16.44	31	31
LEBK	Lake Shore Bancorp MC of PA	NASDAQ	Pittsburgh, PA	Thrift	390 M	7	06-30	11/93	16.44	18	18
GCBC	Green Coast Bancorp MC of NY (44.4)	NASDAQ	Dunkirk, NY	Thrift	349	8	12-31	04/06	10.30	67	67
NOBK	Norfolk Bancorp Inc of Rhode NY	NASDAQ	Rose, NC	Thrift	311	4	12-31	03/05	11.86	99	99
NCBK	North Carolina Bancorp Inc of NC	NASDAQ	White Plains, NY	Thrift	306	6	12-31	07/06	10.80	143	143
PRBC	Prudential Bancorp MC of NJ (35.8)	NASDAQ	Millington, NJ	Thrift	305	8	12-31	11/85	9.79	24	24
MSBP	Metropolitan Bancorp MC of NJ (45.0)	NASDAQ	Millington, NJ	Thrift	283 M	4	06-30	01/07	10.16	57	57
FFCO	First Federal Fin MC of PA (45.8)	NASDAQ	Monaca, PA	Thrift	273	7	12-31	04/05	9.11	60	60
IFBC	Independence FES of DC	NASDAQ	Washington, DC	Thrift	149	5	12-31	06/85	10.00	16	16
CSNB	Chesapeake Bancorp Inc of NY	NASDAQ	White Plains, NY	Thrift	142	0	04/07	10.82	22	22	
GOV	Governor Bancorp MC of NY (42.8)	AMEX	Gouverneur, NY	Thrift	133	2	09-30	03/99	11.25	26	26

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Exhibit III-1  
Characteristics of Publicly-Traded Thrifts  
October 3, 2007(1)

Ticker	Financial Institution	Exchg.	Market	Primary	Operating Total	Assets	Offices	Fiscal	Conv.	Stock	Market	
					Strat.(2)	(\$Mil)		Year	Date	Price	Value	
										(\$)	(\$Mil)	
<b>Mid-West Companies (continued)</b>												
JBSB	Jacksonville Bep MHC of IL(47.7)				Thrift	275	8	12-31	04/95	12.50	25	
KYFB	KY Fed Bp MHC of KY (44.5)				Thrift	267 M		06-30	03/05	10.00	83	
PFNM	First Fed of N. Michigan of MI				Thrift	260	10	12-31	04/05	8.03	23	
CFBK	Central Federal Corp. of OH				Thrift	242 M	4	12-31	12/98	5.48	24	
PFBI	First Bancshares, Inc. of MO				Thrift	242 M	10	06-30	12/93	16.66	26	
PFED	Park Bancorp of Chicago IL				Thrift	218	4	12-31	08/96	31.20	39	
PFDF	FFD Financial Corp of Dover OH				Thrift	173	3	06-30	04/96	14.80	16	
<b>New England Companies</b>												
PFCT	Peoples United Financial of CT				Div.	13,820	157	12-31	04/07	17.28	5,200	
NAL	New Alliance Bancshares of CT				Thrift	7,942	64	12-31	04/04	14.68	1,657	
BKLL	Brookline Bancorp. Inc. of MA				Thrift	2,371	15	12-31	07/02	11.59	691	
BHLB	Berkshire Hills Bancorp of MA				Thrift	2,170	25	12-31	06/00	30.23	267	
RCKB	Rockville Fin MHC of CT (45.0)				Thrift	1,271	16	12-31	05/05	14.36	276	
WFD	New Westfield Fin. Inc. of MA				Thrift	1,032	10	12-31	01/07	9.71	310	
UNBK	United Fin Gp MHC of MA(46.4)				Thrift	1,023	11	12-31	07/05	12.55	214	
BFCB	Benjamin Franklin Bancorp Inc of MA				Thrift	896	9	12-31	04/05	14.36	115	
LEGC	Legacy Bancorp, Inc. of MA				Thrift	844	10	12-31	10/05	13.92	139	
MASB	Masbank Corp. of Reading MA				Thrift	817	15	12-31	05/86	37.00	160	
SIFI	SI Fin Op Inc MHC of CT (41.3)				Thrift	761	16	12-31	10/04	10.31	135	
NHTB	NH Thrift Bancshares of NH				Thrift	758	17	12-31	05/86	14.44	73	
HFB	Hingham Inst. for Sav. of MA				Thrift	710	8	12-31	12/88	30.66	65	
LEBK	LEB Corp of No. Andover MA				Thrift	579	7	12-31	05/86	16.04	74	
CEBK	Central Bancorp of Somerville MA				Thrift	549	10	03-31	10/86	21.00	38	
PHBK	PSB Hldgs Inc MHC of CT (45.2)				Thrift	524	7	06-30	01/07	11.24	89	
CHNK	Chicopee Bancorp, Inc. of MA				Thrift	491	4	06-30	10/04	10.30	70	
CHNK	Chicopee Bancorp, Inc. of MA				Thrift	469	7	12-31	07/06	13.75	102	
NVSL	Naug Vly Fin MHC of CT (44.2)				Thrift	429	6	12-31	10/04	10.13	75	
NFSB	Newport Bancorp, Inc. of RI				Thrift	310	5	12-31	07/06	12.43	61	
NBSB	New England Bchrs Inc. of CT				Thrift	292	8	03-31	12/05	11.30	62	
MTLA	Mayflower Co-Op. Bank of MA				Thrift	243	6	04-30	12/87	11.30	24	
<b>North-West Companies</b>												
WFL	Washington Federal, Inc. of WA				Thrift	9,986	131	09-30	11/82	26.26	2,294	
FNSB	First Mutual Bchrs Inc of WA				Thrift	1,029	12	12-31	12/85	26.69	179	
RFG	Reisler Pacific Fin Gp of WA				Thrift	905	13	12-31	10/03	16.70	110	
RVSB	Riverview Bancorp, Inc. of WA				Thrift	832	16	03-31	10/97	14.85	172	
TBSX	Timberland Bancorp, Inc. of WA				Thrift	624	25	09-30	01/98	15.65	110	
<b>South-East Companies</b>												
PFCH	First Fin. Holdings Inc. of SC				Thrift	2,671	47	09-30	11/83	31.28	370	
SUPR	Superior Bancorp of AL				Thrift	2,470	59	12-31	12/98	8.83	306	
ACFC	Atl Fed Fed Co of GA MHC(36.8)				Thrift	898	12	12-31	10/04	15.11	207	
PFBB	First Fed. Bancshares of AR				Thrift	820	15	12-31	05/96	18.00	88	
CSBC	Citizens South Banking of NC				Thrift	755	11	12-31	10/02	12.13	97	
TSH	Teche Hldg Co of N Iberia LA				Thrift	714	17	09-30	04/95	41.00	90	
CFPC	Community Fin. Corp. of VA				Thrift	479	8	03-31	03/88	9.30	40	
HR08	Heritage Fd Co MHC of GA(29.9)				Thrift	448	8	12-31	06/05	14.00	152	
JFBI	Jefferson Bancshares Inc of TN				Thrift	340	1	06-30	07/03	10.75	69	
LABC	Louisiana Bancorp, Inc. of LA				Thrift	271 P	0	07/07	07/07	10.30	69	
PDXE	Great Pee Dee Bancorp of SC				Thrift	219 M	3	06-30	12/97	23.00	41	
GSLA	GS Financial Corp. of LA				Thrift	170	4	12-31	04/97	18.15	23	
<b>South-West Companies</b>												
FBTK	Franklin Bank Corp of TX				Thrift	5,546	32	12-31	12/03	9.20	233	

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Exhibit III-1  
 Characteristics of Publicly-Traded Thrifts  
 October 3, 2007(1)

Ticker	Financial Institution	Exchs.	Primary Market	Operating Total Struc.(2)	Assets (\$Mil)	Offices	Fiscal Year	Conv. Date	Stock Price (\$)	Market Value (\$Mil)
South-West Companies (continued)										
VFPQ	ViewPoint Finl MHC of TX(45.0)		NASDAQ Plano, TX	Thrift	1,605	34	12-31	10/06	18.48	480
OSBK	Osga Bancshares, Inc. of OK		NASDAQ Pawhuska, OK	Thrift	126 M	2	06-30	01/07	8.87	32
Western Companies (Excl. CA)										
UMSK	United Western Bncp, Inc of CO		NASDAQ Denver, CO	Thrift	2,043	1	12-31	10/06	21.15	154
HOME	Roma Fed Bncp MHC of ID (40.8)		NASDAQ Nampa, ID	Thrift	728	15	09-30	12/04	13.31	203

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.N.-Real Estate Developer, Div.-Diversified, and Ret.-Retail Banking.  
 (3) BIF insured savings bank.

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

Date of Last Update: 10/03/07

EXHIBIT IV-1

Stock Prices:  
As of September 28, 2007

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Exhibit IV-1A  
Weekly Thrift Market Line - Part One  
Prices As Of September 28, 2007

Financial Institution	Market Capitalization		Price Change Data				Current Per Share Financials								
	Price/ Share	Outst. Capital- Shares(1) and Market Cap(2)	High	Low	Last	% Change From Last Week	Last 52 Wks High	Last 52 Wks Low	Last 52 Wks Avg(2)	Dec 31, 2006(2)	Trailing 12 Mo. EPS(3)	Core Value/ Share(3)	Book Value/ Share(4)	Assets/ Share(5)	
All Public Companies(123)	17.68	29,323	22.36	15.55	18.00	-1.65	-11.29	-12.73			0.99	0.92	15.23	13.64	161.27
SAIF-Insured Thrifts(123)	17.68	29,323	22.36	15.55	18.00	-1.65	-11.29	-12.73			0.99	0.92	15.23	13.64	161.27
NYSE Traded Companies(13)	22.65	111,367	32.68	18.59	23.99	-5.52	-20.92	-22.69			2.06	1.51	20.58	17.56	229.01
AMEX Traded Companies(4)	15.68	12,782	21.80	14.32	16.05	-2.70	-24.51	-24.69			0.86	0.87	13.17	12.74	122.51
NASDAQ Listed OTC Companies(106)	17.16	20,047	21.14	15.24	17.36	-1.14	-9.59	-11.04			0.86	0.85	14.67	13.20	154.63
California Companies(5)	25.00	18,582	36.69	20.16	26.27	-3.34	-18.83	-22.76			2.79	2.04	23.57	23.24	285.98
Florida Companies(5)	10.80	26,802	19.01	9.64	11.52	-5.33	-39.71	-38.61			0.90	0.76	11.31	10.75	174.09
Mid-Atlantic Companies(35)	16.77	59,459	20.41	14.69	16.93	-0.64	-7.70	-8.75			0.76	0.80	12.98	10.92	143.58
Mid-West Companies(39)	17.92	9,148	21.74	16.04	18.15	-1.75	-10.93	-12.19			0.95	0.88	16.17	14.74	173.29
New England Companies(17)	17.24	33,982	20.89	15.28	17.50	-1.58	-7.68	-8.97			0.53	0.57	15.36	13.53	125.07
North-West Companies(5)	18.37	28,130	21.96	15.96	18.30	0.48	-2.02	-5.54			1.05	1.03	11.92	10.67	103.22
South-East Companies(10)	17.84	8,865	22.07	16.45	18.37	-2.67	-13.08	-14.53			1.16	1.13	15.00	13.73	136.36
South-West Companies(2)	9.04	14,475	17.14	7.75	9.30	-2.70	-40.26	-38.94			0.42	0.19	12.44	7.13	126.89
Western Companies (Excl CA)(1)	21.15	7,304	26.32	18.75	21.12	0.14	-2.08	5.80			1.41	1.68	15.20	15.28	279.77
Thrift Strategy(116)	17.23	22,936	21.78	15.21	17.52	-1.52	-10.98	-12.25			0.96	0.89	15.07	13.52	158.40
Mortgage Banker Strategy(4)	18.75	141,240	26.01	15.69	19.56	-4.31	-23.56	-25.80			1.09	0.87	15.63	13.23	188.80
Diversified Strategy(2)	39.84	153,598	46.83	34.10	41.45	-2.49	-3.76	-12.73			2.60	2.71	23.46	23.18	262.65
Companies Issuing Dividends(107)	18.27	32,202	22.94	16.09	18.27	-1.65	-11.10	-12.59			1.08	1.01	15.46	13.78	166.45
Companies Without Dividends(16)	13.74	10,130	18.53	12.00	14.22	-1.63	-12.54	-13.71			0.39	0.33	13.70	12.72	126.74
Equity/Assets <6%(6)	16.39	40,347	22.70	14.69	17.65	-9.12	-21.38	-19.84			1.49	1.36	14.73	14.19	273.26
Equity/Assets 6-12%(7)	19.34	24,030	25.08	17.05	19.66	-1.24	-13.72	-15.59			1.27	1.15	16.20	14.63	194.82
Equity/Assets >12%(39)	14.57	38,277	16.97	12.73	14.79	-1.45	-5.13	-6.14			0.37	0.39	13.40	11.60	79.95
Converted Last 3 Mths	10.90	6,346	10.99	10.15	10.90	0.00	0.00	9.00			0.32	0.32	13.25	13.25	42.64
Actively Traded Companies(9)	23.28	66,855	29.37	20.80	23.57	-1.14	-9.02	-13.36			1.12	1.12	17.40	15.58	196.30
Market Value Below \$20 Million(3)	11.27	1,447	14.20	10.39	11.51	-2.70	-8.56	-10.12			0.19	0.03	11.49	11.49	147.16
Holding Company Structure(116)	17.91	30,853	22.67	15.74	18.27	-1.82	-11.50	-13.16			1.04	0.96	13.42	13.72	162.07
Assets Over \$1 Billion(52)	19.96	64,925	26.14	16.78	20.66	-3.17	-13.65	-15.01			1.40	1.21	16.11	13.45	178.88
Assets \$500-\$1 Billion(36)	10.92	5,784	23.34	17.12	18.97	-0.16	-6.28	-10.43			0.96	0.98	16.18	14.84	180.83
Assets \$250-\$500 Million(26)	12.70	4,214	15.56	11.80	12.90	-1.64	-12.45	-11.79			0.54	0.57	12.55	12.08	117.38
Assets less than \$250 Million(9)	15.19	1,808	18.18	13.86	14.93	0.90	-6.40	-7.54			0.13	0.04	14.77	14.74	117.41
Goodwill Companies(85)	19.38	39,075	24.55	16.85	19.80	-1.78	-11.65	-13.21			1.21	1.12	16.19	13.87	176.78
Non-Goodwill Companies(38)	13.95	7,923	17.56	13.72	14.07	-1.36	-10.50	-11.68			0.51	0.47	13.13	13.13	127.24
Acquirers of ZBLIC Cases(4)	25.83	29,939	32.44	20.64	26.67	-1.76	-8.42	-9.70			1.52	1.26	21.26	20.85	221.70

(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 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.  
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-1A (continued)  
 Weekly Thrift Market Line - Part One  
 Prices As Of September 28, 2007

Financial Institution	Market Capitalization		Price Change Data				Current Per Share Financials						
	Shares Outstanding (\$)	Market Capitalization (\$ Mil)	52 Week High (\$)	52 Week Low (\$)	Last Week (\$)	% Change From Last Week (%)	Trailing 12 Mo. EPS (\$)	12 Mo. Core Value/Share (\$)	Book Value/Share (\$)	Tangible Assets/Share (\$)			
All Public Companies(40)	13.30	30,849	15.57	11.66	13.42	-0.83	0.69	0.30	7.73	7.26	59.04		
SAIF-Insured Thrifts(40)	13.30	30,849	15.57	11.66	13.42	-0.83	0.69	0.30	7.73	7.26	59.04		
AMEX Traded Companies(1)	11.25	2,300	14.20	10.60	11.15	-0.90	-19.35	-10.00	0.47	0.50	8.88	57.65	
NASDAQ Listed OTC Companies(39)	13.56	31,689	15.61	11.69	13.48	-0.88	1.28	-5.77	0.27	0.30	7.70	7.22	59.08
Mid-Atlantic Companies(23)	12.59	24,098	13.79	11.06	12.76	-1.24	-2.37	-6.46	0.31	0.36	7.74	7.20	57.82
Mid-west Companies(7)	15.78	66,684	345.2	17.66	15.97	-1.15	3.94	-0.12	0.21	0.20	8.22	7.75	62.58
New England Companies(5)	11.40	11,482	61.5	14.14	10.50	11.24	1.09	-6.92	0.24	0.23	7.26	6.94	64.4
South-West Companies(2)	14.00	10,888	47.0	17.00	11.56	13.23	1.23	-8.20	0.21	0.22	5.78	5.69	41.15
South-West Companies(1)	18.48	25,963	214.5	19.00	14.25	18.32	0.87	84.80	0.23	0.22	8.09	8.09	61.81
Thrift Strategy(40)	13.30	30,849	170.2	15.57	11.66	13.42	-0.83	0.69	0.30	7.73	7.26	59.04	
Companies Issuing Dividends(28)	13.30	18,121	120.2	16.23	12.16	13.95	-1.06	-1.21	0.32	0.36	7.91	7.31	61.37
Companies Without Dividends(12)	12.21	58,619	279.5	14.14	10.56	12.26	-0.31	4.85	0.19	0.19	7.35	7.18	54.16
Equity/Assets >13%(15)	14.05	14,802	125.8	17.28	12.61	14.37	-2.32	-9.82	0.36	0.36	8.48	7.61	88.30
Equity/Assets >12%(24)	12.86	40,332	196.5	14.56	11.09	12.86	-0.05	6.91	0.23	0.27	7.79	7.06	41.75
Holding Company Structures(37)	13.37	31,504	174.0	15.72	11.72	13.47	-0.70	0.78	0.28	0.31	7.79	7.30	60.52
Assets Over \$1 Billion(11)	17.71	83,300	475.0	19.76	14.95	17.70	0.53	14.18	0.29	0.28	8.04	7.37	60.53
Assets \$500 Million-\$1 Billion(10)	12.73	17,430	92.2	14.23	10.60	12.72	0.06	5.43	0.26	0.26	7.30	6.73	50.36
Assets \$250-\$500 Million(18)	11.16	7,436	35.4	13.77	10.24	11.40	-1.98	-10.84	0.27	0.32	7.65	7.30	61.21
Assets less than \$250 Million(1)	11.25	2,300	11.0	14.20	10.60	11.15	-0.90	-19.35	0.47	0.50	8.88	8.88	57.65
Goodwill Companies(19)	12.93	43,439	209.6	15.00	11.44	13.98	-0.32	-3.12	0.24	0.23	7.63	6.54	64.4
Non-Goodwill Companies(21)	13.58	21,407	140.7	16.00	11.82	13.74	-1.21	3.56	0.31	0.36	7.81	7.81	54.96
MHC Institutions(40)	13.30	30,849	170.2	15.57	11.66	13.42	-0.83	0.69	0.28	0.30	7.73	7.26	59.04
MHC Converted Last 3 Months(1)	9.75	82,365	355.6	9.79	8.31	9.60	1.56	-2.50	0.15	0.14	7.12	5.43	44.62

(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 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.

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-1A (continued)  
 Weekly Thrift Market Lines - Part One  
 Prices As Of September 28, 2007

Financial Institution	Market Capitalization			Price Change Data				Current Per Share Financials						
	Shares Outstanding (\$)	Market Value (\$)	Price/Share (\$)	52 Week High (\$)	52 Week Low (\$)	Last Week (\$)	Last 52 Wks Dec 31 (%)	Trailing 12 Mo. EPS (\$)	12 Mo. Core EPS (\$)	Book Value/Share (\$)	Tangible Assets/Share (\$)			
<b>NWSE Traded Companies</b>														
AT Aetna Financial Corp. of NY	26.53	96,852	2,569.5	31.49	22.47	26.84	-1.1	-14.64	-12.04	1.53	1.53	12.34	10.43	223.54
BFP BFC Financial Corp. of FL	2.42	35,999	105.1	7.06	2.11	3.00	-2.67	-47.95	-56.09	-0.10	-0.24	4.52	2.37	211.28
BBK BankAtlantic Bancorp of FL	8.67	58,089	105.6	14.54	7.50	9.16	-5.35	-40.41	-37.22	0.31	0.05	8.83	7.51	111.81
DSL Downey Financial Corp. of CA	57.00	27,854	1,610.0	75.29	43.55	60.89	-5.07	-13.17	-20.36	6.70	5.78	52.58	52.46	535.04
FED FirstFed Financial Corp. of CA	49.55	16,010	793.3	69.70	38.73	55.30	-10.40	-11.42	-26.01	7.93	7.57	45.24	45.20	479.03
FBC Flagstar Bancorp, Inc. of MI	9.73	60,160	586.3	15.59	9.59	12.83	-24.16	-34.21	-34.43	0.84	0.20	12.78	12.78	268.49
GLK Great Lakes Bancorp, Inc. of MI	13.45	10,925	146.9	16.80	13.35	13.50	-0.37	-16.46	-4.20	-0.15	-0.17	12.30	12.39	81.65
IMK IndyMac Bancorp, Inc. of CA	23.61	73,665	1,739.2	48.14	16.86	23.40	0.30	-43.03	-47.72	3.47	-1.34	27.83	26.21	429.77
NYB New York Community Bancorp of NY	19.05	113,852	5,978.9	19.87	15.69	19.09	-0.21	15.95	18.32	0.69	0.81	12.62	4.83	94.39
NAL NewAlliance Bancshares of CT	14.68	112,878	1,657.0	17.09	12.78	15.02	-2.46	-0.54	-10.49	0.28	0.42	12.61	7.41	70.36
PPB PFB Bancorp, Inc. of Pomona CA	15.34	23,420	359.3	38.12	14.53	16.74	-8.36	-59.40	-55.55	1.75	1.77	15.82	15.76	190.83
PPB Provident Fin. Serv. Inc. of NJ	16.37	63,449	1,038.7	18.80	13.54	17.16	-4.60	-12.74	-9.71	0.85	0.83	16.06	9.31	90.51
SOV Sovereign Bancorp, Inc. of PA	17.04	479,150	6,164.7	26.70	16.52	17.97	-5.18	-21.00	-32.89	0.50	0.72	17.92	6.57	172.67
<b>AMEX Traded Companies</b>														
FUT Federal Trust Corp of FL	5.08	9,414	47.1	10.69	4.00	5.15	-2.91	-50.05	-50.50	-0.22	-0.24	5.31	5.31	76.60
GOV Gouverneur BCP MHC of NY (42.8)	11.25	2,300	11.0	14.20	10.60	11.15	0.90	-19.35	-10.00	0.47	0.50	8.88	8.88	57.65
WFD New Westfield Fin. Inc. of MA	9.71	31,927	310.0	12.29	8.52	10.04	-3.29	0.00	-7.87	0.19	0.20	9.19	9.19	32.31
TSH Teche Holding Co. of Iberia LA	41.00	2,201	90.2	54.40	38.61	41.82	-1.96	-23.68	-20.39	3.15	3.12	29.86	28.12	324.43
WSB Washington SB, FBS of Bowie MD	7.00	7,585	53.1	9.80	6.15	7.19	-2.64	-24.32	-20.00	0.45	0.39	8.32	8.32	56.70
<b>NASDAQ Listed OTC Companies</b>														
ALB Alliance Bancorp, Inc. of PA	9.75	24,460	238.5	12.74	8.30	9.74	0.10	2.31	-18.68	0.25	0.25	9.99	9.99	42.93
ALB Alliance Bancorp of PA (45.0)	9.15	7,225	29.7	11.88	7.54	9.14	0.11	-19.95	-14.96	0.20	0.20	6.84	6.84	58.81
ASBI Americana Bancorp of NJ	9.25	2,989	37.6	14.24	8.00	9.25	0.00	-32.23	-29.23	-0.41	-0.13	10.56	10.28	141.65
ANNJ American Bancorp of NJ	10.87	12,469	135.5	12.39	10.20	10.99	13.55	-9.04	-9.27	0.08	0.50	15.53	14.60	45.09
ABCW Anchor Bancorp Wisconsin of WI	27.00	21,945	576.3	29.99	21.21	28.46	-1.37	-6.93	-6.32	1.79	1.69	15.51	14.60	212.36
ACPC Atl. Cit. Fed. Co. of GA MHC (36.8) (8)	15.11	13,676	166.8	20.06	12.42	15.32	-1.37	-15.96	-17.11	0.29	0.29	6.51	6.31	65.69
BCSB BCBS Bancorp MHC of MD (36.5) (8)	8.25	5,916	17.8	12.71	7.80	9.00	-8.33	-36.54	-45.00	-0.53	0.10	5.72	5.30	110.06
BSMU Bank Mutual Corp. of WI	11.79	55,195	650.7	12.71	10.25	12.01	-1.83	-4.38	-2.64	0.35	0.33	8.52	7.52	62.28
BFIN BankFinancial Corp. of FL	15.82	24,443	353.0	18.50	13.01	17.60	-1.70	-10.11	-11.17	0.35	0.34	13.38	12.01	66.77
BNCL Beneficial Mt. MHC of PA (44.3)	15.54	35,426	553.6	28.79	13.64	17.60	-11.70	-41.88	-44.42	2.77	2.52	22.40	21.60	406.69
BFC Beneficial Mt. MHC of PA (44.3)	9.75	82,365	355.6	9.79	8.31	9.60	1.56	-2.50	-2.50	0.15	0.14	7.12	5.43	44.62
BFC Benjamin Franklin Bancorp of MA	14.26	8,086	115.3	16.94	12.01	13.91	2.52	2.22	-12.52	0.45	0.59	13.28	8.75	110.83
BHS Berkshire Hills Bancorp of MA	30.23	8,842	267.3	39.67	25.21	32.07	-5.74	-16.00	-9.65	1.30	1.30	30.12	16.49	245.38
BOFI BofI Holding, Inc. of CA	7.39	8,268	61.1	8.00	6.09	7.18	2.32	17.68	6.64	0.35	0.32	8.19	8.19	114.56
BYFC Broadway Financial Corp. of CA	9.02	1,692	15.3	11.29	8.99	9.88	-8.70	-14.10	-14.10	0.68	0.87	10.86	10.86	187.83
BNKL Brookline Bancorp, Inc. of MA	11.59	59,585	630.6	14.25	10.10	12.06	-3.90	-16.26	-12.00	0.34	0.34	6.36	6.36	29.66
BFBS Brooklyn Fed MHC of NY (30.0)	13.75	13,418	54.6	15.50	12.50	14.02	-1.93	8.10	4.17	0.29	0.28	6.36	6.36	29.66
CITZ CFS Bancorp, Inc. of Munster IN	14.10	10,846	122.9	15.15	13.86	14.10	0.00	-4.79	-3.75	0.55	0.50	11.83	11.71	110.91
CMSB CMS Bancorp, Inc. of NY	10.52	2,055	31.6	12.00	10.00	10.49	0.39	5.10	5.10	-0.78	-0.78	11.83	11.83	68.91
CAAV Capitol Fed Fin MHC of KS (29.5)	34.20	74,297	746.9	40.42	29.25	34.53	-3.96	-3.93	-10.98	0.48	0.48	11.71	11.71	105.30
CEBK Central Bancorp, Inc. of NY	15.85	2,503	39.7	17.10	14.50	15.32	3.46	-5.09	-1.73	1.17	1.61	20.89	18.34	305.15
CEBK Central Bancorp of Somerville MA	23.00	1,640	37.7	33.90	20.12	24.00	-4.17	-26.33	-28.92	0.69	0.41	23.00	21.64	334.66
CFBK Central Federal Corp. of OH	5.48	4,435	24.3	8.33	5.21	5.51	-0.54	-32.09	-25.54	0.08	0.02	6.20	6.20	58.61
CHVB Cheviot Fin. Co. MHC of OH (42.1)	12.20	9,144	48.4	13.75	11.87	12.20	0.00	-2.32	-7.72	0.10	0.11	7.63	7.43	34.61
CZWI Citizens Bancorp, Inc. of MA	9.45	7,118	67.3	10.47	7.90	9.25	2.16	-3.67	-3.37	0.06	0.06	10.92	9.93	46.45
CTSN Citizens First Bancorp of MI	17.35	8,552	144.5	31.64	16.01	18.53	-3.13	-29.91	-41.61	1.21	1.20	22.12	20.59	221.88
CEBK Citizens South Banking of NC	12.33	7,886	97.2	13.40	12.01	12.56	-1.33	-5.15	-4.71	0.75	0.75	10.68	6.70	95.80
CEBK Clifton Svcs. MHC of NJ (43.3)	11.83	28,465	153.6	12.35	8.85	11.84	-0.88	4.88	-2.95	0.10	0.10	6.36	6.36	28.14
CEBK Colonial Banc MHC of NJ (46.0)	10.81	4,433	22.5	16.05	10.05	11.03	-0.99	-14.68	-23.12	0.35	0.35	8.19	8.19	97.51
CFPC Community Fin. Corp. of VA	9.20	4,296	40.0	12.75	8.04	9.93	-6.34	-21.25	-20.65	0.97	0.97	9.05	9.05	131.61
DCOM Dime Community Bancshares of NY	14.97	35,258	527.8	15.99	10.70	15.50	-3.42	-4.54	6.85	0.70	0.69	7.81	6.23	92.19
ESBF ESB Financial Corp. of PA	10.60	12,717	114.0	11.79	9.57	10.61	0.03	-4.50	-3.64	0.69	0.61	9.53	6.04	148.55
ESSA ESSA Bancorp, Inc. of PA	11.15	16,981	189.3	12.21	10.20	11.08	0.69	-4.50	-3.50	-0.91	-0.91	12.04	12.04	52.54
KSKB Elmira Svcs. Bank, FSB of NY	21.40	1,451	11.2	28.92	19.25	20.50	4.39	-20.74	-22.18	1.12	1.50	16.67	16.54	272.77
FFDP FFD Financial Corp. of Dover OH	14.80	1,096	16.1	18.51	13.61	14.50	2.07	-6.92	-15.40	1.48	1.38	16.55	16.35	157.84
FBCO First Fed MHC of PA (45.8)	9.11	6,641	28.0	10.50	8.64	9.05	0.66	-8.90	-6.08	-0.16	-0.16	6.80	6.63	41.18
FBI Fidelity Bancorp, Inc. of PA	15.50	2,990	46.3	19.75	14.83	15.35	-3.86	-18.42	-16.85	1.40	1.17	15.36	14.43	243.14
FBTC First BancTrust Corp. of IL	10.95	2,327	24.4	12.35	10.50	10.97	-0.18	-7.59	-7.20	0.47	0.40	11.55	10.98	135.13



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Exhibit IV-LA (continued)  
Weekly Thrift Market Line - Part One  
Prices As Of September 28, 2007

Financial Institution	Market Capitalization		Price Change Data					Current Per Share Financials						
	Price/ Share(1)	Outst. Capital- Share(1) ending	52 Week (L) High	52 Week (L) Low	Last Week	% Change From Last Week	Last Week	Last Week	Dec 31, 2004(2)	Dec 31, 2004(2)	Trailing 12 Mo. EPS(3)	Core EPS(3)	Book Value/ Share(4)	Tangible Assets/ Share (5)
NAEDAO Listed OTC Companies (continued)														
OSBK Orange Bancshares, Inc. of OK	8.87	3,604	12.39	8.00	8.91	-0.45	-26.54	-22.67		0.26	0.36	9.76	9.76	34.97
PSBH PSB Bldgs Inc MHC of CT (45.2)	10.30	6,778	9.21	10.50	10.50	-1.90	-6.36	-7.54		0.28	0.38	7.56	7.56	6.38
PVC PVR Capital Corp. of Solon OH(8)	15.45	1,915	16.14	10.10	15.80	-2.22	50.00	46.17		0.55	0.52	9.25	9.25	116.50
PWFC Park Bancorp, Inc. of NJ	18.99	4,976	16.82	10.69	16.61	-1.86	-19.40	11.80		1.12	1.07	11.80	11.80	127.89
PPED Park Bancorp of Chicago IL	31.20	1,411	38.7	26.50	29.50	5.76	-5.05	-6.81		0.00	-0.04	25.14	25.14	175.92
PVBA Parkville Financial Corp of PA	29.01	5,242	34.60	26.50	29.50	1.66	-9.54	-8.63		2.39	2.34	23.11	17.54	328.62
PRTA Partners Trust Fin. GP. of NY(8)	12.17	43,451	12.35	9.81	12.32	-1.22	12.06	4.55		0.51	0.59	11.28	5.55	84.00
PBHC Pathfinder BC MHC of NY (35.8)	9.79	2,484	16.00	9.35	10.30	-4.95	-20.81	-24.92		0.33	0.34	8.36	6.78	122.61
PPCC Peoples Bancorp of Auburn IN	16.59	3,145	20.78	15.45	18.84	-11.94	-16.88	-14.35		0.87	0.83	19.64	18.87	153.77
PCBI Peoples Community Acpr. of OH(8)	17.00	4,439	19.60	14.01	18.20	-6.59	-10.76	-5.56		1.38	-1.40	17.86	11.88	211.03
PBCT Peoples United Financial of CT	17.28	300,900	22.81	14.78	17.30	-0.12	-7.74	-18.68		0.34	0.38	14.97	14.62	45.93
PROV Provident NY Bancorp, Inc. of NY	22.27	6,377	32.80	17.51	22.63	-1.59	-25.89	-26.79		1.77	1.05	20.22	20.22	258.35
PBNY Provident Bancorp, Inc. of NY	13.11	41,667	16.00	11.42	13.95	-6.02	-5.89	-12.48		0.47	0.48	9.66	5.52	66.79
PBIP Pulaski Fin Cp of St. Louis MO	12.38	11,614	13.89	12.38	13.14	-5.78	-6.21	-7.61		0.32	0.32	7.12	7.12	41.11
PULA Pulaski Fin Cp of St. Louis MO	12.90	9,981	16.97	12.11	13.68	-5.70	-20.62	-19.02		0.93	0.71	8.04	7.58	133.78
RPPG Rainier Pacific Fin GP of WA	16.70	6,568	20.24	17.00	19.50	-7.36	-7.99	-15.78		0.45	0.42	13.69	11.21	137.77
RIVR River Valley Bancorp. of IN	18.01	1,528	20.24	17.00	19.50	-7.36	-7.99	-15.78		1.31	1.30	14.91	14.83	206.82
RVBS Riverview Bancorp, Inc. of WA	14.85	11,567	17.75	12.75	15.06	-1.39	10.49	-2.30		1.02	1.00	8.62	6.35	71.94
KCBK Rockville Fin MHC of CT (45.0)	14.26	19,354	18.20	12.87	13.30	7.22	-3.65	-20.11		0.36	0.34	8.03	7.98	65.69
KOMA Roma Fin Corp MHC of NJ (31.0)	17.10	32,732	17.50	13.54	17.16	-0.35	10.25	3.26		0.18	0.18	7.24	27.11	27.11
KONE Roma Bancorp, Inc. of Roma NY	11.86	8,336	12.96	11.00	11.90	-0.34	-6.91	-6.98		0.39	0.39	8.96	8.96	37.30
SIFI SI Fin Cp Inc MHC of CT (41.3)	10.91	12,405	13.94	9.95	11.05	-1.27	-7.31	-11.08		0.17	0.15	6.69	6.64	61.34
SVERN Severn Bancorp, Inc. of MD	13.25	10,067	22.55	12.30	12.30	7.72	-23.89	-24.16		1.40	1.38	9.11	9.07	91.97
SUPA Superior Bancorp. of AL	8.83	34,471	11.89	8.10	9.13	-3.29	-23.94	-22.13		0.21	0.16	8.05	4.33	71.25
SYNY Synegy Financial Group of NY(8)	15.16	11,382	16.69	12.21	15.10	0.40	-5.01	-8.01		0.27	0.22	8.77	8.77	81.93
THEB TF Fin. Corp. of Mawcown PA	27.46	2,885	33.49	25.76	26.71	3.33	-8.67	-10.97		1.84	1.77	22.95	21.37	230.17
T7EL TF Fin Corp MHC of OH (31.5)	12.94	32,319	13.00	10.45	12.58	2.86	29.40	29.40		0.04	0.04	5.90	5.87	30.14
TSNE TierOne Corp. of Lincoln NE(8)	26.47	18,054	34.72	18.72	25.58	3.48	-23.45	-16.26		1.90	1.86	20.38	17.43	193.60
TSBK Timberland Bancorp, Inc. of WA	15.65	7,925	19.15	14.95	15.90	-1.57	-10.83	-15.68		1.16	1.12	10.53	9.54	88.85
TRST TrustCo Bank Corp NY of NY	10.93	75,016	11.67	9.14	11.04	-1.00	-0.36	-1.71		0.55	0.55	3.06	3.06	44.98
UCBA United Comm Banc MHC IN (45.0)	12.35	8,288	13.70	10.63	12.33	-0.16	15.96	3.09		0.32	0.22	7.50	7.50	46.60
UCFC United Community Fin. of OH	7.22	30,213	13.30	6.13	7.65	-5.62	-43.33	-41.01		0.67	0.61	9.11	7.96	89.57
UBNK United Fin GP MHC of MA(46.4)(8)	12.55	17,072	16.00	11.01	12.47	0.64	-3.83	-9.06		0.24	0.24	8.12	8.10	59.91
UMBK United Western Bancp, Inc of CO	21.15	7,304	26.32	18.75	21.12	0.14	-2.08	-5.80		1.41	1.41	15.28	15.28	279.77
VPRG Viewpoint Fin MHC of TX(45.0)	18.48	25,963	19.00	14.25	18.32	0.87	84.80	9.09		0.23	0.22	8.09	8.09	61.87
WSPS WSPS Financial Corp. of DE	62.40	6,296	70.85	53.42	65.59	-4.86	-0.22	-6.77		4.86	5.03	31.95	31.73	479.37
WVFC WVS Financial Corp. of PA	16.44	2,319	17.95	15.77	16.41	0.18	-1.56	-0.36		1.55	1.55	13.26	13.26	168.06
WFSL Washington Federal, Inc. of WA	26.26	87,361	27.44	23.62	26.39	-0.49	16.40	11.60		1.56	1.56	14.83	13.59	114.31
WAWM Waynesville MHC of WI(30.4)	16.25	32,489	18.34	14.14	16.53	-1.69	-6.61	-8.81		0.12	0.12	6.67	6.67	50.69
WAYN Wayna Savings Bancshares of OH	12.21	3,194	15.00	12.21	12.62	-3.25	-16.08	-15.50		0.69	0.71	10.56	9.82	124.60
WZBC Willow Financial Bcp Inc of PA	12.44	15,626	15.95	10.68	12.29	1.22	-16.90	-12.46		0.60	0.59	13.20	6.19	99.41

Exhibit IV-1B  
 Weekly Thrift Market Line - Part Two  
 Prices As Of September 28, 2007

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) (%)	NPAs Assets (%)	Revs/ Loans (%)	Price/ Earnings (X)	Price/ Assets (%)	Price/ Tang. Assets (%)	Core Book Earnings (X)	Div./ Share (%)	Div. Yield (%)	Payout Ratio(7) (%)		
Market Averages. All Public Companies (no MHCs)	11.75	10.53	0.54	5.66	4.71	0.52	5.36	18.76	118.41	13.44	136.23	19.88	0.46	2.55	40.71
SAIP-Insured Thrifts(123)	10.56	7.88	0.65	7.67	7.02	0.52	5.57	16.83	113.69	11.95	145.08	18.07	0.57	2.98	43.47
NYSE Traded Companies(13)	14.81	14.68	0.53	3.81	2.92	0.50	3.54	14.29	105.32	15.39	107.44	15.54	0.42	1.89	38.73
AMEX Traded Companies(4)	11.77	10.68	0.53	5.49	4.50	0.52	5.40	19.13	119.51	13.54	136.41	20.18	0.44	2.53	40.38
MASDAQ Listed OTC Companies(106)	7.97	7.86	0.78	10.29	9.82	0.59	7.67	12.32	104.42	8.46	106.51	14.49	0.60	2.88	26.34
California Companies(5)	7.23	6.85	0.36	5.27	5.57	0.27	4.08	17.49	105.65	7.98	111.07	12.93	0.05	0.49	17.44
Florida Companies(5)	11.44	9.65	0.47	5.03	3.56	0.48	5.22	19.71	134.86	14.46	162.32	19.95	0.45	2.70	44.92
Mid-Atlantic Companies(35)	10.63	9.72	0.38	3.25	2.48	0.45	3.56	18.11	109.90	11.48	120.29	20.01	0.52	2.94	46.59
Mid-West Companies(39)	16.39	14.96	1.15	9.16	5.73	1.12	8.96	24.77	111.63	18.03	130.19	24.19	0.39	2.13	55.30
New England Companies(17)	11.69	10.26	1.15	9.16	5.73	1.12	8.96	20.50	134.99	18.34	179.39	21.35	0.49	2.57	47.31
North-West Companies(5)	13.84	12.64	0.78	7.17	5.92	0.76	6.95	16.67	115.54	14.46	137.56	19.66	0.46	2.30	30.73
South-East Companies(18)	17.41	14.98	0.52	3.96	4.56	0.41	2.32	15.00	138.42	7.56	138.42	12.59	0.16	1.80	0.00
South-West Companies(2)	5.46	5.46	0.48	9.43	6.67	0.58	11.24	15.00	138.42	7.56	138.42	12.59	0.16	1.80	0.00
Western Companies (Excl CA) (1)	11.73	10.53	0.53	5.55	4.69	0.52	5.27	18.65	117.70	13.36	134.68	19.95	0.46	2.57	40.69
Thrift Strategy(116)	8.35	6.31	0.52	6.56	5.27	0.41	5.07	22.43	119.32	9.74	167.47	20.38	0.48	2.41	49.13
Mortgage Banker Strategy(4)	19.63	19.23	0.95	10.15	4.88	1.02	10.71	12.84	135.37	25.32	157.43	12.41	0.47	1.85	8.23
Diversified Strategy(2)	11.47	10.17	0.44	6.63	5.46	0.60	215.86	18.73	130.92	13.45	139.03	19.61	0.52	2.94	45.03
Companies Issuing Dividends(107)	13.63	12.94	-0.14	-0.80	-0.20	-0.15	-1.30	19.17	101.66	13.39	117.72	24.28	0.00	0.00	0.00
Companies Without Dividends(16)	5.41	5.20	0.54	9.85	6.48	0.48	7.11	11.96	116.39	6.34	124.78	11.64	0.38	2.30	31.31
Equity/Assets <6%(6)	8.59	7.67	0.40	6.99	5.66	0.55	6.48	17.05	123.61	10.54	140.92	17.95	0.53	2.82	40.06
Equity/Assets >12%(78)	18.84	16.90	0.43	2.42	2.42	0.64	2.64	25.92	108.42	20.12	128.31	26.80	0.00	0.00	0.00
Converted Last 3 Mths (no MHC) (1)	31.07	31.07	0.75	2.42	2.94	0.75	2.42	34.06	82.36	25.56	82.36	34.06	0.00	0.00	0.00
Actively Traded Companies(9)	9.40	8.37	0.62	6.79	4.01	0.62	6.56	21.07	135.03	12.93	159.20	18.85	0.72	3.01	54.39
Market Value Below \$20 Million(3)	7.88	7.88	-0.10	-1.77	0.62	-0.25	-3.64	10.13	104.71	8.21	104.71	10.55	0.23	2.00	30.28
Holding Company Structure(116)	11.83	10.53	0.58	6.07	5.00	0.57	5.78	18.75	118.85	13.60	137.83	19.89	0.46	2.60	41.05
Assets Over \$1 Billion(52)	11.29	9.14	0.73	7.80	6.13	0.67	7.01	17.96	117.27	12.03	130.09	19.11	0.49	2.36	40.58
Assets \$500-\$1 Billion(36)	10.30	9.49	0.47	5.39	4.49	0.48	5.43	18.15	130.86	14.18	163.74	19.68	0.52	2.85	41.05
Assets \$250-\$500 Million(26)	13.79	13.32	0.45	4.23	3.90	0.47	4.42	21.04	101.56	13.76	105.19	21.20	0.34	2.47	41.37
Assets less than \$250 Million(9)	14.02	14.01	0.04	-1.06	-0.09	-0.03	-1.89	19.93	104.87	14.02	105.04	21.05	0.30	1.93	31.66
Goodwill Companies(85)	10.81	9.04	0.45	6.87	5.50	0.62	6.56	18.55	134.43	13.10	150.57	19.20	0.51	2.75	42.70
Non-Goodwill Companies(38)	13.81	13.81	0.31	3.01	2.98	0.30	2.71	19.35	105.15	14.19	105.15	21.68	0.33	2.13	34.65
Acquirers of PSLIC Cases(4)	9.41	9.08	0.14	-0.61	-1.20	0.06	-1.65	12.73	129.06	12.69	133.76	13.42	0.37	1.44	30.51

(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 SAIP 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-1A (continued)  
Weekly Thrift Market Line - Part Two  
Prices As Of September 28, 2007

Financial Institution	Key Financial Ratios				Asset Quality Ratios				Pricing Ratios				Dividend Data(\$)	
	Equity/Assets (%)	Tang. Assets/Equity (%)	Reported Earnings/ROA(3) (%)	Core Earnings/ROA(5) (%)	NPAs/Assets (%)	Resvs/Assets (%)	Loans/Assets (%)	Price/Earnings (X)	Price/Book (X)	Price/Tang. Book (X)	Core Earnings/Book (X)	Div./Share (\$)	Yield (%)	Payout Ratio(7) (%)
Market Averages, MHC Institutions	15.54	14.79	0.55	2.14	0.49	185.45	0.70	30.60	171.75	27.12	184.50	28.02	0.25	1.65
SAIF Insured Thrifts(40)	15.40	13.40	0.82	4.18	0.44	158.25	0.83	23.94	136.69	19.51	136.69	22.50	0.25	2.84
AMEX Traded Companies(1)	15.55	14.77	0.54	2.08	0.66	186.46	0.69	31.16	173.08	27.34	186.20	28.64	0.24	1.61
NASDAQ Listed OTC Companies(39)	16.31	15.50	0.66	4.08	0.41	205.44	0.68	28.28	162.89	27.49	178.92	27.05	0.18	1.37
Mid-Atlantic Companies(23)	16.14	15.17	0.34	2.32	0.31	211.83	0.78	38.59	190.07	29.88	198.92	NM	0.48	2.49
Mid-West Companies(7)	11.30	10.85	0.38	3.28	0.36	231.83	0.78	38.20	156.63	17.79	163.63	36.79	0.20	1.82
New England Companies(5)	14.05	13.83	0.55	3.11	0.58	387.64	1.53	NM	242.21	34.02	246.03	NM	0.24	1.71
South-East Companies(2)	13.09	13.09	0.38	3.11	0.67	339.79	0.66	NM	238.43	29.90	248.45	NM	0.20	1.08
South-West Companies(1)	15.54	14.79	0.55	3.59	0.67	396.46	0.70	30.60	171.75	27.12	184.50	28.02	0.25	1.65
Thrift Strategy(40)	15.83	14.90	0.64	4.05	0.81	177.65	0.72	29.73	172.97	27.56	189.60	25.67	0.36	2.40
Companies Issuing Dividends(28)	14.93	14.54	0.35	2.60	0.36	266.66	0.66	29.81	159.08	16.14	173.37	33.51	0.00	0.00
Companies Without Dividends(12)	10.03	9.12	0.43	1.83	0.43	191.63	0.76	31.52	179.23	33.60	185.51	25.84	0.15	1.17
Equity/Assets >12%(15)	18.80	18.14	0.55	3.25	0.67	4.02	0.52	29.93	171.25	26.57	184.78	26.84	0.25	1.65
Equity/Assets >12%(14)	15.57	14.47	0.55	3.63	0.67	4.02	0.52	29.93	171.25	26.57	184.78	26.84	0.25	1.65
Holding Company Structure(37)	15.28	14.47	0.55	3.63	0.67	4.02	0.52	29.93	171.25	26.57	184.78	26.84	0.25	1.65
Assets Over \$1 Billion(11)	16.54	15.66	0.53	3.15	0.43	3.14	0.59	34.94	215.33	33.06	234.80	30.60	0.34	1.27
Assets \$250-\$500 Million(10)	15.20	14.63	0.61	3.73	0.83	4.42	0.75	29.15	175.39	30.59	197.15	28.89	0.18	1.43
Assets less than \$250 Million(1)	15.40	15.40	0.82	5.40	0.88	5.75	0.44	30.71	148.83	23.08	155.56	28.23	0.21	1.86
Goodwill Companies(19)	14.67	12.91	0.25	2.85	0.34	2.75	0.45	23.94	136.69	19.51	136.69	22.50	0.21	2.84
Non-Goodwill Companies(21)	16.20	16.20	0.70	4.15	0.91	4.87	0.80	32.26	170.37	25.95	200.12	30.61	0.23	1.98
MHC Institutions(40)	15.54	14.79	0.55	3.59	0.67	396.46	0.70	29.56	172.79	27.99	172.79	26.92	0.23	1.40
MHC Converted Last 3 Months(1)	15.96	12.17	0.34	2.11	0.31	1.97	1.06	30.60	171.75	27.12	184.50	28.02	0.25	1.65

(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.

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-1B (continued)  
 Weekly Thrift Market Line - Part Two  
 Prices As Of September 28, 2007

Financial Institution	Key Financial Ratios				Asset Quality Ratios				Pricing Ratios				Dividend Data(6)			
	Equity/ Assets (%)	Reported Earnings/ Assets (%)	ROA(5) (%)	ROI(5) (%)	NPAs/ Assets (%)	Revs/ Assets (%)	Revs/ Loans (%)	Price/ Earnings (x)	Price/ Book (x)	Price/ Assets (%)	Core Book Earnings (%)	Price/ Core Earnings (x)	Share (\$)	Div. Yield (%)	Payout Ratio(7) (%)	
<b>NYSE Traded Companies</b>																
AF Astoria Financial Corp. of NY	5.52	4.67	0.69	12.03	5.77	0.68	11.95	17.34	214.99	11.87	254.36	17.45	1.04	3.92	67.87	
BFF BFC Financial Corp. of FL(8)	2.14	1.12	-0.05	-2.20	-3.42	-0.11	-5.29	NM	64.60	1.38	123.21	NM	0.00	0.00	NM	
BBK BankAtlantic Bancorp of FL	7.50	6.72	0.28	3.47	3.58	0.78	101.81	27.97	98.19	7.75	115.45	NM	0.16	1.85	51.61	
DSL Downey Financial Corp. of CA	9.44	9.40	1.39	13.43	11.59	1.00	11.59	8.63	109.93	10.30	110.18	10.00	0.48	0.83	7.16	
FED FirstFed Financial Corp. of CA	9.44	9.44	1.39	19.33	16.00	1.32	17.49	6.25	109.93	10.34	109.62	6.55	0.00	0.00	0.00	
FBC First Bancorp, Inc. of MI	4.76	4.76	0.33	6.33	8.63	0.08	1.51	11.58	76.13	3.62	76.13	NM	0.00	4.11	47.62	
GLK Great Lakes Bancorp, Inc. of NY	15.06	15.05	-0.18	-1.21	-1.12	-0.21	-1.37	NM	109.35	16.47	109.44	NM	0.00	0.00	NM	
IMB IndyMac Bancorp, Inc. of CA	6.48	6.10	0.90	12.94	14.70	-0.35	-5.00	6.80	84.84	5.49	90.08	NM	2.00	8.47	57.64	
NYB New York Community Bancorp of NY	13.37	5.12	0.75	5.77	3.62	0.77	334.41	27.61	150.95	20.18	NM	23.52	1.00	5.25	NM	
MAL NewAlliance Bancshares of CT	17.92	10.53	0.42	2.29	1.91	0.63	3.43	NM	116.42	20.86	198.11	34.95	0.26	1.77	NM	
PFB PFB Bancorp, Inc. of Panama CA	8.29	8.26	0.90	10.60	11.41	0.25	405.52	8.77	96.97	8.04	97.34	8.67	4.95	43.43	NM	
PRS Provident Fin. Serv. Inc. of NJ	17.74	10.29	0.92	5.19	5.19	0.89	5.06	19.26	101.93	18.09	175.83	19.72	0.44	2.69	51.76	
SOV Sovereign Bancorp, Inc. of PA	10.38	3.80	0.28	2.83	2.93	0.40	4.07	34.08	95.09	9.87	253.36	23.67	0.32	1.88	64.00	
<b>AMEX Traded Companies</b>																
FUT Federal Trust Corp of FL	6.93	6.93	-0.39	-3.89	-4.40	-0.31	-4.24	NM	94.36	6.53	94.36	NM	0.00	0.00	NM	
GOV Gouverneur Bcp MHC of NY(42.8)	15.40	15.40	0.82	5.40	4.18	0.88	5.75	23.94	126.69	19.51	126.69	22.50	0.32	2.84	68.09	
WFD New Westfield Fin. Inc. of MA	28.44	28.44	0.45	2.74	1.96	0.68	2.88	NM	105.66	30.05	105.66	NM	0.20	2.06	NM	
TSB Teche Holding Co of N Iberia LA	9.20	8.67	0.99	10.79	7.68	0.98	10.68	13.02	137.31	12.64	145.80	13.14	1.32	3.22	41.90	
WSB Washington St. FSB of Bowie MD	14.67	14.67	0.77	5.60	6.43	0.67	4.85	15.56	84.13	12.35	84.13	17.95	0.16	2.29	35.56	
<b>NASDAQ Listed OTC Companies</b>																
ABSC Abington Bancorp, Inc. of PA	23.27	23.27	0.65	4.38	2.56	0.65	4.38	39.00	97.60	22.71	97.60	39.00	0.18	1.85	72.00	
ALLS Alliance Bank MHC of PA (45.0)	11.63	11.63	0.36	3.61	2.19	0.36	3.61	NM	133.77	15.56	133.77	NM	0.20	2.19	NM	
ASBI Americana Bancorp of IN	7.45	7.26	-0.28	-3.71	-4.43	-0.09	-1.18	NM	87.59	6.53	89.98	NM	0.16	1.73	NM	
ARMJ American Bancorp of NY	18.85	18.85	0.19	0.86	0.74	0.16	0.75	MA	NA	NA	NA	NA	0.16	1.47	NM	
ARMW Anchor Bancorp Wisconsin of WI	7.31	6.88	0.85	11.49	6.63	0.79	10.65	15.08	173.86	24.11	127.88	NM	0.72	2.67	40.22	
ACFP Atl Cit Fed Co of GA MHC(36.0) (8)	9.51	9.61	0.47	4.35	1.92	0.47	4.35	NM	232.40	23.00	239.46	NM	0.56	3.71	NM	
BCSB BCBS Bancorp MHC of MD (36.5) (8)	5.20	4.82	-0.42	-9.38	-6.42	-0.77	-10.10	0.66	NM	144.23	7.50	155.66	NM	0.00	0.00	NM
BENU Bank Mutual Corp of WI	13.68	12.07	0.50	3.79	2.97	0.50	3.79	33.69	138.38	18.93	156.78	35.73	0.34	2.89	NM	
BFIN BankFinancial Corp. of IL	20.04	17.99	0.90	2.51	2.21	0.90	2.51	NM	118.24	23.69	131.72	NM	0.28	1.77	NM	
BKUN BankUnited Fin. Corp. of FL	5.51	5.31	0.72	12.91	17.82	0.65	11.75	5.61	69.38	3.82	71.94	6.17	0.02	0.13	0.72	
BNCL Beneficial Mut MHC of PA(44.3)	15.96	12.17	0.34	2.11	1.54	0.31	1.97	NM	136.94	21.85	179.56	NM	0.00	0.00	0.00	
BFBC Benjamin Franklin Bancorp Inc of MA	11.98	7.89	0.40	3.35	3.16	0.53	4.39	31.69	107.38	12.87	162.97	24.17	0.60	1.68	53.33	
BHLS Berkshire Hills Bancorp of MA	12.27	6.72	0.53	4.45	4.30	0.68	5.72	23.25	100.37	12.32	183.32	18.10	0.24	1.98	46.15	
BOFI Boti Holding, Inc. Of CA	7.15	7.15	0.36	4.47	4.87	0.32	3.98	NA	NA	NA	NA	NA	0.00	0.00	0.00	
BVFC Broadway Financial Corp. of CA	5.78	5.78	0.50	8.54	9.76	0.49	8.45	20.53	90.23	6.45	90.23	23.09	0.00	0.00	0.00	
BRKL Brookline Bancorp, Inc. of MA	23.07	20.95	0.85	3.53	2.93	0.85	3.53	34.09	126.25	29.12	138.97	34.09	0.20	2.22	22.73	
BFSS Brooklyn Fed MHC of NY (30.0)	21.44	21.44	0.98	4.75	2.11	0.94	4.58	NM	216.19	46.36	216.19	NM	0.16	1.16	55.17	
CITZ CFS Bancorp, Inc. of Munster IN	17.25	10.56	0.48	4.54	3.90	0.43	4.13	25.64	119.19	12.71	120.41	28.20	0.48	3.40	NM	
CRSB CMS Bancorp, Inc. of NY	10.65	17.25	-1.07	-9.81	-7.41	-1.07	-9.81	NM	88.48	15.27	88.48	NM	0.00	0.00	0.00	
CPN Capitol Fed MHC of NY (29.5)	11.12	11.12	0.44	4.12	1.40	0.44	4.20	NM	391.96	32.48	391.96	NM	0.00	0.00	0.00	
CAVY Carver Bancorp, Inc. of NY	6.85	6.01	0.40	5.81	7.38	0.54	7.99	13.55	73.97	5.19	86.42	9.84	2.00	5.95	NM	
CEBK Central Bancorp of Somerville MA	6.87	6.47	0.20	2.90	3.00	0.12	1.72	33.33	100.00	6.87	106.28	NM	0.72	3.13	NM	
CFBK Central Federal Corp. of OH	10.58	10.58	0.15	1.23	1.46	0.04	0.31	NM	88.39	9.35	88.39	NM	0.20	3.65	NM	
CHVY Chevy Chase Bcp MHC of OH(42.1)	22.05	22.05	0.29	1.29	0.82	0.32	1.42	NM	159.30	35.25	159.30	NM	0.32	2.62	NM	
CHWY Chicago Bancorp, Inc. of MA	23.39	23.39	-0.46	-2.18	-2.04	-0.26	-2.24	NM	93.22	21.80	93.22	NM	0.00	0.00	0.00	
CZWI Citizens First Bancorp Inc of WI	23.51	21.38	0.14	0.65	0.63	0.14	0.65	NM	86.54	20.34	95.17	NM	0.20	2.12	NM	
CTZN Citizens First Bancorp of MI	9.97	9.28	0.55	5.53	6.74	0.54	5.48	14.83	63.15	8.09	87.18	14.96	0.36	2.01	28.75	
CEBK Citizens South Banking of NC	11.15	6.99	0.36	6.94	6.08	0.36	6.70	16.44	135.45	12.87	184.03	15.41	2.60	4.47	42.57	
COBK Clifton Svgs Bp MHC of NJ(43.3)	22.60	8.40	0.39	4.25	3.24	0.39	4.25	NM	186.01	42.04	186.01	NM	0.20	1.69	NM	
COBK Colonial Bank MHC of NJ (46.0)	8.40	8.11	0.87	10.72	10.43	0.87	10.72	30.89	131.99	11.09	131.99	30.89	0.00	0.00	0.00	
COBK Community Bank Corp. of VA	8.11	6.76	0.77	4.68	4.68	0.73	8.08	9.59	102.76	8.33	102.76	9.59	0.26	2.80	26.80	
DCOM Dime Community Bancshares of NY	8.47	6.76	0.77	7.04	6.51	0.73	8.08	0.09	540.58	16.24	240.39	22.68	0.56	3.74	NM	
ESBF ESB Financial Corp. of PA	6.42	4.07	0.46	7.04	6.51	0.41	6.33	15.36	111.23	7.14	175.50	17.10	0.00	0.00	0.00	
ESBK ESB Bank, FSB of NY	22.92	22.92	-1.70	-11.65	-8.16	-1.70	-11.65	NM	92.61	21.22	92.61	NM	0.00	0.00	0.00	
ESBK Elmira Svgs Bank, FSB of NY	6.11	6.06	0.44	6.75	5.23	0.59	9.04	19.11	128.37	7.85	129.38	14.27	0.88	4.11	NM	
FDPD First Federal Bancorp of Dover OH	10.49	10.49	0.97	8.98	10.00	0.60	8.37	30.00	100.00	89.43	109.72	10.72	0.56	3.78	37.84	
FFCO First Fed Fin MHC of PA (45.8)	16.51	16.10	-0.38	-2.32	-1.76	-0.38	-2.32	NM	133.97	22.12	137.41	NM	0.00	0.00	0.00	
FSBI Fidelity Bancorp, Inc. of PA	6.32	5.94	0.57	9.38	9.03	0.48	7.84	11.07	100.31	6.37	107.27	13.25	0.56	3.61	40.00	
FRTC First BancTrust Corp of IL	8.55	8.13	0.35	4.00	4.29	0.30	3.40	23.30	94.81	8.10	99.73	27.38	0.24	2.19	51.06	
FBSI First Bancorp of Indiana of IN	9.35	7.45	0.22	2.32	2.82	0.19	1.99	35.47	82.48	7.71	103.46	NM	0.60	3.93	NM	

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Exhibit IV-18 (continued)  
Weekly Thrift Market Line - Part Two  
Prices As Of September 28, 2007

Financial Institution	Key Financial Ratios					Asset Quality Ratios					Pricing Ratios					Dividend Data (6)		
	Tang. Assets (%)	Equity/Assets (%)	ROA(5) (%)	ROE(5) (%)	Reported Earnings (%)	ROA(5) (%)	ROE(5) (%)	NPAs (%)	Resvs/Assets (%)	Revs/Assets (%)	Price/Book (%)	Price/Book (%)	Price/Tang. (%)	Core Earnings (%)	Div./Share (%)	Yield (%)	Payoff (%)	
NASDAQ Listed OTC Companies (continued)																		
FBI First Bancshares, Inc. of MO	11.02	10.90	-0.13	-1.11	-1.14	-0.16	-1.40	1.47	73.26	1.67	97.03	10.70	98.12	NM	0.00	0.00	NM	
FCAP First Capital, Inc. of IN	9.94	8.65	0.77	7.89	7.18	0.78	7.12	1.13	48.41	0.70	39.53	108.63	10.80	124.83	15.45	0.00	NM	
FCF First Clover Leaf Fin. Co. of IL	24.83	21.87	0.75	3.09	2.54	0.79	3.20	0.61	76.07	0.70	33.32	121.38	26.54	121.38	37.97	2.18	51.74	
FCPL First Community BK Corp. of FL	8.58	8.48	0.74	8.60	8.29	0.71	8.26	0.33	271.22	1.07	18.89	160.87	13.81	162.75	19.69	0.00	0.00	
FDFF First Defiance Fin. Corp. of OH	10.69	8.06	0.98	9.36	7.74	0.87	8.28	0.71	137.43	1.03	12.92	117.70	12.58	155.98	14.59	1.00	3.70	
FPNA First Fed. of N. Michigan of MI	12.83	11.42	0.11	1.37	1.37	0.11	0.91	1.52	50.84	1.06	NM	68.34	8.77	77.77	NM	0.20	2.49	
FPNH First Fed. Bancshares of AR	9.09	9.09	0.57	6.30	5.50	0.50	5.60	2.91	42.42	0.66	18.18	117.42	10.67	117.42	20.45	64.65	64.65	
FPN First Federal Bancshares of IA	10.88	8.02	1.00	4.44	5.23	0.34	3.07	0.74	133.95	0.42	13.87	223.11	9.13	133.95	27.62	0.42	2.41	
FPFR First Fin. Holdings Inc. of SC	7.07	6.22	1.50	14.44	7.23	0.95	13.57	0.24	230.48	0.70	13.84	196.24	13.87	223.11	14.62	3.20	44.25	
FPFS First Franklin Corp. of OH	7.91	7.91	0.26	3.37	3.88	0.38	4.82	1.18	39.06	0.58	25.80	86.64	6.17	95.00	38.00	0.36	2.74	
FPF First Keystone Fin. Inc. of PA	6.49	6.49	1.13	2.14	2.11	0.16	2.68	0.49	136.57	1.05	NM	95.00	6.17	95.00	38.00	0.00	0.00	
FPF First Mutual Bancshares of WA(8)	17.16	8.05	1.06	14.45	5.62	0.71	10.99	0.19	433.34	1.10	17.79	242.42	17.36	242.42	23.62	1.35	24.00	
FNFB First Nat'l Bancshares Inc. of NY	10.85	10.85	0.54	5.28	4.04	0.54	5.28	MA	NA	0.65	24.74	127.37	13.89	127.37	34.74	3.05	41.61	
FNFB First Nat'l Bancshares Inc. of NY	10.11	6.75	0.83	7.97	8.42	0.68	6.52	1.06	72.85	0.99	11.88	93.55	9.46	140.03	14.51	0.62	3.50	
FPFC First Place Fin. Corp. of OH	7.36	6.74	0.72	5.40	5.11	0.69	4.03	0.11	234.42	0.27	17.50	159.39	11.74	174.27	18.26	2.86	50.00	
FPCB Fox Chase BCP MC of PA(44.5)	16.66	16.66	0.55	3.64	2.71	0.60	4.03	0.02	NA	0.74	NM	153.42	25.55	153.42	NM	0.00	0.00	
FPI First Interstate Banc Corp. of TX	6.91	2.06	0.20	4.07	6.20	0.05	0.79	0.86	28.60	0.37	16.14	60.85	4.20	204.44	NM	0.00	0.00	
GSIA GS Financial Corp. of LA	15.98	15.88	1.17	7.43	8.65	1.14	7.28	0.20	NA	3.15	11.56	85.13	13.52	85.13	11.79	0.40	2.20	
PEDE Great Pee Dee Bancorp. of SC(8)	12.48	12.24	0.73	5.85	3.87	0.71	5.72	0.35	257.68	1.08	25.64	150.62	18.80	153.64	26.44	0.64	2.78	
OCBC Green Co BCP MC of NY (44.4)	10.87	10.87	0.71	6.44	4.39	0.78	7.03	0.36	134.20	0.71	22.79	144.20	15.67	144.20	20.85	4.07	71.91	
HFPC HF Financial Corp. of SD	6.20	5.70	0.55	8.81	5.75	12.36	14.50	0.76	140.58	0.76	11.35	103.96	6.45	113.98	8.56	0.42	2.63	
HQFP HNW Financial, Inc. of NY	8.40	8.06	0.81	9.04	6.68	0.70	7.85	1.14	76.77	1.25	14.96	133.77	11.24	139.44	17.23	0.00	3.37	
HNNK Hampden Bancorp. Inc. of MA	19.47	19.47	0.28	-2.13	-1.60	-0.31	-2.36	0.07	394.73	0.85	NM	87.51	17.06	87.51	NM	0.12	1.07	
HVAL Harleysville Svcs Fin. Co. of PA	6.30	6.30	0.44	6.88	6.35	0.42	6.64	0.06	334.73	0.47	15.76	107.70	6.79	107.70	16.32	4.96	4.96	
HWFG Harrington West Fin. Corp. of CA	6.09	5.53	0.62	10.55	8.11	0.58	11.54	0.01	NA	1.53	12.34	127.13	7.75	139.98	11.20	3.17	39.06	
HBO5 Heritage BCP MC of GA(29.9)	14.05	13.83	0.55	3.51	1.50	0.58	3.68	0.16	587.64	1.53	NM	242.21	34.02	246.05	0.24	1.71	39.06	
HIPS Hingham Inst. for Sav. of MA	7.50	7.50	0.62	8.22	6.56	0.62	8.22	0.06	840.50	0.67	15.25	122.15	9.16	122.15	15.25	0.80	2.61	
HOM Home Fed BCP MC of ID (40.8)(8)	15.10	15.10	0.77	5.31	2.85	0.63	4.34	0.04	NA	0.55	35.03	184.35	27.84	184.35	23.16	1.65	57.89	
HOPF Home Fed BCP MC of KY	6.85	5.79	0.52	7.65	7.33	0.51	7.52	0.15	395.08	0.88	13.64	102.95	7.05	121.75	13.89	0.48	3.20	
HRC Hudson City Bancorp. Inc. of NJ	11.72	11.31	0.79	5.77	3.45	0.79	5.77	0.10	84.15	0.14	29.02	175.77	20.61	182.23	29.02	0.34	2.21	
IFSB Independence FBS of DC	7.37	7.37	1.76	-22.89	-17.90	-2.14	-27.75	0.28	113.72	0.50	NM	143.64	10.44	143.64	NM	0.00	0.00	
IFSB Investors BCP MC of NY(45.7)	15.06	15.06	0.40	2.52	1.41	0.44	2.77	0.24	51.34	0.19	NM	187.05	28.18	187.05	NM	0.00	0.00	
JXBB Jockeyville BCP MC of IL(47.7)	7.64	6.61	0.22	2.76	2.32	0.23	2.45	0.79	84.50	1.12	NM	138.26	9.04	136.61	NM	0.20	1.40	
JFBI Jefferson Bancshares Inc. of TN	21.69	21.69	0.50	2.25	2.42	0.52	2.39	0.30	137.00	0.81	NM	99.31	20.29	93.56	35.81	3.49	3.49	
KFED K-Fed Bancorp. MC of CA (37.3)(8)	11.55	11.01	0.61	5.14	2.58	0.61	5.14	MA	NA	0.40	38.74	198.94	22.98	208.72	38.74	4.00	3.04	
KFTB KY Fed BCP MC of KY (44.5)	23.31	17.66	0.31	1.32	1.00	0.31	1.32	0.16	331.03	0.98	22.97	127.72	12.72	127.72	20.68	0.40	2.42	
KNY Keary Fin. Co. of NJ (29.7)	24.12	19.81	0.11	0.45	0.23	0.11	0.45	0.33	80.45	NA	NM	132.63	30.92	175.13	NM	0.40	4.00	
LSBI Lake Shore BCP MC of NY(45.0)	10.01	10.01	0.63	5.92	4.61	0.70	6.85	0.02	NA	0.70	NM	196.77	47.46	239.51	NM	0.20	1.56	
LSBI Lake Shore BCP MC of NY(45.0)	9.84	9.84	0.78	8.23	7.32	0.74	7.28	4.76	16.71	1.36	21.68	127.20	12.73	127.20	19.33	0.56	3.49	
LECC Legacy Bancorp. Inc. of MA	14.90	14.90	0.44	2.90	2.33	0.44	2.30	0.43	30.60	0.62	13.67	112.66	11.09	112.66	14.47	1.00	4.04	
LBCP Liberty Bancorp. Inc. of MA	16.79	16.42	0.23	1.30	1.36	0.39	2.19	0.30	137.00	0.81	NM	127.95	19.07	127.95	NM	0.12	1.17	
LABC Louisiana Bancorp. Inc. of LA	31.07	31.07	0.75	2.42	2.94	0.75	2.42	MA	NA	2.21	28.18	104.08	15.51	104.08	30.60	0.10	0.93	
MFBC MFBC Corp. of Massachusetts IN	8.12	7.45	0.74	9.33	9.55	0.65	8.22	1.30	82.50	1.24	34.06	82.26	25.56	82.26	34.06	0.00	0.00	
MYFB MYFB Fin. Corp. of NY (45.0)	15.27	15.27	0.52	5.00	2.76	0.52	5.00	2.76	33.20	0.38	36.29	132.29	20.20	132.29	36.29	0.00	0.00	
MYFB MYFB Fin. Corp. of NY (45.0)	10.04	10.04	0.17	1.69	1.30	0.17	1.59	0.04	NA	1.06	NM	131.70	13.23	131.70	NM	0.00	0.00	
MAFB MassBank Corp. of Reading MA	13.13	12.99	0.83	6.55	4.35	0.78	6.14	2.76	93.78	0.69	22.98	149.01	19.57	150.58	24.50	3.00	3.00	
MPFB Meta Financial Group of IA	7.98	7.96	0.41	5.10	4.16	0.35	4.45	MA	NA	1.17	24.04	122.29	9.76	122.56	27.56	0.40	3.54	
CASH Meta Financial Group of IA	7.07	6.56	0.06	0.92	0.40	0.41	0.39	0.55	132.68	1.32	NM	217.17	15.36	234.14	34.65	0.32	1.30	
MFEB MutualFirst Fin. Inc. of IN	9.24	7.63	0.42	4.59	5.27	0.43	4.59	0.80	108.72	1.03	18.98	87.16	6.05	105.63	0.60	3.40	64.52	
NABE NE Comm BCP MC of NY (45.0)	35.23	35.23	4.00	13.45	8.33	8.18	27.50	0.83	88.44	0.57	16.03	190.86	18.54	194.69	35.90	0.90	2.51	
NHTB NB Thrift Bancshares of NH	8.16	5.23	0.64	8.72	6.02	0.54	7.31	0.09	699.47	0.79	16.60	118.16	9.65	184.65	19.77	1.11	13.33	
NVBL Naug Villy Fin. Corp. of CT (44.2)	11.64	11.62	0.29	2.34	1.58	0.27	2.12	0.23	212.08	0.63	NM	109.03	17.44	150.07	0.52	3.60	59.77	
NVBL New England Bancshares Inc. of CT	19.47	18.90	0.35	1.79	1.65	0.33	1.59	0.23	227.55	0.96	NM	148.08	11.04	150.33	NM	0.20	1.97	
NFBF Newport Bancorp. Inc. of RI	19.57	19.57	-0.44	-2.55	-2.17	-0.44	-2.55	0.09	780.16	0.78	NM	99.92	19.55	99.92	NM	0.12	1.04	
FPFD North Central Bancshares of IA	7.66	6.93	0.85	10.37	8.37	0.85	10.37	0.20	318.92	0.75	11.95	125.45	9.86	142.92	11.95	1.40	3.65	
NNSB Northwest BCP MC of NJ(19.1)	8.60	5.91	0.59	4.67	3.30	0.51	4.64	0.68	83.35	0.86	30.28	235.79	20.28	243.89	30.60	0.88	3.09	
OSHC Ocean Shor Hldg MC of NJ(44.8)	10.77	10.77	0.51	6.30	4.00	0.51	6.30	0.06	570.24	0.47	33.35	153.87	16.57	153.87	33.35	0.00	0.00	
OCPC OceanFirst Fin. Corp. of NJ	6.25	6.25	-0.08	-1.32	-0.81	-0.44	-1.32	0.92	55.95	0.62	24.94	160.46	18.49	289.13	24.43	0.80	4.01	
ONFC Oneida Financial MC of NY(44.6)	11.52	6.39	0.82	6.36	4.01	0.84	6.39	0.01	NA	0.94	NM	235.21	33.79	235.21	NM	0.00	0.00	
ORIT Orinda Fin. Co. MC of NJ(32.0)	22.82	22.82	1.01	4.52	1.89	1.04	4.52	MA	NA	1.16	NM	109.03	17.44	150.33	NM	0.00	0.00	
ORIT Orinda Fin. Co. MC of NJ(32.0)	27.91	27.91	0.77	3.86	2.93	0.77	3.86	0.04	732.73	0.45	34.12	30.68	25.36	30.68	34.12	0.32	3.61	
PSBH PSB Hldgs Inc MC of CT (45.2)	10.43	8.60	0.40	3.74	2.72	0.40	3.74	0.34	111.91	0.76	36.79	138.24	14.21	161.44	36.79	0.28	2.72	

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Exhibit IV-18 (continued)  
Weekly Thrift Market Line - Part Two  
Prices As Of September 28, 2007

Financial Institution	Key Financial Ratios				Asset Quality Ratios				Pricing Ratios				Dividend Data(6)					
	Equity/ Assets (%)	Tang. Assets (%)	ROA(5) ROI(5) (%)	ROE(5) ROI(5) (%)	NPAA Assets (%)	Resva/ NPA's (%)	Resvs/ Loans (%)	Price/ Earning (X)	Price/ Book (X)	Price/ Tang. Assets (%)	Price/ Core Earnings (X)	Ind. Share Yield (%)	Div. Payout Ratio(7) (%)					
MASDAQ Listed OTC Companies (continued)																		
WVFC	7.94	7.94	0.47	6.00	3.56	0.44	5.67	1.76	27.95	0.63	28.09	167.03	13.26	167.03	29.71	0.30	1.94	54.55
PBFC	9.23	9.23	0.87	5.43	5.90	0.83	9.01	0.60	73.42	0.67	16.96	160.93	14.85	160.93	17.75	0.92	4.84	NM
PFSD	14.29	14.29	0.00	0.00	0.00	-0.02	-0.16	2.00	14.20	0.40	NM	124.11	17.74	124.11	NM	0.72	2.31	NM
PVBA	7.03	5.34	0.72	10.58	8.24	0.70	10.35	0.37	220.63	1.14	12.14	125.53	8.83	165.39	12.40	0.88	3.03	36.82
PRTR	13.43	6.61	0.59	4.51	4.19	0.69	5.22	0.11	845.52	1.47	23.86	107.89	14.49	219.28	20.63	0.28	2.30	54.90
PBIC	6.82	5.53	0.27	3.92	3.37	0.20	2.85	0.54	86.36	0.76	29.67	117.11	7.98	144.40	NM	0.41	4.19	NM
PFDC	12.77	12.27	0.55	4.39	5.24	0.53	4.19	0.54	97.76	0.52	19.07	84.47	10.79	87.92	19.99	0.76	4.58	NM
PCBI	8.46	5.63	-0.64	-7.48	-8.12	-0.65	-7.59	1.81	73.01	1.36	NM	95.18	8.06	143.10	NM	0.60	3.53	NM
PBCT	32.59	31.03	0.89	5.18	1.97	0.99	5.00	0.17	383.51	1.80	NM	115.43	37.62	118.13	NM	0.53	3.07	NM
PROV	7.83	7.83	0.66	8.44	7.95	0.39	5.00	0.83	107.20	1.04	12.58	110.14	8.62	110.14	21.21	0.72	3.23	40.68
PBYP	14.46	8.26	0.70	4.94	3.59	0.71	4.94	0.30	242.96	1.26	27.89	135.71	19.63	237.50	27.31	0.20	1.53	42.55
PBTP	17.32	17.32	0.79	4.31	2.58	0.79	4.31	0.12	123.97	0.30	38.65	173.88	30.11	173.88	38.69	0.20	1.62	62.50
PULS	7.07	6.67	0.33	3.29	2.69	0.69	9.16	0.98	81.33	0.99	13.87	160.45	11.34	169.96	18.17	0.36	2.79	38.71
RPRC	9.94	7.20	0.64	8.91	7.27	0.63	8.84	0.03	MA	1.27	37.11	121.99	12.12	126.42	39.76	0.26	1.56	57.78
RIVER	7.21	7.20	0.64	8.91	7.27	0.63	8.84	0.03	MA	0.76	13.75	120.79	20.64	233.86	14.85	0.80	4.44	61.07
RVBS	11.98	8.83	1.43	12.11	6.87	1.40	11.88	0.16	512.66	0.96	39.61	177.58	21.71	178.70	NM	0.16	1.12	44.44
RCKB	12.22	12.15	0.57	4.48	2.52	0.54	4.23	0.16	MA	1.30	14.56	172.27	20.64	233.86	14.85	0.44	2.96	43.14
ROMA	26.78	26.71	0.66	2.71	1.05	0.66	2.71	0.31	MA	0.31	NM	235.54	63.08	236.19	NM	0.24	1.40	NM
ROME	24.02	10.82	0.28	2.57	1.56	0.28	2.57	0.65	90.63	0.76	NM	163.08	17.79	164.31	NM	0.32	2.70	NM
SIFI	10.91	9.86	1.54	16.37	10.57	1.52	16.14	0.76	135.58	1.15	9.46	145.44	14.41	146.09	9.60	0.24	1.81	17.14
SUPI	11.30	6.08	0.34	3.25	2.38	0.26	2.48	0.41	186.74	1.10	NM	109.69	12.39	203.93	NM	0.00	0.00	0.00
SVBI	10.70	10.64	0.31	3.14	1.78	0.37	3.73	0.04	MA	0.78	NM	172.86	18.50	173.85	NM	0.28	1.85	NM
SYNY	9.97	9.28	0.80	8.10	6.67	0.77	7.79	0.42	103.13	0.57	15.00	120.22	42.93	220.44	15.59	0.80	2.90	43.48
THRD	10.53	9.11	1.01	9.74	7.18	0.13	0.88	0.96	23.69	0.30	13.93	129.88	13.67	150.14	14.23	0.32	1.21	16.84
TOBE	11.05	10.74	1.37	10.52	7.41	1.32	10.15	0.06	MA	0.90	13.49	148.62	17.61	164.05	13.97	0.40	2.56	34.48
TSBK	6.80	6.80	0.31	17.92	5.03	1.31	17.92	0.26	426.60	1.90	19.87	357.19	24.30	357.19	19.87	0.64	5.86	NM
TRST	16.09	16.09	0.73	4.22	2.59	0.50	2.90	0.81	88.67	0.98	38.59	164.67	26.50	164.67	NM	0.32	2.59	NM
UCBA	10.17	8.89	0.75	7.31	9.28	0.69	6.66	0.32	29.51	0.85	10.78	79.25	8.06	90.70	11.84	0.38	5.26	56.72
UBNK	13.55	13.52	0.40	2.97	1.91	0.42	3.10	0.13	570.35	0.96	NM	154.56	20.95	154.94	NM	0.24	1.91	17.02
UMBK	5.46	5.46	0.48	9.43	6.67	0.58	11.24	0.51	82.67	0.79	15.00	138.42	7.56	138.42	12.59	0.24	1.13	NM
VPRG	13.09	13.09	0.38	3.11	1.24	0.36	2.97	0.28	338.43	0.66	NM	228.43	29.90	228.43	NM	0.20	1.08	NM
WSPS	6.66	6.62	1.02	15.12	7.79	1.06	15.45	0.16	586.98	1.34	12.84	195.31	13.02	196.66	12.41	0.40	0.64	8.23
WVFC	7.89	7.89	0.89	11.83	9.43	0.89	11.83	0.16	MA	NA	10.61	123.98	9.78	123.98	10.61	0.64	3.89	41.29
WFEL	12.97	11.89	1.45	10.73	5.94	1.45	10.73	0.10	295.73	0.36	16.83	177.07	22.97	243.63	16.83	0.84	3.20	53.85
WADW	13.16	13.16	0.24	1.68	0.74	0.24	1.68	2.60	16.32	0.69	NM	243.63	32.06	243.63	NM	0.00	0.00	0.00
WAYN	8.48	7.88	0.55	6.53	5.65	0.57	6.72	0.23	160.32	0.64	17.70	115.63	9.80	124.34	17.20	0.48	3.93	69.57
WFBC	13.28	6.23	0.60	4.53	4.82	0.59	4.45	0.59	147.14	1.16	20.73	94.24	12.51	200.97	21.08	0.46	3.70	NM

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&amp;P 500</u>	<u>NASDAQ Composite</u>	<u>SNL Thrift Index</u>	<u>SNL Bank Index</u>
1999: Quarter 1	9786.2	1286.4	2,461.4	707.6	448.4
Quarter 2	10970.8	1372.7	2,686.1	695.6	479.3
Quarter 3	10337.0	1282.7	2,746.2	609.1	409.9
Quarter 4	11497.1	1469.3	4,069.3	562.4	416.7
2000: Quarter 1	10921.9	1498.6	4,572.8	545.6	421.2
Quarter 2	10447.9	1454.6	3,966.1	567.8	387.4
Quarter 3	10650.9	1436.5	3,672.8	718.3	464.6
Quarter 4	10786.9	1320.3	2,470.5	874.3	479.4
2001: Quarter 1	9878.8	1160.3	1,840.3	885.2	459.2
Quarter 2	10502.4	1224.4	2,160.5	964.5	493.7
Quarter 3	8847.6	1040.9	1,498.8	953.9	436.6
Quarter 4	10021.5	1148.1	1,950.4	918.2	473.7
2002: Quarter 1	10403.9	1147.4	1,845.4	1006.7	498.3
Quarter 2	9243.3	989.8	1,463.2	1121.4	468.9
Quarter 3	7591.9	815.3	1,172.1	984.3	396.8
Quarter 4	8341.6	879.8	1,335.5	1073.2	419.1
2003: Quarter 1	7992.1	848.2	1,341.2	1096.2	401.0
Quarter 2	8985.4	974.5	1,622.8	1266.6	476.1
Quarter 3	9275.1	996.0	1,786.9	1330.9	490.9
Quarter 4	10453.9	1112.0	2,003.4	1482.3	548.6
2004: Quarter 1	10357.7	1126.2	1,994.2	1585.3	562.2
Quarter 2	10435.5	1140.8	2,047.8	1437.8	546.6
Quarter 3	10080.3	1114.6	1,896.8	1495.1	556.0
Quarter 4	10783.0	1211.9	2,175.4	1605.6	595.1
2005: Quarter 1	10503.8	1180.6	1,999.2	1516.6	551.0
Quarter 2	10275.0	1191.3	2,057.0	1577.1	563.3
Quarter 3	10568.7	1228.8	2,151.7	1527.2	546.3
Quarter 4	10717.5	1248.3	2,205.3	1616.4	582.8
2006: Quarter 1	11109.3	1294.8	2,339.8	1661.1	595.5
Quarter 2	11150.2	1270.2	2,172.1	1717.9	601.1
Quarter 3	11679.1	1335.9	2,258.4	1727.1	634.0
Quarter 4	12463.2	1418.3	2,415.3	1829.3	658.6
2007: Quarter 1	12354.4	1420.9	2,421.6	1703.6	634.4
Quarter 2	13408.6	1503.4	2,603.2	1645.9	622.6
As of Sept. 28, 2007	13895.6	1526.8	2,701.5	1523.3	595.8

(1) End of period data.

Sources: SNL Securities and Wall Street Journal.

EXHIBIT IV-3

Historical Thrift Stock Indices

## Index Values

	Index Values				Price Appreciation (%)		
	08/31/07	07/31/07	12/31/06	08/31/06	1 Month	YTD	LTM
All Pub. Traded Thrifts	1,537.5	1,489.9	1,829.3	1,684.1	3.19	-15.95	-8.70
MHC Index	3,516.6	3,297.8	3,874.7	3,378.5	6.63	-9.24	4.09
<b>Stock Exchange Indexes</b>							
AMEX Thrifts	611.2	598.1	745.2	697.8	2.18	-17.98	-12.41
NYSE Thrifts	900.0	907.9	1,143.0	1,045.6	-0.87	-21.26	-13.93
OTC Thrifts	2,074.7	1,913.1	2,271.9	2,113.7	8.45	-8.68	-1.84
<b>Geographic Indexes</b>							
Mid-Atlantic Thrifts	3,688.6	3,446.7	4,104.1	3,807.9	7.02	-10.12	-3.13
Midwestern Thrifts	3,309.4	3,158.3	3,623.7	3,455.5	4.78	-8.67	-4.23
New England Thrifts	1,919.2	1,755.2	2,223.0	1,927.8	9.34	-13.67	-0.44
Southeastern Thrifts	1,121.7	1,106.4	1,670.8	1,556.1	1.38	-32.87	-27.92
Southwestern Thrifts	1,234.0	1,252.4	1,538.4	1,467.5	-1.47	-19.79	-15.92
Western Thrifts	1,344.3	1,368.9	1,717.1	1,579.4	-1.80	-21.71	-14.88
<b>Asset Size Indexes</b>							
Less than \$250M	1,200.5	1,192.5	1,241.5	1,264.7	0.67	-3.30	-5.07
\$250M to \$500M	3,220.6	3,250.3	3,587.6	3,445.7	-0.92	-10.23	-6.53
\$500M to \$1B	1,882.2	1,841.1	2,135.1	2,001.2	2.24	-11.85	-5.95
\$1B to \$5B	2,317.2	2,120.3	2,693.3	2,591.2	9.29	-13.96	-10.57
Over \$5B	912.4	890.5	1,096.0	998.9	2.45	-16.75	-8.66
<b>Pink Indexes</b>							
Pink Thrifts	498.3	518.1	515.9	472.5	-3.82	-3.42	5.44
Less than \$75M	606.1	613.0	576.9	512.5	-1.12	5.06	18.27
Over \$75M	515.9	536.7	535.0	490.3	-3.87	-3.56	5.23
<b>Comparative Indexes</b>							
Dow Jones Industrials	13,357.7	13,212.0	12,463.2	11,381.2	1.10	7.18	17.37
S&P 500	1,474.0	1,455.3	1,418.3	1,303.8	1.29	3.93	13.05

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  
Florida and Georgia Thrift Acquisitions Announced Since 2006

Announce Date	Complete Date	Buyer Short Name	Target Name	Financials at Announcement						Pricing at Announcement								
				Total Assets (\$000)	Equity/Assets (%)	ROAA (%)	ROAE (%)	NPA/Assets (%)	Rsvl/ NPLs (%)	Deal Value (\$M)	Price/Share (\$)	Consid	P/B (%)	P/TB (%)	P/E (x)	P/A (%)	Premium/ CoreDepts (%)	
06/20/2007		NA Fifth Third Bancorp	OH R-G Crown Bank	FL Thrift	3,017,683	12.89	-0.14	-1.16	1.51	31.60	338.0	NA	Cash	86.9	160.2	NM	9.5	NA
05/18/2007	05/17/2007	EverBank Financial	FL NetBank Businesses	GA Thrift	NA	NA	NA	NA	NA	NA	NA	NA	Mixed	NA	NA	NA	NA	NA
02/28/2007	09/14/2007	CapitalSouth Bancorp	AL Monticello Bancshares, Inc.	FL Thrift	227,827	10.04	NA	NA	NA	NA	41.2	NA	Mixed	180.1	180.9	16.6	18.1	NA
12/26/2006	04/10/2007	Coastal Cmnty Investments Inc.	FL Bayside Financial Corporation	FL Thrift	84,037	9.37	1.45	16.64	0.00	NA	18.9	NA	Cash	239.4	239.6	14.9	22.4	34.7
10/23/2006	04/18/2007	Cmnty BK Investors of America	VA Bay Financial Savings Bank, FSB	FL Thrift	71,470	31.98	0.87	2.92	4.16	68.01	NA	NA	Cash	NA	NA	NA	NA	NA
07/26/2006	01/06/2007	National City Corp.	OH Fidelity Bankshares, Inc.	FL Thrift	4,234,980	6.96	0.79	11.36	NA	NA	1038.4	39.9	Mixed	342.3	367.8	30.6	24.6	NA
07/10/2006	12/01/2006	National City Corp.	OH Harbor Florida Bancshares, Inc.	FL Thrift	3,213,768	10.62	1.68	14.91	0.09	718.40	1104.1	46.0	Stock	320.6	324.2	21.8	34.4	47.7
05/09/2006	10/03/2006	Republic Bancorp Inc.	KY GulfStream Community Bank	FL Thrift	64,736	13.84	0.64	3.76	0.00	NA	16.1	19.1	Cash	202.0	202.0	44.9	28.0	39.7
01/26/2006	06/06/2006	Mercantil Servicios	Florida Savings Bank	FL Thrift	130,616	7.43	0.74	10.44	0.09	592.14	NA	NA	Cash	NA	NA	NA	NA	NA
				Average:	1,380,613	12.88	0.83	8.40	0.98	360.01	426.6			228.62	244.10	26.72	22.81	40.70
				Median:	179,171	10.28	0.79	10.44	0.09	326.08	189.6			220.68	220.74	21.84	23.48	39.72

Source: SNL Financial.

EXHIBIT IV-5

Atlantic Coast Federal Corporation  
Director and Senior Management Summary Resumes

Exhibit IV-5  
Atlantic Coast Federal Corporation  
Director and Senior Management Summary Resumes

**Directors**

***Charles E. Martin, Jr.*** Mr. Martin is a retired employee of CSX Transportation, Inc., Waycross, Georgia, where he worked as a machinist for over 20 years.

***Forrest W. Sweat, Jr.*** Mr. Sweat is a partner in the law firm of Walker & Sweat, Waycross, Georgia. He has practiced law since 1982.

***Thomas F. Beeckler.*** Mr. Beeckler is the owner, president and chief executive officer of the Beeckler Company, Jacksonville, Florida, a real estate development firm. Mr. Beeckler founded the company in 1990.

***Robert J. Larison, Jr.*** Mr. Larison has served as the president and chief executive officer of Atlantic Coast Federal Corporation since its organization in 2003 and Atlantic Coast Bank and Atlantic Coast Federal Credit Union since 1983.

***W. Eric Palmer.*** Mr. Palmer is employed by the Mayo Clinic, Jacksonville, Florida, where he has served as a director of patient financial services for the past three years. Prior to serving as a director, Mr. Palmer served as a section manager of accounts receivable at the Mayo Clinic for four years.

***Jon C. Parker, Sr.*** Mr. Parker has served as our senior vice president and chief financial officer since our organization in 2003 and senior vice president and chief financial officer of Atlantic Coast Bank and Atlantic Coast Federal Credit Union since September 1999. Prior to such time he served as controller. On March 1, 2007 and on May 18, 2007, Mr. Parker relinquished his duties as chief financial officer of Atlantic Coast Bank and Atlantic Coast Federal Corporation, respectively.

***Frederick D. Franklin, Jr.*** Mr. Franklin has been a partner in the law firm of Rogers Towers, P.A., Jacksonville, Florida since January 2004. From 1997 to 2004, he was a partner in the law firm of Holland & Knight, Jacksonville, Florida. Mr. Franklin specializes in complex commercial litigation.

***Robert J. Smith.*** Mr. Smith is a certified public accountant. He has served as a mortgage banking executive with PHH Mortgage in Jacksonville, Florida, since January 2001 except for the period from April 2002 to July 2003, during which he was employed by Basis 100, a technology company which served the mortgage banking industry. Prior to his employment with PHH Mortgage (formerly known as Cendant Mortgage) in 2001, he was employed by Merrill Lynch Credit Corporation, Jacksonville, Florida, for over 10 years and, prior to that, was a Senior Manager for Deloitte & Touche LLP, where he was recognized as a National Industry Specialist in the savings and loan and real estate industries.

***H. Dennis Woods.*** Mr. Woods was employed by CSX Transportation, Inc., Waycross, Georgia, from 1964 until his retirement in November 2005. He most previously served as the business manager of the company's warehouse in Waycross, Georgia.

Exhibit IV-5 (continued)  
Atlantic Coast Federal Corporation  
Director and Senior Management Summary Resumes

**Executive Officers Who Are Not Directors**

***Carl W. Insel.*** Mr. Insel has served as executive vice president- commercial lending since September 2007. He served as market president of Florida from December 2006 until September 2007. Prior to that Mr. Insel served as executive vice president beginning in October 2004. Mr. Insel previously served as senior vice president for retail banking at the National Bank of Commerce, Atlanta, Georgia, where he worked from 1996 to September 2004.

***Thomas B. Wagers, Sr.*** Mr. Wagers has served as chief operating officer of Atlantic Coast Bank since his appointment in December, 2006 and previously served as vice president of finance, beginning in June 2004. Prior to joining Atlantic Coast Bank, Mr. Wagers was an independent accounting consultant from August 2002 until May 2004 and has over 14 years of banking experience.

***Dawna R. Miller.*** Ms. Miller has served as senior vice president and chief financial officer of Atlantic Coast Bank since March 1, 2007 and of Atlantic Coast Federal Corporation since May 18, 2007. Formerly with National Australia Bank Limited and from 2002 to 2005, Ms. Miller served as Vice President and Controller of National Americas Investment, Inc., Director of SR Funding Corporation, Vice President of MSRA Holdings, Inc. and First Vice President and Controller of HomeSide Lending, Inc. Ms. Miller has over 15 years experience in the financial services industry. Ms. Miller worked as an independent business consultant since 2005 prior to joining Atlantic Coast Bank.

***Phillip S. Buddenbohm.*** Mr. Buddenbohm has served as senior vice president-chief risk officer since September 2007. He previously served as senior vice president of credit administration from March 2005 until September 2007. Formerly a first vice president in the Consumer Services Division of National Commerce Financial Corporation in Memphis, Tennessee, he has 10 years of experience in lending, credit administration and branch services.

***Philip S. Hubacher.*** Mr. Hubacher has served as treasurer of Atlantic Coast Bank since 1988. He is a lieutenant colonel in the United States Air Force Reserve.

***Tricia H. Echols.*** Ms. Echols has served as market president of Georgia since her appointment in December 2006. Prior to this appointment, she served as vice president of consumer loan operations for over five years. Ms. Echols has been with Atlantic Coast Bank since 1993 serving in various management positions.

***Denise A. Horton.*** Ms. Horton was appointed as the city president of the Jacksonville market in September 2007. Previously, she served as a senior vice president for retail banking for First Guaranty Bank in Jacksonville from 2005 to 2007. From June 1999 to February 2005, she served as a senior vice president –financial center administration for SouthTrust Bank in Columbus, Georgia.

EXHIBIT IV-6

Atlantic Coast Federal Corporation  
Pro Forma Regulatory Capital Ratios

Institution Atlantic Coast Federal Corporation

Pro Forma at June 30, 2007

Actual, As of  
June 30, 2007

	Minimum		Midpoint		Maximum		Maximum As Adjusted	
	Amount	Percent of Assets	Amount	Percent of Assets	Amount	Percent of Assets	Amount	Percent of Assets
(Dollars in Thousands)								
Capital and Retained Earnings Under Generally Accepted Accounting Principles	\$73,737	8.28%	\$123,549	13.04%	\$132,387	13.82%	\$141,226	15.46%
Tier 1 Capital (Leverage) Requirement	\$72,239	8.12%	\$122,051	12.90%	\$130,889	13.69%	\$139,728	15.33%
Excess	35,578	4.00%	37,846	4.00%	38,248	4.00%	38,650	4.00%
Tier 1 Capital (Risk-Based) Requirement	\$47,615	7.73%	\$96,973	15.47%	\$105,731	16.81%	\$114,489	19.67%
Excess	\$28,062	4.56%	\$76,966	12.28%	\$85,644	13.62%	\$94,322	16.47%
Total Risk-Based Requirement	\$77,310	12.56%	\$127,122	20.28%	\$135,960	21.62%	\$144,799	24.47%
Excess	49,248	8.00%	50,155	8.00%	50,316	8.00%	50,477	8.00%
Net Proceeds After Exp. Infused (50%)	\$56,697		\$66,750		\$76,804		\$88,365	
Less: ESOP	(6,885)		(8,100)		(9,315)		(10,712)	
Less: SBIP	0		0		0		0	
Pro Forma Increase	\$49,812		\$58,650		\$67,489		\$77,653	

EXHIBIT IV-7

Atlantic Coast Federal Corporation  
Pro Forma Analysis Sheet

EXHIBIT IV-7  
PRO FORMA ANALYSIS SHEET  
Atlantic Coast Federal Corporation  
Prices as of September 28, 2007

Valuation Midpoint Pricing Multiples	Symbol	Subject at Midpoint	Peer Group		Georgia Thrifts		All Public Thrifts	
			Mean	Median	Mean	Median	Mean	Median
Price-earnings multiple =	P/E	33.25 x	15.79x	15.38x	NA	NA	20.27x	17.91x
Price-core earnings multiple =	P/CE	33.86 x	16.83x	16.25x	NA	NA	20.71x	16.95x
Price-book ratio =	P/B	100.76%	118.56%	108.41%	NA	NA	130.86%	121.99%
Price-tangible book ratio =	P/TB	102.15%	132.66%	115.28%	NA	NA	147.57%	138.93%
Price-assets ratio =	P/A	20.75%	12.42%	13.04%	NA	NA	16.63%	13.81%

Valuation Parameters

			Adjusted	
Pre-Conversion Earnings (Y)	\$3,848,000	(12 Mths 06/07)	ESOP Stock (% of Offering + Foundation) (E)	6.00%
Pre-Conversion Core Earnings (YC)	\$3,733,000	(12 Mths 06/07)	Cost of ESOP Borrowings (S)	0.00%
Pre-Conversion Book Value (B)	\$89,097,000	(2)	ESOP Amortization (T)	20.00 Years
Pre-Conv. Tang. Book Value (B)	\$86,237,000	(2)	Stock Program (% of Offering + Foundation) (M)	3.00%
Pre-Conversion Assets (A)	\$898,415,000		Stock Programs Vesting (N)	5.00 Years
Reinvestment Rate (R)	4.90%		Fixed Expenses	\$1,300,000
Tax rate (TAX)	38.00%		Variable Expenses	1.00%
After Tax Reinvest. Rate (R)	3.04%		Percentage Sold (PCT)	63.8232%
Est. Conversion Expenses (1)(X)	1.88%		MHC Assets (MHC1)	\$518,000
Price/Share	\$10.00		MHC Assets as a % of Offering (MHC2)	0.38%
Foundation Cash Contribution (FC)	0.00%		Options as % of Offering (O1)	7.50%
Foundation Stock Contribution (FS)	0.00% Shares		Estimated Option Value (O2)	22.00%
Foundation Tax Benefit (FT)	\$0		Option Vesting Period (O3)	5.00
			% of Options taxable (O4)	25.00%

Calculation of Pro Forma Value After Conversion

1. $V = \frac{P/E * (Y)}{1 - P/E * PCT * ((1-X-E-M-FS+MHC2)*R - (1-TAX)*(E/T) - (1-TAX)*(M/N)-(1-TAX*O4)*(O1*O2/O3))}$	V=	\$211,521,980
2. $V = \frac{P/Core E * (YC)}{1 - P/Core E * PCT * ((1-X-E-M-FS+MHC2)*R - (1-TAX)*(E/T) - (1-TAX)*(M/N)-(1-TAX*O4)*(O1*O2/O3))}$	V=	\$211,521,980
3. $V = \frac{P/B * (B+FT+MHC1)}{1 - P/B * PCT * (1-X-E-M-FC-FS)}$	V=	\$211,521,980
4. $V = \frac{P/TB * (B+FT+MHC1)}{1 - P/TB * PCT * (1-X-E-M-FC-FS)}$	V=	\$211,521,980
5. $V = \frac{P/A * (A+FT+MHC1)}{1 - P/A * PCT * (1-X-E-M-FC-FS)}$	V=	\$211,521,980

Shares

Conclusion	2nd Step	2nd Step	Full	Plus:	Total Market	Exchange Ratio
	Offering Shares	Exchange Shares	Conversion Shares	Foundation Shares	Capitalization Shares	
Supermaximum	17,853,750	10,120,031	27,973,781	0	27,973,781	2.04545
Maximum	15,525,000	8,800,027	24,325,027	0	24,325,027	1.77866
Midpoint	13,500,000	7,652,198	21,152,198	0	21,152,198	1.54666
Minimum	11,475,000	6,504,368	17,979,368	0	17,979,368	1.31466

Market Value

Conclusion	2nd Step	2nd Step	Full	Foundation	Total Market
	Offering Value	Exchange Shares Value	Conversion \$ Value	Value	Capitalization \$ Value
Supermaximum	\$178,537,500	\$101,200,310	\$279,737,810	\$0	\$279,737,810
Maximum	\$155,250,000	\$88,000,270	\$243,250,270	0	\$243,250,270
Midpoint	\$135,000,000	\$76,521,980	\$211,521,980	0	\$211,521,980
Minimum	\$114,750,000	\$65,043,683	\$179,793,680	0	\$179,793,680

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

EXHIBIT IV-8

Atlantic Coast Federal Corporation  
Pro Forma Effect of Conversion Proceeds

Exhibit IV-8  
**PRO FORMA EFFECT OF CONVERSION PROCEEDS**  
Atlantic Coast Federal Corporation  
At the Minimum of the Range

1. Fully Converted Value and Exchange Ratio		
Fully Converted Value		\$179,793,680
Exchange Ratio		1.31466
2nd Step Offering Proceeds		\$114,750,000
Less: Estimated Offering Expenses		2,393,000
Plus: MHC Assets		<u>518,000</u>
2nd Step Net Conversion Proceeds		\$112,875,000
2. Estimated Additional Income from Conversion Proceeds		
Net Conversion Proceeds		\$112,875,000
Less: Cash Contribution to Foundation		(0)
Less: Stock Contribution to Foundation		0
Less: ESOP Stock Purchases (1)		(6,885,000)
Less: Restricted Stock Purchases (2)		<u>(3,443,251)</u>
Net Proceeds to be Reinvested		\$102,546,749
Estimated after-tax net incremental rate of return		3.04%
Earnings Increase		\$3,115,370
Less: Estimated cost of ESOP borrowings		0
Less: Amortization of ESOP borrowings(3)		(213,435)
Less: Stock Programs Vesting (3)		(426,963)
Less: Option Plan Vesting (4)		<u>(342,775)</u>
Net Earnings Increase		\$2,132,197

	<u>Before Conversion</u>	<u>Net Earnings Increase</u>	<u>After Conversion</u>	
3. Pro Forma Earnings				
12 Months ended June 30, 2007 (reported)	\$3,848,000	\$2,132,197	\$5,980,197	
12 Months ended June 30, 2007 (core)	\$3,733,000	\$2,132,197	\$5,865,197	
	<u>Before Conversion</u>	<u>Net Addition to Equity</u>	<u>Tax Benefit of Foundation</u>	<u>After Conversion</u>
4. Pro Forma Net Worth				
June 30, 2007	\$89,097,000	\$102,546,749	\$0	\$191,643,749
June 30, 2007 (Tangible)	\$86,237,000	\$102,546,749	\$0	\$188,783,749
	<u>Before Conversion</u>	<u>Net Cash Proceeds</u>	<u>Tax Benefit of Foundation</u>	<u>After Conversion</u>
5. Pro Forma Assets				
June 30, 2007	\$898,415,000	\$102,546,749	\$0	\$1,000,961,749

(1) Includes ESOP purchases of 6.00% of the second step offering.

(2) Includes Restricted Stock Plan purchases of 3.00% of the second step offering.

(3) ESOP amortized over 20 years, Restricted Stock amortized over 5 years, tax effected 38.00%

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

Exhibit IV-8  
**PRO FORMA EFFECT OF CONVERSION PROCEEDS**  
Atlantic Coast Federal Corporation  
At the Midpoint of the Range

1. Fully Converted Value and Exchange Ratio		
Fully Converted Value		\$211,521,980
Exchange Ratio		1.54666
2nd Step Offering Proceeds		\$135,000,000
Less: Estimated Offering Expenses		2,536,000
Plus: MHC Assets		<u>518,000</u>
2nd Step Net Conversion Proceeds		\$132,982,000
2. Estimated Additional Income from Conversion Proceeds		
Net Conversion Proceeds		\$132,982,000
Less: Cash Contribution to Foundation		(0)
Less: Stock Contribution to Foundation		0
Less: ESOP Stock Purchases (1)		(8,100,000)
Less: Restricted Stock Purchases (2)		<u>(4,050,883)</u>
Net Proceeds to be Reinvested		\$120,831,117
Estimated after-tax net incremental rate of return		<u>3.04%</u>
Earnings Increase		\$3,670,849
Less: Estimated cost of ESOP borrowings		0
Less: Amortization of ESOP borrowings(3)		(251,100)
Less: Stock Programs Vesting (3)		(502,310)
Less: Option Plan Vesting (4)		<u>(403,265)</u>
Net Earnings Increase		\$2,514,175

	<u>Before Conversion</u>	<u>Net Earnings Increase</u>	<u>After Conversion</u>	
3. Pro Forma Earnings				
12 Months ended June 30, 2007 (reported)	\$3,848,000	\$2,514,175	\$6,362,175	
12 Months ended June 30, 2007 (core)	\$3,733,000	\$2,514,175	\$6,247,175	
	<u>Before Conversion</u>	<u>Net Cash Proceeds</u>	<u>Tax Benefit of Foundation</u>	<u>After Conversion</u>
4. Pro Forma Net Worth				
June 30, 2007	\$89,097,000	\$120,831,117	\$0	\$209,928,117
June 30, 2007 (Tangible)	\$86,237,000	\$120,831,117	\$0	\$207,068,117
	<u>Before Conversion</u>	<u>Net Cash Proceeds</u>	<u>Tax Benefit of Foundation</u>	<u>After Conversion</u>
5. Pro Forma Assets				
June 30, 2007	\$898,415,000	\$120,831,117	\$0	\$1,019,246,117

(1) Includes ESOP purchases of 6.00% of the second step offering.

(2) Includes Restricted Stock Plan purchases of 3.00% of the second step offering.

(3) ESOP amortized over 20 years, Restricted Stock amortized over 5 years, tax effects 38.00%

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

Exhibit IV-8  
**PRO FORMA EFFECT OF CONVERSION PROCEEDS**  
Atlantic Coast Federal Corporation  
At the Maximum of the Range

1. Fully Converted Value and Exchange Ratio		
Fully Converted Value		\$243,250,270
Exchange Ratio		1.77866
2nd Step Offering Proceeds		\$155,250,000
Less: Estimated Offering Expenses		2,679,000
Plus: MHC Assets		<u>518,000</u>
2nd Step Net Conversion Proceeds		\$153,089,000
2. Estimated Additional Income from Conversion Proceeds		
Net Conversion Proceeds		\$153,089,000
Less: Cash Contribution to Foundation		(0)
Less: Stock Contribution to Foundation		0
Less: ESOP Stock Purchases (1)		(9,315,000)
Less: Restricted Stock Purchases (2)		<u>(4,658,516)</u>
Net Proceeds to be Reinvested		\$139,115,484
Estimated after-tax net incremental rate of return		<u>3.04%</u>
Earnings Increase		\$4,226,328
Less: Estimated cost of ESOP borrowings		0
Less: Amortization of ESOP borrowings(3)		(288,765)
Less: Stock Programs Vesting (3)		(577,656)
Less: Option Plan Vesting (4)		<u>(463,755)</u>
Net Earnings Increase		\$2,896,152

3. Pro Forma Earnings	<u>Before Conversion</u>	<u>Net Earnings Increase</u>	<u>After Conversion</u>
12 Months ended June 30, 2007 (reported)	\$3,848,000	\$2,896,152	\$6,744,152
12 Months ended June 30, 2007 (core)	\$3,733,000	\$2,896,152	\$6,629,152

4. Pro Forma Net Worth	<u>Before Conversion</u>	<u>Net Cash Proceeds</u>	<u>Tax Benefit of Foundation</u>	<u>After Conversion</u>
June 30, 2007	\$89,097,000	\$139,115,484	\$0	\$228,212,484
June 30, 2007 (Tangible)	\$86,237,000	\$139,115,484	\$0	\$225,352,484

5. Pro Forma Assets	<u>Before Conversion</u>	<u>Net Cash Proceeds</u>	<u>Tax Benefit of Foundation</u>	<u>After Conversion</u>
June 30, 2007	\$898,415,000	\$139,115,484	\$0	\$1,037,530,484

(1) Includes ESOP purchases of 6.00% of the second step offering.

(2) Includes Restricted Stock Plan purchases of 3.00% of the second step offering.

(3) ESOP amortized over 20 years, Restricted Stock amortized over 5 years, tax effect 38.00%

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

Exhibit IV-8  
**PRO FORMA EFFECT OF CONVERSION PROCEEDS**  
Atlantic Coast Federal Corporation  
At the Supermaximum Value

1. Fully Converted Value and Exchange Ratio	
Fully Converted Value	\$279,737,810
Exchange Ratio	2.04545
2nd Step Offering Proceeds	\$178,537,500
Less: Estimated Offering Expenses	2,843,000
Plus: MHC Assets	<u>518,000</u>
2nd Step Net Conversion Proceeds	\$176,212,500

2. Estimated Additional Income from Conversion Proceeds

Net Conversion Proceeds	\$176,212,500
Less: Cash Contribution to Foundation	(0)
Less: Stock Contribution to Foundation	0
Less: ESOP Stock Purchases (1)	(10,712,250)
Less: Restricted Stock Purchases (2)	<u>(5,357,293)</u>
Net Proceeds to be Reinvested	\$160,142,957
Estimated after-tax net incremental rate of return	3.04%
Earnings Increase	\$4,865,143
Less: Estimated cost of ESOP borrowings	0
Less: Amortization of ESOP borrowings(3)	(332,080)
Less: Stock Programs Vesting (3)	(664,304)
Less: Option Plan Vesting (4)	<u>(533,318)</u>
Net Earnings Increase	\$3,335,441

3. Pro Forma Earnings	<u>Before Conversion</u>	<u>Net Earnings Increase</u>	<u>After Conversion</u>
12 Months ended June 30, 2007 (reported)	\$3,848,000	\$3,335,441	\$7,183,441
12 Months ended June 30, 2007 (core)	\$3,733,000	\$3,335,441	\$7,068,441

4. Pro Forma Net Worth	<u>Before Conversion</u>	<u>Net Cash Proceeds</u>	<u>Tax Benefit of Foundation</u>	<u>After Conversion</u>
June 30, 2007	\$89,097,000	\$160,142,957	\$0	\$249,239,957
June 30, 2007 (Tangible)	\$86,237,000	\$160,142,957	\$0	\$246,379,957

5. Pro Forma Assets	<u>Before Conversion</u>	<u>Net Cash Proceeds</u>	<u>Tax Benefit of Foundation</u>	<u>After Conversion</u>
June 30, 2007	\$898,415,000	\$160,142,957	\$0	\$1,058,557,957

(1) Includes ESOP purchases of 6.00% of the second step offering.

(2) Includes Restricted Stock Plan purchases of 3.00% of the second step offering.

(3) ESOP amortized over 20 years, Restricted Stock amortized over 5 years, tax effect 38.00%

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

EXHIBIT IV-9

Peer Group Core Earnings Analysis

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

Core Earnings Analysis  
 Comparable Institution Analysis  
 For the Twelve Months Ended June 30, 2007

	Net Income to Common (\$000)	Less: Net Gains(Loss) (\$000)	Tax Effect @ 34% (\$000)	Less: Extd Items (\$000)	Estimated Core Income to Common (\$000)	Shares (\$000)	Estimated Core EPS (\$)
<b>Comparable Group</b>							
CSBC Citizens South Banking of NC	5,910	642	-218	0	6,334	7,886	0.80
CFPC Community Fin. Corp. of VA(2)	4,153	0	0	0	4,153	4,296	0.97
ESBF ESB Financial Corp. of PA	8,754	-1,248	424	0	7,930	12,717	0.62
FBSI Fidelity Bancorp, Inc. of PA	4,196	-425	145	-407	3,509	2,990	1.17
FCPL First Community Bk Corp of FL(4)	1,510	-104	35	0	1,441	4,078	0.71
FFSH First Fed. Bancshares of AR	4,816	-802	273	0	4,287	4,863	0.88
CSLA GS Financial Corp. of LA	1,983	-54	18	0	1,947	1,266	1.54
JFBI Jefferson Bancshares Inc of TN	1,691	29	-10	0	1,710	6,412	0.27
PVBA Parkvale Financial Corp of PA	13,425	-453	154	0	13,126	5,612	2.34
TSE Teche Holding Cp of N Iberia LA	6,923	-86	29	0	6,866	2,201	3.12

(2) Financial information is for the quarter ending December 31, 2006.  
 (4) Figures are for two quarters of financial data. EPS figures are annualized.

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

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EXHIBIT V-1

RP® Financial, LC.  
Firm Qualifications Statement

**FIRM QUALIFICATION STATEMENT**

RP<sup>®</sup> Financial provides financial and management consulting, merger advisory and valuation services to the financial services industry nationwide. RP<sup>®</sup> 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<sup>®</sup> 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<sup>®</sup> Financial's strategic and capital planning services are designed to provide effective workable plans with quantifiable results. RP<sup>®</sup> 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<sup>®</sup> 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<sup>®</sup> Financial's M&A consulting focuses on enhancing shareholder returns.

**VALUATION SERVICES**

RP<sup>®</sup> 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<sup>®</sup> Financial is the nation's leading valuation firm for mutual-to-stock conversions of thrift institutions.

**OTHER CONSULTING SERVICES & DATA BASES**

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

**RP<sup>®</sup> Financial's Key Personnel (Years of Relevant Experience) & Contact Information**

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