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UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, DC 20549

**MANUALLY SIGNED**

**AMENDMENT NO. 3  
TO THE FORM SE**

**FORM FOR SUBMISSION OF PAPER FORMAT EXHIBITS  
BY EDGAR ELECTRONIC FILERS**

Naugatuck Valley Financial Corporation  
Exact name of registrant as specified in charter

0001493552  
Registrant CIK Number

Exhibit 99.1 to the Form S-1  
Electronic report, schedule or registration statement of which the documents are a part (give period of report)

333-167482  
SEC file number, if available

S- \_\_\_\_\_  
(Series identifier(s) and name(s), if applicable, add more lines as needed)

C- \_\_\_\_\_  
(Class (contact) identifier(s) and name(s), if applicable; add more lines as needed)

\_\_\_\_\_  
Report period (if applicable)

N/A  
Name of person filing this exhibit (if other than the registrant)

Identify the provision of Regulation S-T (§232 of this chapter) under which this exhibit is being filed in paper (check only one):

- Rule 201 (Temporary Hardship Exemption)
- Rule 202 (Continuing Hardship Exemption)
- Rule 311 (Permitted Paper Exhibit)

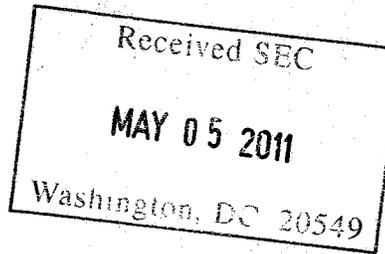
**IN ACCORDANCE WITH RULE 202 OF REGULATION S-T, THIS EXHIBIT 99.1 TO  
THE FORM S-1 IS BEING FILED IN PAPER PURSUANT TO A CONTINUING  
HARDSHIP EXEMPTION**



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May 4, 2011

**VIA FEDERAL EXPRESS**

Filing Desk  
Securities and Exchange Commission  
100 F Street, N.E.  
Washington, DC 20549

**Re: Naugatuck Valley Financial Corporation (File No. 333-167482)  
Naugatuck, Connecticut  
Form SE**

Dear Sir or Madam:

On behalf of Naugatuck Valley Financial Corporation (the "Company") and pursuant to Rule 202 of Regulation S-T and Form SE, enclosed are four (4) complete copies of Amendment No. 3 to Form SE, one (1) of which is manually signed. The amended Form SE contains Exhibit 99.1 (Pro Forma Valuation Report, prepared by RP Financial, LC.) to the Company's Pre-Effective Amendment No. 4 to Registration Statement on Form S-1, filed via EDGAR on this date. By letter dated June 9, 2010, the SEC granted the Company's request for a continuing hardship exemption to permit the filing of this exhibit in paper format.

Please acknowledge receipt of this filing by stamping a copy of this letter and returning it to us via our courier. If you have any questions regarding the enclosed materials, please telephone the undersigned at 202.508.5854.

Very truly yours,

KILPATRICK TOWNSEND & STOCKTON LLP

Victor L. Cangelosi

Enclosure

cc: John C. Roman, Naugatuck Valley Financial Corporation  
Lee R. Schlesinger, Naugatuck Valley Financial Corporation  
Paul M. Aguggia, Esq. (w/o encl.)  
Sean P. Kehoe, Esq.  
Erich M. Hellmold, Esq.

US2008 2557249.1

**SIGNATURES**

The Registrant has duly caused this form to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Naugatuck, State of Connecticut on May 4, 2011.

**NAUGATUCK VALLEY FINANCIAL CORPORATION**

By   
John C. Roman  
President and Chief Executive Officer



**Grant of Continuing Hardship Exemption**

**June 9, 2010**

**Applicant:** Victor L. Cangelosi  
**Company Name:** Naugatuck Valley Financial Corporation  
**Form Type:** Proposed Form S-1  
**Subject document:** Exhibit 99.1

We considered your continuing hardship exemption request submitted via EDGAR on June 7, 2010 (Accession No. 0001193125-10-133870) and determined that it satisfies the requirements of Rule 202 of Regulation S-T. We have therefore GRANTED your request. Accordingly, you must file the documents that are the subject of your request in paper as outlined in Rule 202(c) of Regulation S-T.

For the Commission, by the Division of Corporation Finance, pursuant to delegated authority.

A handwritten signature in cursive script that reads "Cecile Peters".

Cecile Peters  
Chief, Office of Information Technology  
Division of Corporation Finance

**PRO FORMA VALUATION REPORT**

**NAUGATUCK VALLEY FINANCIAL CORPORATION**  
*Naugatuck, Connecticut*

**PROPOSED HOLDING COMPANY FOR:**  
**NAUGATUCK VALLEY SAVINGS AND LOAN ASSOCIATION**  
*Naugatuck, Connecticut*

**Dated As Of:**  
**February 4, 2011**

**Amended As of:**  
**April 29, 2011**

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**Prepared By:**

**RP<sup>®</sup> Financial, LC.**  
**1100 North Glebe Road**  
**Suite 1100**  
**Arlington, Virginia 22201**

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February 4, 2011  
Amended as of April 29, 2011

Boards of Directors  
Naugatuck Valley MHC  
Naugatuck Valley Financial Corporation  
Naugatuck Valley Savings and Loan  
333 Church Street  
Naugatuck, Connecticut 06770

Members of the Boards of Directors:

At your request, we have completed and hereby provide an independent appraisal ("Appraisal") of the estimated pro forma market value of the common stock which is to be issued in connection with the mutual-to-stock conversion transaction described below.

This Appraisal is furnished pursuant to the 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"), and applicable regulatory interpretations thereof.

#### Description of Plan of Conversion and Reorganization

On January 14, 2011, the respective Boards of Directors of Naugatuck Valley MHC (the "MHC"), Naugatuck Valley Financial Corporation ("Naugatuck Valley" or the "Company") and Naugatuck Valley Savings and Loan (the "Bank"), Naugatuck, Connecticut, adopted a Plan of Conversion (the "Plan of Conversion") whereby the MHC will convert to stock form. As a result of the conversion, Naugatuck Valley, which currently owns a majority of the issued and outstanding common stock of the Company, will be succeeded by a newly formed Maryland corporation with the name of New Naugatuck Valley Financial Corporation. Following the conversion, the MHC will no longer exist. For purposes of this document, the existing consolidated entity and the newly incorporated entity will hereinafter be referred to as Naugatuck Valley or the Company, unless otherwise noted. As of December 31, 2010, the MHC had a majority ownership interest in, and its principal asset consisted of approximately 59.6% of the common stock (the "MHC Shares") of Naugatuck Valley. The remaining 40.4% of Naugatuck Valley common stock is owned by public stockholders.

It is our understanding that Naugatuck Valley will offer its stock, representing the majority ownership interest held by the MHC, in a subscription offering to Eligible Account Holders, Tax-Qualified Employee Stock Benefit Plans including the Bank's employee stock ownership plan (the "ESOP"), Supplemental Eligible Account Holders and Other Members, as such terms are defined for purposes of applicable federal regulatory requirements governing mutual-to-stock conversions. To the extent that shares remain available for purchase

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#### **Washington Headquarters**

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after satisfaction of all subscriptions received in the subscription offering, the shares are expected to be offered for sale in a community offering. Shares not purchased in the subscription and community offerings may be offered for sale to the general public in a syndicated offering.

Upon completing the mutual-to-stock conversion and stock offering (the "Second-Step Conversion"), the Company will be 100% owned by public shareholders, the publicly-held shares of Naugatuck Valley will be exchanged for shares in the Company at a ratio that retains their ownership interest at the time the conversion is completed and the MHC assets will be consolidated with the Company.

#### 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 the Company, 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 the Company, the Bank and the MHC that has included a review of audited financial information for the fiscal years ended December 31, 2006 through December 31, 2010, as well as due diligence related discussions with the Company's management; Whittlesey & Hadley, P.C, the Company's independent auditor; Kilpatrick Townsend, LLP, the Company's conversion counsel; and Stifel Nicolaus Weisel, the Company'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 Naugatuck Valley operates and have assessed Naugatuck Valley'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 Naugatuck Valley and the industry as a whole. We have analyzed the potential effects of the stock conversion on Naugatuck Valley's operating characteristics and financial performance as they relate to the pro forma market value of Naugatuck Valley. We have analyzed the assets held by the MHC, which will be consolidated with Naugatuck Valley's assets and equity pursuant to the completion of the second-step conversion. We have reviewed the economic and demographic characteristics of the Company's primary market area. We have compared Naugatuck Valley's financial performance

and condition with selected thrift holding companies in accordance with the Valuation Guidelines. 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 Naugatuck Valley's representation that the information contained in the regulatory applications and additional information furnished to us by Naugatuck Valley 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 Naugatuck Valley, or its independent auditor, legal counsel and other authorized agents nor did we independently value the assets or liabilities of Naugatuck Valley. The valuation considers Naugatuck Valley only as a going concern and should not be considered as an indication of Naugatuck Valley's liquidation value.

Our appraised value is predicated on a continuation of the current operating environment for Naugatuck Valley 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 Naugatuck Valley's stock alone. It is our understanding that there are no current plans for selling control of Naugatuck Valley following completion of the second-step conversion. 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 Naugatuck Valley'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 February 4, 2011, as amended as of April 29, 2011 to take into account information available subsequent to the filing of Naugatuck Valley's common stock including the trading activity of Naugatuck Valley's common stock and the offering results and aftermarket trading of completed conversion offerings through the date of the amendment, the estimated aggregate pro forma valuation of the shares of the Company to be issued and outstanding at the end of the conversion offering – including (1) the shares to be issued publicly representing the MHC's current ownership interest in the Company and (2) exchange shares issued to existing public shareholders of Naugatuck Valley – was \$52,023,512 at the midpoint, equal to 6,502,939 shares at \$8.00 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 in the fully

converted company. The Boards of Directors of the MHC, Naugatuck Valley and the Bank have independently determined the exchange ratio, which has been designed to preserve the current aggregate percentage ownership in the Company held by the public shareholders. The exchange ratio to be received by the existing minority shareholders of the Company will be determined at the end of the offering, based on the total number of shares sold in the subscription, community, and syndicated offerings and the final appraisal. Based on the valuation conclusion herein, the resulting offering value, and the \$8.00 per share offering price, the indicated exchange ratio at the midpoint is 0.9265 shares of the Company for every one public share held by public shareholders. Furthermore, based on the offering range of value, the indicated exchange ratio is 0.7875 at the minimum, 1.0655 at the maximum and 1.2253 at the supermaximum. 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. The resulting range of value pursuant to regulatory guidelines, the corresponding number of shares based on the Board approved \$8.00 per share offering price, and the resulting exchange ratios are shown below.

	<u>Total Shares</u>	<u>Offering Shares</u>	<u>Exchange Shares Issued to the Public Shareholders</u>	<u>Exchange Ratio</u> (x)
<u>Shares</u>				
Super Maximum	8,600,138	5,124,688	3,475,450	1.2253
Maximum	7,478,380	4,456,250	3,022,130	1.0655
Midpoint	6,502,939	3,875,000	2,627,939	0.9265
Minimum	5,527,498	3,293,750	2,233,748	0.7875

Distribution of Shares

Super Maximum	100.00%	59.59%	40.41%
Maximum	100.00%	59.59%	40.41%
Midpoint	100.00%	59.59%	40.41%
Minimum	100.00%	59.59%	40.41%

Aggregate Market Value(1)

Super Maximum	\$68,801,104	\$40,997,504	\$27,803,600
Maximum	\$59,827,040	\$35,650,000	\$24,177,040
Midpoint	\$52,023,512	\$31,000,000	\$21,023,512
Minimum	\$44,219,984	\$26,350,000	\$17,869,984

(1) Based on offering price of \$8.00 per share.

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 Naugatuck Valley 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 Naugatuck Valley as of December 31, 2010, the date of the financial data included in the prospectus. The proposed exchange ratio to be received by the current public stockholders of Naugatuck Valley and the exchange of the public shares for newly issued shares of Naugatuck Valley common stock as a full public company was determined independently by the Boards of Directors of the MHC, Naugatuck Valley 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.

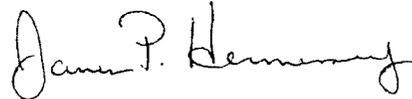
RP Financial is not a seller of securities within the meaning of any federal and state securities laws and any report prepared by RP Financial shall not be used as an offer or solicitation with respect to the purchase or sale of any securities. RP Financial maintains a policy which prohibits RP Financial, 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 Naugatuck Valley, 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 Naugatuck Valley's stock offering.

Respectfully submitted,  
RP® FINANCIAL, LC.



William E. Pommerening  
Chief Executive Officer and  
Managing Director



James P. Hennessey  
Director

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*Naugatuck, Connecticut*

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## I. OVERVIEW AND FINANCIAL ANALYSIS

### Introduction

Naugatuck Valley Savings and Loan (the "Bank") is a federally chartered savings and loan headquartered in Naugatuck, Connecticut, operating in the Greater Naugatuck Valley which the Bank considers to be its primary market area. More specifically, the Bank conducts business in New Haven County, where the main office and eight branch offices are located, and Fairfield County, where one branch office is situated. The Bank has served customers in its western and southwestern Connecticut markets within the Greater Naugatuck Valley since 1922.

In addition, the Bank delivers its banking products and services and related information services through alternative methods for customers to access their accounts including direct deposit, ATMs and check card services, overdraft protection, telephone and Internet banking, and remote electronic deposits, thereby providing our customers multiple channels to access their accounts.

In 2004, Naugatuck Valley Savings and Loan was reorganized into a stock savings bank with a mutual holding company structure. As a part of that reorganization, the Bank formed Naugatuck Valley as the mid-tier holding company for Naugatuck Valley Savings and Loan and sold a minority interest in Naugatuck Valley Financial Corporation ("Naugatuck Valley" or the "Company") common stock to its depositors and employee stock ownership plan ("ESOP") in a subscription offering. The majority of Naugatuck Valley's shares were issued to Naugatuck Valley Mutual Holding Company (the "MHC"), a mutual holding company organized under federal law. As a mutual holding company, Naugatuck Valley MHC does not have any shareholders, does not hold any significant assets other than the common stock of Naugatuck Valley Financial, and does not engage in any significant business activity. The reorganization and minority stock issuance was completed as of September 2004.

The Company has no significant assets, other than all of the outstanding shares of the Bank, and no significant liabilities. At December 31, 2010, the Company had 7,018,823 shares of common stock outstanding, whereby the MHC owns 4,182,407 shares or 59.6% of the common stock outstanding, of Naugatuck Valley and the minority public shareholders own the remaining 2,836,416 shares or 40.4%. The public shares are traded on Nasdaq under the trading symbol "NVSL". The Bank is a member of the Federal Home Loan Bank ("FHLB")

system and its deposits are insured up to the regulatory maximums by the Federal Deposit Insurance Corporation ("FDIC"). The Bank is subject to extensive regulation, supervision and examination by the Office of Thrift Supervision ("OTS") and by the FDIC. The MHC and the Company (currently and prospectively) are subject to regulation and supervision by the OTS and its successor agency.

The Company operates as a community-oriented financial institution offering traditional financial services to consumers and businesses in the regional market area, thereby attracting deposits from the general public and using those funds, together with FHLB advances, to originate loans to their customers and invest in securities such as U.S. Government and agency securities and MBS. At December 31, 2010, the Company had \$568.3 million of total assets, \$473.5 million in loans, \$405.9 million of total deposits, and stockholders' equity equal to \$52.3 million, equal to 9.2% of total assets. For the twelve months ended December 31, 2010, the Company reported net income equal to \$1.5 million, for a return on average assets equal to 0.25%. The Company's audited financial statements are included by reference as Exhibit I-1 and key operating ratios are shown in Exhibit I-2.

#### Plan of Conversion and Reorganization

On January 14, 2011, Naugatuck Valley announced that the Boards of Directors of the MHC, Naugatuck Valley and the Bank unanimously adopted a Plan of Conversion and Reorganization (the "Plan of Conversion"), pursuant to which Naugatuck Valley will convert from the three-tier MHC structure to the full stock holding company structure and concurrently conduct a second-step conversion offering ("Second-Step Conversion" or "Offering") that will include the sale of the MHC's ownership interest in Naugatuck Valley. Pursuant to the Plan of Conversion, Naugatuck Valley will be succeeded by a newly formed Maryland corporation with the name of New Naugatuck Valley Financial Corporation. Following the conversion, the MHC will no longer exist.

Pursuant to the Second-Step Conversion transaction, Naugatuck Valley will sell shares of its common stock in a subscription offering in descending order of priority to the Bank's members and other stakeholders as follows: Eligible Account Holders; Tax-Qualified Employee Stock Benefit Plans; Supplemental Eligible Account Holders; and Other Members. Any shares of stock not subscribed for by the foregoing classes of persons will be offered for sale to certain members of the public through a community offering. Shares not purchased in the subscription

and community offerings maybe be offered for sale to the general public in a syndicated offering or an underwritten public offering, or through a combination of such offerings. The Company will also issue exchange shares of its common stock to the current public shareholders in the Second-Step Conversion transaction pursuant to an exchange ratio that will result in the same aggregate ownership percentage as immediately before the Offering.

#### Purpose of the Reorganization

The Second-Step Conversion will increase the capital level to support further expansion, improve the overall competitive position of the Company in the local market area, enhance profitability, and reduce interest rate risk. Importantly, the additional equity will provide a larger capital base for continued growth and diversification, as well as increase the lending capability of the Company, including the funds available for lending. Future growth opportunities are expected through the current branch network as well as through de novo branching in the regional markets served. Additionally, the Company anticipates that growth opportunities may result from regional Bank consolidation in the local market, particularly in the current economic and operating environment, and the resulting fallout of customers who are attracted to the Company's customer service and various products. 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 projected use of stock proceeds is highlighted below.

- The Company. The Company is expected to retain 35% of the net conversion proceeds. At present, Company funds, net of the loan to the employee stock ownership plan ("ESOP"), are expected to be invested initially into high quality investment securities with short-term maturities, generally consistent with the current investment mix. 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 conversion proceeds (65% of the net proceeds) will be infused into the Bank. 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 loans in the market area, general corporate purposes and/or expansion and diversification.

In addition, pursuant to the Plan of Conversion, the assets and liabilities of the MHC at December 31, 2010 will be merged with the Company resulting in a net increase of consolidated capital of \$22 thousand, reflecting the MHC's current capital account excluding the investment in subsidiary.

The Company expects to continue to pursue a controlled growth strategy, leveraging its strong pro forma capital, and growing primarily through the current delivery channels. If appropriate, Naugatuck Valley may also consider various capital management strategies to assist in the long run objective of increasing return on equity ("ROE").

#### Strategic Overview

Throughout much of its corporate history, the Company's strategic focus has been that of a community-oriented financial institution with a primary focus on meeting the borrowing, savings and other financial needs of its local customers in New Haven and Fairfield Counties. In this regard, the Company has historically pursued a residential lending strategy for portfolio, as construction and commercial lending have typically constituted a modest portion of the total loan portfolio. Naugatuck Valley embarked on a growth and expansion strategy which included adding seven branch offices in the regional area over the last decade and increasing total assets to \$568.3 million as of December 31, 2010. The Company's growth and expansion strategy has been focused on increasing the balance of loans receivable while also gradually restructuring the loan portfolio to include a greater proportion of commercial loans, primarily mortgage loans but also commercial and industrial loans ("C&I loans") to a more limited extent. Accordingly, the Company's current lending operations consist of two principal segments as follows: (1) residential mortgage lending; and (2) commercial mortgage and C&I loans in conjunction with the intensified efforts to become a full-service community bank.

With this transition in recent years, the Company has more fully developed the infrastructure required to undertake more diversified lending. In this regard, management has more fully developed the policies and procedures pertaining to the Company's credit standards and the administration of commercial accounts. Additionally, Naugatuck Valley has employed a number of senior bankers with local commercial banking experience to manage the commercial lending operations while also employing officers at mid-level management positions who also

possess extensive commercial lending experience locally. At the same time, Naugatuck Valley has bolstered the personnel and other infrastructure in the credit administration area to effectively manage and process the expanded commercial lending activities.

The Company's efforts to expand the loan portfolio is highlighted by data which indicates the loan portfolio balance has increased by more than 50% since the end of fiscal 2006, increasing from \$308.4 million to \$473.5 million as of the end of fiscal 2010. Growth of commercial real estate/multi-family mortgage loans, C&I loans and construction loans has outpaced expansion of residential mortgage loans, including both permanent 1-4 family loans and home equity loans. Specifically, commercial-based loans have increased from \$89.5 million, or 28.6% of total loans as of December 31, 2006, to \$225.9 million, or 46.9% of total loans as of December 31, 2010.

Despite the increased commercial lending emphasis, residential mortgage loans continue to comprise the largest portion of the loan portfolio at \$219.3 million, or 45.6% of total loans as of December 31, 2010. In addition, home equity lending is a material component of the Company's lending as such loans totaled \$34.8 million, or 7.2% of total loans as of the fiscal 2010 year end. Substantially all of the Company's residential mortgage loans are originated internally by the Company loan officers. The majority of the Company's permanent residential mortgage volume has been in 15 and 30 year mortgage loans and, to date, loan sales have been limited. Although the Company has historically originated most loans for portfolio, Naugatuck Valley implemented a significant initiative to develop a secondary mortgage operation. In this regard, the Company made a significant investment in personnel and systems commencing in 2009 to increase the ability to originate conforming residential mortgage loans for resale into the secondary market, generally on a servicing retained basis. The volume of loans sold totaled \$37.0 million for the year ended December 31, 2010, and with the lending personnel and systems in place, the Company will be seeking to expand the volume of loans originated and sold into the secondary market in the future.

The Company's interest-earning assets ("IEA") also consist of interest-earning deposits and short- to intermediate-term investment securities and mortgage-backed securities ("MBS"), the majority of which are currently classified as available for sale ("AFS"). The Company's cash and investments portfolio has diminished over the last five fiscal years as Naugatuck Valley has redeployed funds into the loan portfolio with the objective of enhancing overall yields and earnings.

Retail deposits have consistently served as the primary interest-bearing funding source for the Company. The Company has sought to increase the deposit base through management's efforts to enhance the convenience of the branch office network (by increasing the number of branch offices from three to ten since 2000, including opening one office in 2008). One factor driving the retail expansion is the desire to increase funding through lower cost retail-based savings and transaction accounts, which have increased from \$124.1 million as of the end of fiscal 2006, to \$166.5 million as of the end of fiscal 2010, reflecting 34.1% growth over the period. Notwithstanding efforts to increase the proportion of core transaction accounts to total deposits, the Company's growth objectives have necessitated expansion of funding with certificates of deposits ("CDs"), which have increased from 57.1% of deposits as of the end of fiscal 2006, to 59.0% of deposits as of the end of fiscal 2010.

The Company has typically utilized borrowings in two different respects: (1) as a supplemental funding source to favorably manage funding costs and to manage interest rate risk; and (2) longer-term borrowings to finance growth and diversification as a supplement to funding operations through deposits. Following the Second-Step Conversion, the Company believes it will continue to utilize FHLB advances when the "all in" cost of funds compares favorably to deposits. Expansion of the Company's borrowed funds portfolio since 2006 has been attributable to the need to fund relatively strong loan growth. At the same time, as the Company has scaled back asset and loan growth in fiscal 2010, the need for funds has diminished and the level of borrowed funds has reduced.

The Company's earnings base is largely dependent upon net interest income and operating expense levels, reflecting a traditional operating strategy. Core earnings growth realized by the Company through 2008 have been driven by the expanding balance sheet which has resulted in net interest income increasing at a more rapid pace than Naugatuck Valley's operating costs. Moreover, recent rate reductions by the Federal Reserve have also had a beneficial impact on the Company's net interest income, as funding costs have diminished more rapidly the asset yields. Importantly, while rate reductions by the Fed since 2008, have positively impacted the Company's spreads, the earnings benefit to Naugatuck Valley has been mitigated by an increasing level of non-performing assets ("NPAs") and loan loss provisions, largely the result of the weak economy.

Since completion of the minority stock issuance, the Company's business plan has focused on strong asset growth (i.e., 8.3% compounded growth annually since the end of fiscal

2006) and the Company has focused on increasing the balance of commercial loans. In the current economic and regulatory environment, the Company anticipates that future growth and diversification will be moderated relative to the recent historical trend. At the same time, the increased capitalization will enhance the ratio of capital to high risk-weight loans and enhance the ability of the Company to continue to undertake commercial lending albeit at growth rates which may be lower than those experienced over the last five years. Likewise, in view of the diminished expectations for future loan and asset growth, Naugatuck Valley may establish new branch offices on a selective basis currently anticipated at a rate of 1 or 2 per year over the next several years though no new locations have been identified as yet. A summary of the Company's key operating ratios for this period is presented in Exhibit I-2.

#### Balance Sheet Growth Trends

The Company's strategy of growth and expansion, both through internal growth at existing branches and de novo branching is evidenced in Table 1.1. Since December 31, 2006, total assets have increased at an 8.3% compounded annual rate, expanding from \$413.9 million to \$568.3 million as of the fiscal 2010 year end. Loans have realized a faster growth rate than total assets and thus, increased in proportion to total assets, from 74.5% at December 31, 2006, to 83.3% at December 31, 2010, which limited the net interest margin compression during the challenging yield curve environment (i.e., modestly sloped to flat or slightly inverted yield curve) which prevailed during fiscal 2006 and 2007. Specifically, loans have increased at a 11.3% annual rate from the end of fiscal 2006 through December 31, 2010, while investment securities (AFS and HTM) decreased from \$70.3 million as of the end of fiscal 2006, to \$47.0 million as of the end of fiscal 2010, reflecting 9.6% compounded annual shrinkage.

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 8.8% since the end of fiscal 2006, reflecting the impact of the Company's competitive pricing for CDs and the impact of branch expansion over the decade which has facilitated growth of savings and transaction accounts. Borrowed funds have also increased, expanding at a 10.7% annual pace since the end of fiscal 2006 but have diminished over the last 12 months reflecting the more limited need for funds as Naugatuck Valley has scaled back loan growth.

Table 1.1  
Naugatuck Valley Financial Corporation  
Historical Balance Sheet Data

	At Fiscal Year Ended December 31,										Annual Growth Rate Pct (%)
	2006		2007		2008		2009		2010		
	Amount (\$000)	Pct(1) (%)	Amount (\$000)	Pct(1) (%)	Amount (\$000)	Pct(1) (%)	Amount (\$000)	Pct(1) (%)	Amount (\$000)	Pct(1) (%)	
<b>Total Amount of:</b>											
Total assets	\$413,855	100.00%	\$462,527	100.00%	\$535,386	100.00%	\$556,955	100.00%	\$568,253	100.00%	8.25%
Cash and cash equivalents	7,942	1.92%	8,370	1.81%	8,247	1.54%	12,146	2.18%	14,263	2.51%	15.76%
Investment securities – HTM	2,531	0.61%	1,190	0.26%	-	0.00%	1,451	0.26%	15,334	2.70%	56.89%
Investment securities – AFS	67,736	16.37%	65,264	14.11%	63,844	11.92%	37,623	6.76%	31,683	5.58%	-17.30%
FHLB Stock	3,898	0.94%	4,632	1.00%	6,252	1.17%	6,252	1.12%	6,252	1.10%	12.54%
Loans receivable, net	308,376	74.51%	359,831	77.80%	431,976	80.68%	473,304	84.98%	473,521	83.33%	11.32%
Deposits	289,198	69.88%	321,398	69.49%	363,026	67.81%	380,931	68.40%	405,875	71.43%	8.84%
BOLI	7,956	1.92%	8,264	1.79%	8,579	1.60%	8,920	1.60%	9,248	1.63%	3.83%
Real estate owned	0	0.00%	0	0.00%	0	0.00%	140	0.03%	421	0.07%	-
Borrowed funds	68,488	16.55%	85,107	18.40%	119,148	22.25%	118,984	21.36%	102,842	18.10%	10.70%
Total stockholders' equity	51,084	12.34%	50,457	10.91%	45,589	8.52%	50,308	9.03%	52,260	9.20%	0.57%
Loans/Deposits		106.63%		111.96%		118.99%		124.25%		116.67%	
Banking offices	9		9		10		10		10		

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

Sources: Naugatuck Valley Financial Corp. Prospectus

Equity has increased nominally since the end of fiscal 2006 (i.e., at less than 1% compounded annually), as capital management strategies (i.e., dividends and share repurchases by the Company) substantially offset the capital growth provided by earnings. Limited growth of Naugatuck Valley's equity coupled with asset growth achieved since fiscal 2006 resulted in leveraging of the Company's equity which diminished from 12.3% at the end of fiscal 2006, to 9.2% as of December 31, 2010. Going forward, the post-offering equity growth rate is expected to be impacted by a number of factors including the higher level of capitalization, the reinvestment and leveraging of the Offering proceeds, the expense of the stock benefit plans and the impact of dividends and potential stock repurchases.

Loans Receivable. Loans receivable totaled \$473.5 million or 83.3% of total assets as of December 31, 2010 and reflects significant growth since year end 2006, with growth moderating in the most recent fiscal year. Management attributes the recent trend for slower growth in loans to the recessionary economic environment and a conscious decision to restrain growth as the level of NPAs rose significantly during the year. Permanent 1-4 family mortgage loans comprise the largest single segment of the loan portfolio, equal to 45.6% of total loans. The residential mortgage loan portfolio consists primarily of fixed rate mortgage loans, which comprise the substantial majority of residential mortgage loans originated. The Company has traditionally been a portfolio lender, but the current practice is to retain fixed rate loans with maturities of up to 15 years in portfolio and generally sell longer term fixed rate loans. In this regard, the Company employed six commissioned loan originators in fiscal 2010 whose primary focus is originating loans for resale into the secondary market.

Home equity loans and lines of credit secured by 1-4 family properties comprise an additional 7.2% of loans as of December 31, 2010. Thus, notwithstanding the reorientation of the Company's operations to a more "community bank-like" operating strategy, loans secured by residential mortgage loans (including home equity loans and lines of credit) continue to comprise the majority of loans (52.8% of total loans). Commercial mortgage and C&I loans comprise the majority of the balance of the loan portfolio and have been the fastest growing segment of the loan portfolio over the last five fiscal years.

Cash, Investments and Mortgage-Backed Securities. The intent of the Company's investment policy is to provide adequate liquidity, to generate a favorable return on excess investable funds and to support the established credit and interest rate risk objectives. The ratio of cash and investments (including MBS) has fluctuated, based primarily on loan demand and

cash inflows from deposits and borrowings and has declined in aggregate since the end of fiscal 2006, from 50.0% of assets to 39.6% as of December 31, 2010. Notwithstanding the Company's preference for investing in whole loans, the large securities portfolio reflects management's intent to leverage capital and enhance earnings per share.

Investment securities and MBS equaled \$47.0 million or 8.3% of total assets as of December 31, 2010, while cash and equivalents totaled \$14.3 million or 2.5% of assets. As of December 31, 2010, the cash and investments portfolio consisted of cash, interest-earning deposits in other financial institutions, issued by Ginnie Mae, Fannie Mae or Freddie Mac, U.S. government agency obligations (including callable securities), and variable rate preferred stock (see Exhibit I-3 for the investment portfolio composition). Additionally, the Company maintains permissible equity investments such as FHLB stock. The majority of the Company's investment securities are classified as available for sale ("AFS") with the balance totaling \$31.7 million, equal to 5.6% of total assets as of the fiscal 2010 year end. The held-to-maturity ("HTM") securities portfolio totaled \$15.3 million and consisted solely of MBS.

No major changes to the composition and practices with respect to the management of the investment portfolio are anticipated over the near term, except that the level of cash and investments is anticipated to increase initially following the Second-Step Conversion. Over the longer term, it is the Company's intent to leverage the proceeds with loans to a greater extent than investment securities over the long term.

Bank-Owned Life Insurance. As of December 31, 2010, the balance of bank-owned life insurance ("BOLI") totaled \$9.2 million, which reflects growth since the end of fiscal 2006 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 Bank'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 other non-interest income on an annual basis.

Funding Structure. Since fiscal year-end 2006, deposits have increased at an 8.8% annual rate, as the Company has established strong growth targets for the deposit base in conjunction with Naugatuck Valley's overall growth and expansion strategy. Management believes that such growth has been facilitated by offering relatively high deposit rates in comparison to the prevailing competition, particularly in CD accounts. Additionally, Naugatuck Valley's emphasis on customer service, the development of commercial account relationships

and recent expansion of the retail branch banking network have also been factors in the deposit growth. Reflecting the success in attracting retail consumer and business accounts, the growth in savings and transaction accounts has equaled 34.1% and savings and transaction accounts equaled \$166.5 million or 41.0% of total deposits as of the end of fiscal 2010. Notwithstanding the recent growth of savings and transaction accounts, CDs continued to comprise the majority of the deposit base totaling \$239.4 million, or 59.0% of deposits as of December 31, 2010.

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. Borrowed funds, primarily consisting of FHLB advances, have been an important source of supplemental funding utilized by Naugatuck Valley to achieve targeted balance sheet growth. In this regard, borrowed funds, primarily consisting of FHLB advances, increased from \$68.5 million as of the end of fiscal 2006, to a fiscal year end peak level of \$119.1 million in fiscal 2008. In view of the success in achieving deposit growth coupled with the more limited need for funds in fiscal 2010, the balance of borrowings has subsequently diminished to equal \$102.8 million, or 18.1% of assets as of December 31, 2010.

Equity. With the completion of the minority stock issuance in September 2004, Naugatuck Valley's equity was more than doubled upon completion and had increased to \$51.1 million, or 12.3% of assets as of December 31, 2006. Since fiscal year end 2006, the Company's equity reflects modest growth due, in part, to Naugatuck Valley's moderate operating returns as management has focused on growth of the balance sheet, branch network and supporting infrastructure rather than maximizing near term profitability. Coupled with the impact of capital management strategies implemented by the Company, including a dividend policy and share repurchases, asset growth has outstripped growth of the Company's capital. As of December 31, 2010, Naugatuck Valley's stockholders' equity totaled \$52.3 million, equal to 9.20% of assets. The Bank maintained surpluses relative to its regulatory capital requirements at December 31, 2010, and was qualified as a "well capitalized" institution. The Offering proceeds will serve to further strengthen the Company's regulatory capital position and support the ability to undertake high risk-weight lending in the current environment, albeit at diminished growth rates relative to the prior five fiscal year period. 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 past five fiscal periods through December 31, 2010. The Company reported positive earnings in four of the last five fiscal years with the loss reported in fiscal 2008 primarily attributable to non-recurring other than temporary impairment ("OTTI") charges on auction rate preferred stock securities issued by Fannie Mae. On a core earnings basis, excluding non-operating items on a tax effected basis, earnings have been positive over the time period shown. In the two fiscal years ended 2010, earnings have been adversely impacted by the increase in NPAs and the higher level of resulting loan loss provisions, which more than offset the benefit of an expanding net interest margin. In fiscal 2010, net income for the Company totaled \$1.5 million, equal to 0.25% of average assets.

Net Interest Income. Net interest income has grown over the period reflected in Table 1.2, primarily due to balance sheet growth and an increase in the proportion of higher yielding loans reflecting the redeployment of funds out of the cash and investment portfolio. Specifically, net interest income increased from \$11.4 million in fiscal 2006, to \$18.3 million for fiscal 2010. However, the ratio of net interest income to average assets has fluctuated over the corresponding time frame, with the ratio decreasing from 2.99% in fiscal 2006 to 2.75% in fiscal 2008, and then subsequently increasing to 3.15% of average assets for fiscal 2010.

Spread compression was a key factor contributing to the limited growth in net interest income experienced over the fiscal 2006 to 2007 periods while balance sheet growth prevented the level of net interest income from declining significantly. In this regard, the Federal Reserve increased the targeted federal funds rate to 5.25% through June 2006 and maintained this level for over a year through September 2007, leading to a flat to mildly inverted yield curve which adversely impacted Naugatuck Valley's interest rate spreads. Subsequent reductions in the targeted federal funds rate by the Federal Reserve have favorably impacted the Company's yield-cost spreads and fueled the expansion of net interest income.

Table 1.2  
Naugatuck Valley Financial Corporation  
Historical Income Statements

	As of the Fiscal Year Ended December 31,									
	2006		2007		2008		2009		2010	
	Amount (\$000)	Pct(1) (%)	Amount (\$000)	Pct(1) (%)	Amount (\$000)	Pct(1) (%)	Amount (\$000)	Pct(1) (%)	Amount (\$000)	Pct(1) (%)
Interest Income	\$ 20,750	5.45%	\$ 25,030	5.82%	\$ 28,203	5.42%	\$ 28,291	5.25%	\$ 28,538	4.92%
Interest Expense	\$ (9,350)	-2.45%	\$ (13,174)	-3.06%	\$ (13,904)	-2.67%	\$ (12,537)	-2.33%	\$ (10,279)	-1.77%
Net Interest Income	\$ 11,400	2.99%	\$ 11,856	2.76%	\$ 14,299	2.75%	\$ 15,754	2.92%	\$ 18,259	3.15%
Provision for Loan Losses	\$ (192)	-0.05%	\$ (151)	-0.04%	\$ (675)	-0.13%	\$ (1,144)	-0.21%	\$ (3,360)	-0.58%
Net Interest Income after Provisions	\$ 11,208	2.94%	\$ 11,705	2.72%	\$ 13,624	2.62%	\$ 14,610	2.71%	\$ 14,899	2.57%
Other Operating Income	\$ 1,942	0.51%	\$ 2,289	0.53%	\$ 2,327	0.45%	\$ 2,334	0.43%	\$ 2,332	0.40%
Mortgage Banking Fees	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ 945	0.16%
Operating Expense	\$ (11,504)	-3.02%	\$ (12,422)	-2.89%	\$ (13,454)	-2.59%	\$ (14,541)	-2.70%	\$ (15,125)	-2.61%
Net Operating Income	\$ 1,646	0.43%	\$ 1,572	0.37%	\$ 2,497	0.48%	\$ 2,403	0.45%	\$ 3,051	0.53%
Gains on the Sale of Loans	\$ -	0.00%	\$ -	0.00%	\$ 23	0.00%	\$ 20	0.00%	\$ -	0.00%
Net Gain(Loss) on Sale of Securities	\$ 6	0.00%	\$ 65	0.02%	\$ -	0.00%	\$ 388	0.07%	\$ 11	0.00%
OTTI Charges on Investments	\$ -	0.00%	\$ -	0.00%	\$ (3,398)	-0.65%	\$ -	0.00%	\$ -	0.00%
Merger Related Expenses	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ (782)	-0.13%
Total Non-Operating Income/(Expense)	\$ 6	0.00%	\$ 65	0.02%	\$ (3,375)	-0.65%	\$ 408	0.08%	\$ (771)	-0.13%
Net Income Before Tax	\$ 1,652	0.43%	\$ 1,637	0.38%	\$ (878)	-0.17%	\$ 2,811	0.52%	\$ 2,280	0.39%
Income Taxes	\$ (204)	-0.05%	\$ (217)	-0.05%	\$ 566	0.11%	\$ (818)	-0.15%	\$ (829)	-0.14%
Net Income (Loss) Before Extraord. Items	\$ 1,448	0.38%	\$ 1,420	0.33%	\$ (312)	-0.06%	\$ 1,993	0.37%	\$ 1,451	0.25%
<b>Estimated Core Net Income</b>										
Net Income	\$ 1,448	0.38%	\$ 1,420	0.33%	\$ (312)	-0.06%	\$ 1,993	0.37%	\$ 1,451	0.25%
Addback(Deduct): Non-Recurring (Inc)/Exp	\$ (6)	0.00%	\$ (65)	-0.02%	\$ 3,375	0.65%	\$ (408)	-0.08%	\$ 771	0.13%
Tax Effect (2)	\$ 2	0.00%	\$ 22	0.01%	\$ (1,148)	-0.22%	\$ 139	0.03%	\$ (262)	-0.05%
Estimated Core Net Income	\$ 1,444	0.38%	\$ 1,377	0.32%	\$ 1,916	0.37%	\$ 1,724	0.32%	\$ 1,960	0.34%
Memo:										
Expense Coverage Ratio	99.10%		95.44%		106.28%		108.34%		120.72%	
Efficiency Ratio	86.22%		87.82%		80.92%		80.39%		70.23%	
Effective Tax Rate	12.35%		13.26%		64.46%		29.10%		36.36%	

(1) Ratios are a Percent of Average Assets.  
(2) Tax effected at a 34% rate.

Source: Naugatuck Valley Financial Corporation's audited and unaudited financial reports.

Specifically, the Company's interest rate spread decreased from 3.07% in fiscal 2006, to 2.76% in fiscal 2007 while increasing to 2.89% in fiscal 2008 and 3.40% in fiscal 2010 (see Exhibit I-4). 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. At the same, while the initial reinvestment of the Offering proceeds should increase net interest income, the initial reinvestment yields are expected to depress asset yields and the net interest income ratio. Over the long term, the asset yields may likely recover as the funds from the Offering are redeployed into higher yielding loans, which is the longer-term plan of the use of proceeds.

Loan Loss Provisions. Provisions for loan losses have typically been limited reflecting the Company's relatively strong asset quality historically and the secured nature of the loan portfolio; the majority of the loan portfolio is secured by real estate collateral in the Company's market area. However, since fiscal 2007, the Company has increased the level of loan loss provisions, which management attributes to loan growth (including growth in high risk-weight multi-family and commercial loans), an increasing level of NPAs, and as a result of a weak economy and erosion of real estate values which support the collateral value of Naugatuck Valley's mortgage portfolio. The increase in NPAs was most notable in the most recent fiscal year.

As a result, loan loss provisions have increased since the end of fiscal 2007, to equal \$3.4 million or 0.58% of average assets in fiscal 2010. At December 31, 2010, the Company maintained valuation allowances of \$6.4 million, equal to 1.33% of total loans and 35.74% of non-performing loans. Exhibit I-5 sets forth the Company's loan loss allowance activity during the review period. 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

Non-Interest Income. Consistent with the Company's limited level of diversification into fee generating activities, sources of non-interest operating income have been a modest contributor to the Company's earnings. Throughout the period shown in Table 1.2, sources of non-interest operating income have remained relatively stable as a percent of average assets, but increased on a dollar basis to equal \$2.3 million or 0.40% of average assets for fiscal 2010.

In addition to fee income generated through deposits, loan late charges and other typical sources, Naugatuck Valley commenced a significant initiative to develop a secondary mortgage

operation in fiscal 2009. The Company has employed commissioned loan originators and back office support personnel with the dual goals of increasing fee income and reducing interest rate risk through the sale of conforming long-term fixed-rate residential mortgages. During fiscal 2010, the Company sold \$37.0 million of fixed rate loans, all on a servicing retained basis, which resulted in \$945 thousand of mortgage banking fees, equal to 0.16% of average assets. Important from the perspective of the valuation, mortgage banking income tends to be more volatile than the non-interest fee income historically generated by Naugatuck Valley, as loan volumes and the resulting gains realized on sale are highly dependent on market and interest rate conditions, all of which are subject to change.

Operating Expenses. The Company's operating expenses have increased in recent years due to expanded business volumes facilitated by branching and expanded management and staffing, which have resulted in growth of both the retail deposit base and loan portfolio. As a result, since the fiscal year ended December 31, 2006, annual operating expenses have increased from \$11.5 million, equal to 3.02% of average assets, to \$15.1 million in fiscal 2010, equal to 2.61% of average assets.

Although annual operating expenses have increased by 31.3% since fiscal 2006, the operating expense ratio has been diminishing reflecting beneficial impact of growth on core earnings exclusive of the impact of loan loss provisions. Operating expenses are expected to increase on a post-Offering basis as a result of the expense of growth and branching initiatives and owing to the cost of the additional stock-related benefit plans. At the same time, Naugatuck Valley will seek to offset anticipated growth in expenses from a profitability standpoint through moderate balance sheet growth and by reinvestment of the Offering proceeds into investment securities over the near term (following the Second-Step Conversion) and into loans over the longer term.

Non-Operating Income/Expense. Non-operating income and expenses have typically had a limited impact on earnings and, over the last several years, have primarily consisted of gains on the sale of loans and investments. However, in fiscal 2008, non-operating income and expenses impacted the Company's operations to a greater degree than the recent historical average as an OTTI loss on investment securities (\$3.4 million) was partially offset by small gains on the sale of loans. In fiscal 2010, net non-operating expenses totaled \$771 thousand, primarily comprised of \$782 thousand of expenses related to the terminated merger with Southern Connecticut Bancorp, net of gains on the sale of securities totaling \$11 thousand.

Taxes. The Company's average tax rate has fluctuated over the last five fiscal periods, but has been in the range of 12% to 36% over the last five fiscal years and equaled 36.36% in fiscal 2010. Naugatuck Valley is fully taxable and subject to a marginal federal tax rate of 34%.

Efficiency Ratio. The Company's efficiency ratio reflects improvement since fiscal 2007 largely owing to expansion of the net interest margin, which is attributable to both balance sheet growth and improving spreads, while the Company's operating expense ratio has diminished. Specifically, the efficiency ratio diminished from 87.8% in fiscal 2007 to 73.5% reported for the fiscal year ended December 31, 2010. 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 is expected to 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:

- Diversifying portfolio loans into other types of shorter-term or adjustable rate lending, including commercial and construction lending;
- Maintaining an investment portfolio, comprised of high quality, liquid securities and maintaining an ample balance of securities classified as available for sale;
- Promoting transaction accounts and, when appropriate, longer-term CDs;
- Utilizing longer-term borrowings when such funds are attractively priced relative to deposits and prevailing reinvestment opportunities;
- Maintaining a strong capital level;
- Limiting investment in fixed assets and other non-earnings assets; and
- Selling a portion of the fixed rate mortgage loans originated based on risk and profitability considerations (typically fixed rate mortgage loans with maturities longer than 15 years).

Notwithstanding the foregoing measures implemented to minimize the Company's interest rate risk exposure, the Company's balance sheet is liability-sensitive in the short term (less than one year) and, thus, the net interest margin could be adversely affected during periods of rising and higher interest rates. As of December 31, 2010, the Net Portfolio Value ("NPV") analysis provided by the Office of Thrift Supervision ("OTS") indicated that a 200 basis point instantaneous and permanent increase in interest rates would result in a 181 basis point

reduction in the NPV ratio, and result in a post-shock NPV ratio equal to 8.51% of assets (see Exhibit I-6). These rate shock simulations indicate a minimal level of risk exposure pursuant to OTS definitions. By way of comparison, based on OTS estimates incorporating September 30, 2010, data, and assuming a positive 200 basis point instantaneous and permanent rate shock, the post-shock NPV ratio for all thrifts operating in the OTS Northeast Region equaled 12.86%, which reflects a 154 basis point decline relative to the base scenario.

The NPV analysis is an indicator to the risk of earnings in a volatile interest rate environment as it incorporates changing assumptions with respect to maturity and repricing of assets and liabilities. The OTS NPV analysis indicates that the Company has a lower post-shock NPV ratio and higher interest sensitivity measure (i.e., the change in the post-shock NPV ratio is greater) pursuant to a rising interest rate scenario, which is typically the more adverse scenario for a thrift institution. In this regard, the Company's interest rate risk exposure is primarily the result of the large balance of permanent intermediate to long-term fixed rate mortgage which comprise a significant segment of the portfolio, which are primarily funded by comparatively short-term deposits and borrowed funds. One factor impacting the Company's interest rate risk which is particularly difficult to quantify is the degree to which deposits will reprice in a response to a change in interest rates. The fact that the Company prices its deposits in the upper end of the competitive range may result in a more rate sensitive depositor base relative to many peer institutions. At the same time, the diminished deposit growth targets in the future may limit the deposit pricing pressures on the Company.

Overall, the data suggests that the Company's earnings would be adversely impacted by increasing interest rates. On a pro forma basis, the Company's interest rate risk position is expected to improve as the proceeds from the Offering are reinvested in interest-earning assets.

#### Lending Activities and Strategy

The Company's lending activities have been focused on two principal elements as follows: (1) residential mortgage lending including home equity lending; and (2) commercial and multi-family mortgage lending, as well as C&I lending. The Company also maintains smaller balances of construction and development loans as well as consumer loans. Details regarding the Company's loan portfolio composition and characteristics are included in Exhibits I-7 and I-8. As of December 31, 2010, permanent first mortgage loans secured by residential properties totaled \$219.3 million, equal to 45.6% of total loans and home equity loans and lines of credit

totaled \$34.8 million, or 7.2% of loans. In aggregate, commercial real estate/multi-family mortgage loans, C&I loans, as well as construction loans have increased over the last several years to an aggregate level of \$225.9 million, equal to 46.9% of gross loans.

Residential Lending. The Company has historically been a residential lender, and 1-4 family residential loans continue to comprise the largest category of loans receivable at 45.6% of total loans. The substantial portion of 1-4 family mortgage loans have been originated by the Company and are secured by residences in the local market area.

The Company offers fixed-rate mortgage loans with terms of 10, 15, 20 or 30 years and adjustable -rate mortgage loans with a 15, 20 or 30 year amortization schedule, and interest rates and payments on adjustable-rate mortgage loans adjust annually after either a one, three, five or seven year initial fixed period. Interest rates and payments on adjustable-rate loans generally are adjusted to a rate typically equal to 2.75% above the one-year constant maturity Treasury index. The maximum amount by which the interest rate may be increased or decreased is generally 2% per adjustment period and the lifetime interest rate cap is generally 6% over the initial interest rate of the loan. The Company generally does not make conventional loans with loan-to-value ratios exceeding 97% and generally will make loans with a loan-to-value ratio in excess of 80% only when secured by first liens on owner-occupied one- to four-family residences. Loans with loan-to-value ratios in excess of 80% require private mortgage insurance or additional collateral. The Company requires all properties securing mortgage loans to be appraised by a Board-approved independent appraiser. The Company requires title insurance on all first mortgage loans. Borrowers must obtain hazard insurance, or flood insurance for loans on property located in a flood zone, before closing the loan.

Commercial Real Estate and Multi-family Mortgage Lending. Multi-family and commercial mortgage lending has been an area of portfolio diversification for the Company. Such loans are typically secured by properties in western and southern Connecticut are generally originated by the Company. Such loans are typically originated by the Company for the purpose of financing existing structures rather than new construction.

As of December 31, 2010, multi-family and commercial mortgage loans together equaled \$160.2 million (33.3% of loans). Multi-family and commercial mortgage loans are typically offered with fixed rates of interest for the first five or seven years of the loan, which are then subject to a call provision or rate adjustment. The typical principal balance is between \$500,000

and \$2 million, but may be more depending upon numerous factors including the creditworthiness of the borrower and other key underwriting criteria.

The Company offers adjustable-rate mortgage loans secured by multi-family and commercial real estate. Multi-family and commercial real estate loans are generally secured by condominiums, apartment buildings, offices, retail and other income producing properties, as well as owner-occupied properties used for businesses. The Company originates multi-family and commercial real estate loans for terms generally up to 20 years. Interest rates and payments on adjustable-rate loans adjust every one, three, five or ten years. Interest rates on adjustable rate loans generally are adjusted to a rate typically equal to 2.00% to 2.50% above the one-year, three-year, five-year or ten-year Federal Home Loan Company classic advance rate. There are no adjustment period or lifetime interest rate caps. Loan amounts generally do not exceed 80% of the appraised value.

Construction and Development Loans. Construction lending has diminished modestly over the last several years reflecting the recessionary economy which has limited new construction and reflecting Naugatuck Valley's limited appetite for such loans in the current environment. The Company originates construction loans to individuals to finance the construction of residential dwellings for personal use, and construction loans will generally provide for the payment of interest only during the construction phase, which is usually nine months. At the end of the construction phase, the loan may convert to a permanent mortgage loan. Loans generally can be made with a maximum loan to value ratio of 80% of the appraised value with a maximum term of 30 years.

The Company also makes commercial construction loans for commercial development projects, including condominiums, apartment buildings, and single family subdivisions as well as office buildings, retail and other income producing properties. These loans provide for payment of interest only during the construction phase and may, in the case of an apartment or commercial building, convert to a permanent mortgage loan or, in the case of a single family subdivision or construction or builder loan, be paid in full with the sale of the property after construction is complete. In the case of a commercial construction loan, the construction period may be from nine months to two years. Loans are generally made to a maximum of 80% of the appraised value as determined by an appraisal of the property made by an independent licensed appraiser. The Company also requires an inspection of the property before

disbursement of funds during the term of the construction loan for both residential and commercial construction loans.

The Company will also originate land loans to individuals on approved residential building lots for personal use for terms of up to 20 years and to a maximum loan-to-value ratio of 75% of the lower of the appraisal value or purchase price. Land loans adjust annually after a five-year initial fixed period. Interest rates after adjustment are equal to 2.75% above the one-year constant maturity Treasury index.

Finally, the Company will also originate loans to local contractors and developers for the purpose of making improvements to, and on, approved subdivisions and condominium projects within two years of the date of the original loan. Such loans generally are written with a maximum loan-to-value ratio of 80% of the lower of the appraised value or purchase price of the land. These loans adjust when and as the index changes at a rate that is generally equal to the prime rate as published in *The Wall Street Journal* plus 1%. The Company requires title insurance and, if applicable, a hazardous waste survey reporting that the land is free of hazardous or toxic waste.

Commercial Business Loans. The Company's efforts to increase commercial lending have primarily centered on the development of real estate secured relationships, as C&I loans remain limited. As of December 31, 2010, C&I loans totaled \$34.8 million, or 7.2% of total loans. Commercial business loans are made to a variety of professionals, sole proprietorships and small businesses primarily in the primary market area. The Company will offer a variety of commercial lending products. These loans are typically secured, primarily by business assets. These loans are originated with maximum loan-to-value ratios of 75% of the value of the business assets. The Company originates one- to ten-year term loans for the acquisition of equipment or business expansion, lines of credit for seasonal financing needs and demand loans for short term financing needs with specific repayment sources. Commercial business loans are generally written at variable rates which use the prime rate as published in *The Wall Street Journal* as an index and, depending on the qualifications of the borrower, a zero to 3.0% margin is added. These rates will change when and as the index rate changes without caps. Fixed-rate loans are written at market rates determined at the time the loan is granted and are based on the length of the term and the qualifications of the borrower.

When making commercial business loans, the Company considers the financial statements of the borrower, the borrower's payment history of both corporate and personal debt,

the debt service capabilities of the borrower, the projected cash flows of the business, and viability of the industry in which the customer operates and the value of the collateral.

Consumer Loans. Consumer loans include second mortgage / HELOC, and traditional consumer loans. As of December 31, 2010, second mortgage / HELOC loans comprised 7.2% of total loans and consumer loans comprised just 0.3% of total loans. The Company will continue to offer these loans seeking to provide a full range of loan products to its customers but consumer lending will not be a strategic focus of the Company. The majority of the Bank's consumer lending will continue to consist of second mortgage loans / HELOCs in the future, and, to a much lesser extent, loans secured by passbook or certificate accounts, automobiles, as well as unsecured personal loans and overdraft protection accounts.

Unsecured loans generally have a maximum borrowing limit of \$5,000 and a maximum term of three years. The procedures for underwriting consumer loans include an assessment of the applicant's payment history on other debts and ability to meet existing obligations and payments on the proposed loans. Although the applicant's creditworthiness is a primary consideration, the underwriting process also includes a comparison of the value of the collateral, if any, to the proposed loan amount. Second mortgage loans have fixed rates of interest for terms of up to 20 years. These loans are originated with maximum combined loan-to-value ratios of 75% of the appraised value of the property. HELOCs have adjustable rates of interest that are indexed to the prime rate as published in *The Wall Street Journal* for terms of up to 10 years. These loans are originated with maximum loan-to-value ratios of 75% of the appraised value of the property and the Company requires a second lien position on the property.

Loan Originations, Purchases and Sales. Reflecting the broad diversification in the loan portfolio, loan originations by loan type reflects the portfolio mix of the Company with real estate secured mortgage loans comprising the most significant component of loan originations (see Exhibit I-9 for detailed loan origination purchase and sales information). For fiscal 2010, total loan originations were \$141.4 million, the majority of which were fixed rate one-to-four family and commercial real estate loans. The majority of the Company's loan volume is internally originated through six commissioned residential loan officers and salaried commercial lenders. The Company did not purchase any loans in fiscal 2010 and, historically, purchases have been limited and have generally consisted of commercial loan participations.

Asset Quality

The Company's asset quality has historically been strong and the level of NPAs has been modest, generally well below a level of 1% of assets. However, Naugatuck Valley has recently realized an increase in the level of NPAs, primarily related to the recessionary economic environment. Specifically, the Company's delinquencies have increased as a result of growing unemployment in its markets and the slack economy has depressed the collateral value of many of the Company's security properties. As reflected in Exhibit I-10, the total NPA balance (i.e., loans 90 days or more past due and REO) as of December 31, 2010, was \$18.3 million, equal to 3.22% of assets, consisting primarily of non-accruing loans (\$11.1 million), restructured performing loans (\$6.8 million) and a small balance of REO (\$421 thousand). The current balance of NPAs represents a significant increase relative to the level relative to the prior fiscal year end of \$6.1 million, equal to 1.10% of total assets. The ratio of allowances to total loans equaled 1.33% while reserve coverage in relation to NPAs equaled 34.9% as of December 31, 2010 (see Exhibit I-5).

To track the Company's asset quality and the adequacy of valuation allowances, Naugatuck Valley has established detailed asset classification policies and procedures which are consistent with regulatory guidelines. Naugatuck Valley maintains the allowance for loan losses at a level that is believed to be adequate to absorb probable losses inherent in the existing loan portfolio, based on a quarterly evaluation of a variety of factors. These factors include, but are not limited to: the Company's historical loan loss experience and recent trends in that experience; risk ratings assigned by lending personnel to commercial real estate and the results of ongoing reviews of those ratings by the Company's independent loan review function; an evaluation of non-performing loans and related collateral values; the probability of loss in view of geographic and industry concentrations and other portfolio risk characteristics; the present financial condition of borrowers; and, current economic conditions.

The Company's management reviews and classifies loans on a monthly basis and establishes loan loss provisions based on the overall quality, size, and composition of the loan portfolio, as well as other factors such as historical loss experience, industry trends, and local real estate market and economic conditions.

Funding Composition and Strategy

Deposits have consistently been the Company's primary source of funds. As of December 31, 2010, deposits totaled \$473.5 million, which reflects 8.8% annual growth since December 31, 2006. Lower costing savings and transaction accounts totaling \$166.5 million comprised approximately 41.0% of the Company's deposits at December 31, 2010 (see Exhibit I-10). The balance of the deposit base is comprised of CDs, the majority of which have remaining maturities of one year or less. As of December 31, 2010, CDs with balances equal to or in excess of \$100,000 equaled \$92.8 million (see Exhibit I-11).

Deposit solicitation efforts for the Company have been facilitated by the opening of seven branch offices since 2000 including 1 office in 2008, the expansion of commercial account relationships, and active solicitation of commercial deposit accounts. While Naugatuck Valley's practice over the last five fiscal years has been to price deposits on a highly competitive basis in relation to the prevailing market average in order to achieve targeted growth objectives, the more moderate growth objective over the near to intermediate term future may benefit the Company's cost of funds relative to its local peers on a prospective basis.

Borrowings have been utilized primarily as a supplemental funding source to fund lending activity. As of December 31, 2010, borrowed funds consisted of \$95.9 million of FHLB advances, the majority of which are short to intermediate term fixed rate advances, and \$6.9 million of collateralized repurchase agreements which are short term in nature. As of December 31, 2010, Naugatuck Valley's borrowed funds had a weighted average coupon rate of 2.46%. The Company uses deposits and borrowings interchangeably to fund assets depending on various factors including liquidity and asset/liability management strategies. Recently, however, the Company has diminished borrowings utilization as loan growth has slowed. The Company expects that borrowed funds may likely continue to diminish in the future as the \$31 million borrowed funds balance is scheduled to mature in fiscal 2011 and the Company will be seeking to replace a portion of the borrowings with deposits.

The Company anticipates utilizing borrowings as a supplemental funding source in the future, generally for these same purposes. The Company's overall preference is to utilize deposits to fund operations with the objective of building customer relationships and increasing cross-sell potential and fee income.

Subsidiaries

Presently, the Bank is the only subsidiary of Naugatuck Valley. The Bank currently has one wholly-owned subsidiary, Naugatuck Valley Mortgage Servicing Corporation, which operates as the Bank's Passive Investment Corporation ("PIC"), which exempts it from Connecticut income tax under current law and whose business consists solely of mortgage loans.

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 Company's financial condition or operations.

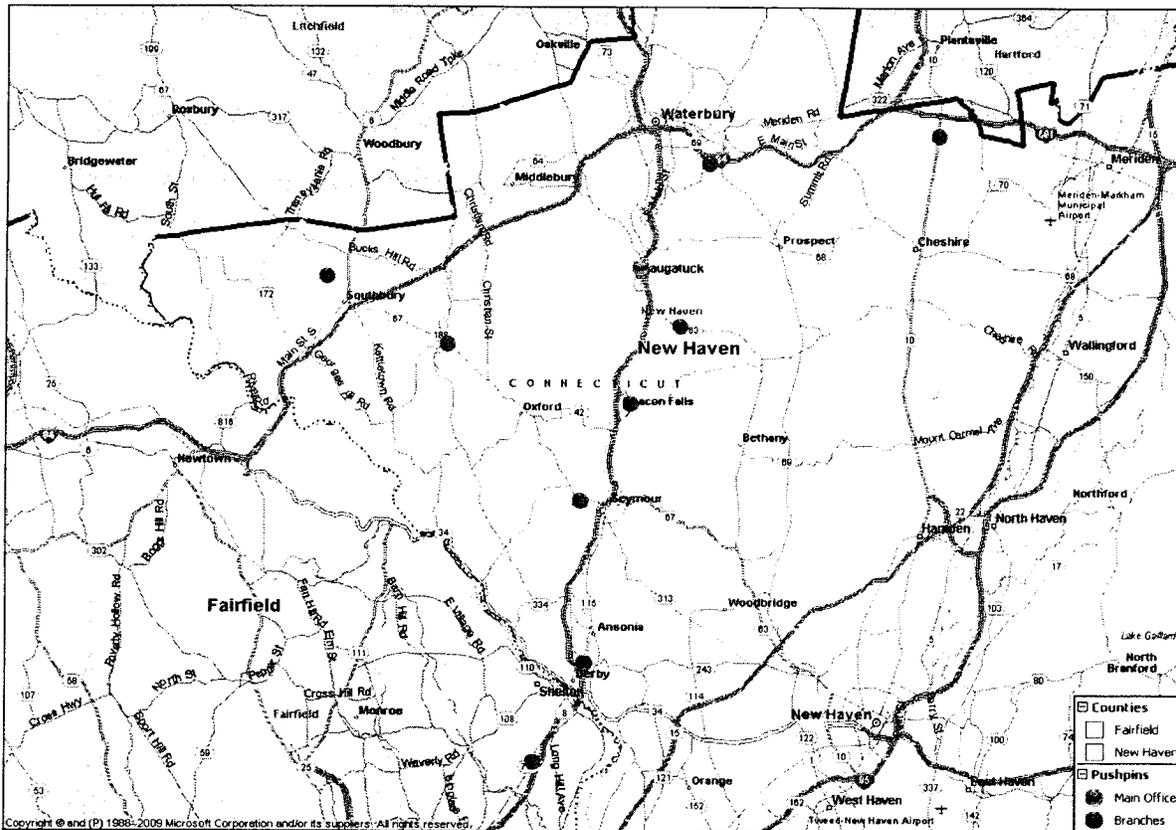
## II. MARKET AREA

### Introduction

Organized in 1922, the Company is headquartered in Naugatuck, Connecticut, which is located in southwestern Connecticut approximately six miles south of Waterbury and 26 miles north of Bridgeport. In addition to the main office, the Company conducts business through nine branch offices in the Greater Naugatuck Valley. The Greater Naugatuck Valley encompasses the communities in the central and lower Naugatuck Valley regions in New Haven and Fairfield Counties. The market area economy is primarily oriented to the service, retail, construction, and manufacturing industries. Exhibit II-1 provides a detailed description of the Company's office properties.

Connecticut has regional variations in its landscape and culture – from the wealthy estates of Fairfield County's "Gold Coast" to the rolling mountains and horse-farms of the Litchfield Hills in the northwest corner. Connecticut's rural areas and small towns in the northeast and northwest corners contrast sharply with its industrial cities, located along the coastal highways from the New York border to New Haven, then northwards to Hartford, as well as further up the coast near New London. The southern Connecticut market (including New Haven and Fairfield counties) represents the greatest concentration of population, deposits and income in the state, as these southern counties combined represent approximately one-half of the state's population and a similar percentage of households

Future business and growth opportunities will be partially influenced by economic and demographic characteristics of the markets served by the Company, particularly the future growth and stability of the regional economy, demographic growth trends, and the nature and intensity of the competitive environment for financial institutions. These factors have been examined to help determine the growth potential that exists for the Company and the relative economic health of the Company's primary market area. The Company intends to continue expanding its regional branch office network through the acquisition of branches or whole institutions if such opportunities should arise. A map showing the Company's office coverage is set forth below and details regarding the Company's offices and recent trends with respect to market interest rate levels are set forth in Exhibit II-1 and II-2, respectively.



### Market Area Demographics

Demographic and economic growth trends, measured by changes in population, number of households, age distribution and median household income, provide key insight into the health of the market area served by the Company (see Table 2.1). Fairfield County where the Company maintains one office is a densely populated market, reflecting its proximity to New York City, and ranks as the largest county in terms of population in the State of Connecticut. Likewise, in New Haven County where the majority of the branches are located is densely populated with a population base only slightly smaller than Fairfield County. In aggregate, the population of the Fairfield and New Haven County markets totaled an estimated 1.8 million residents as of 2010, providing the Company with exposure to a huge potential market of retail and business customers. While relatively large in terms of the total population, the New Haven and Fairfield County markets are relatively mature and population

Table 2.1  
Naugatuck Valley Financial Corp.  
Summary Demographic Data

	Year			Growth Rate	
	2000	2010	2015	2000-2010	2010-2015
<b><u>Population (000)</u></b>					
United States	281,422	311,213	323,209	1.0%	0.8%
Connecticut	3,406	3,536	3,569	0.4%	0.2%
Fairfield County	883	907	910	0.3%	0.1%
New Haven County	824	851	860	0.3%	0.2%
<b><u>Households (000)</u></b>					
United States	105,480	116,761	121,360	1.0%	0.8%
Connecticut	1,302	1,353	1,366	0.4%	0.2%
Fairfield County	324	333	334	0.3%	0.1%
New Haven County	319	329	332	0.3%	0.2%
<b><u>Median Household Income (\$)</u></b>					
United States	\$42,164	\$54,442	\$61,189	2.6%	2.4%
Connecticut	53,915	70,340	80,697	2.7%	2.8%
Fairfield County	64,876	87,754	103,758	3.1%	3.4%
New Haven County	48,834	62,374	73,227	2.5%	3.3%
<b><u>Per Capita Income (\$)</u></b>					
United States	\$21,587	\$26,739	\$30,241	2.2%	2.5%
Connecticut	28,766	36,065	41,464	2.3%	2.8%
Fairfield County	38,350	47,705	55,646	2.2%	3.1%
New Haven County	24,439	30,479	35,078	2.2%	2.9%
<b><u>2010 HH Income Dist. (%)</u></b>					
	Less Than <u>\$25,000</u>	\$25,000 to <u>50,000</u>	\$50,000 to <u>100,000</u>	<u>\$100,000 +</u>	
United States	20.8%	24.7%	35.7%	18.8%	
Connecticut	14.9%	18.0%	38.4%	28.8%	
Fairfield County	12.1%	12.9%	31.2%	43.8%	
New Haven County	18.0%	20.5%	39.8%	21.7%	

Source: SNL Financial.

growth has been relatively modest. In this regard, annualized population growth in New Haven and Fairfield Counties were 0.3%, for the period from 2000 to 2010, compared to the state average of 0.4%, both of which were below the national average of 1.0%. Moreover, the foregoing population growth trends are projected to continue for the Company's primary markets over the next five years.

Personal and household income measures, as indicated by per capita and median household income data, reflect the affluent nature of the Fairfield County market. In this regard, Fairfield County residents includes a large number of high income commuters to New York City while shoreline areas such as Greenwich and Stamford have developed into regional employment centers in their own right. Residents of the Company's market in New Haven County have comparatively moderate income levels. In terms of household income measures, New Haven County's median household income was \$62,374 in 2010, which was above the national average but below of the state average of \$70,340. By comparison, median household income in Fairfield County was \$87,754 in 2010, well above both the national and state averages. While levels of personal income in the Company's market area were relatively high in relation to the national average, growth rates were generally in line with the key state and national aggregates.

#### Summary of Local Economy

Real Estate Market. Single-family home sales in Connecticut sank to the historical lows during 2010 as the number of homes sold hit levels that haven't been experienced in over 20 years. According to the Warren Group, a firm that tracks real estate trends in New England, Connecticut single-family home sales during 2010 fell to 24,270, down 0.54% from the sales levels reached in 2009. The decline marks the sixth straight year in which sales volume has decline from the prior year. According to the National Association of Realtors, which tracks real estate trends in the Company's market area, single-family home prices the New Haven-Milford metropolitan region averaged \$218,400 during the fourth quarter of 2010, a price decline of 7.9% from the fourth quarter of 2009. However, foreclosures in the Company's market area counties have been declining over the last six months and totaled less than 100 in both market area counties during January 2011.

The commercial real estate market in Greater New Haven struggled during 2010, as more space became available than was occupied. Absorption for the year was negative

approximately negative 210,000 sq. ft. and reflects the rising unemployment rate in the New Haven market. According to Cushman Wakefield, a commercial real estate brokerage, the New Haven commercial real estate market is projected to remain slow but steady as it has been throughout recession. Experts are forecasting moderate leasing and sales activity during 2011 but continued negative absorption and a rise in vacancies.

Regional Employment. The Company's market area is in the southwestern corner of Connecticut and its characteristics reflect the market's location within the Northeast Corridor between Boston and New York. The New Haven County economy is historically rooted in manufacturing but like many other manufacturing centers around the nation has transitioned into a more diversified economy. Major sectors of the New Haven economy include healthcare, professional services, financial services, and retail trade. Within the Company's market area, the financial sector plays a more prominent role in Fairfield County reflecting the movement of financial services jobs out of New York City into the suburban markets where its workers reside and where the cost of business is lower. In New Haven, the presence of Yale University has made higher education a major component to the Greater New Haven economy, particularly because of its prestigious reputation as a leading research center and skilled alumni base. New Haven's central location between New York and Boston has also assisted in the development of the regions healthcare and biosciences industry as New Haven is the bio-tech capital of Connecticut and is home to over 50% of the State's bio-tech firms. Additionally, the market area has a dense population of hospitals, pharmaceutical companies and other healthcare related businesses. Major employers in the Company's market area include General Electric, Xerox Corp., Gerald Metals, Pitney Bowes and many others. Table 2.2 lists some of the major employers that have a significant impact on the Company's market area.

Table 2.2  
Naugatuck Valley Financial Corp.  
Top 5 Market Area Employers

<u>Company</u>	<u>City</u>	<u>Industry/Sector</u>
Yale University	New Haven	Education
Yale New Haven Health System	New Haven	Healthcare
Hospital of St. Raphael	New Haven	Healthcare
AT&T	New Haven	Telecommunications
Southern Connecticut State University	New Haven	Education

Source: Greater New Haven Chamber

Unemployment

Recent unemployment data for the market area is shown below in Table 2.3. The data indicates that the December 2010 unemployment rate of 8.6% for Connecticut was slightly below the comparable U.S. unemployment rate of 9.4%. The unemployment rate for the state of Connecticut was slightly higher in December 2010 compared to December 2009. December 2010 unemployment rates for New Haven County and Fairfield County equaled 9.6% and 7.9%, respectively. Counter to the state unemployment rate, both New Haven and Fairfield counties recorded higher unemployment rates for December 2010 compared to the year ago period.

Table 2.3  
Naugatuck Valley Financial Corp.  
Market Area Unemployment Trends

<u>Region</u>	<u>December 2009 Unemployment</u>	<u>December 2010 Unemployment</u>
United States	10.0%	9.4%
Connecticut	8.5	8.6
New Haven County	9.2	9.6
Fairfield County	7.7	7.9

Source: U.S. Bureau of Labor Statistics.

Market Area Deposit Characteristics

Table 2.4 displays deposit market trends from June 30, 2006, through June 30, 2010, for New Haven County, Fairfield County, and for the state of Connecticut. Consistent with the state of Connecticut, commercial banks maintained a larger market share of deposits than savings institutions in New Haven and Fairfield Counties. Bank and thrift deposits in New Haven County increased at a 1.9% annual rate from June 30, 2006, through June 30, 2010, which was below the comparative 4.9% deposit growth rate posted by all Connecticut banks and thrifts. Comparatively, Bank and thrift deposits in Fairfield County increased at a 6.6% annual rate from June 30, 2006 through June 30, 2010.

Table 2.4  
Naugatuck Valley Financial Corp.  
Deposit Summary

	As of June 30,						Deposit Growth Rate 2006-2010 (%)
	2006			2010			
	Deposits	Market Share	No. of Branches	Deposits	Market Share	No. of Branches	
	(Dollars In Thousands)						
<u>Deposit Summary</u>							
State of Connecticut	\$79,183,000	100.0%	1,232	\$95,723,000	100.0%	1,296	4.9%
Commercial Banks	44,580,000	56.3%	596	59,571,000	62.2%	692	7.5%
Savings Institutions	34,603,000	43.7%	636	36,152,000	37.8%	604	1.1%
New Haven County	\$17,738,079	100.0%	263	\$19,159,757	100.0%	269	1.9%
Commercial Banks	11,188,255	63.1%	142	12,804,482	66.8%	152	3.4%
Savings Institutions	6,549,824	36.9%	121	6,355,275	33.2%	117	-0.8%
Naugatuck Financial Corp.	241,189	1.4%	5	366,460	1.9%	9	11.0%
Fairfield County	\$23,362,636	100.0%	369	\$30,189,796	100.0%	416	6.6%
Commercial Banks	12,671,847	54.2%	201	18,644,550	61.8%	257	10.1%
Savings Institutions	10,690,789	45.8%	168	11,545,246	38.2%	159	1.9%
Naugatuck Financial Corp.	28,387	0.1%	1	35,738	0.1%	1	5.9%

Source: FDIC.

During the period covered in Table 2.4, commercial banks experienced a slight increase in deposit market share in Connecticut and both market area counties. In New Haven County, the Company's \$366.5 million of deposits at June 30, 2010, represented a 1.9% market share of thrift and bank deposits. Comparatively, in Fairfield County, the Company's \$35.7 million of deposits at June 30, 2010 represented a 0.1% market share of thrift and bank deposits. The

Company's deposits in New Haven County and Fairfield County increased at annual rates of 11.0% and 5.9%, respectively, from June 30, 2006, through June 30, 2010. The Company experienced an increase in deposit market share in New Haven County while deposit market share in Fairfield County remained the same.

Competition

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

Table 2.5  
Naugatuck Valley Financial Corp.  
Market Area Counties Deposit Competitors

<u>Location</u>	<u>Name</u>
New Haven County	Webster Bank (27.39%)
	Wells Fargo Bank (14.60%)
	New Alliance Bank (11.86%)
	Bank of America (9.75%)
	Peoples United Bank (8.65%)
	<b>Naugatuck Valley (3.24%)</b>
	<b>Rank: 8 of 27</b>
Fairfield County	Peoples United Bank (17.73%)
	Wells Fargo Bank (14.24%)
	Bank of America (12.36%)
	JPMorgan Chase (12.10%)
	Citibank (6.99%)
	<b>Naugatuck Valley (0.12%)</b>
	<b>Rank: 28 of 31</b>

Sources: FDIC

### III. PEER GROUP ANALYSIS

This chapter presents an analysis of Naugatuck Valley'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 and other regulatory guidance. The basis of the pro forma market valuation of Naugatuck Valley 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 Naugatuck Valley, key areas examined for differences to determine if valuation adjustments are appropriate were in the following areas: 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 and other regulatory guidance. The Peer Group is comprised of only those publicly-traded thrifts 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-listed thrifts" i.e., those listed on the Over-the-Counter Bulletin Board or Pink Sheets, as well as those that are non-publicly traded and closely-held. Non-listed institutions 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. We typically exclude those that were converted less than one year as their financial results do not reflect a full year of reinvestment benefit and since the stock trading activity is not seasoned. A recent listing of the universe of all publicly-traded savings institutions is included as Exhibit III-1.

Ideally, the Peer Group should be comprised of locally or regionally-based institutions with relatively comparable resources, strategies and financial characteristics. There are

approximately 148 publicly-traded thrift institutions nationally, which includes approximately 27 publicly-traded MHCs. Given the limited number of public full stock thrifts, it is typically the case that the Peer Group will be comprised of institutions which are not directly comparable, but the overall group will still be the “best fit” group. To the extent that key differences exist between the converting institution and the Peer Group, valuation adjustments will be applied to account for such key differences. Since Naugatuck Valley will be a full stock public company upon completion of the Second-Step Conversion offering, we considered only full stock companies to be viable candidates for inclusion in the Peer Group, excluding those in MHC form.

Based on the foregoing, from the universe of publicly-traded thrifts, we selected 10 institutions with characteristics similar to those of Naugatuck Valley. In the selection process, we applied three “screens” to the universe of all public thrifts that were eligible for consideration:

- Screen #1 New England institutions with total assets of less than \$2.0 billion, tangible equity-to-assets ratios of greater than 6.0% positive core earnings and return on equity measures of less than 10%. Eleven companies met the criteria for Screen #1 and eight were included in the Peer Group: Mayflower Bancorp of MA, Newport Bancorp of RI, Central Bancorp of MA, Chicopee Bancorp of MA, Hampden Bancorp of MA, New Hampshire Thrift Bancshares, Inc. of NH, Westfield Financial of MA and United Financial Bancorp of MA. Peoples Federal Bancshares of Massachusetts and SI Financial Group of Connecticut were both excluded due to their recent conversion status (conversions completed in July 2010 and January 2011, respectively). Legacy Bancorp, Inc. of MA was also excluded owing to its pending acquisition.
- Screen #2 – Mid-Atlantic thrifts with assets between \$400 million and \$800 million, tangible equity-to-assets ratios of greater than 10.0%. Six companies met the criteria for Screen #2 and two were included in the Peer Group: TF Financial Corp. of PA and Ocean Shore Holding Co. of NJ. The four companies meeting the criteria but not included in the Peer Group had all completed their standard or second step conversion transactions within the past twelve months and included: Standard Financial Corp of PA (October 2010), Alliance Bancorp of PA (January 2011), Colonial Bancorp of NJ (July 2010) and Oneida Financial Corp of NY (July 2010).

Table 3.1 shows the general characteristics of each of the 10 Peer Group companies and Exhibit III-2 provides summary demographic and deposit market share data for the primary market areas served by each of the Peer Group companies. While there are expectedly some

Table 3.1  
Peer Group of Publicly-Traded Thrifts  
February 4, 2011

<u>Ticker</u>	<u>Financial Institution</u>	<u>Exchange</u>	<u>Primary Market</u>	<u>Operating Strategy(1)</u>	<u>Total Assets(2)</u>	<u>Offices</u>	<u>Fiscal Year</u>	<u>Conv. Date</u>	<u>Stock Price (\$)</u>	<u>Market Value (\$Mil)</u>
UBNK	United Financial Bancorp of MA	NASDAQ	W. Springfield MA	Thrift	\$1,585	24	12-31	12/07	\$15.36	\$247
WFD	Westfield Financial Inc. of MA	NASDAQ	Westfield, MA	Thrift	\$1,240	11	12-31	01/07	\$8.62	\$243
NHTB	NH Thrift Bancshares of NH	NASDAQ	Newport, NH	Thrift	\$995	27	12-31	05/86	\$13.25	\$77
OSHC	Ocean Shore Holding Co. of NJ	NASDAQ	Ocean City, NJ	Thrift	\$838 S	10	12-31	12/09	\$12.04	\$88
THRD	TF Financial Corp of Newtown PA	NASDAQ	Newtown, PA	Thrift	\$692	14	12-31	07/94	\$22.59	\$67
CBNK	Chicopee Bancorp, Inc. of MA	NASDAQ	Chicopee, MA	Thrift	\$574	8	12-31	07/06	\$13.93	\$84
HBNK	Hampden Bancorp, Inc. of MA	NASDAQ	Springfield, MA	Thrift	\$574 S	9	06-30	01/07	\$12.50	\$87
CEBK	Central Bancorp of Somerville MA	NASDAQ	Somerville, MA	Thrift	\$526 S	11	03-31	10/86	\$14.87	\$25
NFSB	Newport Bancorp, Inc. of RI	NASDAQ	Newport, RI	Thrift	\$450	6	12-31	07/06	\$13.60	\$47
MFLR	Mayflower Bancorp, Inc. of MA	NASDAQ	Middleboro, MA	Thrift	\$249 S	8	04-30	12/87	\$8.95	\$19

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

Source: SNL Financial, LC.

differences between the Peer Group companies and Naugatuck Valley, 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 Naugatuck Valley'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.

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

- **United Financial Bancorp of Massachusetts ("UBNK").** UBNK operates through 24 offices throughout western Massachusetts. UBNK's NPAs to assets ratio was above the Peer Group average, due to its diversified loan portfolio and high risk weighted assets ratio. UBNK also reported a tangible equity-to-assets ratio of 14.0% that was also above the Peer Group average. UBNK reported total assets of \$1.6 billion and a ROA of 0.65% for the twelve months ended December 31, 2010.
- **Westfield Financial, Inc. of MA ("WFD").** WFD operates through a total of 11 offices in western Massachusetts. Their ratio of NPAs to assets is below the Peer Group average. WFD's ROA was also below the Peer Group average, notwithstanding WFD's high tangible equity-to-assets ratio of 17.8% which was the result of the second-step conversion completed in January 2007. As of December 31, 2010, WFD reported total assets of \$1.2 billion and a ROA of 0.25% for the latest twelve month period.
- **New Hampshire Thrift Bancshares of New Hampshire ("NHTB").** NHTB operates through 27 branch offices in central New Hampshire. NHTB's balance sheet included a similar loans-to-assets ratio to the Peer Group and NHTB's tangible equity/assets ratio reflects greater leverage (6.4% ratio) than Naugatuck Valley on a pro forma basis. As of December 31, 2010 NHTB reported total assets of \$995 million and a ROAA of 0.81% for the latest twelve month period, which was modestly above the Peer Group average.
- **Ocean Shore Holding Co. of NJ ("OSHC").** OSHC operates 10 offices through two counties in eastern New Jersey. OSHC maintains the highest percentage of 1-4 family loans which also equates to a low risk weighted assets ratio. OSHC also maintained the lowest NPAs to assets ratio, due to its less diversified loan portfolio. OSHC operates with a tangible equity to assets equal to 11.8% which falls within the range of the Peer Group average and median which was enhanced by the recent second-step conversion completed in December 2009. OSHC reported assets of \$838 million as of September 30, 2010 and a ROA of 0.68% for the latest twelve month period.
- **TF Financial Corporation of PA ("THRD").** THRD operates 14 branches in the Philadelphia metropolitan area. THRD maintained a ratio of NPAs to assets which was well above the average for the Peer Group thereby enhancing the comparability to the Company. At December 31, 2010 THRD reported total assets of \$692 million, a tangible equity-to-assets ratio of 10.0% and a 12 month ROA of 0.47%.
- **Chicopee Bancorp of MA ("CBNK").** CBNK operates 8 branches in the western Massachusetts. CBNK maintained a ratio of NPAs to assets which was comparable to

the average for the Peer Group. At December 31, 2010 CBNK reported total assets of \$574 million, a tangible equity-to-assets ratio of 16.0% and a 12 month ROA of 0.08%.

- **Hampden Bancorp of Massachusetts (“HBNK”)**. HBNK operates through 9 offices in western Massachusetts. HBNK's NPAs to assets ratio was above the Peer Group average, due to its diversified loan portfolio and high risk weighted assets ratio. HBNK also reported a tangible equity-to-assets ratio of 16.3% that was also above the Peer Group average. HBNK reported total assets of \$1.6 billion and notwithstanding a very strong level of capital, HBNK's ROA of 0.06% for the twelve months ended September 30, 2010, which is the lowest of any of the Peer Group companies.
- **Central Bancorp of MA (“CEBK”)**. CEBK operates 11 branches in the Boston metropolitan area. CEBK maintained a ratio of NPAs to assets which was well above the average for the Peer Group thereby enhancing the comparability to the Company. Additionally, CEBK emphasizes high risk weight lending including primarily commercial real estate lending. At September 30, 2010 CEBK reported total assets of \$526 million, a tangible equity-to-assets ratio of 8.4% and a 12 month ROA of 0.41%.
- **Newport Bancorp, Inc. of RI (“NFSB”)** NFSB operates six full service banking offices in southern Rhode Island and southeastern Connecticut and maintains total assets of \$450 million. Asset quality is very strong and NPAs are at minimal levels, while the tangible equity/assets ratio is above the Peer Group average reflecting the standard conversion offering in July 2006. . At December 31, 2010 NFSB reported total assets of \$450 million, a tangible equity-to-assets ratio of 11.1% and a 12 month ROA of 0.40%.
- **Mayflower Bancorp, Inc. of Massachusetts (“MFLR”)** MFLR has the smallest asset total of the Peer Group at \$249 million and operates through 8 offices in eastern Massachusetts. At September 30, 2010, MFLR maintained a tangible equity-to-assets ratio of 8.5% which was below the Peer Group average and an ROA of 0.54%, which was above the Peer Group average.

In the aggregate, the Peer Group companies maintain a slightly higher tangible equity level in comparison to the industry average (12.02% of assets versus 10.72% for all public companies) and generate a higher level of core profitability (0.35% of average assets for the Peer Group versus a loss of 0.07% of average assets for all public companies). Accordingly, the Peer Group companies have a positive average core ROE, whereas all public companies have an average core ROE of less than 1% (3.25% for the Peer Group versus 0.47% for all public companies). Overall, the Peer Group's pricing ratios were at a modest premium to all publicly traded thrift institutions on a P/TB and P/A basis and approximated all publicly traded thrifts on a Price/Core earnings basis (however many public companies did not have meaningful core earnings multiples owing to their trailing twelve month loss position).

	<i>All Public-Thrifts</i>	<i>Peer Group</i>
<u>Financial Characteristics (Averages)</u>		
Assets (\$Mil)	\$2,908	\$772
Market Capitalization (\$Mil)	\$361	\$98
Tangible Equity/Assets (%)	10.72%	12.02%
Core Return on Average Assets (%)	(0.07%)	0.35%
Core Return on Average Equity (%)	0.47%	3.25%
<u>Pricing Ratios (Averages)(1)</u>		
Price/Core Earnings (x)	18.19x	19.97x
Price/Tangible Book (%)	89.64%	99.29%
Price/Assets (%)	9.49%	11.56%

(1) Based on market prices as of February 4, 2010.

The thrifts selected for the Peer Group were relatively comparable to Naugatuck Valley in terms of all of the selection criteria and are considered the “best fit” group. While there are many similarities between Naugatuck Valley and the Peer Group on average, there are some notable differences that lead to valuation adjustments. The following comparative analysis highlights key similarities and differences between Naugatuck Valley and the Peer Group.

#### Financial Condition

Table 3.2 shows comparative balance sheet measures for Naugatuck Valley and the Peer Group, reflecting balances as of December 31, 2010, for the Company and the Peer Group, respectively. On a reported basis, Naugatuck Valley’s equity-to-assets ratio of 9.2% was below the Peer Group’s average equity/assets ratio of 12.4%. Tangible equity-to-assets ratios for the Company and the Peer Group equaled 9.2% and 12.0%, respectively. The more modest differential in the tangible equity ratios reflects the higher proportion of goodwill and other intangible assets for the Peer Group on average in comparison to Naugatuck Valley which did not have intangible assets on its balance sheet. On a pro forma basis, Naugatuck Valley’s reported and tangible equity ratios may approximate to modestly exceed the Peer Group’s average ratios based on current market conditions and the estimated offering range. Both the Company and the Peer Group currently maintain surpluses with respect to their respective regulatory capital requirements.

Table 3.2  
Balance Sheet Composition and Growth Rates  
Comparable Institution Analysis  
As of December 31, 2010

	Balance Sheet as a Percent of Assets										Balance Sheet Annual Growth Rates							Regulatory Capital		
	Cash & Equivalents	MBS & Invest	BOLI	Loans	Deposits	Borrowed Funds	Subd. Debt	Net Worth	Goodwill & Intang	Tng Net Worth	Assets	MBS, Cash & Investments	Loans	Deposits	Borrowings & Subdebt	Net Worth	Tng Net Worth	Tangible	Core	Reg. Cap.
<b>Naugatuck Valley Financial</b> December 31, 2010	2.5%	9.4%	1.6%	83.3%	71.4%	18.1%	0.0%	9.2%	0.0%	9.2%	2.03%	17.50%	0.05%	6.55%	-13.57%	3.88%	3.88%	8.04%	8.04%	11.65%
<b>All Public Companies</b>																				
Averages	6.4%	20.3%	1.4%	66.6%	72.7%	13.9%	0.5%	11.7%	0.8%	10.9%	5.44%	13.90%	1.77%	8.13%	-14.42%	2.57%	2.68%	10.72%	10.72%	18.48%
Medians	5.3%	18.5%	1.4%	68.7%	72.9%	13.1%	0.0%	10.8%	0.1%	9.9%	1.83%	8.60%	-0.96%	5.71%	-12.06%	2.32%	2.20%	9.56%	9.56%	16.76%
<b>State of CT</b>																				
Averages	4.4%	20.0%	1.2%	68.4%	71.4%	14.6%	0.4%	12.1%	2.5%	9.7%	6.76%	8.40%	6.34%	7.16%	-2.45%	4.35%	1.92%	NA	NA	14.80%
Medians	5.0%	16.3%	1.2%	69.0%	70.6%	16.7%	0.4%	9.4%	1.0%	8.8%	4.55%	4.73%	2.26%	5.30%	-6.80%	4.65%	5.31%	0.00%	0.00%	14.80%
<b>Comparable Group</b>																				
Averages	5.1%	20.8%	1.8%	68.3%	71.0%	15.1%	0.7%	12.4%	0.5%	12.0%	2.18%	5.93%	0.47%	5.12%	-14.45%	4.73%	5.13%	9.56%	9.56%	17.12%
Medians	5.7%	19.5%	1.8%	71.0%	72.1%	12.8%	0.0%	11.5%	0.0%	11.5%	2.08%	2.27%	1.15%	6.25%	-11.23%	0.68%	0.73%	9.56%	9.56%	17.12%
<b>Comparable Group</b>																				
CEBK Central Bancorp of Somerville MA (1)	7.3%	7.1%	1.3%	81.4%	63.9%	24.4%	2.2%	8.8%	0.4%	8.4%	-2.74%	22.39%	-6.25%	-1.49%	-8.66%	7.11%	7.50%	NA	NA	16.71%
CBNK Chicopee Bancorp, Inc. of MA	6.3%	13.0%	2.3%	75.3%	68.3%	15.6%	0.0%	16.0%	0.0%	16.0%	5.43%	25.69%	1.65%	7.23%	6.53%	-2.43%	-2.43%	NA	NA	NA
HBK Hampden Bancorp, Inc. of MA (1)	6.9%	18.3%	1.8%	69.5%	72.3%	10.4%	0.0%	16.3%	0.0%	16.3%	1.31%	6.88%	-1.13%	6.54%	-20.99%	-2.65%	-2.65%	NA	NA	NA
MFLR Mayflower Bancorp, Inc. of MA (1)	6.6%	37.2%	0.0%	49.5%	89.1%	1.8%	0.0%	8.5%	0.0%	8.5%	-0.14%	-2.28%	1.00%	2.34%	-58.63%	5.15%	5.23%	NA	NA	NA
NHTB NH Thrift Bancshares of NH	3.3%	21.0%	1.0%	68.0%	78.2%	9.3%	2.1%	9.3%	2.9%	6.4%	3.37%	-8.99%	8.72%	5.96%	-13.79%	5.26%	8.70%	NA	NA	NA
NFSB Newport Bancorp, Inc. of RI	2.1%	11.7%	2.4%	79.2%	58.1%	30.1%	0.0%	11.1%	0.0%	11.1%	-2.00%	-18.52%	1.29%	-0.34%	-4.41%	-3.28%	-3.28%	NA	NA	NA
OSHC Ocean Shore Holding Co. of NJ (1)	11.7%	3.8%	1.8%	79.9%	72.0%	13.1%	1.8%	11.8%	0.0%	11.8%	12.86%	NM	2.19%	13.27%	-5.92%	47.35%	47.35%	NA	NA	NA
THRD TF Financial Corp. of Newtown PA	1.1%	19.8%	2.6%	72.5%	79.5%	9.0%	0.0%	10.7%	0.7%	10.0%	-3.13%	-0.79%	-5.48%	-0.47%	-22.75%	2.54%	2.71%	9.56%	9.56%	17.53%
UBNK United Financial Bancorp of MA	5.2%	22.3%	1.8%	67.3%	72.1%	12.4%	0.5%	14.0%	0.5%	13.5%	2.84%	26.74%	-4.39%	10.05%	-23.00%	-1.19%	-1.24%	NA	NA	NA
WFD Westfield Financial Inc. of MA	0.9%	53.0%	3.2%	40.5%	56.5%	24.9%	0.0%	17.8%	0.0%	17.8%	4.04%	2.27%	7.09%	8.08%	7.12%	-10.54%	-10.54%	NA	NA	NA

(1) Financial information is for the quarter ending September 30, 2010.

Source: SNL Financial, LC. and RP<sup>®</sup> 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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The increase in Naugatuck Valley's pro forma equity position will be favorable from an interest rate risk perspective and in terms of posturing for future earnings growth as the net proceeds are reinvested and leveraged pursuant to the Company's intended moderate growth strategy. The Company's business plan, which is focused on increasing earnings through ongoing business line/balance sheet restructuring and growth through possible de novo branching and acquisition is a positive factor with respect to the use the intended use of proceeds. At the same time, many of the Peer Group companies have adopted similar strategies and the implementation of strategies by Naugatuck Valley to increase earnings and ROE is subject to both execution risk and the overall market environment.

The interest-earning asset ("IEA") composition for the Company and the Peer Group reflects differences in terms of the proportion of loans, as Naugatuck Valley's ratio of loans/assets of 83.3% modestly exceeded the Peer Group average ratio of 68.3%. Conversely, Naugatuck Valley's level of cash and investments equal to 11.9% of assets was below the comparable Peer Group average of 25.9%. The higher ratio of loans reflects the impact of the Company's efforts to increase the loan portfolio overall and the commercial mortgage portfolio in particular. Overall, it is Naugatuck Valley's preference to deploy funds into higher yielding loans while maintaining the cash and investment portfolio primarily for liquidity purposes. Overall, Naugatuck Valley's interest-earning assets amounted to 95.2% of assets, which modestly exceeded the Peer Group's average ratio of 94.2%. Both the Company's and the Peer Group's IEA ratios exclude BOLI as an interest-earning asset. On a pro forma basis immediately following the Second Step Conversion, a portion of the proceeds will initially be invested into Federal funds or shorter term investment securities increasing the relative proportion of cash and investments for the Company in comparison to the Peer Group over the short term.

Naugatuck Valley's funding liabilities are broadly similar to the Peer Group's funding liabilities. In this regard, the Company's deposits equaled 71.4% of assets, which fell between the Peer Group average and median ratios of 71.0% and 72.1%, respectively. Reflecting the Company's modestly lower level of capital which requires it to fund a greater proportion of assets out of interest-bearing liabilities ("IBL"), borrowings were modestly higher than the Peer Group's average ratio equal to 18.1% and 15.8% (inclusive of subordinated debt), respectively.. Total IBL maintained as a percent of assets equaled 89.5% and 86.1% for Naugatuck Valley and the Peer Group, respectively, reflecting the Company's lower equity position. The ratio of IBL will be reduced on a post-offering basis as the Company funds a greater portion of its operations with equity.

A key measure of balance sheet strength for a financial institution is IEA/IBL ratio, with higher ratios often facilitating stronger profitability levels, depending on the overall asset/liability mix. Presently, the Company's IEA/IBL ratio of 106.4% is below the Peer Group's average ratio of 109.4%. The additional capital realized from stock proceeds will considerably increase the IEA/IBL ratio, as the net proceeds realized from Naugatuck Valley's stock offering are expected to be reinvested into interest-earning assets and the increase in the Company's equity position will result in a lower level of interest-bearing liabilities funding assets.

Naugatuck Valley posted similar 12 month asset growth than the Peer Group, at 2.03% and 2.18%, respectively. The comparatively modest asset growth measures for both may be reflective of limited loan demand by strong borrowers in a recessionary economic environment as loan growth was nominal at less than 1% for both the Company and the Peer Group while cash and investments both increased at a comparatively faster pace.

The Company's deposit growth rate approximated the Peer Group average as Naugatuck Valley's deposits increased by 6.55% as compared to an average deposit growth rate of 5.12% for the Peer Group. A portion of the deposit growth achieved by Naugatuck Valley was utilized to repay borrowings, which diminished at a 13.57% rate versus borrowings shrinkage of 14.45% for the Peer Group on average. As discussed in Section One, the Company's deposit growth has been supported by expansion of the office network and deposit pricing strategies designed to achieve targeted deposit growth objectives. The Company's equity increased only slightly during the twelve month period, falling below Peer Group's modest growth. The Company's post-conversion equity growth rate will initially be constrained by maintenance of a comparatively higher pro forma equity position.

#### Income and Expense Components

Table 3.3 shows comparative income statement measures for Naugatuck Valley and the Peer Group, reflecting earnings for the fiscal year ended December 31, 2010 for Naugatuck Valley and for the twelve months ended December 31, 2010 or September 30, 2010 for the Peer Group. Naugatuck Valley reported a net income to average assets ratio of 0.25% versus the Peer Group's ratio of 0.44% based on both average and median. The Company's lower operating returns primarily reflect the impact of higher loan loss provisions as well as non-

Table 3.3  
Income as Percent of Average Assets and Yields, Costs, Spreads  
Comparable Institution Analysis  
For the 12 Months Ended December 31, 2010

	Net Income	Net Interest Income				Other Income				Total Other Income	G&A/Other Exp.		Non-Op. Items		Yields, Costs, and Spreads			MEMO: Assets/ FTE Emp.	MEMO: Effective Tax Rate	
		Income	Expense	Nil	Loss Provis. on IEA	Nil After Provis.	Loan Fees	R.E. Oper.	Other Income		G&A Expense	Goodwill Amort.	Net Gains	Extrao. Items	Yield On Assets	Cost Of Funds	Yld-Cost Spread			
<u>Naugatuck Valley Financial</u> December 31, 2010	0.25%	4.92%	1.77%	3.15%	0.58%	2.57%	0.00%	0.00%	0.56%	0.56%	2.61%	0.00%	-0.13%	0.00%	5.39%	1.99%	3.40%	\$4,148	36.36%	
<u>All Public Companies</u>																				
Averages	0.10%	4.63%	1.62%	3.01%	0.78%	2.22%	0.02%	-0.08%	0.87%	0.81%	2.80%	0.05%	0.09%	0.00%	4.95%	1.85%	3.10%	\$5,789	30.52%	
Medians	0.40%	4.65%	1.61%	3.01%	0.49%	2.45%	0.00%	0.00%	0.60%	0.55%	2.75%	0.00%	0.03%	0.00%	4.96%	1.85%	3.15%	\$4,571	31.32%	
<u>State of CT</u>																				
Averages	0.30%	4.33%	1.48%	2.85%	0.25%	2.60%	0.00%	-0.01%	0.90%	0.89%	2.91%	0.04%	-0.06%	0.00%	4.73%	1.71%	3.02%	\$4,050	26.67%	
Medians	0.31%	4.26%	1.73%	2.89%	0.24%	2.68%	0.00%	-0.01%	0.83%	0.82%	2.98%	0.02%	-0.05%	0.00%	4.67%	1.98%	3.07%	\$4,050	27.39%	
<u>Comparable Group</u>																				
Averages	0.44%	4.57%	1.43%	3.14%	0.33%	2.81%	0.00%	-0.01%	0.47%	0.46%	2.74%	0.01%	0.11%	0.00%	4.84%	1.66%	3.18%	\$4,539	27.99%	
Medians	0.44%	4.74%	1.44%	3.22%	0.22%	2.84%	0.00%	-0.01%	0.45%	0.45%	2.81%	0.00%	0.04%	0.00%	4.98%	1.72%	3.28%	\$4,518	31.84%	
<u>Comparable Group</u>																				
CEBK Central Bancorp of Somerville MA (1)	0.41%	5.12%	1.75%	3.37%	0.18%	3.19%	0.00%	0.00%	0.31%	0.31%	2.86%	0.00%	-0.07%	0.00%	5.34%	1.92%	3.42%	\$5,106	27.23%	
CBNK Chicopee Bancorp, Inc. of MA	0.08%	4.45%	1.44%	3.02%	0.22%	2.80%	0.00%	0.00%	0.46%	0.45%	3.24%	0.00%	0.03%	0.00%	4.72%	1.73%	2.99%	NM	NM	
HBNK Hampden Bancorp, Inc. of MA (1)	0.06%	4.75%	1.61%	3.14%	0.66%	2.48%	0.00%	-0.01%	0.46%	0.45%	2.96%	0.00%	0.06%	0.00%	4.95%	1.94%	3.01%	\$5,463	NM	
MFLR Mayflower Bancorp, Inc. of MA (1)	0.54%	4.33%	0.93%	3.40%	0.14%	3.26%	0.05%	-0.05%	0.44%	0.45%	3.16%	0.01%	0.30%	0.00%	4.64%	1.02%	3.62%	\$3,657	36.26%	
NHTB NH Thrift Bancshares of NH	0.81%	3.95%	1.00%	2.95%	0.22%	2.73%	0.00%	0.01%	0.63%	0.63%	2.55%	0.05%	0.41%	0.00%	4.28%	1.11%	3.16%	NM	30.84%	
NFSB Newport Bancorp, Inc. of RI	0.40%	4.96%	1.62%	3.34%	0.21%	3.13%	0.00%	-0.01%	0.54%	0.52%	3.03%	0.00%	-0.03%	0.00%	5.32%	1.84%	3.48%	NM	33.14%	
OSHC Ocean Shore Holding Co. of NJ (1)	0.68%	4.84%	1.80%	3.04%	0.15%	2.89%	0.00%	0.01%	0.42%	0.42%	2.21%	0.00%	0.00%	0.00%	5.08%	2.07%	3.01%	NM	38.66%	
THRD TF Financial Corp. of Newtown PA	0.47%	4.73%	1.44%	3.29%	0.60%	2.70%	-0.01%	-0.03%	0.45%	0.41%	2.61%	0.00%	0.13%	0.00%	5.02%	1.63%	3.39%	\$3,930	23.84%	
UBNK United Financial Bancorp of MA	0.65%	4.78%	1.36%	3.42%	0.15%	3.28%	0.00%	0.00%	0.62%	0.62%	2.75%	0.01%	-0.06%	0.00%	5.05%	1.60%	3.45%	NM	32.85%	
WFD Westfield Financial Inc. of MA	0.25%	3.77%	1.37%	2.40%	0.73%	1.67%	0.00%	-0.03%	0.34%	0.31%	2.05%	0.00%	0.32%	0.00%	3.99%	1.72%	2.27%	NM	1.15%	

(1) Financial information is for the quarter ending September 30, 2010.

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

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recurring merger related expenses reported by Naugatuck Valley in recent periods as the key components of core earnings were similar to favorable for the Company.

The Company's interest income to average assets exceeded the Peer Group average while the ratio of interest expense was also higher in comparison to the Peer Group. Overall, the Company's ratio of net interest income to average assets, equal to 3.15% fell between the Peer Group average and median ratios of 3.14% and 3.22%, respectively. The Company's comparable interest income ratio, notwithstanding a higher yield on interest-earning assets (5.39% versus which exceeds the Peer Group average and median of 4.84% and 4.98%, respectively), may be partially reflective of the Company's higher ratio of loans-to-assets. The Company's interest expense ratio to average assets, 1.77% versus 1.43% of average assets for the Peer Group, reflects the Company's higher IBL ratio and the impact of Naugatuck Valley's efforts to expand the deposit portfolio by in part, competing on a pricing basis for deposit funds.

Non-interest operating income is a higher contributor to Naugatuck Valley's earnings relative to the Peer Group, at 0.56% and 0.46%. In this regard, the recent mortgage banking initiative has bolstered non-interest income to levels above the Peer Group average.

In another key area of core earnings strength, the Company maintained a modestly lower level of operating expenses than the Peer Group. For the period covered in Table 3.3, the Company and the Peer Group reported operating expense to average assets ratios of 2.61% and 2.74%, respectively. 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 as well as the planned branching 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 as a percent of average assets.

Naugatuck Valley's efficiency ratio (operating expenses as a percent of the sum of non-interest operating income and net interest income) of 70.2% is more favorable than the Peer Group's ratio of 76.1%, as the Company's as the Company generated a higher level of non-interest income and maintained a favorable operating expense ratio. On a post-offering basis, the Company's efficiency ratio may improve marginally with the reinvestment of the offering proceeds, and thus remain at an advantage.

Loan loss provisions are at high levels relative to the historical averages reflecting the increasing level of NPAs for both the Company and the Peer Group. Specifically, loan loss provisions equaled 0.58% of average assets for Naugatuck Valley for the fiscal year ended

December 31, 2010, which exceeds the Peer Group average of 0.33% of average assets. While the Company is anticipating that its loan loss provisions may be lower in the future, estimating the level of future loan loss provisions is difficult in the current operating environment and may be predicated on the stabilization of Naugatuck Valley's credit quality ratios among other factors.

Net non-operating expenses totaled 0.13% for Naugatuck Valley and primarily consisted of expenses related to the terminated merger with Southern Connecticut Bancorp. The Peer Group reported net non-operating expense equal to 0.11% of average assets, which was largely comprised of net losses on the sale of loans and investments.

The Company's effective tax rate for the last 12 months of 36.36% is modestly above the Peer Group average of 27.99%. The Company expects that its effective tax rate will continue to approximate the recent historical level over the near term and thus remain at a comparative disadvantage relative to the Peer Group

#### Loan Composition

Table 3.4 presents the most recent data related to the Company's and the Peer Group's loan portfolio compositions, as well as data pertaining to investment in mortgage-backed securities, loans serviced for others, and risk-weighted assets. The Company's loan portfolio composition reflected a similar concentration of 1-4 family permanent mortgage loans and mortgage-backed securities as maintained by the Peer Group (51.4% of assets versus 54.0% for the Peer Group). The Company's ratio of residential loans was supported by a higher concentration of 1-4 family permanent mortgage loans (44.7% for the Company versus an average of 39.5% for the Peer Group) as the Company's ratio of mortgage-backed securities was below the Peer Group average (6.7% for Naugatuck Valley versus an average of 14.5% of assets for the Peer Group). Loan servicing activities as indicated by the balance of loans serviced for others and the servicing intangible are relatively limited for both the Company and the Peer Group though the Company's secondary market activities are targeted to increase subject to the success of the recent mortgage banking initiative.

The data reflects that the Company's lending activities show slightly greater diversification in multi-family and commercial mortgage lending. Specifically, multi-family and commercial mortgage loans represented 28.2% of assets for the Company versus an average

Table 3.4  
Loan Portfolio Composition and Related Information  
Comparable Institution Analysis  
As of December 31, 2010

Institution	Portfolio Composition as a Percent of Assets						RWA/ Assets (%)	Serviced For Others (\$000)	Servicing Assets (\$000)
	1-4	Constr.	5+Unit	Commerc.					
	MBS (%)	Family (%)	& Land (%)	Comm RE (%)	Business (%)	Consumer (%)			
Naugatuck Valley Financial	6.68%	44.71%	5.44%	28.20%	6.11%	0.24%	75.26%	\$41,251	\$364
<u>All Public Companies</u>									
Averages	12.17%	34.22%	4.31%	21.95%	4.35%	2.17%	63.52%	\$670,329	\$5,172
Medians	10.99%	33.80%	3.40%	20.42%	3.36%	0.55%	63.93%	\$39,405	\$109
<u>State of CT</u>									
Averages	12.96%	34.34%	3.42%	19.42%	7.88%	0.45%	62.25%	\$122,495	\$355
Medians	9.31%	38.27%	2.92%	21.98%	5.03%	0.30%	60.46%	\$88,885	\$280
<u>Comparable Group</u>									
Averages	14.50%	39.47%	2.84%	20.99%	4.90%	0.91%	65.29%	\$78,877	\$345
Medians	12.04%	36.71%	2.42%	21.48%	4.08%	0.48%	62.84%	\$64,485	\$160
<u>Comparable Group</u>									
CEBK Central Bancorp of Somerville MA (1)	3.77%	40.06%	0.17%	41.00%	0.64%	0.21%	85.54%	\$80	\$0
CBNK Chicopee Bancorp, Inc. of MA	0.80%	31.88%	6.39%	24.40%	13.00%	0.62%	78.84%	\$76,380	\$297
HBNK Hampden Bancorp, Inc. of MA (1)	17.27%	33.37%	2.74%	23.82%	5.97%	4.71%	67.86%	\$52,590	\$0
MFLR Mayflower Bancorp, Inc. of MA (1)	20.43%	32.86%	4.27%	10.92%	2.19%	0.59%	54.47%	\$87,740	\$541
NHTB NH Thrift Bancshares of NH	13.27%	42.43%	1.86%	14.79%	6.27%	0.87%	60.37%	\$359,770	\$1,499
NFSB Newport Bancorp, Inc. of RI	10.46%	50.21%	1.86%	27.50%	0.36%	0.06%	65.32%	\$3,720	\$0
OSHC Ocean Shore Holding Co. of NJ (1)	1.43%	70.65%	2.10%	6.84%	0.65%	0.08%	52.13%	\$3,390	\$22
THRD TF Financial Corp. of New town PA	10.81%	50.97%	4.77%	19.14%	0.78%	0.37%	60.21%	\$107,580	\$637
UBNK United Financial Bancorp of MA	17.29%	31.97%	3.40%	24.90%	7.89%	1.34%	74.02%	\$87,880	\$456
WFD Westfield Financial Inc. of MA	49.48%	10.30%	0.81%	16.54%	11.23%	0.24%	54.18%	\$9,640	\$0

(1) Financial information is for the quarter ending September 30, 2010.

Source: SNL Financial LC. 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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of 21.0% for the Peer Group. Other areas of high risk-weight lending were relatively similar for the Company and the Peer Group. Specifically, Naugatuck Valley and the Peer Group maintained modest percentages of construction loans (5.4% of assets for the Company versus 2.8% for the Peer Group) and business loans (6.1% of assets for the Company versus an average of 4.9% for the Peer Group). Consumer loans, excluding home equity loans which are included in the 1-4 family residential mortgage totals, amounted to less than 1% of assets for the Company and the Peer Group. Reflecting the Company's high proportion of loans overall and the greater level of commercial mortgages, the Company's risk-weighted assets-to-assets ratio equaled 75.3% versus an average of 65.3% for the Peer Group.

#### Credit Risk

The ratio of NPAs/assets equaled 3.22% for the Company versus an average of 1.38% for the Peer Group, as shown in Table 3.5. Moreover, to place the Company's ratio of NPAs into perspective, it should be noted that the average ratio for all publicly traded thrifts equaled 4.70% of assets. It should be noted that the majority of the Company's NPAs are concentrated in non-performing loans ("NPLs") and, as a result, there remains an increased propensity for loss in the event of the foreclosure process is prolonged.

The Company maintained a higher level of loss reserves as a percent of loans but much lower reserve coverage in relation to NPLs and NPAs. Specifically, the Company's ratio of reserves/loans equaled 1.33% versus an average of 1.15% for the Peer Group. The Company's higher ratio is warranted by the Company's higher credit risk profile and higher level of NPAs. In terms of the reserve coverage ratio relative to NPAs and 90+ day delinquent loans, the Company's ratio of 34.2% is well below the Peer Group average and median ratios of 132.69% and 82.84%, respectively.

#### Interest Rate Risk

Table 3.6 reflects various key ratios highlighting the relative interest rate risk exposure of the Company versus the Peer Group. In terms of balance sheet composition, Naugatuck Valley interest rate risk characteristics were considered to be slightly less favorable than the Peer Group's, as implied by the Company's lower tangible equity-to-assets and IEA/IBL ratios. The Company's non-interest earning assets were modestly below the Peer Group average. On a

Table 3.5  
Credit Risk Measures and Related Information  
Comparable Institution Analysis  
As of December 31, 2010 or Most Recent Date Available

Institution	REO/ Assets (%)	NPAs & 90+Del/ Assets (%)	NPLs/ Loans (%)	Rsrvs/ Loans (%)	Rsrvs/ NPLs (%)	Rsrvs/ NPAs & 90+Del (%)	Net Loan Chargoffs (\$000)	NLCs/ Loans (%)
Naugatuck Valley Financial	0.07%	3.22%	3.73%	1.33%	35.74%	34.92%	\$963	0.20%
<u>All Public Companies</u>								
Averages	0.50%	4.70%	5.33%	1.78%	49.36%	40.31%	\$1,487	0.71%
Medians	0.17%	3.22%	4.20%	1.49%	40.23%	34.63%	\$450	0.24%
<u>State of CT</u>								
Averages	0.14%	1.01%	1.10%	1.03%	73.81%	55.36%	\$161	0.18%
Medians	0.15%	1.01%	1.10%	0.99%	73.81%	55.36%	\$152	0.09%
<u>Comparable Group</u>								
Averages	0.20%	1.38%	1.61%	1.15%	144.45%	132.69%	\$364	0.25%
Medians	0.04%	0.94%	1.29%	1.04%	85.66%	82.84%	\$272	0.08%
<u>Comparable Group</u>								
CEBK Central Bancorp of Somerville MA (1)	0.00%	3.42%	3.76%	0.84%	22.40%	21.46%	\$3	0.00%
CBNK Chicopee Bancorp, Inc. of MA	0.05%	1.11%	1.38%	1.01%	70.60%	67.42%	\$298	0.27%
HBK Hampden Bancorp, Inc. of MA (1)	0.18%	2.52%	3.55%	1.56%	44.05%	42.43%	\$286	0.00%
MFLR Mayflower Bancorp, Inc. of MA (1)	0.56%	0.97%	NA	1.06%	NA	NA	\$19	-0.01%
NHTB NH Thrift Bancshares of NH	0.01%	0.79%	1.20%	1.44%	128.29%	127.40%	\$258	0.15%
NFSB Newport Bancorp, Inc. of RI	0.02%	0.17%	0.19%	1.02%	518.67%	451.74%	\$4	0.00%
OSHC Ocean Shore Holding Co. of NJ (1)	0.01%	0.48%	0.59%	0.60%	100.71%	98.27%	\$70	0.04%
THRD TF Financial Corp. of New town PA	1.08%	3.10%	NA	1.63%	NA	NA	\$778	0.61%
UBNK United Financial Bancorp of MA	0.10%	0.91%	1.37%	0.93%	65.66%	60.84%	\$310	0.11%
WFD Westfield Financial Inc. of MA	0.02%	0.34%	0.82%	1.36%	205.23%	191.92%	\$1,609	1.30%

(1) Financial information is for the quarter ending September 30, 2010.

Source: SNL Financial LC. 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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Table 3.6  
Interest Rate Risk Measures and Net Interest Income Volatility  
Comparable Institution Analysis  
As of December 31, 2010 or Most Recent Date Available

Institution	Balance Sheet Measures			Quarterly Change in Net Interest Income					
	Equity/ Assets	IEA/ IBL	Non-Earn. Assets/ Assets	12/31/2010	9/30/2010	6/30/2010	3/31/2010	12/31/2009	9/30/2009
	(%)	(%)	(%)	(change in net interest income is annualized in basis points)					
Naugatuck Valley Financial	9.2%	106.4%	4.8%	-13	-4	4	6	21	17
All Public Companies	10.9%	107.4%	6.6%	-2	0	1	4	6	9
State of CT	9.7%	107.6%	7.2%	-3	-1	5	13	-6	8
<u>Comparable Group</u>									
Averages	12.0%	108.8%	5.7%	-6	-7	1	5	11	11
Medians	11.5%	107.8%	5.5%	-6	-7	0	4	9	13
<u>Comparable Group</u>									
CEBK Central Bancorp of Somerville MA (1)	8.4%	105.8%	4.2%	NA	-2	12	16	14	29
CBNK Chicopee Bancorp, Inc. of MA	16.0%	112.7%	5.4%	-1	-13	5	8	21	-10
HBNK Hampden Bancorp, Inc. of MA (1)	16.3%	115.7%	4.3%	NA	-7	6	-1	12	13
MFLR Mayflower Bancorp, Inc. of MA (1)	8.5%	102.6%	6.7%	NA	4	-3	5	33	6
NHTB NH Thrift Bancshares of NH	6.4%	103.1%	7.7%	-20	-30	-4	9	5	17
NFSB Newport Bancorp, Inc. of RI	11.1%	105.5%	7.0%	8	5	12	3	14	11
OSHC Ocean Shore Holding Co. of NJ (1)	11.8%	109.7%	4.6%	NA	-16	-2	-4	-2	17
THRD TF Financial Corp. of New town PA	10.0%	105.5%	6.6%	2	2	2	2	5	12
UBNK United Financial Bancorp of MA	13.5%	111.5%	5.1%	-10	-7	-6	29	4	13
WFD Westfield Financial Inc. of MA	17.8%	116.0%	5.6%	-14	-8	-13	-18	4	4

(1) Financial information is for the quarter ending September 30, 2010.  
NA=Change is greater than 100 basis points during the quarter.

Source: SNL Financial LC. and RP<sup>®</sup> Financial, LC. calculations. The information provided in this table has been obtained from sources we believe

pro forma basis, the infusion of stock proceeds should serve to improve these ratios relative to the Peer Group.

To analyze interest rate risk associated with the net interest margin, we reviewed quarterly changes in net interest income as a percent of average assets for Naugatuck Valley and the Peer Group. In general, the relative fluctuations in the Company's and the Peer Group's net interest income to average assets ratios were considered to be slightly greater than the Peer Group average but well within the range of the Peer Group companies individually and, thus, based on the interest rate environment that prevailed during the period analyzed in Table 3.6, Naugatuck Valley's and the Peer Group were viewed as maintaining a similar degree of interest rate risk exposure in their respective net interest margins. The stability of the Company's net interest margin should be enhanced by the infusion of stock proceeds, as the increase in capital will reduce the level interest rate sensitive liabilities funding Naugatuck Valley's assets.

Summary

Based on the above analysis and the criteria employed in the selection of the companies for the Peer Group, RP Financial concluded that the Peer Group forms a reasonable basis for determining the pro forma market value of Naugatuck Valley. In those areas where notable differences exist, we will apply appropriate valuation adjustments in the next section.

#### IV. VALUATION ANALYSIS

##### Introduction

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

##### Appraisal Guidelines

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

##### RP Financial Approach to the Valuation

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

The pro forma market value determined herein is a preliminary value for the Company's to-be-issued stock. Throughout the conversion process, RP Financial will: (1) review changes in Naugatuck Valley's operations and financial condition; (2) monitor Naugatuck Valley'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 Naugatuck Valley's stock specifically; and (4) monitor pending conversion offerings (including those in the offering phase), both regionally and nationally. If material changes should occur during the conversion process, RP Financial will evaluate if updated valuation reports should be prepared reflecting such changes and their related impact on value, if any. RP Financial will also prepare a final valuation update at the closing of the offering to determine if the prepared valuation analysis and resulting range of value continues to be appropriate.

The appraised value determined herein is based on the current market and operating environment for the Company and for all thrifts. Subsequent changes in the local and national economy, the legislative and regulatory environment, the stock market, interest rates, and other external forces (such as natural disasters or major world events), which may occur from time to time (often with great unpredictability) may materially impact the market value of all thrift stocks, including Naugatuck Valley's value, or Naugatuck Valley'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, in particular new issues, to assess the impact on value of the Company coming to market at this time.

##### 1. Financial Condition

The financial condition of an institution is an important determinant in pro forma market value because investors typically look to such factors as liquidity, capital, asset composition and

quality, and funding sources in assessing investment attractiveness. The similarities and differences in the Company's and the Peer Group's financial strengths are noted as follows:

- Overall A/L Composition. In comparison to the Peer Group, the Company's IEA composition showed a moderately lower concentration of cash and investments and a higher concentration of loans. In addition to the higher ratio of loans as a percent of assets, lending diversification into higher risk and higher yielding types of loans was more significant for the Company, which is shown in the higher risk weighted assets-to-assets ratio in comparison to the Peer Group's ratio. Overall, in comparison to the Peer Group, the Company's IEA composition provided for a higher yield earned on IEA. The Company's IBL cost was higher than the Peer Group's cost of funds, as the Company employed a competitive deposit pricing strategy and higher costing borrowed funds to a greater degree. The Company maintained a lower IEA/IBL ratio of 106.4%, versus 109.4% for the Peer Group on average. The anticipated use of proceeds should improve the Company's IEA/IBL ratio, minimizing the disparity with the Peer Group.
- Credit Quality. The Company has significantly higher credit risk with higher NPAs, lower reserve coverage and a higher concentration of loans in commercial real estate and construction loans. In view of the high proportion of NPLs relative to NPAs, the Company's higher credit risk profile is expected to have a greater exposure to loss if the foreclosure process is prolonged.
- Balance Sheet Liquidity. For the most recent period, the Company maintained a lower level of cash and investment securities relative to the Peer Group. Following the infusion of stock proceeds, the Company's cash and investments ratio is expected to increase as a portion of the proceeds will be initially retained in cash equivalent instruments as well as investment securities with laddered maturities pending the longer term deployment into loans. The Company's future borrowing capacity was considered to be modestly less than the Peer Group's capacity based on its higher utilization of borrowings in comparison to the Peer Group.
- Funding Liabilities. The Company's interest-bearing funding composition reflected a similar concentration of deposits and a slightly higher concentration of borrowings relative to the comparable Peer Group ratios. Total interest-bearing liabilities as a percent of assets was higher for the Company in comparison to the Peer Group. Following the stock offering, the increase in the Company's equity position should serve to reduce the level of interest-bearing liabilities funding assets to a ratio more closely approximating the Peer Group's ratio.
- Tangible Equity. The Company currently operates with a lower equity-to-assets ratio than the Peer Group. However, following the stock offering, Naugatuck Valley's pro forma capital position will likely approximate or modestly exceed the Peer Group's equity-to-assets ratio, depending upon the level of interest in the offering within the estimated valuation range. The Company's increased pro forma equity will enhance the leverage capacity to levels approximating the Peer Group's ability while the anticipated reduction

in the IBL ratio will enhance Naugatuck Valley's comparability to the Peer Group.

On balance, the Company's capital and liquidity will be strengthened on a pro forma basis mitigated to an extent by the Company's higher credit risk profile warranting no adjustment relative to the Peer Group for this factor.

## 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 a financial institution's earnings stream and the prospects and ability to generate future earnings, heavily influence the multiple that the investment community will pay for earnings. The major factors considered in the valuation are described below.

- Reported Profitability. The Company reported lower earnings than the Peer Group based on an average return on average assets ("ROAA") basis (0.25% of average assets versus 0.44% for the Peer Group). The Company's lower returns were primarily attributable to higher loan loss provisions and non-operating expenses related to the termination of the Southern Connecticut Bancorp merger, as other key elements of core earnings were similar to favorable relative to the Peer Group averages. Reinvestment into IEA and leveraging of the pro forma equity position will serve to increase the Company's earnings, with the benefit of reinvesting proceeds expected to be somewhat offset by implementation of additional stock benefit plans in connection with the Second-Step offering.
- Core Profitability. The Company's lower core profitability, notwithstanding favorable non-interest income and expense ratios, reflects the impact of the Company's asset quality ratios on loan loss provisions. Although core profitability may improve on a pro forma basis, the improvement will be limited by low reinvestment rates, the impact of the costs of the new stock plans and potential branching initiatives, all of which will limit the pro forma benefit initially. Importantly, the Company appears to have momentum for core earnings growth as the level of net interest income has been expanding in recent periods, but future improvements to core earnings may be dependent upon asset quality trends and the level of loan loss provisions.
- Interest Rate Risk. Quarterly changes in the net interest income ratio for the Company indicated a similar level of volatility. Other measures of interest rate risk such as the capital and the IEA/IBL ratios were less favorable for the Company, thereby indicating that the Company maintained a higher dependence on the yield-cost spread to sustain net interest income on a pre-conversion basis. On a pro forma basis, the infusion of stock proceeds can be expected to provide the Company with equity-to-assets and IEA/IBL ratios that will be comparable to or exceed the Peer Group ratios, as well as enhance the stability of the Company's net interest margin through the reinvestment of stock proceeds into IEA.

- Credit Risk. As noted herein, given the higher level of NPAs and higher credit risk profile of the loan portfolio, the Company's profitability is expected to continue to be subject to greater credit-related volatility relative to the Peer Group companies.
- 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 increasing earnings through leverage. Second, while the Company has realized strong balance sheet growth up until this year while recent asset quality trends have led management to restrict growth in the current year and prospectively, over the short to intermediate term future.
- Return on Equity. The Company's pro forma return on equity based on core earnings (excluding net non-operating expenses but including trailing twelve month loan loss provisions) are lower than the Peer Group average and median. The ROE may be subject to increase over the near term given the momentum for core earnings growth as noted above.

On balance, we applied a slight upward adjustment for this factor, particularly taking into account the earnings benefit of the conversion proceeds and over the longer term horizon and the potential benefit of lower loan loss provisions if asset quality improves as anticipated by management..

### 3. Asset Growth

The Company's asset growth rate for the most recent twelve month period approximated the Peer Group's growth rate during the period covered in our comparative analysis, based on growth rates of 2.0% and 2.2%, respectively. Asset growth for the Company and the Peer Group was primarily channeled into cash and investments as loan growth was less than 1% for both Naugatuck Valley and the Peer Group. Importantly, while the Company has achieved strong asset growth rates in the past (prior to this year), management expects future growth and diversification will be moderated relative to the recent historical trend given the current economic and regulatory environment and as the Company seeks to address the recent increase in NPAs and loan loss provisions. On a pro forma basis, the Company's tangible equity-to-assets ratio will approximate to modestly exceed the Peer Group's tangible equity-to-assets ratio, indicating equal to greater leverage capacity for the Company. On balance, no adjustment was applied for asset growth.

#### 4. Primary Market Area

The general condition of an institution's market area has an impact on value, as future success is in part dependent upon opportunities for profitable activities in the local market served. Naugatuck Valley's primary market area for loans and deposits primarily consists of New Haven County and, to a lesser extent, Fairfield County in southern Connecticut where the Company maintains its branch network. Within this market, the Company faces significant competition for loans and deposits from larger financial institutions, which provide a broader array of services and have significantly larger branch networks.

Demographic and economic trends and characteristics in the Company's primary market area are comparable to the primary market areas served by the Peer Group companies (see Exhibit III-4). In this regard, the total population of New Haven County is higher than the average of the Peer Group's primary markets. The 2000-2010 population growth rates for New Haven County were also slightly higher at 3.3% versus an average of 3.1% for the Peer Group's markets but well within the range of growth rates demonstrated by the Peer Group's markets from 5.74% shrinkage to 9.62% growth. Per capita income levels in New Haven were slightly higher than the Peer Group's markets but the deposit market share exhibited by the Company in New Haven County was below the Peer Group average and median. Unemployment rates for the markets served by the Peer Group companies were generally comparable to New Haven County.

On balance, we concluded that no adjustment was appropriate for the Company's market area.

#### 5. Dividends

The Company currently pays a quarterly dividend of \$0.03 per share. Naugatuck Valley has indicated its intention to continue to pay a quarter dividend of \$0.03 per share or \$0.12 per share annually, equal to a 1.50% dividend yield based on an \$8.00 per share IPO price. 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.

Eight of the ten Peer Group companies pay regular cash dividends, with implied dividend yields ranging from 0.96% to 3.92%. The average dividend yield on the stocks of the Peer

Group institutions was 1.66% as of February 4, 2011, representing an average payout ratio of 24.22% of core earnings. As of February 4, 2011, approximately 61% of all fully-converted publicly-traded thrifts had adopted cash dividend policies (see Exhibit IV-1), exhibiting an average yield of 2.66%. 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 similar dividend yield compared to the Peer Group's average dividend yield, while the Company's implied payout ratio of 39.47% of pro forma core earnings at the midpoint value is modestly above the Peer Group's average payout ratio. The Company's dividend capacity will be enhanced by the Second-Step Conversion and resulting increase in capital. Overall, 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. All ten of the Peer Group members trade on NASDAQ or NYSE. 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 \$18.7 million to \$247.4 million as of February 4, 2011, with average and median market values of \$98.3 million and \$80.1 million, respectively. The shares issued and outstanding to the public shareholders of the Peer Group members ranged from 1.7 million to 28.2 million, with average and median shares outstanding of 8.1 million and 5.9 million, respectively. The Company's Second-Step Conversion offering is expected to provide for pro forma shares outstanding that will be generally in the middle of the range of the shares outstanding indicated for the Peer Group companies. However, the market capitalization of the Company will be below the Peer Group average and median and at the lower end of the Peer Group range at the midpoint of the valuation range. Like all of the Peer Group companies, the Company's stock will continue to be quoted on the NASDAQ following the second-step stock offering. Overall, the trading market of the Company is expected to be relatively similar to that of the Peer Group and thus, no adjustment was warranted for this factor.

7. Marketing of the Issue

We believe that four separate markets exist for thrift stocks, including those coming to market such as Naugatuck Valley's: (A) 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; (B) 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; (C) the acquisition market for thrift franchises in Connecticut; and (D) the market for the public stock of Naugatuck Valley. 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 in recent quarters. More signs of the economy gaining strength sustained the positive trend in the broader stock market at the start of the second quarter of 2010. The Dow Jones Industrial Average ("DJIA") closed above 11000 heading into mid-April, based on growing optimism about corporate earnings and a recovering economy. Fraud charges against Goldman Sachs halted a six day rally in the market in mid-April, as financial stocks led a one day sell-off in the broader market. The broader stock market generally sustained a positive trend during the second half of April, with encouraging first quarter earnings reports and favorable economic data supporting the gains. Financial stocks pulled the broader stock market lower at the end of April on news of a criminal investigation of Goldman Sachs. The sell-off in the stock market sharpened during the first week of May, largely on the basis of heightened concerns about possible ripple effects stemming from Greece's credit crisis. Stocks surged after European Union leaders agreed to a massive bailout to prevent Greece's financial troubles from spreading throughout the region, but then reversed course heading into the second half of May on continued worries about the fallout from Europe's credit crisis and an unexpected increase in U.S. jobless claims. China's promise not to unload its European debt sparked a one-day rally in late-May, which was followed by a lower close for the DJIA on the

last trading day of May as a downgrade of Spain's credit rekindled investors' fears about Europe's economy. Overall, it was the worst May for the DJIA since 1940. Volatility in the broader stock market continued to prevail in early-June. A rebound in energy shares provided for the third biggest daily gain in the DJIA for 2010, which was followed by a one day decline of over 300 points in the DJIA as weaker than expected employment numbers for May sent the DJIA to a close below 10000. The DJIA rallied back over 10000 in mid-June, as stocks were boosted by upbeat comments from the European Central Bank, a rebound in energy stocks, tame inflation data and some regained confidence in the global economic recovery. Weak housing data for May and persistent worries about the global economy pulled stocks lower in late-June. The DJIA closed out the second quarter of 2010 at a new low for the year, reflecting a decline of 10% for the second quarter.

A disappointing employment report for June 2010 extended the selling during the first week of July. Following seven consecutive days of closing lower, the DJIA posted a gain as bargain hunters entered the market. Some strong earnings reports at the start of second quarter earnings season and upbeat data on jobs supported a seven day winning streak in the broader stock market and pushed the DJIA through the 10000 mark going into mid-July. Renewed concerns about the economy snapped the seven day winning streak in the DJIA, although losses in the broader stock market were pared on news that Goldman Sachs reached a settlement with the SEC. Stocks slumped heading into the second half of July, as Bank of America and Citigroup reported disappointing second quarter earnings and an early-July consumer confidence report showed that consumers were becoming more pessimistic. Favorable second quarter earnings supported a rally in the broader stock market in late-July, with the DJIA moving back into positive territory for the year. Overall, the DJIA was up 7.1% for the month of July, which was its strongest performance in a year.

Better-than-expected economic data helped to sustain the stock market rally at the beginning of August 2010, but stocks eased lower following the disappointing employment report for July. Stocks skidded lower heading into mid-August, as investors dumped stocks amid worries over slowing economic growth. The downturn in the broader stock market accelerated in the second half of August, as a number of economic reports for July showed the economy was losing momentum which more than overshadowed a pick-up in merger activity. The DJIA had its worst August in nearly a decade, with the DJIA showing a loss of over 4% for the month. Stocks rebounded in the first half of September, as a favorable report on manufacturing activity in August and a better-than-expected employment report for August

supported gains in the broader stock market. News of more takeovers, robust economic growth in China and passage of new global regulations for how much capital banks must maintain extended the rally into the third week of September, as the DJIA moved to a one month high. Despite a favorable report for August retail sales, worries about the European economy snapped a four day winning streak in the DJIA in mid-September. The DJIA closed higher for the third week in row heading into the second half of September, as stocks edged higher on positive earnings news coming out of the technology sector and merger activity. The positive trend in stock market continued for a fourth consecutive week in late-September, as investors viewed a rise in August business spending as a sign the recovery was on firmer ground. Stocks closed out the third quarter trading slightly lower on profit taking, but overall the DJIA showed a gain of 10.4% for the quarter and, thereby, reversing losses suffered in the second quarter.

Stocks leapt to a five-month high at the start of the fourth quarter of 2010, as investors responded to signals that the Federal Reserve was poised to step in to prop up the U.S. economy. September employment data, which showed a loss of jobs and no change in the unemployment rate, translated into a mixed trading market ahead of third quarter earnings season kicking into high gear. Stocks traded unevenly in the second half of October, as investors responded to generally favorable third quarter earnings reports and concerns that the foreclosure crisis could spread into the overall economy. The DJIA surged to a two-year high in early-November, as investors were encouraged by the Federal Reserve's plan to support the economy and better-than-expected job growth reflected in the October employment report. Stocks reversed course heading into mid-November, amid concerns over Europe's debt problems, the potential impact of the Federal Reserve's stimulus plan and slower growth in China. A favorable report on jobless claims hitting a two year low helped stocks to rebound heading into late-November, which was followed by a downturn as investors remained concern about the debt crisis in Europe. Stocks rebounded in early-December, based on news reports that U.S. consumers felt more upbeat about the economic outlook, U.S. exports in October surged to their highest level in more than two years and retail sales increased in November. Stocks also benefitted from a pickup in merger activity heading into mid-December. The DJIA moved to a two year high ahead of the Christmas holiday, with financial stocks leading the broader market higher as some announced bank mergers heightened acquisition speculation for the sector.

The broader stock market started 2011 on an upswing, fueled by reports of manufacturing activity picking up in December. Weaker than expected job growth reflected in

the December employment report pulled stocks lower to close out the first week in 2011. Some favorable fourth quarter earnings report by J.P. Morgan and data confirming strength in the manufacturing helped stocks to rebound in mid January, with the DJIA moving to its highest close since June 2008. The positive trend in the broader stock market was sustained in late-January, which was followed by a one day selloff as political unrest in Egypt rattled markets around the world. The DJIA ended up 2.7% for the month of January, which was its strongest January in 14 years. Stocks continued to trade higher through the first two weeks of February, as the DJIA closed high for eight consecutive trading sessions. Strong manufacturing data for January, merger news and some favorable fourth quarter earnings reports helped to sustain the rally in the broader stock market into early February. On February 4, 2011, the DJIA closed at 12092.15, an increase of 20.9% from one year ago and an increase of 4.4% year-to-date, and the NASDAQ closed at 2769.3, an increase of 30.3% from one year ago and an increase of 4.4% year-to-date. The Standard & Poor's 500 Index closed at 1310.87 on February 4, 2011, an increase of 23.3% from one year ago and an increase of 4.2% year-to-date.

The market for thrift stocks has been somewhat uneven in recent quarters, but in general has underperformed the broader stock market. An improving outlook for financial stocks in general, along with positive reports for housing, employment and retail sales, boosted thrift stocks at the start of the second quarter of 2010. A nominal increase in March consumer prices and a strong first quarter earnings report from JP Morgan Chase & Co. supported a broad rally in bank and thrift stocks heading into mid-April, which was followed by a pullback on news that the SEC charged Goldman Sachs with fraud. Thrift stocks generally underperformed the broader stock market during the second half of April, as financial stocks in general were hurt by uncertainty about the progress of financial reform legislation, Greece's debt crisis and news of a criminal investigation of Goldman Sachs. Thrift stocks retreated along the broader stock market in the first week of May, based on fears that the growing debt crisis in Europe could hurt the economic recovery. Likewise, thrift stocks surged higher along with the broader stock market after European Union officials announced a massive bailout plan to avert a public-debt crisis and then retreated heading into the second half of May on lingering concerns about the euro. News of rising mortgage delinquencies in the first quarter of 2010, an expected slowdown in new home construction and uncertainty over financial reform legislation further contributed to lower trading prices for thrift stocks. Thrift stocks participated in the one-day broader market rally in late-May and then declined along with the broader stock market at the close of May. Some positive economic reports provided a boost to thrift stocks at the start of June, which was

followed a sharp decline in the sector on the disappointing employment report for May. Gains in the broader stock market provided a boost to thrift stocks as well heading in mid-June. Weaker-than-expected housing data for May and uncertainty surrounding the final stages of the financial reform legislation pressured thrift stocks lower in late-June.

Thrift stocks declined along with the broader stock market at the start of the third quarter of 2010, as home sales in May declined sharply following the expiration of a special tax credit for home buyers. A report showing that home loan delinquencies increased in May further depressed thrift stocks, while the broader market moved higher on more attractive valuations. Financial stocks helped to lead the stock market higher through mid-July, as State Street projected a second quarter profit well above analysts' forecasts which fueled a more optimistic outlook for second quarter earnings reports for the financial sector in general. Thrift stocks retreated along with the financial sector in general in mid-July, as investors reacted to disappointing retail sales data for June and weaker than expected second quarter earnings results for Bank of America and Citigroup which reflected an unexpected drop in their revenues. Some favorable second quarter earnings reports, which included improving credit quality measures for some institutions, helped to lift the thrift sector in late-July and at the beginning of August. Thrift stocks pulled back along with the broader market on weak employment data for July, which raised fresh concerns about the strength of the economy and the risk of deflation. The sell-off in thrift stocks became more pronounced in the second half of August, with signs of slower growth impacting most sectors of the stock market. Thrift stocks were particularly hard hit by the dismal housing data for July, which showed sharp declines in both existing and new home sales.

August employment data coming in a little more favorable than expected boosted the thrift sector in early-September, which was followed by a narrow trading range into mid-September. Financial stocks in general posted gains in mid-September after global regulators gave banks eight years to meet tighter capital requirements, but then slipped lower going into the second half of September on mixed economic data. The thrift sector traded in a narrow range during the second half of September, with financial stocks in general underperforming the broader stock market during the third quarter. The divergence in the performance of financial stocks from the broader stock market was attributed to factors such as the uncertain impact of financial reform legislation would have on the earnings of financial institutions and ongoing problems resulting from the collapse of the U.S. housing market.

The weak employment report for September 2010 and growing concerns about the fallout of alleged foreclosure abuses weighed on bank and thrift stocks during the first half of October, as financial stocks continued to underperform the broader stock market. Some better-than-expected earnings reports provided a slight boost to bank and thrift stocks heading into the second half of October, which was followed by a downturn in late-October on lackluster economic data. Financial stocks led the market higher in early-November, which was supported by the Federal Reserve's announcement that it would purchase \$600 billion of Treasury bonds over the next eight months to stimulate the economy. Profit taking and weakness in the broader stock market pulled thrift stocks lower heading into mid-November. Ongoing concerns about debt problems in Ireland, weak housing data for home sales in October and a widening insider trading investigation by the U.S. government pressured financial stocks lower heading into late-November. Favorable reports for retail sales and pending home sales helped thrift stocks move higher along with the broader stock market in early-December. Expectations of a pick-up in merger activity in the financial sector contributed to gains in the thrift sector as well during the second week of December. A report showing a rise in consumer confidence in early-December also provided a modest boost to thrift stocks heading into mid-December. Thrifts stocks benefitted from announced bank deals in the final weeks of 2010, as investors bet on an increase in financial sector merger activity in 2011.

Thrift stocks rallied along with the broader stock market at the start of 2011, as investors were encouraged by data that suggested the economic recovery was strengthening. A strong fourth quarter earnings report posted by J.P. Morgan supported gains in the financial sector in mid-January, which was followed by a downturn heading into late-January as some large banks reported weaker than expected earnings. Thrift stocks traded higher along with the broader stock market into mid-February, as financial stocks benefitted from some favorable fourth quarter earnings reports coming out of the financial sector. Financial stocks also benefitted from a rally in mortgage insurer stocks, which surged on a government proposal to shrink the size of FHA. On February 4, 2011, the SNL Index for all publicly-traded thrifts closed at 589.5, an increase of 2.0% from one year ago and a decrease of 1.4% year-to-date.

#### B. The New Issue Market

In addition to thrift stock market conditions in general, the new issue market for converting thrifts is also an important consideration in determining the Company's pro forma market value. The new issue market is separate and distinct from the market for seasoned thrift

stocks in that the pricing ratios for converting issues are computed on a pro forma basis, specifically: (1) the numerator and denominator are both impacted by the conversion offering amount, unlike existing stock issues in which price change affects only the numerator; and (2) the pro forma pricing ratio incorporates assumptions regarding source and use of proceeds, effective tax rates, stock plan purchases, etc. which impact pro forma financials, whereas pricing for existing issues are based on reported financials. The distinction between pricing of converting and existing issues is perhaps no clearer than in the case of the price/book ("P/B") ratio in that the P/B ratio of a converting thrift will typically result in a discount to book value whereas in the current market for existing thrifts the P/B ratio may reflect a premium to book value. Therefore, it is appropriate to also consider the market for new issues, both at the time of the conversion and in the aftermarket.

As shown in Table 4.1, three standard conversions and eight second-step conversions have been completed during the past three months. The recently completed second-step conversion offerings are the most relevant to the Company's offering and included transactions completed by Atlantic Coast Financial Corp., Alliance Bancorp, SI Financial Group, Minden Bancorp, Kaiser Federal Financial Group, Home Federal Bancorp, Capitol Federal Financial, and Heritage Financial Group, which were completed over a period from November 2010 to January 2011. The closing pro forma price/tangible book value ratio of the second-step conversion offerings covered a range of pricing levels, from 40.9% P/TB (Atlantic Coast Financial Corp) to 83.9% P/TB (Capitol Federal Financial), reflecting significant differences in the respective markets, offering sizes, financial characteristics, and operating results.

The recently completed second-step conversion transaction by SI Financial, which is particularly relevant to the Company's offering given its Connecticut location, closed at a pro forma P/TB ratio of 68.5% and had traded up by 15.6% in aftermarket trading through February 4, 2010. Additionally, Alliance Bancorp of Pennsylvania, which closed its second-step conversion as of January 18, 2011, had a similar offering size and pro forma capitalization in comparison to Naugatuck Valley as well as a similar level of NPAs. Alliance Bancorp's transaction closed at a pro forma P/TB ratio of 67.1% and had traded up in the aftermarket by 10% through February 4, 2011.

Shown in Table 4.2 are the current pricing ratios for the fully-converted offerings completed during the past three months that trade on NASDAQ or an Exchange. The current average and median P/TB ratios for the recent fully-converted offerings equaled 70.38% and

Table 4.1  
Pricing Characteristics and After-Market Trends  
Recent Conversions Completed (Last Three Months)

Institutional Information			Pre-Conversion Data				Offering Information				Contribution to Charitable Found.		Index Purchases				Pro Forma Data						Post-EO Pricing Trends									
			Financial Info.		Asset Quality		Gross Proc.		% of Offered		Exp./Proc.		% of Form		% of Offering		Benefit Plans		Initial Dividend Yield		Pricing Ratios(3)				IPO Price		Closing Price					
Institution	Convert. Date	Ticker	Assets (\$M)	Equity/Assets (%)	NPA's (%)	Res. Cov. (%)	\$ (M)	(%)	(%)	(%)	Form	% of Offering	ESOP (%)	Plans (%)	Optn (%)	Mgmt. Dis. (%)	Yield (%)	PTB (%)	Core PE (x)	DA (%)	Core ROA (%)	TBA (%)	Core ROE (%)	IPO Price (\$)	First Trading Day (\$)	% Change (%)	After First Week(4) (\$)	% Change (%)	After First Month(5) (\$)	% Change (%)	Thru 2/4/11 (\$)	% Change (%)
<b>Standard Conversions</b>																																
Anchor Bancorp. - WA(1)	1/26/11	ANCB-NASDAQ	\$ 522	8.40%	5.10%	123%	\$ 25.5	100%	85%	8.7%	N.A.	N.A.	4.0%	0.0%	0.0%	2.5%	0.00%	38.6%	NM	4.7%	-0.1%	12.1%	-0.9%	\$10.00	\$10.00	0.0%	\$10.03	0.3%	\$10.08	0.9%	\$10.03	0.3%
Wolverine Bancorp. Inc. - MI*	1/20/11	WBKC-NASDAQ	\$ 308	13.58%	3.86%	98%	\$ 25.1	100%	85%	5.5%	N.A.	N.A.	8.0%	4.0%	10.0%	4.2%	0.00%	40.1%	NM	7.6%	-0.8%	19.0%	-7.0%	\$10.00	\$12.45	24.5%	\$12.31	23.1%	\$13.52	35.2%	\$13.00	30.0%
SP Bancorp. Inc. - TX*	11/1/10	SPBC-NASDAQ	\$ 222	7.78%	2.87%	31%	\$ 17.3	100%	115%	9.1%	N.A.	N.A.	8.0%	4.0%	10.0%	10.1%	0.00%	55.9%	NM	7.3%	-0.1%	13.1%	-0.5%	\$10.00	\$9.40	-6.0%	\$9.34	-6.6%	\$9.20	-8.0%	\$9.65	-3.5%
Averages - Standard Conversions:			\$ 350	9.93%	3.84%	84%	\$ 22.6	100%	95%	7.8%	NA	NA	6.7%	2.7%	6.7%	6.6%	0.00%	44.9%	NM	6.6%	-0.3%	14.8%	-2.8%	\$10.00	\$10.82	8.2%	\$10.66	5.6%	\$10.94	9.4%	\$10.89	8.9%
Medians - Standard Conversions:			\$ 308	8.40%	3.86%	98%	\$ 25.1	100%	85%	8.7%	NA	NA	8.0%	4.0%	10.0%	4.2%	0.00%	40.1%	NM	7.3%	-0.1%	13.1%	-0.3%	\$10.00	\$10.00	0.0%	\$10.03	0.3%	\$10.09	0.9%	\$10.03	0.3%
<b>Second Step Conversions</b>																																
Atlantic Coast Fin. Corp. - GA*	2/4/11	ACFC-NASDAQ	\$ 893	5.67%	3.38%	51%	\$ 17.1	65%	85%	11.5%	N.A.	N.A.	4.0%	4.0%	10.0%	10.8%	0.00%	40.9%	NM	2.9%	-2.7%	7.1%	-37.2%	\$10.00	\$10.05	0.5%	\$10.00	0.0%	\$10.00	0.0%	\$10.05	0.5%
Albania Bancorp. Inc. - PA*	11/18/11	ALLB-NASDAQ	\$ 443	12.50%	2.81%	36%	\$ 32.6	80%	106%	8.0%	N.A.	N.A.	4.6%	6.7%	10.0%	1.1%	1.20%	67.1%	95.89	11.7%	0.1%	17.4%	0.7%	\$10.00	\$11.00	10.0%	\$10.68	6.8%	\$11.15	11.5%	\$11.00	10.0%
SF Financial Group, Inc. - CT*	1/13/11	SFFN-NASDAQ	\$ 890	9.20%	1.01%	119%	\$ 52.4	82%	100%	3.5%	C	\$500K	8.0%	3.1%	7.7%	0.3%	1.50%	68.5%	35.61	9.0%	0.3%	13.3%	1.9%	\$8.00	\$9.27	15.9%	\$9.03	12.9%	\$9.40	17.5%	\$9.25	15.6%
Minden Bancorp. Inc. - LA*	1/5/11	MNBX-OTCBB	\$ 216	11.16%	0.46%	113%	\$ 13.9	59%	107%	7.2%	N.A.	N.A.	4.0%	3.6%	8.9%	9.1%	0.00%	66.3%	10.46	10.5%	1.0%	15.8%	6.3%	\$10.00	\$12.80	28.0%	\$12.85	28.5%	\$13.00	30.0%	\$13.00	30.0%
Capitol Fed. Financial, Inc. - KS*	12/22/10	CFNN-NASDAQ	\$ 8,590	11.17%	0.47%	47%	\$ 1,181.5	71%	85%	4.2%	C	3.4%	4.0%	2.0%	5.0%	0.1%	0.00%	83.9%	24.31	17.4%	0.7%	20.7%	3.5%	\$10.00	\$11.65	16.5%	\$11.88	16.8%	\$11.90	16.0%	\$12.14	21.4%
Home Federal Bancorp. Inc. - LA	12/22/10	HFBL-NASDAQ	\$ 193	17.46%	0.06%	48%	\$ 19.5	64%	104%	8.3%	N.A.	N.A.	6.0%	4.0%	10.0%	1.3%	0.00%	61.2%	NM	14.6%	0.0%	23.8%	0.0%	\$10.00	\$11.50	15.0%	\$11.70	17.0%	\$12.13	21.3%	\$12.75	27.5%
Heritage Financial Grp., Inc. - GA	11/20/10	HFDG-NASDAQ	\$ 667	9.42%	1.59%	80%	\$ 65.9	76%	92%	5.7%	N.A.	N.A.	5.0%	2.5%	6.8%	0.2%	0.00%	74.4%	51.44	12.1%	0.2%	16.3%	1.4%	\$10.00	\$10.25	2.5%	\$10.85	8.5%	\$12.17	21.7%	\$14.30	43.0%
Kaiser Fed Financial Grp., Inc. - CA*	11/19/10	KFFG-NASDAQ	\$ 867	10.92%	3.78%	42%	\$ 63.8	67%	85%	6.9%	N.A.	N.A.	6.0%	4.0%	10.0%	0.2%	0.00%	66.6%	27.79	10.4%	0.4%	15.7%	2.3%	\$10.00	\$9.99	-0.1%	\$9.60	-4.4%	\$12.45	24.5%	\$12.45	24.5%
Averages - Second Step Conversions:			\$ 1,594	10.84%	1.82%	122%	\$ 180.8	65%	95%	6.9%	N.A.	N.A.	6.0%	3.7%	8.5%	3.9%	0.34%	66.1%	40.9%	11.1%	0.0%	16.3%	-2.6%	\$9.75	\$10.81	11.0%	\$10.82	11.1%	\$11.18	14.7%	\$11.87	21.6%
Medians - Second Step Conversions:			\$ 764	11.04%	1.30%	66%	\$ 42.6	64%	96%	7.0%	N.A.	N.A.	4.8%	3.8%	9.4%	0.7%	0.00%	66.8%	31.7%	11.1%	0.2%	16.1%	1.6%	\$10.00	\$10.63	12.5%	\$10.77	10.7%	\$11.38	16.8%	\$13.30	23.0%
<b>Mutual Holding Company Conversions</b>																																
Ocala Fed. Fin. Corp. - SC	1/14/11	OFED-NASDAQ	\$ 346	17.49%	1.85%	19%	\$ 20.9	33%	132%	5.3%	CS	24.6%	11.2%	5.6%	14.0%	8.4%	0.00%	57.6%	29.66	16.5%	0.7%	21.2%	3.2%	\$10.00	\$11.96	19.6%	\$11.90	19.0%	\$12.00	20.0%	\$12.00	20.0%
Averages - Mutual Holding Company Conversions:			\$ 346	17.49%	1.85%	19%	\$ 20.9	33%	132%	5.3%	NA	NA	11.2%	5.6%	14.0%	8.4%	0.00%	57.6%	29.7%	16.5%	0.7%	21.2%	3.2%	\$10.00	\$11.96	19.6%	\$11.90	19.0%	\$12.00	20.0%	\$12.00	20.0%
Medians - Mutual Holding Company Conversions:			\$ 346	17.49%	1.85%	19%	\$ 20.9	33%	132%	5.3%	NA	NA	11.2%	5.6%	14.0%	8.4%	0.00%	57.6%	29.7%	16.5%	0.7%	21.2%	3.2%	\$10.00	\$11.96	19.6%	\$11.90	19.0%	\$12.00	20.0%	\$12.00	20.0%
Averages - All Conversions:			\$ 1,179	11.23%	2.35%	104%	\$ 127.9	71%	98%	7.1%	NA	NA	6.3%	3.6%	8.8%	4.0%	0.23%	60.1%	39.3%	10.4%	0.0%	16.3%	-2.2%	\$9.83	\$10.86	10.5%	\$10.88	10.4%	\$11.13	13.8%	\$11.64	18.3%
Medians - All Conversions:			\$ 482	11.04%	2.36%	66%	\$ 25.3	65%	96%	7.2%	NA	NA	5.8%	4.0%	10.0%	1.9%	0.00%	63.8%	29.7%	10.4%	0.2%	16.1%	1.1%	\$10.00	\$10.63	12.5%	\$10.77	10.7%	\$11.38	16.8%	\$12.07	20.7%

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

February 4, 2011

Table 4.2  
Market Pricing Comparatives  
Prices As of February 4, 2011

Financial Institution	Market Capitalization		Per Share Data		Pricing Ratios(3)					Dividends(4)			Financial Characteristics(6)							
	Price/ Share(1) (\$)	Market Value (\$M)	Core Book		P/E (x)	P/B (%)	P/A (%)	P/TB (%)	P/Core (x)	Amount/ Share (\$)	Yield (%)	Payout Ratio(5) (%)	Total Assets (\$M)	Equity/ Assets (%)	Tang Eq/ Assets (%)	NPAs/ Assets (%)	Reported		Core	
			12 Month EPS(2) (\$)	Value/ Share (\$)													ROA (%)	ROE (%)	ROA (%)	ROE (%)
All Public Companies (No MHC)	\$11.68	\$361.36	(\$0.08)	\$14.37	18.22x	81.38%	9.49%	89.64%	18.19x	\$0.22	1.62%	29.45%	\$2,908	11.04%	10.72%	4.54%	0.02%	0.91%	-0.07%	0.47%
Converted Last 3 Months (no MHC)																				
Average	\$11.37	\$281.75	(\$1.00)	\$17.78	29.04x	69.62%	11.94%	70.38%	32.10x	\$0.16	1.34%	50.93%	\$1,629	8.76%	12.91%	2.75%	-0.11%	2.70%	-0.18%	2.85%
Median	\$11.69	\$60.23	\$0.17	\$15.45	31.09x	76.64%	12.84%	76.76%	32.10x	\$0.12	1.30%	51.77%	\$719	7.41%	7.46%	2.49%	0.12%	3.49%	0.23%	3.14%
Converted Last 3 Months (no MHC)																				
ALLBD Alliance Bancorp, Inc. of PA	\$11.00	\$60.23	\$0.10	\$14.91	NM	73.78%	12.84%	73.78%	NM	\$0.12	1.09%	NM	\$469	8.48%	8.48%	NA	0.12%	1.38%	0.12%	1.38%
ANCB Anchor Bancorp of Aberdeen, WA	\$10.03	\$25.58	(\$0.24)	\$25.92	NM	38.70%	4.70%	38.70%	NM	\$0.00	0.00%	NM	\$544	0.00%	0.00%	NA	-0.11%	NM	-0.11%	NM
ACFCD Atlantic Coast Financial Corp. of GA	\$10.05	\$26.43	(\$9.12)	\$24.51	NM	41.00%	2.92%	41.07%	NM	\$0.00	0.00%	NM	\$907	1.11%	1.11%	5.72%	-2.03%	NM	-2.65%	NM
CFFN Capitol Federal Financial Inc. of KS	\$12.14	\$2,033.41	\$0.41	\$11.91	27.59x	101.93%	21.12%	101.93%	29.61x	\$0.30	2.47%	68.18%	\$9,626	22.62%	22.62%	0.78%	0.77%	3.38%	0.71%	3.15%
HBOS Heritage Financial Group, Inc. of GA	\$11.69	\$101.83	\$0.19	\$13.74	NM	85.08%	14.16%	86.98%	NM	\$0.43	3.68%	NM	\$719	7.35%	7.17%	2.49%	-0.19%	-2.64%	0.23%	3.13%
HFBL Home Federal Bancorp Inc. of LA	\$12.75	\$38.84	\$0.17	\$16.61	17.00x	76.76%	18.41%	76.76%	NM	\$0.24	1.88%	32.00%	\$211	23.99%	23.99%	NA	1.13%	5.42%	0.26%	1.23%
KFFG Kaiser Federal Financial Group of CA	\$12.45	\$119.01	\$0.36	\$15.45	34.58x	80.58%	12.94%	82.83%	34.58x	\$0.20	1.61%	55.56%	\$920	7.41%	45.38%	NA	0.37%	5.05%	0.37%	5.05%
SFI SI Financial Group, Inc. of CT	\$9.25	\$97.84	\$0.22	\$12.07	37.00x	76.64%	10.45%	79.26%	NM	\$0.12	1.30%	48.00%	\$936	7.85%	7.46%	1.01%	0.28%	3.60%	0.25%	3.17%
WBKC Wolverine Bancorp, Inc. of MI	\$13.00	\$32.60	(\$1.08)	\$24.93	NM	52.15%	9.93%	52.15%	NM	\$0.00	0.00%	NM	\$328	0.00%	0.00%	3.75%	-1.33%	NM	-0.82%	NM

(1) Average of High/Low or Bid/Ask price per share.

(2) EPS (estimate core basis) is based on actual trailing 12 month data, adjusted to omit non-operating items on a tax-effected basis.

(3) P/E = Price to earnings; P/B = Price to book; P/A = Price to assets; P/TB = Price to tangible book value, and P/Core = Price to core earnings.

(4) Indicated 12 month dividend, based on last quarterly dividend declared.

(5) Indicated 12 month dividend as a percent of trailing 12 month estimated core earnings.

(6) ROA (return on assets) and ROE (return on equity) are indicated ratios based on trailing 12 month common earnings and average common equity and total assets balances.

(7) Excludes from averages and medians those companies the subject of actual or rumored acquisition activities or unusual operating characteristics.

Source: SNL Financial, LC, and RP<sup>®</sup> 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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76.76%, respectively, based on closing stock prices as of February 4, 2011. We have also considered recent standard and second step conversion transactions completed through April 29, 2011, in the valuation as amended, and have included the results of the recent offerings in Exhibit IV-9.

**C. The Acquisition Market**

Also considered in the valuation was the potential impact on Naugatuck Valley's stock price of recently completed and pending acquisitions of other thrift institutions operating in Connecticut. As shown in Exhibit IV-4, there were two thrift acquisitions completed from the beginning of 2006 through February 4, 2011. Additionally, there were 7 acquisitions of commercial banks in Connecticut over the corresponding timeframe. The recent acquisition activity 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 Naugatuck Valley's stock. However, since converting thrifts are subject to a three-year regulatory moratorium from being acquired, acquisition speculation in Naugatuck Valley's stock would tend to be less compared to the stocks of the Peer Group companies.

**D. Trading in Naugatuck Valley's Stock**

Since Naugatuck Valley's minority stock currently trades under the symbol "NVSL" on NASDAQ, RP Financial also considered the recent trading activity in the valuation analysis. Naugatuck Valley had a total of 7,018,823 shares issued and outstanding at February 4, 2011, of which 2,836,416 shares were held by public shareholders and traded as public securities. The Company's stock has had a 52 week trading range of \$4.71 to \$9.07 per share and its closing price on February 4, 2011 was \$8.95 for an implied market value of \$62.8 million. As of April 29, 2011, the date of the appraisal as amended, Naugatuck Valley's stock price closed at \$8.42 per share implying a market value of \$59.1 million. We deemphasized the trading value of the stock in the appraisal as filed on March 14, 2011, since the pro forma impact of the conversion and the pro forma pricing had not been publicly disseminated to the market. The trading market now has greater relevance and was considered in the valuation as amended since the valuation and the pro forma impact of the proceeds has been publicly disclosed.

\* \* \* \* \*

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, the acquisition market and recent trading activity in the Company's minority stock. Taking these factors and trends into account, RP Financial concluded that a no adjustment was appropriate in the valuation analysis for purposes of marketing of the issue.

8. Management

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

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

9. Effect of Government Regulation and Regulatory Reform

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

Summary of Adjustments

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

Key Valuation Parameters:

Financial Condition  
 Profitability, Growth and Viability of Earnings  
 Asset Growth  
 Primary Market Area  
 Dividends  
 Liquidity of the Shares  
 Marketing of the Issue  
 Management  
 Effect of Govt. Regulations and Regulatory Reform

Valuation Adjustment

No Adjustment  
 Slight Upward  
 No Adjustment  
 No Adjustment  
 No Adjustment  
 No Adjustment  
 No Adjustment  
 No Adjustment  
 No Adjustment

Valuation Approaches

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

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

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

- P/E Approach. The P/E approach is generally the best indicator of long-term value for a stock and we have given it the most significant weight among the valuation approaches. Given certain similarities between the Company's and the Peer Group's earnings composition and overall financial condition, the P/E approach was carefully considered in this valuation. At the same time, recognizing that (1) the earnings multiples will be evaluated on a pro forma basis for the Company; and (2) the Peer Group companies have had the opportunity to realize the benefit of reinvesting and leveraging the offering proceeds, we also gave weight to the other valuation approaches.
- 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 conversion offering, as the earnings approach involves assumptions regarding the use of proceeds. RP Financial considered the P/B approach to be a valuable indicator of pro forma value, taking into account the pricing ratios under the P/E and P/A approaches. We have also modified the P/B approach to

exclude the impact of intangible assets (i.e., price/tangible book value or "P/TB"), in that the investment community frequently makes this adjustment in its evaluation of this pricing approach.

- P/A Approach. P/A ratios are generally a less reliable indicator of market value, as investors typically assign less weight to assets and attribute greater weight to book value and earnings. Furthermore, this approach as set forth in the regulatory valuation guidelines does not take into account the amount of stock purchases funded by deposit withdrawals, thus understating the pro forma P/A ratio. At the same time, the P/A ratio is an indicator of franchise value, and, in the case of highly capitalized institutions, high P/A ratios may limit the investment community's willingness to pay market multiples for earnings or book value when ROE is expected to be low.
- Trading of Naugatuck Valley's stock. Converting institutions generally do not have stock outstanding. Naugatuck Valley, however, has public shares outstanding due to the mutual holding company form of ownership. Since Naugatuck Valley is currently traded on NASDAQ, it is an indicator of investor interest in the Company's conversion stock and therefore received some weight in our valuation. Based on the February 4, 2011, stock price of \$8.95 per share and the 7,018,823 shares of Naugatuck Valley stock outstanding, the Company's implied market value of \$62.8 million was considered in the valuation process. However, since the conversion stock will have different characteristics than the minority shares, and since pro forma information has not been publicly disseminated to date, the current trading price of Naugatuck Valley's stock was somewhat discounted herein but will become more important towards the closing of the offering.

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 the adoption of SOP 93-6 in the valuation.

In preparing the pro forma pricing analysis we have taken into account the pro forma impact of the MHC net assets that will be consolidated with the Company. At December 31, 2010, the MHC had unconsolidated net assets of \$22 thousand. These entries have been added to the Company's December 31, 2010, reported financial information to reflect the consolidation of the MHC into the Company's operations.

Based on the application of the three valuation approaches, taking into consideration the valuation adjustments discussed above, RP Financial concluded that as of February 4, 2011, amended as of April 29, 2011, the aggregate pro forma market value of Naugatuck Valley's

conversion stock equaled \$52,023,512 at the midpoint, equal to 6,502,939 shares at \$8.00 per share. The \$8.00 per share price was determined by the Naugatuck Valley's Board. The midpoint and resulting valuation range is based on the sale of a 59.6% ownership interest to the public, which provides for a \$31,000,000 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 \$1.451 million for the twelve months ended December 31, 2010. In deriving Naugatuck Valley's core earnings, the adjustments made to reported earnings were to eliminate merger related expenses pertaining to the terminated Southern Connecticut Bancorp acquisition of \$782,000, slightly offset by gains on the sale of securities. As shown below, on a tax effected basis, assuming an effective marginal tax rate of 34% for the earnings adjustments, the Company's core earnings were determined to equal \$1.960 million for the twelve months ended December 31, 2010. (Note: see Exhibit IV-9 for the adjustments applied to the Peer Group's earnings in the calculation of core earnings).

	<u>Amount</u> (\$000)
Net income(loss)	\$1,451
Addback: Merger termination expenses	782
Deduct: Gains on the sale of securities	(11)
Tax effect	<u>(262)</u>
Core earnings estimate	<u>\$1,960</u>

(1) Tax effected at 34.0%.

Based on the Company's reported and estimated core earnings, and incorporating the impact of the pro forma assumptions discussed previously, the Company's pro forma reported and core P/E multiples at the \$52.0 million midpoint value equaled 39.0 times and 28.2 times, respectively, indicating premiums of 123.2% and 41.4%, relative to the Peer Group's average reported and core earnings multiples of 17.48 times and 19.97 times, respectively (see Table 4.3). In comparison to the Peer Group's median reported and core earnings multiples of 16.49 times and 21.83 times, respectively, the Company's pro forma reported and core P/E multiples

Table 4.3  
Public Market Pricing  
Naugatuck Valley Financial Corp. and the Comparables  
As of February 4, 2011

	Market Capitalization		Per Share Data(2)		Pricing Ratios(3)					Dividends(4)			Financial Characteristics(6)								
	Price/Share(1)	Market Value (\$M)	12 Month Core EPS (\$)	Book Value/Share (\$)	P/E (x)	P/B (%)	P/A (%)	P/TB (%)	P/Core (x)	Amount/Share (\$)	Yield (%)	Payout Ratio(5) (%)	Total Assets (\$M)	Equity/Assets (%)	Tang Et/Assets (%)	NPA's/Assets (%)	Reported		Core		
	(\$)																ROA (%)	ROE (%)	ROA (%)	ROE (%)	
<b>Naugatuck Valley Financial Corp.</b>																					
Superrange	\$8.00	\$68.80	\$0.21	\$10.07	52.96x	79.44%	11.42%	79.44%	38.05x	\$0.12	1.50%	57.08%	\$603	14.37%	14.37%	3.04%	0.22%	1.50%	0.30%	2.09%	
Maximum	\$8.00	\$59.83	\$0.24	\$10.96	45.41x	72.99%	10.01%	73.06%	32.75x	\$0.12	1.50%	49.13%	\$598	13.70%	13.70%	3.06%	0.22%	1.61%	0.31%	2.23%	
Midpoint	\$8.00	\$52.02	\$0.28	\$11.98	39.01x	66.78%	8.76%	66.83%	28.23x	\$0.12	1.50%	42.35%	\$594	13.11%	13.11%	3.08%	0.22%	1.71%	0.31%	2.37%	
Minimum	\$8.00	\$44.22	\$0.34	\$13.35	32.76x	59.93%	7.50%	59.97%	23.79x	\$0.12	1.50%	35.68%	\$590	12.52%	12.51%	3.10%	0.23%	1.83%	0.32%	2.52%	
<b>All Non-MHC Public Companies (7)</b>																					
Averages	\$11.68	\$361.36	(\$0.08)	\$14.37	18.22x	81.38%	9.49%	89.64%	18.19x	\$0.22	1.62%	29.45%	\$2,908	11.04%	10.72%	4.54%	0.02%	0.91%	-0.07%	0.47%	
Medians	\$12.04	\$66.96	\$0.36	\$13.61	17.05x	80.94%	8.60%	85.91%	17.09x	\$0.16	1.30%	0.00%	\$907	10.49%	9.62%	3.69%	0.38%	3.60%	0.26%	3.14%	
<b>All Non-MHC Public Companies - State of CT(7)</b>																					
Averages	\$11.22	\$2,417.38	\$0.25	\$13.30	37.00x	83.71%	14.69%	112.34%	NM	\$0.37	1.62%	29.45%	\$12,987	14.35%	10.79%	1.01%	0.33%	2.61%	0.35%	2.53%	
Medians	\$11.22	\$2,417.38	\$0.25	\$13.30	37.00x	83.71%	14.69%	112.34%	NM	\$0.37	3.00%	54.55%	\$12,987	17.24%	13.65%	1.01%	0.33%	2.61%	0.35%	2.53%	
<b>Comparable Group Averages</b>																					
Averages	\$13.57	\$98.32	\$0.53	\$14.95	17.48x	92.82%	11.56%	99.29%	19.97x	\$0.21	1.66%	24.22%	\$772	12.44%	12.02%	1.38%	0.43%	4.05%	0.35%	3.25%	
Medians	\$13.43	\$80.13	\$0.60	\$14.04	16.49x	91.91%	10.52%	94.05%	21.83x	\$0.22	1.67%	25.29%	\$633	11.46%	11.46%	0.94%	0.44%	4.52%	0.37%	3.96%	
<b>Comparable Group</b>																					
CEBK	Central Bncrp of Somerville MA	\$14.87	\$24.79	\$1.12	\$21.93	11.10x	67.81%	4.71%	72.22%	13.28x	\$0.20	1.34%	14.93%	\$526	8.78%	8.39%	3.42%	0.41%	5.00%	0.35%	4.18%
CBNK	Chicopee Bancorp, inc. of MA	\$13.93	\$83.75	\$0.06	\$15.28	NM	91.16%	14.60%	91.16%	NM	\$0.00	0.00%	0.00%	\$574	16.01%	16.01%	1.11%	0.09%	0.51%	0.06%	0.38%
HBNK	Hampden Bancorp, inc. of MA	\$12.50	\$86.81	\$0.02	\$13.49	NM	92.66%	15.13%	92.66%	NM	\$0.12	0.96%	NM	\$574	16.33%	16.33%	2.52%	0.06%	0.37%	0.02%	0.15%
MFLR	Mayflower Bancorp, inc. of MA	\$8.95	\$18.65	\$0.41	\$10.16	13.77x	88.09%	7.50%	88.09%	21.83x	\$0.24	2.68%	36.92%	\$249	8.51%	8.51%	0.97%	0.54%	6.57%	0.34%	4.14%
NHTB	NH Thrift Bancshares of NH	\$13.25	\$76.51	\$0.86	\$14.28	10.11x	92.79%	7.69%	142.63%	15.41x	\$0.52	3.92%	39.69%	\$995	9.28%	6.58%	0.79%	0.77%	8.31%	0.51%	5.45%
NFSB	Newport Bancorp, Inc. of RI	\$13.60	\$47.45	\$0.54	\$14.25	26.15x	95.44%	10.55%	95.44%	25.19x	\$0.00	0.00%	0.00%	\$450	11.06%	11.06%	0.17%	0.40%	3.61%	0.42%	3.75%
OSHC	Ocean Shore Holding Co. of NJ	\$12.04	\$87.86	\$0.73	\$13.61	16.49x	88.46%	10.48%	88.46%	16.49x	\$0.24	1.99%	32.88%	\$838	11.85%	11.85%	0.48%	0.68%	5.76%	0.68%	5.76%
THRD	TF Fin. Corp. of Newtown PA	\$22.59	\$66.96	\$0.93	\$24.87	19.99x	90.83%	9.68%	96.83%	24.29x	\$0.20	0.89%	17.70%	\$692	10.66%	10.06%	3.10%	0.47%	4.57%	0.39%	3.77%
UBNK	United Financial Bncrp of MA	\$15.36	\$247.43	\$0.66	\$13.82	24.77x	111.14%	15.61%	115.58%	23.27x	\$0.32	2.08%	51.61%	\$1,585	14.05%	13.58%	0.91%	0.65%	4.47%	0.69%	4.76%
WFD	Westfield Fin. Inc. of MA	\$8.62	\$242.95	\$0.01	\$7.85	NM	109.81%	19.60%	109.81%	NM	\$0.24	2.78%	NM	\$1,240	17.85%	17.85%	0.34%	0.25%	1.30%	0.02%	0.12%

(1) Average of High/Low or Bid/Ask price per share.

(2) EPS (estimate core basis) is based on actual trailing 12 month data, adjusted to omit non-operating items on a tax-effected basis, and is shown on a pro forma basis where appropriate.

(3) P/E = Price to earnings; P/B = Price to book; P/A = Price to assets; P/TB = Price to tangible book value; and P/Core = Price to core earnings.

(4) Indicated 12 month dividend, based on last quarterly dividend declared.

(5) 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.

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at the midpoint value indicated premiums of 136.6% and 29.3%, respectively. The Company's pro forma P/E ratios based on reported earnings at the minimum and the supermaximum equaled 32.76 times and 52.96 times, respectively, and based on core earnings at the minimum and the supermaximum equaled 23.79 times and 38.05 times, respectively.

Importantly, in evaluating the appropriateness of the pro forma earnings multiples based on core earnings, we considered that while the mortgage banking related gains were included in core earnings, they tend to be a volatile earnings component in comparison to other non-interest fee income sources. Additionally, we considered that a balance was appropriate between the resulting pro forma discounts on a price-to-book value basis and the premiums on a price-to-earnings basis.

2. Price-to-Book ("P/B"). The application of the P/B valuation method requires calculating the Company's pro forma market value by applying a valuation P/B ratio, as derived from the Peer Group's P/B ratio, to the Company's pro forma book value. Based on the \$52.0 million midpoint valuation, the Company's pro forma P/B and P/TB ratios equaled 66.78% and 66.83%,. In comparison to the average P/B and P/TB ratios for the Peer Group of 92.82% and 99.29%, the Company's ratios reflected a discount of 28.1% on a P/B basis and a discount of 32.7% on a P/TB basis. In comparison to the Peer Group's median P/B and P/TB ratios of 91.91% and 94.05%, respectively, the Company's pro forma P/B and P/TB ratios at the midpoint value reflected discounts of 27.3% and 28.9%, respectively. At the top of the super range, the Company's P/B and P/TB ratios equaled 76.34% and 76.41%, 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 14.4% and 20.0%, respectively. In comparison to the Peer Group's median P/B and P/TB ratios, the Company's P/B and P/TB ratios at the top of the super range reflected discounts of 13.6% and 15.5%, respectively. RP Financial considered the discounts under the P/B approach to be reasonable given the Company's pro forma P/E multiples were at premiums to the Peer Group's P/E multiples.

3. Price-to-Assets ("P/A"). The P/A valuation methodology determines market value by applying a valuation P/A ratio to the Company's pro forma asset base, conservatively assuming no deposit withdrawals are made to fund stock purchases. In all likelihood there will be deposit withdrawals, which results in understating the pro forma P/A ratio which is computed herein. At the \$52.0 million midpoint of the valuation range, the Company's value equaled 8.76% of pro forma assets. Comparatively, the Peer Group companies exhibited an average

P/A ratio of 11.56%, which implies a discount of 24.2% has been applied to the Company's pro forma P/A ratio. In comparison to the Peer Group's median P/A ratio of 10.52%, the Company's pro forma P/A ratio at the midpoint value reflects a discount of 16.7%.

#### Comparison to Recent Offerings

As indicated at the beginning of this chapter, RP Financial's analysis of recent conversion offering pricing characteristics at closing and in the aftermarket has been limited to a "technical" analysis and, thus, the pricing characteristics of recent conversion offerings can not be a primary determinate of value. Particular focus was placed on the P/TB approach in this analysis, since the P/E multiples do not reflect the actual impact of reinvestment and the source of the stock proceeds (i.e., external funds vs. deposit withdrawals). As discussed previously, eight second-step conversions have been completed within the past three months and closed at an average pro forma price/tangible book ratio of 66.1% (see Table 4.1), reflecting on average 11.1% aftermarket appreciation in the first week of trading. In comparison, the Company's pro forma price/tangible book ratio at the appraised midpoint value reflects a slight discount of 3.3% relative to the recently completed second-step conversion transactions.

The average P/TB ratio as of February 4, 2011, of the nine companies which have either completed second-step conversion or standard conversion offerings, was equal to 70.38% based on the average and 76.76% based on the median. The Company's P/TB ratio at the midpoint value reflects an implied discount of 9.1% discount to the average and 16.7% relative to the recent transactions median. At the top of the super range the Company's P/TB ratio reflects an implied premium of 8.5% relative to the nine companies completing offerings in the last three months while the pro forma P/TB ratio was at parity to the median value. Through April 29, 2011, three companies had completed second step conversions offerings over the trailing three month period, including an offering by Rockville Financial, Inc. of Connecticut. The detailed pricing information for these most recent transactions has been included as Exhibit IV-9, and was considered in this valuation as amended.

#### Valuation Conclusion

Based on the foregoing, it is our opinion that, as of February 4, 2011, the estimated aggregate pro forma valuation of the shares of the Company to be issued and outstanding at the end of the conversion offering – including (1) newly-issued shares representing the MHC's

current ownership interest in the Company and (2) exchange shares issued to existing public shareholders of the Company - was \$52,023,512 at the midpoint, equal to 6,502,939 shares at a per share value of \$8.00. The resulting range of value and pro forma shares, all based on \$8.00 per share, are as follows: \$44,219,984 or 5,527,498 shares at the minimum; \$59,827,040, or 7,478,380 shares at the maximum; and \$66,801,104 or 8,600,138 shares, at the supermaximum (also known as "maximum, as adjusted").

Based on this valuation and taking into account the ownership interest represented by the shares owned by the MHC, the midpoint of the offering range is \$31,000,000, equal to 3,875,000 shares at \$8.00 per share. The resulting offering range and offering shares, all based on \$8.00 per share, are as follows: \$26,350,000, or 3,293,750 shares, at the minimum; \$35,650,000 or 4,456,250 shares at the maximum; and \$40,997,504 or 5,124,688 shares, at the supermaximum. 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.

#### 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 in the fully converted company. The Board of Directors of Naugatuck Valley has independently determined the exchange ratio, which has been designed to preserve the current aggregate percentage ownership in the Company held by the public shareholders. The exchange ratio to be received by the existing minority shareholders of the Company will be determined at the end of the offering, based on the total number of shares sold in the subscription and syndicated offerings and the final appraisal.

Based on the valuation conclusion herein, the resulting offering value and the \$8.00 per share offering price, the indicated exchange ratio at the midpoint is 0.9265 shares of the Company for every one public share held by public shareholders. Furthermore, based on the offering range of value, the indicated exchange ratio is 0.7875 at the minimum, 1.0655 at the maximum and 1.2253 at the supermaximum. 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 Number</u>	<u>Description</u>
<u>Section I</u>	
I-1	Audited and Unaudited Financial Statements
I-2	Key Operating Ratios
I-3	Investment Portfolio Composition
I-4	Yields and Costs
I-5	Loan Loss Allowance Activity
I-6	Interest Rate Risk Analysis
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II-1	Branch Office Detail
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*LIST OF EXHIBITS (continued)*

<u>Exhibit Number</u>	<u>Description</u>
<u>Section IV</u>	
IV-1	Stock Prices: As of February 04, 2011
IV-2	Historical Stock Price Indices
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IV-5	Director and Senior Management Summary Resumes
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IV-8	Pro Forma Effect of Conversion Proceeds – Fully-Converted Basis
IV-9	Pricing of Recent Conversions - Three Months Ended April 29, 2011
<u>Other Exhibits</u>	
V-1	Firm Qualifications Statement

**EXHIBIT I-1**

**Naugatuck Valley Financial Corporation  
Audited and Unaudited Financial Statements**

**[Incorporated by Reference]**

**EXHIBIT I-2**

**Naugatuck Valley Financial Corporation  
Key Operating Ratios**

**Exhibit I-2**  
**Naugatuck Valley Financial Corporation**  
**Key Operating Ratios**

	At or For the Year Ended December 31,				
	2010	2009	2008	2007	2006
<b>Performance Ratios:</b>					
Return (loss) on average assets .....	0.25%	0.37%	(0.06)%	0.33%	0.38%
Return (loss) on average equity .....	2.79	4.10	(0.64)	2.77	2.79
Interest rate spread (1) .....	3.40	3.00	2.88	2.76	3.07
Net interest margin (2) .....	3.45	3.09	3.02	2.95	3.26
Noninterest expense to average assets .....	2.79	2.68	2.66	2.86	3.03
Efficiency ratio (3) .....	73.67	78.43	101.28	87.18	85.93
Dividend payout ratio (4) .....	23.48	24.25	N/M	45.10	46.51
Average interest-earning assets to average interest-bearing liabilities .....	102.65	103.77	104.46	105.65	107.18
Average equity to average assets .....	9.13	8.97	9.71	11.80	13.65
<b>Capital Ratios:</b>					
Total capital to risk-weighted assets .....	11.85%	11.10%	11.09%	12.88%	14.29%
Tier 1 capital to risk-weighted assets .....	10.60	10.16	10.36	12.22	13.56
Tier 1 capital to adjusted total assets .....	8.04	7.76	7.58	8.81	9.53
Total equity to total assets .....	9.20	9.03	8.52	10.91	12.34
<b>Asset Quality Ratios:</b>					
Allowance for loan losses as a percent of total loans .....	1.33%	0.84%	0.66%	0.60%	0.67%
Allowance for loan losses as a percent of nonperforming loans .....	35.74	66.60	107.13	222.99	103.03
Net charge-offs (recoveries) to average loans outstanding during the period .....	0.20	—	(0.01)	0.02	—
Nonperforming loans as a percent of total loans .....	3.73	1.26	0.62	0.27	0.65
Nonperforming assets as a percent of total assets .....	3.22	1.10	0.50	0.21	0.49
<b>Other Data:</b>					
Number of:					
Deposit accounts .....	31,167	30,712	30,721	29,489	27,385
Full service customer service facilities .....	10	10	10	9	9

- (1) Represents the difference between the weighted average yield on average interest-earning assets and the weighted average cost of interest-bearing liabilities.
- (2) Represents net interest income as a percent of average interest-earning assets.
- (3) Represents noninterest expense (less intangible amortization) divided by the sum of net interest income and noninterest income.
- (4) Represents dividends declared (excluding waived dividends) divided by net income. The ratio is not meaningful for the 2008 period due to the net loss for the year. A summary of the dividends declared and paid by Naugatuck Valley Financial and dividends waived by Naugatuck Valley Mutual Holding Company is set forth below:

**EXHIBIT I-3**

**Naugatuck Valley Financial Corporation  
Investment Portfolio Composition**

Exhibit I-3  
 Naugatuck Valley Financial Corporation  
 Investment Portfolio Composition

(In thousands)	At December 31,					
	2010		2009		2008	
	Amortized Cost	Fair Value	Amortized Cost	Fair Value	Amortized Cost	Fair Value
Available-for-sale securities:						
U.S. Government and agency obligations.....	\$ 1.022	\$ 1.087	\$ 1.529	\$ 1.583	\$ 1.537	\$ 1.604
Mortgage-backed securities .....	19.093	19.960	23.561	24.500	42,297	43.030
Collateralized mortgage obligations.....	2.706	2.676	3.091	3.000	3.339	3.183
Municipal obligations .....	—	—	—	—	8.888	8.993
Money market preferred obligations.....	8.200	7.960	8.200	7.880	9,273	6,744
Corporate obligations.....	—	—	1.000	660	1,000	290
Held-to-maturity securities:						
US Government and agency obligations.....	—	—	—	—	—	—
Mortgage-backed securities .....	15.334	15.104	1.451	1,475	—	—
Interest-bearing balances .....	—	—	—	—	—	—
Total .....	<u>\$ 46.355</u>	<u>\$ 46.787</u>	<u>\$ 38.832</u>	<u>\$ 39,098</u>	<u>\$ 66,334</u>	<u>\$ 63,844</u>

**EXHIBIT I-4**

**Naugatuck Valley Financial Corporation  
Yields and Costs**

Exhibit I-4  
Naugatuck Valley Financial Corporation  
Yields and Costs

(Dollars in thousands)	At December 31,								
	2010			2009			2008		
	Average Balance	Interest and Dividends	Yield/ Cost	Average Balance	Interest and Dividends	Yield/ Cost	Average Balance	Interest and Dividends	Yield/ Cost
<b>Interest-earning assets:</b>									
Loans.....	\$479,093	\$26,820	5.60%	\$448,131	\$25,954	5.79%	\$396,524	\$24,556	6.19%
Fed Funds sold.....	3,251	3	0.09	5,444	5	0.09	2,391	57	2.38
Investment securities.....	41,023	1,715	4.18	50,025	2,332	4.66	69,498	3,391	4.88
Federal Home Loan Bank stock.....	6,252	—	—	6,252	—	—	5,735	199	3.47
<b>Total interest-earning assets.....</b>	<b>529,619</b>	<b>28,538</b>	<b>5.39</b>	<b>509,852</b>	<b>28,291</b>	<b>5.55</b>	<b>474,148</b>	<b>28,203</b>	<b>5.95</b>
Noninterest-earning assets.....	40,539			32,484			30,910		
<b>Total assets.....</b>	<b>\$570,148</b>			<b>\$542,336</b>			<b>\$505,058</b>		
<b>Interest-bearing liabilities:</b>									
Certificate accounts.....	\$238,451	\$6,617	2.77	\$237,850	\$7,741	3.25	\$216,595	\$8,297	3.83
Regular savings accounts and escrow.....	75,595	413	0.55	60,825	390	0.64	48,130	288	0.60
Checking and NOW accounts.....	57,282	45	0.08	53,258	45	0.08	53,732	159	0.30
Money market savings accounts.....	26,596	222	0.83	25,790	301	1.17	27,607	527	1.91
<b>Total interest-bearing deposits.....</b>	<b>397,924</b>	<b>7,297</b>	<b>1.83</b>	<b>377,723</b>	<b>8,477</b>	<b>2.24</b>	<b>346,064</b>	<b>9,271</b>	<b>2.68</b>
FHLB advances.....	105,863	2,871	2.71	104,268	3,931	3.77	107,182	4,615	4.31
Other borrowings.....	12,182	111	0.91	9,316	129	1.38	654	18	2.75
<b>Total interest-bearing liabilities.....</b>	<b>515,969</b>	<b>10,279</b>	<b>1.99</b>	<b>491,307</b>	<b>12,537</b>	<b>2.55</b>	<b>453,900</b>	<b>13,904</b>	<b>3.06</b>
Noninterest-bearing liabilities.....	2,137			2,391			2,138		
<b>Total liabilities.....</b>	<b>518,106</b>			<b>493,698</b>			<b>456,038</b>		
Stockholders' equity.....	52,052			48,638			49,020		
<b>Total liabilities and stockholders' equity.....</b>	<b>\$570,158</b>			<b>\$542,336</b>			<b>\$505,058</b>		
<b>Net interest income.....</b>		<b>\$18,259</b>			<b>\$15,754</b>			<b>\$14,299</b>	
Interest rate spread.....			3.40%			3.00%			2.89%
Net interest margin.....			3.45%			3.09%			3.02%
Average interest-earning assets to average interest-bearing liabilities.....			102.65%			103.77%			104.46%

EXHIBIT I-5

Naugatuck Valley Financial Corporation  
Loan Loss Allowance Activity

Exhibit I-5  
 Naugatuck Valley Financial Corporation  
 Loan Loss Allowance Activity

(Dollars in thousands)	Year Ended December 31,				
	2010	2009	2008	2007	2006
Allowance at beginning of period ...	\$3,996	\$2,869	\$2,163	\$2,071	\$1,878
Provision for loan losses.....	3,360	1,144	675	151	192
Less: Charge offs:					
Real estate loans.....	27	—	—	46	—
Commercial business loans .....	924	12	—	5	—
Consumer loans.....	27	6	7	10	2
Total charge-offs .....	978	18	7	61	2
Plus: Recoveries:					
Real estate loans.....	—	—	38	1	3
Commercial business loans ..	15	—	—	—	—
Consumer loans.....	—	1	—	1	—
Total recoveries .....	15	1	38	2	3
Net charge-offs (recoveries) .....	963	17	(31)	59	(1)
Allowance at end of period .....	\$6,393	\$3,996	\$2,869	\$2,163	\$2,071
Allowance to nonperforming loans.....	35.74%	66.60%	107.13%	222.99%	103.03%
Allowance to total loans outstanding at the end of the period.....	1.33%	0.84%	0.66%	0.60%	0.67%
Net charge-offs (recoveries) to average loans outstanding during the period.....	0.20%	—%	(0.01)%	0.02%	—%

EXHIBIT I-6

Naugatuck Valley Financial Corporation  
Interest Rate Risk Analysis

Exhibit I-6  
 Naugatuck Valley Financial Corporation  
 Interest Rate Risk Analysis

Basis Point ("bp") Change in Rates	Net Portfolio Value			Net Portfolio Value as % of Present Value of Assets	
	\$ Amount	\$ Change	% Change	NPV Ratio	Change
	(Dollars in thousands)				
300 bp	\$40.012	\$(20,953)	(34)%	7.19%	(3.13)%
200	48.446	(12,519)	(21)	8.51	(1.81)
100	56.076	(4,889)	(8)	9.65	(0.67)
50	58.988	(1,977)	(3)	10.06	(0.26)
0	60.965	—	—	10.32	—
-50	61.850	885	1	10.42	0.10
-100	62.552	1,587	3	10.50	0.18

**EXHIBIT I-7**

**Naugatuck Valley Financial Corporation  
Loan Portfolio Composition**

Exhibit I-7  
 Naugatuck Valley Financial Corporation  
 Loan Portfolio Composition

(Dollars in thousands)	At December 31,					
	2010		2009		2008	
	Amount	Percent	Amount	Percent	Amount	Percent
Real estate loans:						
One-to four-family .....	\$ 219,286	45.56%	\$ 229,693	47.74%	\$ 216,201	49.51%
Construction .....	30,921	6.42	46,298	9.62	50,596	11.59
Multi-family and commercial real estate .....	160,235	33.29	134,931	28.05	106,028	24.28
Total real estate loans .....	<u>410,442</u>	<u>85.27</u>	<u>410,922</u>	<u>85.41</u>	<u>372,825</u>	<u>85.38</u>
Commercial business loans .....	34,742	7.22	31,325	6.51	22,567	5.17
Consumer loans:						
Savings accounts .....	956	0.20	1,113	0.23	1,093	0.25
Personal .....	236	0.05	256	0.05	262	0.06
Automobile .....	168	0.03	230	0.05	271	0.06
Home equity .....	34,807	7.23	37,276	7.75	39,655	9.08
Total consumer loans .....	<u>36,167</u>	<u>7.51</u>	<u>38,875</u>	<u>8.08</u>	<u>41,281</u>	<u>9.45</u>
Total loans .....	<u>481,351</u>	<u>100.00%</u>	<u>481,122</u>	<u>100.00%</u>	<u>436,673</u>	<u>100.00%</u>
Less:						
Allowance for loan losses .....	6,393		3,996		2,869	
Undisbursed construction loans .....	1,034		3,336		1,299	
Deferred loan origination fees .....	403		486		529	
Loans receivable, net .....	<u>\$ 473,521</u>		<u>\$ 473,304</u>		<u>\$ 431,976</u>	

**EXHIBIT I-8**

**Naugatuck Valley Financial Corporation  
Contractual Maturity by Loan Type**

Exhibit I-8  
 Naugatuck Valley Financial Corporation  
 Contractual Maturity by Loan Type

At December 31, 2010				
(In thousands)	Real Estate Loans	Commercial Business Loans	Consumer Loans	Total Loans
One year or less .....	\$53,611	\$22,702	\$22,916	\$99,229
More than one year to five years .....	113,592	6,320	3,631	123,543
More than five years .....	243,239	5,720	9,620	258,579
Total .....	\$410,442	\$34,742	\$36,167	\$481,351

**EXHIBIT I-9**

**Naugatuck Valley Financial Corporation  
Purchases and Originations**

Exhibit I-9  
Naugatuck Valley Financial Corporation  
Purchases and Originations

(In thousands)	Year Ended December 31,		
	2010	2009	2008
Total loans at beginning of period.....	\$481,122	\$436,673	\$363,987
Loans originated:			
Real estate loans:			
One- to four-family .....	67,131	48,387	41,472
Construction .....	11,483	24,518	34,459
Multi-family and commercial.....	29,362	24,547	40,566
Commercial business loans.....	20,066	21,598	15,597
Consumer loans .....	13,377	13,726	13,235
Total loans originated .....	141,419	132,776	145,329
Deduct:			
Real estate loan principal repayments .....	(71,479)	(59,355)	(48,551)
Loan sales .....	(36,977)	—	—
Other repayments.....	(32,734)	(28,972)	(24,092)
Net loan activity .....	229	44,449	72,686
Total loans at end of period.....	\$481,351	\$481,122	\$436,673

EXHIBIT I-10

Naugatuck Valley Financial Corporation  
Non-Performing Assets

Exhibit I-10  
 Naugatuck Valley Financial Corporation  
 Non-Performing Assets

(Dollars in thousands)	At December 31,				
	2010	2009	2008	2007	2006
Nonaccrual loans:					
One- to four-family .....	\$2,365	\$1,352	\$1,100	\$422	\$423
Construction .....	1,931	1,250	370	—	1,036
Multi-family and commercial real estate .....	5,136	2,114	1,001	356	352
Commercial business .....	1,276	452	142	144	142
Consumer .....	419	358	65	48	57
Total .....	11,127	5,526	2,678	970	2,010
Troubled debt restructurings .....	6,761	474	—	—	—
Foreclosed real estate and other repossessed assets .....	421	140	—	—	—
Total nonperforming assets .....	<u>\$18,309</u>	<u>\$6,140</u>	<u>\$2,678</u>	<u>\$970</u>	<u>\$2,010</u>
Total nonperforming loans to total loans .....	3.73%	1.26%	0.62%	0.27%	0.65%
Total nonperforming loans to total assets .....	3.15%	1.03%	0.50%	0.21%	0.49%
Total nonperforming assets to total assets .....	3.22%	1.10%	0.50%	0.21%	0.49%

EXHIBIT I-11

Naugatuck Valley Financial Corporation  
Deposit Composition

Exhibit I-11  
 Naugatuck Valley Financial Corporation  
 Deposit Composition

(In thousands)	At December 31,		
	2010	2009	2008
Certificate accounts .....	\$ 239,406	\$ 231,905	\$ 235,764
Regular savings accounts .....	79,682	65,916	48,427
Checking and NOW accounts .....	59,914	57,319	52,537
Money market savings accounts .....	26,873	25,791	26,298
Total.....	\$ 405,875	\$ 380,931	\$ 363,026

**EXHIBIT I-12**

**Naugatuck Valley Financial Corporation  
Time Deposit Rate/Maturity**

Exhibit I-12  
 Naugatuck Valley Financial Corporation  
 Time Deposit Rate/Maturity

(In thousands)	At December 31,		
	2010	2009	2008
0.00 – 0.99% .....	\$ 55,958	\$ 40,634	\$ 302
1.00 – 1.99% .....	58,786	52,467	23,824
2.00 – 2.99% .....	15,366	13,623	42,991
3.00 – 3.99% .....	31,522	43,968	85,314
4.00 – 4.99% .....	76,524	78,787	78,579
5.00 – 5.99% .....	1,250	2,426	4,754
Total .....	<u>\$ 239,406</u>	<u>\$ 231,905</u>	<u>\$ 235,764</u>

(Dollars in thousands)	Amount Due				Total	Percent of Total Time Deposit Accounts
	Less Than One Year	More Than One Year to Two Years	More Than Two Years to Three Years	More Than Three Years		
0.00 – 0.99% .....	\$48,411	\$6,420	\$304	\$823	\$55,958	23.37%
1.00 – 1.99% .....	49,551	8,245	716	274	58,786	24.56
2.00 – 2.99% .....	344	2,837	3,851	8,334	15,366	6.42
3.00 – 3.99% .....	10,176	12,225	1,648	7,473	31,522	13.17
4.00 – 4.99% .....	55,941	12,099	8,484	—	76,524	31.96
5.00 – 5.99% .....	44	1,106	100	—	1,250	0.52
Total .....	<u>\$164,467</u>	<u>\$42,932</u>	<u>\$15,103</u>	<u>\$16,904</u>	<u>\$239,406</u>	<u>100.00%</u>

**EXHIBIT I-13**

**Naugatuck Valley Financial Corporation  
Borrowings Activity**

Exhibit I-13  
 Naugatuck Valley Financial Corporation  
 Borrowings Activity

(Dollars in thousands)	Year Ended December 31,		
	2010	2009	2008
Maximum amount of advances outstanding at any month end during the period.....	\$ 112,339	\$ 117,211	\$ 119,628
Average advances outstanding during the period.....	105,863	104,268	107,182
Weighted average interest rate during the period.....	2.71%	3.77%	4.31%
Balance outstanding at end of period.....	\$ 95,905	\$ 112,553	\$ 118,421
Weighted average interest rate at end of period.....	2.59%	2.91%	3.80%

**EXHIBIT II-1**  
**Branch Office Detail**

**Exhibit II-1**  
**Naugatuck Valley Financial Corporation**  
**Branch Office Detail**

Location	Year Opened/ Acquired	Net Book Value at December 31, 2010	Square Footage	Owned/ Leased	Date of Lease Expiration
(Dollars in thousands)					
<b>Main Office:</b>					
333 Church Street Naugatuck, CT 06770	1996	\$2,389	23,000	Owned	—
<b>Branches:</b>					
1009 New Haven Road Naugatuck, CT 06770	2001	1,179	3,300	Owned	—
127 South Main Street Beacon Falls, CT 06403	1997	261	960	Owned	—
49 Pershing Drive Derby, CT 06418	2003	65	1,950	Leased	2013(1)
249 West Street (2) Seymour, CT 06483	2002	2,323	9,500	Owned	—
504 Bridgeport Avenue Shelton, CT 06484	2004	393	3,000	Leased	2020(3)
1699 Highland Avenue Cheshire, CT 06410	2006	18	3,000	Leased	2016(4)
450 Heritage Road, Suite 3C Southbury, CT 06488	2008	75	3,000	Leased	2018(5)
1570 Southford Road (6) Southbury, CT 06488	2006	1,709	4,823	Owned	—
1030 Hamilton Avenue Waterbury, CT 06706	2006	4	1,239	Leased	2011(7)
<b>Other Properties:</b>					
1007 New Haven Road Naugatuck, CT 06770	1974	96	1,725	Leased	2014(8)
135 South Main Street (9) Beacon Falls, CT 06403	2003	159	N/A	Owned	—

- (1) We have an option to renew this lease for three additional five-year periods.
- (2) This branch occupies 3,500 square feet of this building and 1,465 square feet is utilized as a training facility for Naugatuck Valley Savings and Loan. The building also includes 4,535 square feet of rentable space which is currently leased until 2013. The tenant has an option to renew this lease for three additional five year periods.
- (3) We have an option to renew this lease for five additional five-year periods.
- (4) We have an option to renew this lease for two additional five-year periods.
- (5) We have an option to renew this lease for two additional five-year periods.
- (6) This branch occupies 3,383 square feet of this building. The building also includes 1,440 square feet of space that is currently in the process of being converted into office space to house our expanding secondary market operations.
- (7) We have an option to renew this lease for four additional five-year periods.
- (8) Former branch site. We have an option to renew this lease for two additional ten-year periods. This property has been sublet under a sublease that expires in 2015.
- (9) This property is designated for future parking, additional access and possible future expansions of our Beacon Falls branch.

**EXHIBIT II-2**  
**Historical Interest Rates**

Exhibit II-2  
Historical Interest Rates(1)

<u>Year/Qtr. Ended</u>	<u>Prime Rate</u>	<u>90 Day T-Bill</u>	<u>One Year T-Bill</u>	<u>10 Year T-Bond</u>
2000: Quarter 1	9.00%	5.88%	6.28%	6.03%
Quarter 2	9.50%	5.88%	6.08%	6.03%
Quarter 3	9.50%	6.23%	6.07%	5.80%
Quarter 4	9.50%	5.89%	5.32%	5.12%
2001: Quarter 1	8.00%	4.30%	4.09%	4.93%
Quarter 2	6.75%	3.65%	3.72%	5.42%
Quarter 3	6.00%	2.40%	2.49%	4.60%
Quarter 4	4.75%	1.74%	2.17%	5.07%
2002: Quarter 1	4.75%	1.79%	2.70%	5.42%
Quarter 2	4.75%	1.70%	2.06%	4.86%
Quarter 3	4.75%	1.57%	1.53%	3.63%
Quarter 4	4.25%	1.22%	1.32%	3.83%
2003: Quarter 1	4.25%	1.14%	1.19%	3.83%
Quarter 2	4.00%	0.90%	1.09%	3.54%
Quarter 3	4.00%	0.95%	1.15%	3.96%
Quarter 4	4.00%	0.95%	1.26%	4.27%
2004: Quarter 1	4.00%	0.95%	1.20%	3.86%
Quarter 2	4.00%	1.33%	2.09%	4.62%
Quarter 3	4.75%	1.70%	2.16%	4.12%
Quarter 4	5.25%	2.22%	2.75%	4.24%
2005: Quarter 1	5.75%	2.80%	3.43%	4.51%
Quarter 2	6.00%	3.12%	3.51%	3.98%
Quarter 3	6.75%	3.55%	4.01%	4.34%
Quarter 4	7.25%	4.08%	4.38%	4.39%
2006: Quarter 1	7.75%	4.63%	4.82%	4.86%
Quarter 2	8.25%	5.01%	5.21%	5.15%
Quarter 3	8.25%	4.88%	4.91%	4.64%
Quarter 4	8.25%	5.02%	5.00%	4.71%
2007: Quarter 1	8.25%	5.04%	4.90%	4.65%
Quarter 2	8.25%	4.82%	4.91%	5.03%
Quarter 3	7.75%	3.82%	4.05%	4.59%
Quarter 4	7.25%	3.36%	3.34%	3.91%
2008: Quarter 1	5.25%	1.38%	1.55%	3.45%
Quarter 2	5.00%	1.90%	2.36%	3.99%
Quarter 3	5.00%	0.92%	1.78%	3.85%
Quarter 4	3.25%	0.11%	0.37%	2.25%
2009: Quarter 1	3.25%	0.21%	0.57%	2.71%
Quarter 2	3.25%	0.19%	0.56%	3.53%
Quarter 3	3.25%	0.14%	0.40%	3.31%
Quarter 4	3.25%	0.06%	0.47%	3.85%
2010: Quarter 1	3.25%	0.16%	0.41%	3.84%
Quarter 2	3.25%	0.18%	0.32%	2.97%
Quarter 3	3.25%	0.18%	0.32%	2.97%
Quarter 4	3.25%	0.12%	0.29%	3.30%
As of Feb. 4, 2011	3.25%	0.15%	0.31%	3.46%

(1) End of period data.

Sources: Federal Reserve and The Wall Street Journal.

EXHIBIT III-1

General Characteristics of Publicly-Traded Institutions

RF FINANCIAL, LC.  
 Financial Services Industry Consultants  
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 Arlington, Virginia 22201  
 (703) 528-1700

Exhibit III-1  
 Characteristics of Publicly-Traded Thrifts  
 February 4, 2011

Ticker	Financial Institution	Primary Exchng. Market	Operating Total Strat (1) Assets (2) (\$Mil)	Fiscal Offices	Year	Conv. Date	Stock Price (\$)	Market Value (\$Mil)
<b>California Companies</b>								
BOFI	Bofi Holding, Inc. Of CA (3)	NASDAQ San Diego, CA	Thrift 1,461	1	06-30	03/05	15.41	158
PROV	Provident Fin. Holdings of CA (3)	NASDAQ Riverside, CA	M.B. 1,358	14	06-30	06/96	7.86	90
KPFG	Kaiser Federal Fin Group of CA (3)	NASDAQ Covina, CA	Thrift 920 P	9	06-30	11/10	12.45	119
FPTB	First PacTrust Bancorp of CA (3)	NASDAQ Chula Vista, CA	Thrift 863 S	9	12-31	08/02	13.75	58
BYFC	Broadway Financial Corp. of CA (3)	NASDAQ Los Angeles, CA	Thrift 509 S	5	12-31	01/96	2.21	4
<b>Florida Companies</b>								
BUK	BankUnited, Inc. (3)	NYSE	Thrift 11,151 S	0		/	28.36	2,637
BBK	BankAtlantic Bancorp Inc of FL (3)	NYSE FortLauderdaleFL	M.B. 4,528 S	101	12-31	11/83	1.13	71
PCPL	First Community BK Corp of FL (3)	NASDAQ Pinellas Park FL	Thrift 506 S	11	12-31	05/03	1.11	6
<b>Mid-Atlantic Companies</b>								
HCBK	Hudson City Bancorp. Inc of NJ (3)	NASDAQ Paramus, NY	Thrift 61,168	135	12-31	06/05	11.14	5,868
NYB	New York Community Bcrp of NY (3)	NYSE Westbury, NY	Thrift 41,704 S	281	12-31	11/93	18.39	8,012
AF	Astoria Financial Corp. of NY (3)	NYSE Lake Success, NY	Thrift 18,090	85	12-31	11/93	14.78	1,447
ISBC	Investors Bcrp NHC of NJ(43.0)	NASDAQ Short Hills, NJ	Thrift 8,951 S	83	06-30	10/05	13.33	1,504
NWBI	Northwest Bancshares Inc of PA (3)	NASDAQ Warran, PA	Thrift 8,149	172	06-30	12/09	12.00	1,324
PFS	Provident Fin. Serv. Inc of NJ (3)	NYSE Jersey City, NJ	Thrift 6,782 S	83	12-31	01/03	14.71	881
BNCL	Beneficial Nat NHC of PA(43.7)	NASDAQ Philadelphia, PA	Thrift 4,899 S	65	12-31	07/07	8.78	714
FFIC	Flushing Fin. Corp. of NY (3)	NASDAQ Lake Success, NY	Thrift 4,247 S	19	12-31	11/95	14.41	450
DCOM	Dime Community Bancshares of NY (3)	NASDAQ Brooklyn, NY	Thrift 4,040	25	12-31	06/96	15.54	538
TRST	TrustCo Bank Corp NY of NY (3)	NASDAQ Glenville, NY	Thrift 3,954	133	12-31	/	5.98	461
WSPS	WSPS Financial Corp. of DE (3)	NASDAQ Wilmington, DE	Div. 3,759 S	38	12-31	11/86	45.15	385
PRMY	Provident NY Bcrp, Inc. of NY (3)	NASDAQ Montebello, NY	Thrift 2,941	37	09-30	01/04	9.29	355
KBMY	Kearny Fin Cp NHC of NJ (25.1)	NASDAQ Fairfield, NJ	Thrift 2,881	40	06-30	02/05	9.04	414
ORIT	Oritani Financial Corp of NJ (3)	NASDAQ Township of MA NJ	Thrift 2,569	23	06-30	06/10	12.38	696
OCFC	OceanFirst Fin. Corp of NJ (3)	NASDAQ Toms River, NJ	Thrift 2,251	23	12-31	07/96	13.83	260
WFBK	Northfield Bcp NHC of NY(43.4)	NASDAQ Avenel, NY	Thrift 2,247	19	12-31	11/07	13.03	567
ESBF	ESB Financial Corp. of PA (3)	NASDAQ Ellwood City, PA	Thrift 1,939 S	24	12-31	06/90	13.85	167
ROMA	Roma Fin Corp NHC of NJ (26.2)	NASDAQ Robbinsville, NJ	Thrift 1,824 S	27	12-31	07/06	10.44	320
PVSA	Parkvale Financial Corp of PA (3)	NASDAQ Monroeville, PA	Thrift 1,821 S	47	06-30	07/87	11.34	63
ABBC	Abington Bancorp, Inc. of PA (3)	NASDAQ Jenkintown, PA	Thrift 1,347	20	12-31	06/07	12.49	252
CSBK	Clifton Svq Bp NHC of NJ(35.8)	NASDAQ Clifton, NJ	Thrift 1,136 S	12	03-31	03/04	11.87	310
FXCB	Fox Chase Bancorp, Inc. of PA (3)	NASDAQ Hatboro, PA	Thrift 1,096	11	12-31	06/10	12.76	186
ESSA	ESSA Bancorp, Inc. of PA (3)	NASDAQ Stroudsburg, PA	Thrift 1,081	18	09-30	04/07	12.43	163
SPFD	Spacon Federal Bancorp of NY (3)	NASDAQ East Syracuse NY	Thrift 1,059 S	8	12-31	10/07	13.00	84
CBMJ	Cape Bancorp, Inc. of NJ (3)	NASDAQ Cape NY Ct Wg, NJ	Thrift 1,054 S	17	12-31	02/08	10.00	133
SVBI	Seward Bancorp, Inc. of MD (3)	NASDAQ Annapolis, MD	Thrift 976 S	4	12-31	/	4.96	50
HARL	Harleysville Svgs Fin Cp of PA (3)	NASDAQ Harleysville, PA	Thrift 857 S	8	09-30	08/87	15.53	58
OSRC	Ocean Shore Holding Co. of NJ (3)	NASDAQ Ocean City, NJ	Thrift 838 S	10	12-31	12/09	12.04	88
CARV	Carver Bancorp, Inc. of NY (3)	NASDAQ New York, NY	Thrift 755 S	9	03-31	10/94	2.04	5
MLVF	Malvern Fed Bncp NHC PA(44.6)	NASDAQ Paoli, PA	Thrift 721 S	9	09-30	05/08	8.19	50
FSBI	Fidelity Bancorp, Inc. of PA (3)	NASDAQ Pittsburgh, PA	Thrift 697 S	13	09-30	06/88	9.00	28
THRD	TF Fin. Corp. of Newtown PA (3)	NASDAQ Newtown, PA	Thrift 692	14	12-31	07/94	22.59	67
ONFC	Oneida Financial Corp. of NY (3)	NASDAQ Oneida, NY	Thrift 648 S	13	12-31	07/10	8.55	61
NCBS	NCBS Bancorp, Inc. of MD (3)	NASDAQ Baltimore, MD	Thrift 621 S	18	09-30	04/08	12.02	38
COBK	Colonial Financial Serv. of NJ (3)	NASDAQ Bridgeton, NJ	Thrift 593 S	9	12-31	07/10	12.75	53
MYFR	Magyar Bancorp NHC of NJ(44.7)	NASDAQ NJ Brunswick, NJ	Thrift 538 S	6	09-30	01/06	4.29	25
GCBC	Green Co Bcrp NHC of NY (44.1)	NASDAQ Catskill, NY	Thrift 531	14	06-30	12/98	17.31	72
PBXP	Prudential Bncp NHC PA (25.5)	NASDAQ Philadelphia, PA	Thrift 529 S	7	09-30	03/05	6.55	64
BFSB	Brooklyn Fed NHC of NY (28.2)	NASDAQ Brooklyn, NY	Thrift 524 J	5	09-30	04/05	0.85	11
ESBK	Elmira Svgs Bank, FSB of NY (3)	NASDAQ Elmira, NY	Thrift 503 S	11	12-31	03/85	17.75	35
NECB	NE Comm Bncp NHC of NY (44.6)	NASDAQ White Plains, NY	Thrift 500 S	7	12-31	07/04	6.10	80
LSBK	Lake Shore Bnp NHC of NY(39.4)	NASDAQ Dunkirk, NY	Thrift 476 S	10	12-31	04/06	9.90	59
ALLSD	Alliance Bancorp, Inc. of PA (3)	NASDAQ Broomall, PA	Thrift 469 P	9	12-31	01/11	11.00	60
STWD	Standard Financial Corp. of PA (3)	NASDAQ Monroeville, PA	Thrift 424 P	12	09-30	10/10	14.22	49
PBHC	Pethfinder BC NHC of NY (36.3)	NASDAQ Oswego, NY	Thrift 406 S	14	12-31	11/95	8.18	20

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Exhibit III-1  
 Characteristics of Publicly-Traded Thrifts  
 February 4, 2011

Ticker	Financial Institution	Exchg.	Primary Market	Operating Strat (1)	Total Assets (2) (\$M1)	Fiscal Offices	Conv. Year	Stock Price Date	Market Value (\$)	
<b>Mid-Atlantic Companies (continued)</b>										
WBS	WBS Holdings, Inc. of Bowie MD (3)	NASDAQ	Bowie, MD	Thrift	386 S	5	12-31	08/00	3.27	26
OBAP	OBAP Financial Serv. Inc of MD (3)	NASDAQ	Germanstown, MD	Thrift	366 S	5	06-30	01/10	13.99	63
MSBF	MSBF Fin Corp NHC of NJ (46.3)	NASDAQ	Millington, NJ	Thrift	356 S	5	06-30	01/07	6.00	31
FFCO	First Financial Corp of PA (3)	NASDAQ	Monessen, PA	Thrift	345 S	5	12-31	09/10	14.00	42
ROME	Rome Bancorp. Inc. of Rome NY (3)	NASDAQ	Rome, NY	Thrift	332 S	5	12-31	03/05	11.61	80
WVFC	WVFC Financial Corp. of PA (3)	NASDAQ	Pittsburgh, PA	Thrift	318 S	4	06-30	11/93	9.00	19
CMNB	CMNB Bancorp Inc of W Plains NY (3)	NASDAQ	White Plains, NY	Thrift	247 S	6	09-30	04/07	9.04	17
<b>Mid-West Companies</b>										
FBC	Flagstar Bancorp. Inc. of MI (3)	NYSE	Troy, MI	Thrift	13,830 S	176	12-31	04/97	1.65	913
TFSL	TFSL Fin Corp NHC of OH (26.4)	NASDAQ	Cleveland, OH	Thrift	11,070 S	39	09-30	04/07	9.88	3,047
CFPW	Capital Federal Fin Inc. of KS (3)	NASDAQ	Topeka, KS	Thrift	9,626 P	47	09-30	12/10	12.14	2,033
ABCW	Anchor Bancorp Wisconsin of WI (3)	NASDAQ	Madison, WI	M.B.	9,804 S	55	03-31	07/92	1.61	35
BKMU	Bank Mutual Corp of WI (3)	NASDAQ	Milwaukee, WI	Thrift	3,432 S	80	12-31	10/93	4.42	202
PFPC	First Place Fin. Corp. of OH (3)	NASDAQ	Warren, OH	Thrift	3,153 J	47	06-30	01/99	2.74	47
UCPC	United Community Fin. of OH (3)	NASDAQ	Youngstown, OH	Thrift	2,318 S	30	12-31	07/90	1.54	48
DFBF	First Defiance Fin. Corp of OH (3)	NASDAQ	Defiance, OH	Thrift	2,036	33	12-31	10/95	12.95	105
WBSF	Waterstone Fin NHC of WI (26.2)	NASDAQ	Wauwatosa, WI	Thrift	1,896 S	10	12-31	10/05	2.62	82
BFIN	BankFinancial Corp. of IL (3)	NASDAQ	Burr Ridge, IL	Thrift	1,570 S	21	12-31	06/05	9.26	195
FOLE	Pulaski Fin Cp of St. Louis MO (3)	NASDAQ	St. Louis, MO	Thrift	1,467	12	09-30	12/90	7.54	83
MFSP	MutualFirst Fin. Inc. of IN (3)	NASDAQ	Muncie, IN	Thrift	1,440 S	33	12-31	12/99	9.84	69
NASB	NASB Fin. Inc. of Grandview MO (3)	NASDAQ	Grandview, MO	Thrift	1,434 S	9	09-30	09/85	15.41	121
HFPC	HF Financial Corp. of SD (3)	NASDAQ	Sioux Falls, SD	Thrift	1,260 S	33	06-30	04/92	10.98	77
HFBC	HopFed Bancorp. Inc. of KY (3)	NASDAQ	Hopkinsville, KY	Thrift	1,121 S	18	12-31	02/98	9.48	70
CITZ	CFS Bancorp. Inc of Munster IN (3)	NASDAQ	Munster, IN	Thrift	1,120 S	22	12-31	07/98	5.72	62
CASH	Meta Financial Group of IA (3)	NASDAQ	Storm Lake, IA	Thrift	1,030 S	12	09-30	09/93	15.00	47
ROOF	ROOF Financial, Inc. of MN (3)	NASDAQ	Rochester, MN	Thrift	907 S	15	12-31	06/94	2.59	11
PVFC	PVF Capital Corp. of Solon OH (3)	NASDAQ	Solon, OH	R.E.	837 S	18	06-30	12/92	1.90	49
CZWI	Citizens Com Bancorp Inc of WI (3)	NASDAQ	Wau Claire, WI	Thrift	594 S	27	09-30	11/06	5.43	28
FCLE	First Clover Leaf Fin Cp of IL (3)	NASDAQ	Edwardsville, IL	Thrift	579 S	4	12-31	07/06	7.50	59
FSPG	First Savings Fin. Grp. of IN (3)	NASDAQ	Clarksville, IN	Thrift	508 S	12	09-30	12/00	18.28	43
UCBA	United Com Bancp NHC IN (40.7)	NASDAQ	Lawrenceburg, IN	Thrift	499 S	9	06-30	03/06	7.99	63
FFFD	North Central Bancshares of IA (3)	NASDAQ	Fort Dodge, IA	Thrift	456 S	11	12-31	03/96	16.20	22
FCAP	First Capital, Inc. of IN (3)	NASDAQ	Corydon, IN	Thrift	452 S	12	12-31	01/99	15.55	43
LPSS	LaPorte Bancorp NHC of IN (45.0)	NASDAQ	La Porte, IN	Thrift	449 S	8	12-31	10/07	9.60	44
WAYN	Wayne Savings Bancshares of OH (3)	NASDAQ	Wooster, OH	Thrift	410	11	03-31	01/03	9.50	29
LSBI	LSB Fin. Corp. of Lafayette IN (3)	NASDAQ	Lafayette, IN	Thrift	385 S	5	12-31	02/95	14.24	25
RIVR	River Valley Bancorp of IN (3)	NASDAQ	Madison, IN	Thrift	382 S	10	12-31	12/96	15.55	24
CHEV	Chevyot Fin Cp NHC of OH (30.5)	NASDAQ	Cincinnati, OH	Thrift	351 S	6	12-31	01/04	8.45	77
WBKC	Wolverine Bancorp. Inc. of MI (3)	NASDAQ	Midland, MI	Thrift	328 P	5	12-31	01/11	13.00	33
JXSB	Jacksonville Bancorp Inc of IL (3)	NASDAQ	Jacksonville, IL	Thrift	304 S	7	12-31	07/10	12.90	25
CFBK	Central Federal Corp. of OH (3)	NASDAQ	Fairlawn, OH	Thrift	287 S	4	12-31	12/98	1.87	8
FFNS	First Franklin Corp. of OH (3)	NASDAQ	Cincinnati, OH	Thrift	275 S	8	12-31	01/88	14.35	24
EFPR	KY Pac Fed by NHC of KY (19.3)	NASDAQ	Hazard, KY	Thrift	236 S	4	06-30	03/05	9.39	72
FFNB	First Fed of W. Michigan of MI (3)	NASDAQ	Alpena, MI	Thrift	226 S	8	12-31	04/05	3.89	11
FFPD	Park Bancorp of Chicago IL (3)	NASDAQ	Chicago, IL	Thrift	215 S	5	12-31	08/96	3.95	5
FBSI	First Bancshares, Inc. of MO (3)	NASDAQ	Main Grove, MO	Thrift	215 S	11	06-30	12/93	6.95	11
FFDF	FFD Financial Corp of Dover OH (3)	NASDAQ	Dover, OH	Thrift	206 S	5	06-30	04/96	14.95	15
<b>New England Companies</b>										
FBCT	Peoples United Financial of CT (3)	NASDAQ	Bridgeport, CT	Div.	25,039	340	12-31	04/07	13.19	4,737
NAL	NewAlliance Bancshares of CT (3)	NYSE	New Haven, CT	Thrift	9,028	89	12-31	04/04	15.57	1,634
BHLS	Berkshire Hills Bancorp of MA (3)	NASDAQ	Pittsfield, MA	Thrift	2,881	44	12-31	06/00	21.80	307
DNBK	Danvers Bancorp. Inc. of MA (3)	NASDAQ	Danvers, MA	Thrift	2,853	28	12-31	01/08	21.82	452
BRKL	Brookline Bancorp. Inc. of MA (3)	NASDAQ	Brookline, MA	Thrift	2,730	20	12-31	07/02	11.22	663
BBSD	Meridian Fin Serv NHC MA (41.4)	NASDAQ	East Boston, MA	Thrift	1,836	25	12-31	01/08	12.64	284
RCBK	Rockville Fin NHC of CT (43.3)	NASDAQ	Vrn Rockville CT	Thrift	1,640 S	22	12-31	05/05	15.24	287
UBNK	United Financial Bancp of MA (3)	NASDAQ	W Springfield MA	Thrift	1,585	24	12-31	12/07	15.36	247
WFD	Westfield Fin. Inc. of MA (3)	NASDAQ	Westfield, MA	Thrift	1,240	11	12-31	01/07	8.62	243

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Exhibit III-1  
 Characteristics of Publicly-Traded Thrifts  
 February 4, 2011

Ticker	Financial Institution	Exchg.	Primary Market	Operating Total Strat(1) Assets(2) (\$Mill)	Offices	Fiscal Year	Conv. Date	Stock Price (\$)	Market Value (\$Mill)	
<b>New England Companies (continued)</b>										
NIPS	Ringham Inst. for Sav. of MA (3)	NASDAQ	Hingham, MA	Thrift	1,018	10	12-31	12/88	49.89	106
NMTB	NH Thrift Bancshares of NH (3)	NASDAQ	Newport, NH	Thrift	995	27	12-31	05/86	13.25	77
LEGC	Legacy Bancorp, Inc. of MA (3)	NASDAQ	Pittsfield, MA	Thrift	972 S	20	12-31	10/05	13.10	113
SIFID	SI Financial Group, Inc. of CT (3)	NASDAQ	Williamantic, CT	Thrift	936 P	21	12-31	01/11	9.25	98
NWSL	Waug Villy Fin NHC of CT (40.4)	NASDAQ	Naugatuck, CT	Thrift	581 S	10	12-31	10/04	8.99	63
CBNK	Chicopee Bancorp, Inc. of MA (3)	NASDAQ	Chicopee, MA	Thrift	574	8	12-31	07/06	13.93	94
HBNK	Hampden Bancorp, Inc. of MA (3)	NASDAQ	Springfield, MA	Thrift	574 S	9	06-30	01/07	12.50	87
PEOP	Peoples Fed Bancshrs Inc of MA (3)	NASDAQ	Brighton, MA	Thrift	546 S	6	09-30	07/10	14.00	100
CEBK	Central Bancp of Somerville MA (3)	NASDAQ	Somerville, MA	Thrift	526 S	11	03-31	10/86	14.87	25
PSBN	PSB Hldgs Inc NHC of CT (42.9)	NASDAQ	Putnam, CT	Thrift	481	8	06-30	10/04	5.55	16
WFSB	Newport Bancorp, Inc. of RI (3)	NASDAQ	Newport, RI	Thrift	450	6	12-31	07/06	13.60	47
MFIA	Mayflower Bancorp, Inc. of MA (3)	NASDAQ	Middleboro, MA	Thrift	249 S	8	04-30	12/87	8.95	19
<b>North-West Companies</b>										
WFSL	Washington Federal, Inc. of WA (3)	NASDAQ	Seattle, WA	Thrift	13,486 S	163	09-30	11/82	17.55	1,971
FPNW	First Fin NW, Inc. of Renton WA (3)	NASDAQ	Renton, WA	Thrift	1,194	1	12-31	10/07	5.11	96
RVSB	Riverview Bancorp, Inc. of WA (3)	NASDAQ	Vancouver, WA	Thrift	838	17	03-31	10/97	3.13	70
TSBK	Timberland Bancorp, Inc. of WA (3)	NASDAQ	Hoquiam, WA	Thrift	722	22	09-30	01/98	4.76	34
ANCB	Anchor Bancorp of Aberdeen, WA (3)	NASDAQ	Aberdeen, WA	Thrift	544 P	15	06-30	01/11	10.03	26
<b>South-East Companies</b>										
PFCH	First Fin. Holdings Inc. of SC (3)	NASDAQ	Charleston, SC	Thrift	3,301	67	09-30	11/83	10.22	169
SUPR	Superior Bancorp of AL (3)	NASDAQ	Birmingham, AL	Thrift	3,167 S	69	12-31	12/98	0.69	9
CHWF	Charter Fin Corp NHC GA (49.0)	NASDAQ	West Point, GA	Thrift	1,188 S	17	09-30	09/10	9.90	105
CSBC	Citizens South Bnk Corp of NC (3)	NASDAQ	Gastonia, NC	Thrift	1,064	21	12-31	10/02	4.64	54
ACPCD	Atlantic Coast Fin. Corp of GA (3)	NASDAQ	Waycross, GA	Thrift	907 P	12	12-31	02/11	10.05	26
TSR	Teche Hlding Cp of N Iberia LA (3)	AMEX	New Iberia, LA	Thrift	762 S	19	09-30	04/95	35.97	75
HBOS	Heritage Fin Group, Inc of GA (3)	NASDAQ	Albany, GA	Thrift	719 P	16	12-31	11/10	11.69	102
HBCP	Home Bancorp Inc. Lafayette LA (3)	NASDAQ	Lafayette, LA	Thrift	700	18	12-31	10/08	14.23	116
JFBI	Jafferson Bancshares Inc of TN (3)	NASDAQ	Morristown, TN	Thrift	644 S	12	06-30	07/03	4.24	28
PFBE	First Fed. Bancshares of AR (3)	NASDAQ	Harrison, AR	Thrift	632 S	10	12-31	05/96	2.17	11
CFPC	Community Fin. Corp. of VA (3)	NASDAQ	Stunton, VA	Thrift	539 S	11	03-31	03/88	3.53	15
OFED	Oconee Fed Fd Cp NHC SC (35.0)	NASDAQ	Saueca, SC	Thrift	362 P	5	06-30	01/11	12.09	77
PABK	First Advantage Bancorp of TN (3)	NASDAQ	Clarksville, TN	Thrift	345 S	5	12-31	11/07	13.24	54
LSBC	Louisiana Bancorp, Inc. of LA (3)	NASDAQ	Metairie, LA	Thrift	322 S	3	12-31	07/07	14.75	54
AFCH	Athens Bancshares, Inc. of TN (3)	NASDAQ	Athens, TN	Thrift	286 S	7	12-31	01/10	13.17	37
OSLA	GS Financial Corp. of LA (3)	NASDAQ	Metairie, LA	Thrift	264	5	12-31	04/97	10.80	14
WFBL	Home Federal Bancorp Inc of LA (3)	NASDAQ	Shreveport, LA	Thrift	211	5	06-30	12/10	12.75	39
<b>South-West Companies</b>										
VPPG	ViewPoint Financial Group of TX (3)	NASDAQ	Plano, TX	Thrift	2,986 S	24	12-31	07/10	12.75	644
OABC	OwaniAmerican Bancorp Inc of TX (3)	NASDAQ	Fort Worth, TX	Thrift	1,126 S	16	12-31	01/10	14.76	176
SPBC	SP Bancorp, Inc. of Plano, TX (3)	NASDAQ	Plano, TX	Thrift	235 P	8	12-31	11/10	9.65	17
<b>Western Companies (Excl CA)</b>										
TBNK	Territorial Bancorp, Inc of HI (3)	NASDAQ	Honolulu, HI	Thrift	1,443	25	12-31	07/09	19.48	237
HONE	Home Federal Bancorp Inc of ID (3)	NASDAQ	Wampa, ID	Thrift	1,381	37	09-30	12/07	10.71	179
EBMT	Eagle Bancorp Montana of MT (3)	NASDAQ	Helena, MT	Thrift	333	6	06-30	04/10	11.10	45
<b>Other Areas</b>										

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

(2) Most recent quarter end available (E-Estimated, and P-Pro Forma)

Source: SNL Financial, LC.

Date of Last Update: 02/04/11

**EXHIBIT III-2**

**Peer Group Market Area Comparative Analysis**

Exhibit III-2  
Naugatuck Valley Financial Corporation  
Peer Group Market Area Comparative Analysis

Institution	Headquarters County	Estimated Population		Projected Population	Estimated	Projected	Per Capita Income		6/30/10	Unemployment
		<u>2000</u>	<u>2010</u>	<u>2015</u>	2000-2010	2010-2015	% State		Deposit	Rate
		(000)	(000)	(000)	% Change	% Change	Amount	Average	Market Share(1)	12/31/2010
Mayflower Co-Op, Bank of MA	Plymouth	473	500	507	5.84%	1.40%	32,609	94.63%	3.10%	8.5%
Newport Bancorp, Inc. of RI	Newport	85	81	78	-5.74%	-3.13%	35,040	129.91%	11.71%	10.9%
Central Bancorp of Somerville MA	Middlesex	1,465	1,502	1,528	2.50%	1.71%	43,401	125.95%	0.79%	6.4%
Chicopee Bancorp, Inc. of MA	Hampden	456	464	463	1.63%	-0.05%	23,864	69.26%	4.64%	10.2%
Hampden Bancorp, Inc of MA	Hampden	456	464	463	1.63%	-0.05%	23,864	69.26%	5.52%	10.2%
NH Thrift Bancshares of NH	Sullivan	40	43	44	6.40%	1.24%	24,979	82.87%	28.99%	5.0%
Westfield Fin. Inc. of MA	Hampden	456	464	463	1.63%	-0.05%	23,864	69.26%	8.79%	10.2%
United Financial Bncrp of MA	Hampden	456	464	463	1.63%	-0.05%	23,864	69.26%	11.77%	10.2%
TF Financial Corp of Newtown PA	Bucks	598	630	634	5.35%	0.64%	36,526	137.39%	1.61%	7.1%
Ocean Shore Holding Co. of NJ	Atlantic	253	277	280	9.62%	1.27%	26,248	75.56%	7.20%	12.5%
	<b>Averages:</b>	<b>474</b>	<b>489</b>	<b>492</b>	<b>3.05%</b>	<b>0.29%</b>	<b>\$29,426</b>	<b>92.33%</b>	<b>8.41%</b>	<b>9.12%</b>
	<b>Medians:</b>	<b>456</b>	<b>464</b>	<b>463</b>	<b>2.06%</b>	<b>0.29%</b>	<b>\$25,614</b>	<b>79.21%</b>	<b>6.36%</b>	<b>10.20%</b>
<b>Naugatuck Valley Financial Corp.</b>	<b>New Haven</b>	<b>824</b>	<b>851</b>	<b>860</b>	<b>3.34%</b>	<b>0.96%</b>	<b>\$30,479</b>	<b>84.51%</b>	<b>1.90%</b>	<b>9.6%</b>

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

Sources: SNL Financial

EXHIBIT IV-1

Stock Prices:  
As of February 4th, 2011

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Exhibit IV-1  
 Weekly Thrift Market Line - Part One  
 Prices As Of February 4, 2011

Financial Institution	Market Capitalization			Price Change Data						Current Per Share Financials				
	Price/Share(1) (\$)	Outst-Share(2) (000)	Market-Capital-ization(3) (\$M11)	52 Week (1)		Last Week	% Change From			Trailing 12 Mo. EPS(3) (5)	12 Mo. Core EPS(3) (5)	Book Value/Share (5)	Tangible Book Value/Share(4) (5)	Assets/Share (5)
				High	Low		Last Week	Last 52 Wks	MostrCt					
<b>Market Averages - All Public Companies(no NHC)</b>														
All Public Companies(121)	11.68	32,437	361.4	13.62	8.62	11.22	5.12	19.51	8.52	0.06	-0.08	14.37	13.40	144.34
NYSE Traded Companies(7)	13.17	217,050	2,326.7	15.90	10.95	8.30	3.50	1.31	0.93	0.31	0.25	9.42	7.01	101.84
AMEX Traded Companies(1)	35.97	2,078	74.7	37.32	26.01	35.94	0.08	13.11	3.27	1.42	1.46	36.14	34.56	366.47
NASDAQ Listed OTC Companies(113)	11.37	22,274	252.8	13.27	8.33	11.15	5.26	20.60	9.00	0.01	-0.13	14.45	13.56	144.65
California Companies(5)	10.34	7,438	85.7	12.57	6.16	10.22	-0.01	50.95	2.00	0.19	-0.46	13.76	13.68	174.52
Florida Companies(3)	10.20	53,667	904.5	12.59	9.87	0.74	0.99	-23.69	-1.91	-1.42	-1.53	5.52	5.22	94.98
Mid-Atlantic Companies(37)	12.94	46,705	635.2	14.41	9.32	12.75	1.83	26.74	5.70	0.22	0.27	14.09	12.67	145.64
Mid-West Companies(33)	8.96	30,944	142.0	11.63	6.62	8.79	1.80	13.79	16.62	-0.10	-0.43	13.94	13.20	154.72
New England Companies(17)	15.75	37,313	488.5	16.70	11.35	15.62	1.05	29.74	3.60	0.80	0.78	15.99	14.15	144.35
North-West Companies(5)	8.12	32,631	439.2	9.87	6.26	7.93	3.52	4.86	15.74	-0.49	-0.42	13.27	12.43	107.39
South-East Companies(15)	12.25	5,801	60.1	14.74	9.43	11.50	32.65	9.56	6.85	-0.44	-0.59	16.87	16.47	149.79
South-West Companies(3)	12.39	16,156	212.2	12.68	9.22	12.48	-0.78	19.43	6.96	0.20	0.03	15.37	15.36	105.57
Western Companies (Excl CA)(3)	13.76	10,990	153.8	16.39	11.89	13.75	-0.15	6.77	-4.13	0.43	0.36	14.55	14.47	94.23
Thrift Strategy(115)	11.68	29,686	331.5	13.60	8.70	11.19	5.15	18.44	8.67	0.08	-0.04	14.54	13.58	143.83
Mortgage Banker Strategy(3)	3.53	31,887	65.1	4.38	1.25	3.39	9.27	68.89	13.66	-1.15	-2.06	4.39	4.26	122.28
Real Estate Strategy(1)	1.90	25,670	48.8	2.99	1.61	1.95	-2.56	-24.90	4.40	-0.13	-0.30	3.20	3.20	32.60
Diversified Strategy(2)	29.17	183,828	2,560.9	33.89	19.31	28.91	1.36	24.74	-5.34	0.83	0.64	25.89	22.39	257.67
Companies Issuing Dividends(74)	13.68	38,329	509.3	15.59	10.13	13.51	1.67	23.95	3.05	0.73	0.67	15.38	14.09	150.23
Companies Without Dividends(47)	8.55	23,199	129.3	10.53	6.27	7.62	10.53	12.54	17.09	-1.00	-1.26	12.79	12.31	135.10
Equity/Assets <64(12)	3.32	68,487	123.4	6.47	2.00	3.30	0.69	-14.34	31.70	-2.90	-2.99	5.77	5.12	167.70
Equity/Assets >124(60)	12.74	21,068	256.1	15.02	9.16	11.94	8.62	25.06	7.39	0.44	0.18	15.67	14.82	181.16
Equity/Assets >124(49)	12.18	39,080	549.9	13.61	9.41	12.04	1.60	19.87	4.82	0.22	0.23	14.61	13.40	91.69
Converted Last 3 Mths (no NHC)(5)	11.37	33,617	281.8	14.13	8.60	10.27	46.23	22.67	5.55	-0.80	-1.00	17.78	17.63	129.87
Actively Traded Companies(4)	23.13	33,150	567.6	26.00	15.68	21.11	0.35	29.98	3.13	1.28	1.34	21.93	20.45	278.63
Market Value Below \$20 Million(17)	6.04	2,540	11.7	8.81	4.69	6.00	-0.75	-6.84	21.36	-1.81	-2.11	11.73	11.71	163.03
Holding Company Structure(116)	11.31	33,612	373.6	13.26	8.38	10.83	5.23	19.23	8.49	-0.03	-0.15	14.24	13.28	141.50
Assets Over \$1 Billion(55)	12.73	66,084	748.2	15.22	9.52	12.05	1.68	18.18	2.83	0.42	0.31	13.26	11.83	136.20
Assets \$50 Million-\$1 Billion(36)	10.53	6,327	53.6	12.22	7.44	10.14	13.10	17.48	9.66	-0.53	-0.70	14.49	13.62	162.08
Assets \$250-\$500 Million(22)	12.15	3,234	36.0	13.33	9.19	11.90	2.25	23.10	21.37	0.32	0.21	17.01	16.63	139.75
Assets less than \$250 Million(8)	8.77	1,920	16.6	10.10	6.57	8.74	0.31	27.57	7.76	-0.43	-0.65	14.40	14.36	132.30
Goodwill Companies(72)	11.94	38,044	503.1	14.14	8.89	11.24	7.57	21.43	9.96	0.09	-0.01	14.35	12.73	149.04
Non-Goodwill Companies(49)	11.30	23,966	147.2	12.83	8.23	11.17	1.41	16.30	6.34	0.01	-0.18	14.41	14.41	137.24
Acquirers of FSLIC Cases(1)	17.55	112,283	1,970.6	21.65	13.97	17.29	1.50	-5.80	3.72	1.06	1.43	16.40	14.12	120.11

- (1) Average of high/low or bid/ask price per share.
- (2) Or since offering price if converted or first listed in the past 52 weeks. Percent change figures are actual year-to-date and are not annualized.
- (3) EPS (earnings per share) is based on actual trailing twelve month data and is not shown on a pro forma basis.
- (4) Excludes intangibles (such as goodwill, value of core deposits, etc.).
- (5) ROA (return on assets) and ROE (return on equity) are indicated ratios based on trailing twelve month common earnings and average common equity and assets balances.
- (6) Annualized, 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 NHC institutions, market value reflects share price multiplied by public (non-NHC) shares.

\* Parentheses following market averages indicate the number of institutions included in the respective averages. All figures have been adjusted for stock splits, stock dividends, and secondary offerings.

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

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Exhibit IV-1 (continued)  
 Weekly Thrift Market Line - Part One  
 Prices As Of February 4, 2011

Financial Institution	Market Capitalization			Price Change Data						Current Per Share Financials				
	Price/ Share(1)	Out- standing (9)	Market Capital- ization(9)	52 Week (1)		% Change From				Trailing 12 Mo. EPS(3)	12 Mo. Core EPS(3)	Book Value/ Share	Book Value/ Share(4)	Assets/ Share
				High	Low	Last Week	Last 52 Week	52 Wks Ago(2)	Most Recent YrEnd(2)					
	(\$)	(000)	(\$M1)	(\$)	(\$)	(\$)	(%)	(%)	(%)	(\$)	(\$)	(\$)	(\$)	(\$)
<b>Market Averages - NMC Institutions</b>														
All Public Companies(27)	8.77	33,273	118.0	10.55	6.71	8.65	1.28	13.12	4.30	0.23	0.19	8.16	7.68	70.50
NASDAQ Listed OTC Companies(27)	8.77	33,273	118.0	10.55	6.71	8.65	1.28	13.12	4.30	0.23	0.19	8.16	7.68	70.50
Mid-Atlantic Companies(15)	8.71	28,720	117.8	10.99	6.96	8.69	-0.03	-1.09	-0.28	0.23	0.24	8.26	7.87	76.83
Mid-West Companies(6)	8.02	61,448	154.6	9.80	5.88	7.98	0.15	26.56	0.88	0.17	0.04	7.48	6.75	54.69
New England Companies(4)	9.06	12,010	53.5	9.25	5.52	8.59	7.37	54.38	24.71	0.34	0.36	8.01	7.43	79.37
South-East Companies(2)	11.00	12,510	105.4	11.65	9.25	10.53	4.74	10.45	14.07	0.30	0.04	9.68	9.54	60.35
Thrift Strategy(27)	8.77	33,273	118.0	10.55	6.71	8.65	1.28	13.12	4.30	0.23	0.19	8.16	7.68	70.50
Companies Issuing Dividends(17)	9.31	15,957	63.0	10.90	7.29	9.23	0.83	8.70	5.02	0.27	0.21	8.25	7.83	72.16
Companies Without Dividends(10)	7.96	59,247	200.3	10.02	5.84	7.79	1.97	19.76	3.24	0.17	0.16	8.01	7.46	68.01
Equity/Assets <12%(16)	8.77	18,371	84.7	10.06	6.36	8.60	2.37	24.72	6.27	0.35	0.25	8.22	7.80	85.81
Equity/Assets >12%(11)	8.77	55,625	187.9	11.29	7.24	8.74	-0.35	-4.26	1.36	0.05	0.10	8.06	7.50	67.54
Market Value Below \$20 Million(1)	0.85	12,889	3.1	9.48	0.73	0.90	-5.56	-89.48	-34.11	-1.08	-0.41	5.68	5.68	40.68
Holding Company Structure(25)	8.86	34,241	122.0	10.56	4.76	8.74	1.36	14.57	4.14	0.23	0.18	8.26	7.76	71.24
Assets Over \$1 Billion(11)	9.96	79,682	289.8	11.94	8.02	9.84	0.95	5.81	1.23	0.19	0.06	7.44	6.92	59.45
Assets \$500 Million-\$1 Billion(6)	7.70	7,460	18.9	10.66	5.57	7.64	0.20	-5.52	2.12	0.15	0.25	8.06	8.06	85.96
Assets \$250-\$500 Million(8)	8.23	6,775	22.0	8.87	6.04	8.08	2.38	34.90	9.15	0.34	0.28	9.01	8.43	75.69
Assets less than \$250 Million(1)	9.39	7,746	29.3	12.46	7.80	9.30	0.97	-5.15	1.51	0.14	0.13	7.45	5.55	30.50
Goodwill Companies(16)	9.52	49,016	183.1	10.94	7.04	9.37	2.06	22.34	8.03	0.27	0.20	8.00	7.20	68.28
Non-Goodwill Companies(11)	7.65	9,658	20.3	9.95	6.21	7.58	0.12	-0.40	-1.28	0.18	0.17	8.40	8.40	73.84
NMC Institutions(27)	8.77	33,273	118.0	10.55	6.71	8.65	1.28	13.12	4.30	0.23	0.19	8.16	7.68	70.50
NMC Converted Last 3 Months(1)	12.09	6,348	26.9	12.30	11.00	11.80	2.46	20.90	20.90	0.39	0.39	12.09	12.09	57.04

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

\* Parentheses following market averages indicate the number of institutions included in the respective averages. All figures have been adjusted for stock splits, stock dividends, and secondary offerings.

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

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Exhibit IV-1 (continued)  
Weekly Thrift Market Line - Part One  
Prices As Of February 4, 2011

Financial Institution	Market Capitalization			Price Change Data						Current Per Share Financials				
	Price/ Share(1)	Outst- anding (000)	Market Capital- ization(3)	52 Week (1)		Last Week (2)	% Change From			Trailing 12 Mo. EPS(3)	12 Mo. Core EPS(3)	Book Value/ Share	Tangible Book Assets/	
				High	Low		Week	Week	Mo(2)				YrEnd(2)	Share(4)
<b>NYSE Traded Companies</b>														
AFK Astoria Financial Corp. of NY*	14.78	97,877	1,446.6	17.55	11.55	14.24	3.79	17.68	6.25	0.75	0.73	12.69	10.80	184.82
BSI BankAtlantic Bancorp Inc of FL*	1.13	62,571	70.7	3.28	0.60	1.00	13.00	-11.02	-1.74	-2.39	-2.43	1.02	0.78	72.36
BDK BankUnited, Inc.*	20.36	92,972	2,636.7	23.50	28.00	0.00	-1.00	5.04	5.04	1.94	1.92	13.37	12.71	119.94
FBC Flagstar Bancorp, Inc. of MI*	1.65	553,311	913.0	10.10	1.13	1.58	4.43	-72.95	1.23	-0.46	-0.97	1.47	1.47	25.01
NYB New York Community Bcrp of NY*	18.39	435,447	8,011.5	19.33	14.40	18.32	0.38	26.57	-2.44	1.26	1.43	12.61	6.83	95.73
NAL NewAlliance Bancshares of CT(8)*	15.57	104,960	1,634.2	15.72	10.98	14.95	4.15	37.79	3.94	0.55	0.63	13.90	8.62	86.01
PFS Provident Fin. Serv. Inc of NJ*	14.71	59,921	881.4	15.66	10.01	14.65	0.41	42.54	-2.70	0.74	0.73	15.37	9.47	113.19
<b>AMEX Traded Companies</b>														
TSH Teche Holding Cp of N Iberia LA*	35.97	2,078	74.7	37.32	26.01	35.94	0.08	13.11	3.27	3.42	3.46	36.34	34.56	366.47
<b>NASDAQ Listed OTC Companies</b>														
ABBC Abington Bancorp, Inc. of PA(8)*	12.49	20,167	251.9	12.95	7.09	12.42	0.56	75.92	4.69	0.38	0.38	10.51	10.51	61.84
ALLD Alliance Bancorp, Inc. of PA*	11.00	5,475	60.2	11.70	8.54	10.75	2.33	8.70	-1.43	0.10	0.10	14.91	14.91	85.66
ABCW Anchor Bancorp Wisconsin of WI*	1.61	21,683	34.9	1.90	0.40	1.42	13.38	54.81	34.17	-2.15	-3.40	0.15	0.00	175.43
ANCB Anchor Bancorp of Aberdeen, WA*	10.03	2,550	25.6	10.50	9.53	10.05	-0.20	0.30	0.30	-0.24	-0.24	25.92	25.92	213.51
APCB Athens Bancshares, Inc. of TN*	13.17	2,777	36.6	13.18	10.50	13.10	0.53	17.69	5.44	0.11	0.13	18.20	18.04	103.09
ACPCD Atlantic Coast Fin. Corp of GA*	10.05	2,630	26.4	21.68	5.51	2.01	400.00	36.73	12.54	-6.99	-9.12	24.51	24.47	344.71
BCSB BCBS Bancorp, Inc. of MD*	12.02	3,121	37.5	12.25	8.90	12.25	-1.88	35.06	6.37	0.39	0.22	16.32	16.29	198.83
BDMU Bank Mutual Corp of WI*	4.42	45,769	202.3	7.68	4.27	4.43	-0.23	-30.28	-7.53	0.11	-0.23	8.65	7.48	74.98
BFW BankFinancial Corp. of IL*	9.26	21,060	195.0	10.11	8.12	9.12	1.54	-1.49	-5.03	-0.02	-0.01	12.32	11.11	74.57
BFDK Bancorp Federal Bancorp of NY*	13.00	6,443	83.8	13.05	8.14	12.82	1.40	46.40	10.17	0.76	0.90	16.84	16.84	164.35
BNCL Beneficial Mut NHC of PA(4.7)*	8.78	81,355	316.8	11.05	7.15	9.83	-0.57	-3.99	-0.57	-0.23	-0.05	7.79	6.22	60.22
BKLB Berkshires Hills Bancorp of MA*	21.80	14,076	306.9	22.92	16.48	21.24	2.64	32.18	-1.40	0.98	1.00	27.56	15.27	204.65
BOFI BoFi Holding, Inc. of CA*	15.41	10,236	157.7	19.27	10.80	15.11	1.99	37.59	-0.64	2.07	1.45	12.95	12.95	162.25
BTPC Broadway Financial Corp. of CA*	2.21	1,744	3.9	7.00	1.68	2.36	-6.36	-63.11	-9.05	-2.74	-3.80	9.62	9.62	291.79
BRKL Brookline Bancorp, Inc. of MA*	11.22	59,072	662.8	11.63	8.43	10.83	3.60	17.24	3.41	0.47	0.47	8.39	7.62	46.05
BFSB Brooklyn Fed NHC of NY (28.2)*	0.85	12,889	3.1	9.48	0.73	0.90	-5.56	-89.48	-34.11	-1.08	-0.41	5.68	5.68	40.68
CITZ CFS Bancorp, Inc of Munster IN*	5.72	10,850	62.1	6.25	3.25	5.30	7.92	68.24	9.37	0.42	0.47	10.50	10.49	103.18
CMSB CMB Bancorp Inc of W Plains NY*	9.04	1,863	16.8	10.75	6.86	9.20	-1.74	32.94	-8.32	0.09	-0.20	11.68	11.68	132.79
CBNJ Cape Bancorp, Inc. of NJ*	10.00	13,314	133.1	10.25	6.11	10.08	-0.79	63.13	17.65	0.33	0.49	10.02	8.29	79.18
CFPW Capitol Federal Fin Inc. of KS*	12.14	167,497	2,033.4	17.00	10.16	12.19	-0.41	-35.81	1.93	0.44	0.41	11.91	11.91	57.47
CAWV Carver Bancorp, Inc. of NY*	2.04	2,484	5.1	9.05	3.46	2.15	-5.12	-73.12	6.81	-10.97	-11.37	6.47	6.40	303.86
CEBK Central Banc of Somerville MA*	14.87	1,669	24.8	15.30	8.27	14.77	0.68	79.61	7.91	1.34	1.12	21.93	20.59	325.46
CFBK Central Federal Corp. of OH*	1.87	4,122	7.7	2.26	0.45	1.95	-4.10	38.52	266.67	-1.96	-2.21	2.30	2.27	69.61
CFBN Charter Fin Corp NHC GA (49.0)*	9.90	18,672	184.0	11.00	7.50	9.25	7.03	0.00	11.24	0.21	-0.31	7.27	6.99	63.65
CHEV Cheviot Fin Cp NHC of OH(18.5)*	8.65	8,865	29.5	9.55	7.30	8.94	-3.24	18.49	-2.81	0.24	0.20	7.96	7.96	39.55
CBNK Chicopee Bancorp, Inc. of MA*	13.93	6,012	83.7	14.50	10.79	14.45	-3.60	12.34	10.12	0.08	0.06	15.28	15.28	95.43
CZWI Citizens Coma Bancorp Inc of WI*	5.49	5,113	28.1	5.49	3.48	4.99	10.02	37.25	38.99	-1.39	-1.09	9.75	9.60	116.25
CSBC Citizens South Bnkg Corp of NC*	4.66	11,509	53.6	6.90	3.90	4.40	5.91	4.02	7.37	0.66	1.86	6.34	6.19	92.49
CSBK Clifton Bvg Bp NHC of NJ(35.8)(8)*	11.87	26,137	114.0	11.85	8.08	11.43	3.85	41.65	9.81	0.32	0.33	6.77	6.77	43.47
COBK Colonial Financial Serv. of NJ*	12.75	4,173	53.2	12.75	5.86	12.41	2.74	83.98	4.51	0.90	0.97	16.80	16.80	162.07
CFPC Community Fin. Corp. of VA*	3.53	4,362	15.4	5.29	2.72	3.29	7.29	-14.73	1.44	0.51	0.33	8.46	8.46	123.59
DNBK Danvers Bancorp, Inc. of MA(8)*	21.82	20,724	452.2	21.94	13.14	21.56	1.21	65.95	23.49	0.88	0.81	13.77	12.17	137.68
DCOM Dime Community Bancshares of NY*	15.54	34,593	537.6	15.89	11.18	15.08	3.05	33.97	6.51	1.20	1.22	9.50	7.89	116.80
ESBF ESB Financial Corp. of PA*	13.85	12,039	166.7	17.19	10.80	13.76	0.45	28.84	-14.72	1.08	1.14	14.53	11.00	161.10
ESSA ESSA Bancorp, Inc. of PA*	12.43	13,130	163.2	13.52	10.62	12.63	-1.58	4.88	-5.98	0.36	0.29	12.65	12.65	82.33
ENMT Eagle Bancorp Montana of MT*	11.10	4,083	45.3	11.81	8.76	11.25	-1.33	25.71	2.49	0.62	0.28	12.92	12.92	81.54
ESBK Elmira Svgs Bank, FSB of NY*	17.75	1,964	34.9	18.50	14.61	17.34	2.36	14.15	-2.74	2.47	1.22	19.59	12.99	255.94
FFDP FFD Financial Corp of Dover OH*	14.95	1,012	15.1	15.00	12.01	15.00	-0.33	19.60	4.99	1.19	0.82	18.32	18.32	203.34
FFCO FedFirst Financial Corp of PA*	14.00	2,993	41.9	14.68	7.37	14.00	0.00	91.00	1.74	0.36	0.37	19.90	19.44	115.19
FSBI Fidelity Bancorp, Inc. of PA*	9.00	3,062	27.6	10.50	4.70	7.20	25.00	73.41	58.73	0.22	0.52	13.97	13.10	227.52
FABK First Advantage Bancorp of TN*	13.24	4,109	54.4	13.60	10.12	13.60	-2.65	28.54	9.15	0.19	0.17	16.34	16.34	83.93
FBSI First Bancshares, Inc. of MO*	6.95	1,551	18.8	10.95	5.76	6.70	3.73	-20.57	3.58	-1.13	-1.14	14.53	14.45	138.49
FCLP First Capital, Inc. of TN*	15.55	2,787	43.3	16.90	13.94	15.54	0.06	33.88	-4.55	1.17	1.04	17.43	15.43	162.34
FCLV First Clover Leaf Fin Cp of IL*	7.50	7,811	59.3	7.57	5.19	7.50	0.00	10.62	10.62	0.25	0.17	9.89	8.30	73.14
FCLL First Community Bk Corp of FL*	1.11	5,457	6.1	4.99	1.00	1.22	-9.02	-65.09	9.02	-3.81	-4.07	2.18	2.18	92.65
FDFP First Deference Fin. Corp of OH*	12.95	8,118	105.1	14.85	8.53	13.17	-1.67	31.87	8.82	0.75	0.19	25.11	17.27	250.86
FFNM First Fed of N. Michigan of MI*	3.89	2,884	11.2	4.01	1.25	3.94	-1.27	157.62	38.93	-0.87	-0.93	8.27	8.03	78.25
FFBN First Fed. Bancshares of AR(8)*	2.17	4,847	10.5	4.00	0.94	2.29	-5.24	-35.61	44.67	-4.88	-5.30	4.79	4.79	130.46
FFNW First Fin NW, Inc of Renton WA*	5.11	18,805	96.1	7.64	3.21	4.69	8.96	-12.65	27.75	-2.88	-2.91	9.28	9.28	63.48

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Exhibit IV-1 (continued)  
Weekly Thrift Market Line - Part One  
Prices As Of February 4, 2011

Financial Institution	Market Capitalization			Price Change Data						Current Per Share Financials					
	Price/ Share(1)	Outst- anding (2)	Capital- ization(3)	52 Week (1)		Last Week (5)	% Change From			Trailing 12 Mo. EPS(3)	12 Mo. Core EPS(3)	Book Value/ Share (5)	Tangible Book Value/ Share(4)		Assets/ Share (5)
				High	Low		Last Week	Last Week	52 Wks Ago(2)				Mostrct YrEnd(2)	(5)	
(5)	(000)	(\$M11)	(5)	(5)	(5)	(%)	(%)	(%)	(5)	(5)	(5)	(5)	(5)		
<b>NASDAQ Listed OTC Companies (continued)</b>															
FFCH First Fin. Holdings Inc. of SC	10.22	16,527	168.9	15.70	8.98	10.36	-1.35	-5.28	-11.21	-2.11	-2.03	15.15	12.86	199.75	
FFHS First Franklin Corp. of OH(8)	14.35	1,686	24.2	16.49	5.20	14.44	-0.62	143.22	-2.65	-1.23	-2.32	12.56	12.56	163.02	
FFTB First Trust Bancorp of CA	13.75	4,244	58.4	14.20	5.98	13.94	-1.36	102.21	3.62	0.20	0.02	18.79	18.79	203.28	
FFPC First Place Fin. Corp. of OH	2.74	16,974	46.5	5.71	2.00	2.84	-3.52	-15.69	4.98	-2.10	-2.91	10.76	10.24	185.73	
FFSG First Savings Fin. Grp. of IN	18.28	2,369	43.3	18.28	10.35	17.25	5.97	75.77	23.51	1.11	1.58	23.28	19.74	214.62	
FFIC Flushing Fin. Corp. of NY	14.41	31,256	450.4	15.00	10.51	14.25	1.12	19.78	2.93	1.16	1.23	12.59	12.02	135.87	
FXCB Fox Chase Bancorp, Inc. of PA	12.76	14,547	185.6	12.95	8.00	12.29	3.82	44.51	7.68	0.19	0.10	14.14	14.14	75.31	
GSIA GS Financial Corp. of LA	10.80	1,258	13.6	14.18	8.50	10.00	8.00	-22.80	21.21	0.32	-0.27	22.01	22.01	209.71	
GCBC Green Co Bcrp MHC of NY (44.1)	17.31	4,135	31.4	19.97	14.46	17.43	-0.69	14.64	-11.09	1.25	1.21	11.10	11.10	128.50	
FFFC NY Financial Corp. of SD	10.98	6,979	76.6	11.73	9.25	11.00	-0.18	8.71	1.67	0.77	0.49	13.38	12.75	180.61	
NDNF NDN Financial, Inc. of MO	2.59	4,310	11.2	6.78	2.20	2.66	-2.63	-49.22	-7.83	0.51	0.46	7.94	7.72	79.32	
NDNK Hampden Bancorp, Inc. of MA	12.50	6,945	86.8	12.52	9.01	12.14	2.97	21.95	10.33	0.05	0.02	13.49	13.49	82.60	
NDNL Harleysville Svcs Fin Cp of PA	15.53	1,705	57.5	16.20	13.06	14.95	3.88	12.70	4.86	1.35	1.35	14.40	14.40	231.35	
NDOS Heritage Fin Group, Inc. of CA	11.69	9,711	101.8	15.98	9.18	11.60	0.78	26.24	-5.88	-0.16	0.19	13.74	13.44	82.56	
NHFS Hingham Inst. for Sav. of MA	49.89	2,124	106.0	51.34	31.50	50.00	-0.22	51.18	12.11	4.82	4.82	34.24	34.24	479.21	
NBCP Home Bancorp Inc. Lafayette LA	14.23	8,131	115.7	14.49	12.07	13.80	3.12	17.60	2.97	0.58	0.64	16.18	15.96	86.14	
NDME Home Federal Bancorp Inc of ID	10.71	16,710	179.0	16.12	10.46	10.72	-0.09	-15.34	-12.71	-0.31	-0.20	12.06	11.83	82.62	
NFBL Home Federal Bancorp Inc of LA	12.75	3,044	38.8	12.75	8.45	12.45	2.41	36.66	10.87	0.75	0.17	16.61	16.61	69.25	
NHBC HopFed Bancorp, Inc. of NY	9.48	7,335	69.5	14.74	0.74	9.40	0.85	-7.87	4.87	1.08	0.65	13.80	13.67	152.77	
NCHK Hudson City Bancorp, Inc. of NJ	11.14	526,718	5,867.6	14.75	10.80	10.98	1.46	-11.59	-12.56	1.02	0.83	10.44	10.16	116.13	
ISBC Investors Bcrp MHC of NJ(43.0)	13.33	112,851	667.2	14.50	10.58	13.32	0.08	15.31	1.60	0.51	0.46	7.94	7.72	79.32	
JTSS Jacksonville Bancorp Inc of FL	12.90	1,927	24.9	15.97	9.35	11.24	10.92	8.77	19.37	0.91	0.57	19.09	17.67	157.67	
JTBI Jefferson Bancshares Inc of TN	4.24	6,636	28.1	15.02	7.75	14.24	0.00	-15.20	10.86	-3.65	-3.78	8.55	8.20	97.02	
RFFS NY Fed Fed Bp MHC of NY (39.3)	9.39	7,746	29.3	12.46	7.80	9.30	0.97	-5.15	1.51	0.14	0.13	7.45	5.55	30.50	
RFFC Kaiser Federal Fin Group of CA	12.45	9,559	119.0	14.44	9.58	11.94	4.27	15.17	7.51	0.36	0.36	15.45	15.03	96.21	
RKNY Kearny Fin Cp MHC of NJ (25.1)	5.04	67,975	162.0	10.85	8.24	9.32	-3.00	-4.84	5.12	0.08	0.11	7.01	5.42	42.39	
LSBI LBS Fin. Corp. of Lafayette LA	16.24	1,554	25.2	16.25	8.90	15.20	6.84	53.50	19.59	0.86	0.53	22.57	22.57	247.58	
LFSD LaPorte Bancorp MHC of IN(45.0)	5.60	4,586	19.8	9.93	4.46	9.45	1.59	110.99	6.19	0.65	0.46	11.15	9.15	97.90	
LSBK Lake Shore Bnp MHC of NY(39.4)	9.90	5,997	24.2	9.90	7.52	9.35	5.88	29.58	7.26	0.49	0.38	9.65	9.65	79.39	
LEOC Legacy Bancorp, Inc. of MA(8)	13.10	8,632	113.1	13.75	7.36	13.00	0.77	40.11	-0.30	-0.84	-0.66	13.61	11.84	112.61	
LAOC Louisiana Bancorp, Inc. of LA	14.75	3,640	53.7	15.50	13.92	14.70	0.34	1.72	1.03	0.68	0.56	16.92	16.92	88.57	
NBSP MSB Fin Corp MHC of NJ (40.3)	6.00	5,180	12.8	8.34	5.68	6.00	0.80	-19.52	1.69	0.16	0.16	7.77	7.77	68.71	
MCTB Magyar Bancorp MHC of NJ(44.7)	4.29	5,783	11.1	5.36	3.01	4.15	3.37	22.57	7.25	0.68	0.59	7.64	7.64	93.02	
MLVP Malvern Fed Bncp MHC PA(44.6)	8.19	6,203	22.3	9.85	5.05	8.00	2.37	-13.33	9.20	-0.51	-0.51	10.85	10.85	118.06	
MFBL Mayflower Bancorp, Inc. of MA	8.95	2,084	18.7	10.35	6.25	8.95	0.00	40.94	-0.56	0.65	0.41	10.16	10.16	119.32	
RESD Meridian Fa Serv MHC MA (41.4)	12.64	22,481	119.5	12.80	9.24	12.20	3.61	35.77	7.21	0.59	0.55	9.59	8.98	81.66	
CASH Meta Financial Group of IA	15.00	3,111	46.7	37.88	11.90	15.07	-0.46	-13.79	8.85	3.98	3.53	23.16	22.30	331.01	
MPSF MutualFirst Fin. Inc. of IN	9.84	6,985	68.7	10.35	5.75	10.10	-2.57	52.56	5.81	0.51	0.38	14.58	13.89	206.22	
NASB MASS Fin. Inc. of Grandview MO	15.41	7,868	121.2	24.91	12.49	15.01	2.66	-24.42	-8.05	0.80	-2.61	21.32	21.00	192.28	
NCEB NE Comm Bncrp MHC of NY (44.6)	6.10	13,140	36.3	7.50	4.40	6.24	-2.24	7.02	8.93	-0.07	-0.07	8.20	8.06	38.05	
NFTB NE Thrift Bancshares of NH	13.25	5,774	76.5	13.54	9.30	13.40	-1.12	28.64	5.98	1.31	0.86	14.28	9.28	172.33	
NVSL Naug Villy Fin MHC of CT (40.4)	8.99	7,019	25.5	9.07	4.78	8.80	2.16	53.94	33.19	0.27	0.27	7.42	7.41	82.79	
NFSB Newport Bancorp, Inc. of RI	13.60	1,489	47.5	13.60	10.97	12.75	6.67	14.38	13.33	0.52	0.54	14.25	14.25	128.89	
FFPD North Central Bancshares of IA	16.20	1,351	21.9	19.66	12.13	14.05	0.93	10.43	-2.94	1.61	1.03	29.48	29.48	337.29	
NFBK Northfield Bcp MHC of NY(43.4)	12.00	1,351	21.9	15.30	10.51	12.97	0.46	5.76	-2.18	0.32	0.30	9.11	8.74	51.61	
NWBI Northwest Bancshares Inc of PA	13.03	43,541	248.4	12.79	10.24	11.72	2.39	6.10	1.87	0.52	0.52	11.85	10.26	73.88	
OBAP OBA Financial Serv. Inc. of MD	13.99	4,629	64.8	14.30	9.95	14.10	-0.78	40.18	1.23	-0.11	0.12	17.38	17.38	79.02	
OSHC Ocean Shore Holding Co. of NJ	12.04	7,297	87.9	12.30	9.32	12.10	-0.50	25.42	5.15	0.73	0.73	13.61	13.61	114.86	
OCFC OceanFirst Fin. Corp. of NJ	13.83	18,823	260.3	14.13	9.78	13.85	-0.14	40.55	7.46	1.08	1.00	10.69	10.69	119.61	
OFED Oconee Fed Pa Cp MHC SC (35.0)	12.09	6,348	26.9	12.30	11.00	11.80	2.46	20.90	20.90	0.39	0.39	12.09	12.09	57.04	
OABC OmniAmerican Bancorp Inc of TX	14.76	11,903	175.7	14.99	10.12	14.95	-1.27	34.79	8.93	0.12	0.03	16.91	16.91	94.62	
ONFC Oneida Financial Corp. of NY	8.55	7,165	61.3	10.95	7.06	8.12	5.30	-15.35	8.92	0.50	0.56	12.06	8.62	90.43	
ORIT Oriskany Financial Corp of NJ	12.38	56,202	695.8	12.68	8.60	11.99	3.25	42.79	1.34	0.27	0.28	11.42	11.42	45.71	
FSBB FSB Hldgs Inc MHC of CT (42.9)	5.55	6,529	15.5	5.89	2.60	4.77	16.35	73.44	33.73	0.15	0.26	7.01	5.88	73.66	
FVFC FVP Capital Corp. of Solon OH	1.90	25,670	48.8	2.99	1.61	1.95	-2.56	-24.90	4.40	-0.13	-0.30	3.20	3.20	32.60	
FFBK Park Bancorp of Chicago IL	3.95	1,193	4.7	6.97	3.25	3.90	1.28	-43.17	9.72	-4.23	-4.21	17.71	17.71	180.56	
FVBA Parkville Financial Corp of PA	11.34	5,575	63.2	12.39	5.75	11.03	2.81	48.24	23.53	-2.71	1.11	15.73	10.66	326.58	
FBSC Pathfinder BC MHC of NY (36.3)	8.18	2,485	7.4	8.50	5.35	8.40	-2.62	48.73	-3.76	0.91	0.67	10.20	8.65	163.29	
PEOP Peoples Fed Bancshrs Inc of MA	14.00	7,142	100.0	14.51	10.10	14.37	-2.57	40.00	7.61	-0.19	0.44	16.01	16.01	76.44	
PBCT Peoples United Financial of CT	13.19	359,130	4,736.9	16.79	12.20	12.91	2.17	-13.17	-5.85	0.24	0.28	14.53	9.07	69.72	
PROV Provident Fin. Holdings of CA	7.86	11,407	89.7	7.95	2.75	7.75	1.42	162.88	8.56	1.08	-0.35	11.99	11.99	119.06	
PBNY Provident NY Bancorp, Inc. of NY	9.29	38,199	354.9	11.09	7.86	9.33	-0.43	34.69	-11.44	0.55	0.36	10.99	6.69	76.98	
PBIP Prudential Bncp MHC PA (25.5)	6.55	10,031	19.9	10.25	5.50	6.58	-0.46	-21.46	8.26	0.31	0.35	5.68	5.68	52.74	
PULB Pulaeki Fin Cp of St. Louis MO	7.54	10,948	82.5	8.00	5.50	7.44	1.34	16.00	0.00	0.28	0.08	7.99	7.62	133.99	
RIVR River Valley Bancorp of IN	15.55	1,514	23.5	16.50	12.42	15.55	0.00	19.62	-2.81	1.65	1.08	18.13	18.08	252.52	

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Exhibit IV-1 (continued)  
Weekly Thrift Market Line - Part One  
Prices As Of February 4, 2011

Financial Institution	Market Capitalization			Price Change Data						Current Per Share Financials						
	Price/ Share(1)	Shares Outst- anding (\$)	Market Capital- ization(3) (\$Mil)	52 Week (1)		Last Week (\$)	% Change From			Trailing 12 Mo. EPS(3)	12 Mo. Core EPS(3)	Book Value/ Share (\$)	Tangible Book		Assets/ Share (\$)	
				High (\$)	Low (\$)		Last Week (\$)	Last 52 Wks Ago(2) (\$)	Most Recent YrEnd(2) (\$)				Value/ Share(4) (\$)	Share(4) (\$)		
<b>NASDAQ Listed OTC Companies (continued)</b>																
RVSB Riverview Bancorp, Inc. of WA*	3.13	22,472	70.3	4.23	1.71	3.00	4.33	25.20	15.07	-0.06	-0.07	4.72	3.57	37.31		
RCKB Rockville Fin MHC of CT (43.3)(8)	15.24	18,053	124.4	15.25	9.31	14.82	2.83	61.96	24.71	0.66	0.61	8.76	8.70	86.98		
ROMA Roma Fin Corp MHC of NJ (26.2)	10.44	30,616	86.9	12.96	9.29	10.18	2.55	-7.77	-1.51	0.13	0.19	7.04	6.98	59.59		
ROME Rome Bancorp, Inc. of Rome NY(8)*	11.81	6,778	80.0	12.96	8.12	11.78	0.25	42.98	-1.75	0.52	0.47	9.12	9.12	48.92		
SIFID SI Financial Group, Inc. of CT*	9.25	10,577	97.8	10.02	5.48	9.10	1.65	66.07	-5.90	0.25	0.22	12.07	11.67	88.50		
SPBC SP Bancorp, Inc. of Plano, TX*	9.63	1,725	16.6	10.00	8.71	9.81	-1.63	-3.50	2.88	0.09	-0.08	17.90	17.90	136.36		
SVBI Severn Bancorp, Inc. of MD*	4.96	10,067	49.9	6.57	2.80	5.00	-0.80	25.57	43.77	-0.21	-0.41	7.87	7.83	96.94		
STND Standard Financial Corp. of PA*	14.22	3,478	49.5	14.26	10.90	14.21	0.07	42.20	2.67	0.74	0.83	20.91	18.33	121.92		
SUPR Superior Bancorp of AL(8)*	0.69	12,560	8.7	4.50	0.34	0.68	1.47	-78.23	21.05	-16.47	-17.42	0.24	-0.86	252.11		
THEB TF Fin. Corp. of Newtown PA*	22.58	2,964	67.0	24.00	18.74	22.65	-0.26	18.52	1.35	1.13	0.93	24.87	23.33	233.39		
TPSL TFS Fin Corp MHC of OR (26.4)	9.88	308,395	802.2	14.46	7.76	9.75	1.33	-21.84	9.53	0.04	-0.02	5.68	5.65	35.92		
TBRK Territorial Bancorp, Inc. of HI*	19.48	12,177	237.2	21.23	16.46	19.29	0.98	9.93	-2.16	0.91	0.99	18.67	18.67	118.54		
TBRK Timberland Bancorp, Inc. of MA*	4.76	7,045	33.5	5.33	2.90	4.62	3.03	17.24	31.86	-0.31	-0.30	10.04	9.17	102.55		
TBST TrustCo Bank Corp NY of NY*	5.98	77,130	461.2	7.18	5.19	5.99	-0.17	6.22	-5.68	0.38	0.35	3.31	3.30	51.27		
UCBA United Comm Banc MHC IN (40.7)	7.99	7,846	25.5	8.00	6.04	7.74	3.23	23.88	10.21	0.14	0.11	7.10	6.61	63.62		
UCFC United Community Fin. of OH*	1.54	30,925	47.6	2.30	1.12	1.54	0.00	-3.75	14.93	-1.17	-1.40	6.51	6.49	74.95		
UNBK United Financial Bancorp of MA*	15.36	16,109	247.4	15.99	12.68	15.33	0.20	18.24	0.59	0.62	0.66	13.82	13.29	98.38		
VPPG ViewPoint Financial Group of TX*	12.75	34,839	444.2	13.05	8.82	12.68	0.55	26.99	9.07	0.39	0.14	11.31	11.28	85.72		
WBB WBB Holdings, Inc. of Bowie MD*	3.27	7,329	25.9	4.65	1.85	2.95	10.85	19.34	42.17	-0.51	-0.41	6.50	6.50	48.65		
WFSB WFSB Financial Corp. of DE*	45.15	8,525	384.9	50.99	26.41	44.90	0.56	62.64	-4.83	1.42	1.00	37.25	35.70	445.62		
WFC Financial Corp. of PA*	9.00	2,057	18.5	14.55	8.31	8.94	0.67	-36.84	-0.99	0.33	0.19	13.39	13.39	154.57		
WFSL Washington Federal, Inc. of WA*	17.55	112,283	1,970.6	21.65	13.97	17.29	1.50	-5.80	3.72	1.06	1.43	16.40	14.12	120.11		
WSTP Waterstone Fin MHC of WI(26.2)	2.62	31,250	21.5	4.52	1.90	2.70	-2.96	32.99	-19.38	-0.18	-0.65	5.56	5.56	60.68		
WAYN Wayne Savings Bancshares of OR*	9.50	3,004	28.5	9.93	5.93	9.47	0.32	58.33	5.79	0.74	0.70	12.65	11.97	136.32		
WFD Westfield Fin. Inc. of MA*	8.62	28,184	242.9	10.37	7.23	8.48	1.65	6.42	-6.81	0.11	0.01	7.85	7.85	43.98		
WBKC Wolverine Bancorp, Inc. of MI*	13.00	2,508	32.6	13.10	11.00	12.35	5.26	30.00	30.00	-1.74	-1.08	24.93	24.93	130.93		

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Exhibit IV-1  
Weekly Thrift Market Line - Part Two  
Prices As Of February 4, 2011

Financial Institution	Key Financial Ratios							Asset Quality Ratios			Pricing Ratios					Dividend Data(6)			
	Tang. Equity/Assets		Reported Earnings			Core Earnings		NPA/Assets	Revs/Assets	Revs/Loans	Price/Earning	Price/Book	Price/Assets	Price/Book	Price/Core Earnings	Ind. Div./Share	Dividend Yield	Payout Ratio(7)	
	(%)	(%)	ROA(5)	ROE(5)	ROI(5)	ROA(5)	ROE(5)	(%)	(%)	(%)	(x)	(%)	(%)	(%)	(%)	(%)	(%)		
<b>Market Averages: All Public Companies (no NHCs)</b>																			
All Public Companies(121)	11.40	11.47	0.02	0.91	2.83	-0.07	0.47	4.54	41.61	1.83	18.22	81.38	9.49	89.64	18.19	0.22	1.62	29.45	
NYSE Traded Companies(7)	8.68	8.66	-0.16	1.55	-0.82	-0.41	9.21	13.65	30.10	2.24	17.20	132.19	12.00	173.61	17.05	0.33	1.99	42.93	
AMEX Traded Companies(1)	9.92	9.48	0.93	9.47	9.51	0.94	9.79	0.00	0.00	1.68	10.52	98.98	9.82	104.08	10.40	1.42	3.95	41.52	
NASDAQ Listed OTC Companies(113)	11.56	11.76	0.02	0.78	2.95	-0.06	0.03	4.33	41.88	1.81	18.42	78.31	9.35	84.71	18.43	0.20	1.58	28.60	
California Companies(5)	5.33	26.12	0.38	3.63	7.88	-0.03	-1.22	7.96	36.77	2.44	16.44	72.26	7.31	72.71	22.61	0.13	1.00	19.75	
Florida Companies(3)	4.97	4.70	-1.81	14.51	6.84	-0.34	2.97	12.36	27.60	3.57	14.62	124.61	8.80	139.64	14.77	0.00	0.00	0.00	
Mid-Atlantic Companies(37)	11.45	10.44	0.33	2.76	3.29	-0.48	-3.57	4.35	40.49	2.39	19.93	97.31	13.47	111.10	20.76	0.28	2.07	34.97	
Mid-West Companies(33)	9.55	9.12	-0.24	-2.31	1.21	-0.73	-5.82	3.77	32.33	1.43	16.03	64.91	6.31	68.48	17.90	0.18	1.58	29.17	
New England Companies(17)	13.81	12.54	0.44	4.13	4.13	0.45	3.99	1.78	43.10	1.07	16.56	62.90	8.08	71.53	12.27	0.31	1.98	34.87	
North-West Companies(5)	12.57	11.53	-0.78	-6.28	-1.20	-0.73	-5.82	3.16	69.63	1.72	17.35	70.13	9.97	72.04	14.43	0.05	0.27	22.64	
South-East Companies(15)	13.33	13.12	-0.14	-0.75	3.26	-0.16	0.22	9.89	18.91	2.40	16.56	62.90	8.08	71.53	12.27	0.24	1.47	33.26	
South-West Companies(3)	14.73	14.72	0.24	3.23	1.60	0.05	1.11	2.07	46.26	1.10	32.69	84.64	12.52	84.74	NM	0.07	0.52	19.09	
Western Companies (Excl CA)(3)	15.40	15.32	0.36	2.55	2.45	0.30	2.06	1.16	36.18	1.18	19.65	93.02	14.34	93.59	29.66	0.26	2.00	37.97	
Thrift Strategy(115)	11.56	11.71	0.05	0.84	2.82	-0.02	0.59	4.15	41.44	1.72	18.18	81.00	9.61	88.77	18.19	0.22	1.66	29.78	
Mortgage Banker Strategy(1)	3.86	3.72	-1.12	9.55	13.74	-1.74	-3.09	10.56	36.27	4.63	7.28	88.17	3.03	105.21	NM	0.01	0.17	3.70	
Real Estate Strategy(1)	9.82	9.82	-0.38	-4.64	-6.84	-0.89	-10.71	0.00	0.00	5.21	NM	59.38	5.03	59.38	NM	0.00	0.00	0.00	
Diversified Strategy(2)	14.60	13.08	0.35	2.71	2.48	0.34	2.28	2.36	64.63	1.64	31.80	105.99	14.53	135.95	NM	0.55	2.88	33.80	
Companies Issuing Dividends(74)	12.01	12.34	0.50	4.82	4.87	0.45	4.46	2.74	42.92	1.49	19.13	67.16	7.38	70.45	19.55	0.36	2.66	40.49	
Companies Without Dividends(47)	10.43	10.10	-0.72	-6.59	-1.71	-0.88	-7.39	5.91	40.62	2.34	26.93	66.85	2.50	75.26	10.22	0.00	0.00	0.00	
Equity/Assets <6%(12)	3.50	3.25	-1.88	-21.47	-16.02	-2.17	-20.99	9.83	35.19	3.49	14.52	80.32	7.10	85.88	15.18	0.21	1.67	33.75	
Equity/Assets 6-12%(60)	8.88	8.46	0.19	2.97	4.72	0.05	1.70	4.25	32.96	1.82	14.52	80.32	7.10	85.88	15.18	0.05	0.57	0.00	
Equity/Assets >12%(49)	16.40	17.16	0.23	1.86	1.84	0.24	1.91	2.71	54.44	1.45	24.19	85.64	14.13	97.38	24.02	0.26	1.77	26.99	
Converted Last 3 Mths (no NHC)(9)	16.31	25.54	-0.11	2.70	-0.14	-0.18	2.85	2.75	45.97	1.86	29.04	69.62	11.94	70.38	32.10	0.16	1.34	50.93	
Actively Traded Companies(4)	8.83	8.05	0.33	3.97	1.02	0.40	4.44	3.22	21.46	1.72	12.67	97.00	8.71	105.42	11.97	0.40	1.65	19.16	
Market Value Below \$20 Million(17)	7.57	7.55	-1.02	-10.77	-0.29	-1.19	-12.85	6.50	33.18	2.56	16.75	52.19	4.09	52.39	16.92	0.10	0.85	18.81	
Holding Company Structure(116)	11.45	11.54	0.00	0.59	2.72	-0.09	0.22	4.54	41.61	1.87	18.44	80.47	9.48	88.69	18.55	0.21	1.63	29.61	
Assets Over \$1 Billion(55)	11.25	10.24	0.24	3.21	4.00	-0.33	-2.08	5.12	36.19	1.80	17.85	96.40	10.93	109.97	16.43	0.27	2.05	34.70	
Assets \$500 Million-\$1 Billion(36)	13.45	13.19	0.28	0.51	2.52	0.03	-0.42	4.82	44.44	1.96	18.66	68.82	7.63	75.01	17.50	0.18	1.23	23.46	
Assets \$250-\$500 Million(22)	11.79	11.75	-0.23	-2.95	-2.23	-0.44	-4.66	3.15	53.24	1.80	19.65	72.96	9.81	74.72	23.46	0.18	1.42	23.84	
Assets less than \$250 Million(8)	10.78	10.90	0.08	1.12	3.04	0.03	0.77	3.38	29.02	1.53	14.44	61.87	7.42	62.08	20.03	0.15	1.14	25.21	
Goodwill Companies(72)	12.33	12.33	-0.06	0.55	2.51	-0.22	-0.02	5.04	37.44	1.93	17.11	77.81	9.97	77.81	19.99	0.26	1.96	33.90	
Non-Goodwill Companies(49)	13.65	11.98	0.90	6.63	6.04	1.21	8.95	0.00	0.00	1.81	16.56	107.01	14.61	124.29	12.27	0.24	1.37	22.64	
Acquirers of FSLIC Cases(1)																			

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

\* Parentheses following market averages indicate the number of institutions included in the respective averages. All figures have been adjusted for stock splits, stock dividends, and secondary offerings.

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

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Exhibit IV-1 (continued)  
 Weekly Thrift Market Line - Part Two  
 Prices As Of February 4, 2011

Financial Institution	Key Financial Ratios						Asset Quality Ratios			Pricing Ratios					Dividend Data(6)			
	Tanq. Equity/ Assets	Equity/ Assets	Reported Earnings			Core Earnings		MPAs Assets	Revs/ MPAs	Revs/ Loans	Price/ Earning	Price/ Book	Price/ Assets	Price/ Book	Price/ Core Earnings	Ind. Div./ Share	Divi- dend Yield	Payout Ratio(7)
			ROA(5)	ROB(5)	ROI(5)	ROA(5)	ROE(5)											
<b>Market Averages, MHC Institutions</b>																		
All Public Companies(27)	13.04	12.32	0.26	2.39	2.09	0.23	1.00	5.45	33.96	1.52	23.67	107.03	14.19	114.83	22.00	0.16	1.67	22.91
NASDAQ Listed OTC Companies(27)	13.04	12.32	0.26	2.39	2.09	0.23	1.00	5.45	33.96	1.52	23.67	107.03	14.19	114.83	22.00	0.16	1.67	22.91
Mid-Atlantic Companies(15)	12.21	11.66	0.17	2.25	3.63	0.26	2.74	6.54	33.72	1.66	19.16	103.80	12.66	110.51	20.72	0.17	1.69	36.19
Mid-West Companies(6)	15.35	14.07	0.31	1.72	1.05	0.08	-0.25	4.92	39.91	1.72	25.41	109.07	17.81	120.94	20.87	0.21	2.48	0.00
New England Companies(4)	10.07	9.38	0.45	4.10	3.46	0.48	4.49	0.00	0.00	1.06	30.57	110.71	12.29	118.77	25.87	0.04	0.44	14.81
South-East Companies(2)	16.31	16.11	0.51	3.16	2.67	0.09	-4.66	1.58	17.28	1.03	31.00	118.09	18.37	120.82	31.00	0.10	1.01	0.00
Thrift Strategy(27)	13.04	12.32	0.26	2.39	2.09	0.23	1.00	5.45	33.96	1.52	23.67	107.03	14.19	114.83	22.00	0.16	1.67	22.91
Companies Issuing Dividends(17)	13.46	12.71	0.37	3.12	2.60	0.30	2.41	3.42	36.71	1.40	24.43	113.73	15.39	121.60	29.68	0.27	2.79	49.63
Companies Without Dividends(10)	12.39	11.74	0.09	1.16	1.34	0.13	0.98	7.08	31.74	1.64	22.77	96.99	12.39	104.68	22.07	0.00	0.00	0.00
Equity/Assets < 12%(16)	9.97	9.55	0.40	4.02	3.64	0.27	2.68	3.51	47.31	1.33	22.04	106.04	10.77	111.39	23.75	0.16	1.60	19.79
Equity/Assets > 12%(11)	17.64	16.48	0.05	-0.33	1.63	0.17	0.53	7.00	23.28	1.90	29.08	108.53	19.31	120.30	28.53	0.16	1.79	29.91
Market Value Below \$20 Million(1)	13.96	13.96	-2.64	-17.20	0.00	-1.00	-6.53	19.04	21.80	5.15	NM	14.96	2.09	14.96	NM	0.00	0.00	0.00
Holding Company Structure(25)	13.13	12.39	0.25	2.25	2.81	0.21	1.60	5.97	32.30	1.53	23.88	106.69	14.26	114.81	23.26	0.16	1.62	19.44
Assets Over \$1 Billion(11)	13.01	12.16	0.30	2.19	0.93	0.11	0.22	5.51	27.19	1.46	23.78	132.21	17.59	142.63	25.98	0.10	0.98	15.63
Assets \$500 Million-\$1 Billion(6)	9.96	9.95	-0.07	1.44	4.92	0.20	3.06	10.15	34.50	1.96	18.65	89.84	8.40	89.86	18.40	0.19	1.65	41.24
Assets \$250-\$500 Million(9)	13.85	13.28	0.42	3.39	3.87	0.36	2.86	3.05	38.77	1.10	26.50	91.21	12.80	97.64	24.83	0.17	2.10	14.07
Assets less than \$250 Million(1)	24.43	19.40	0.46	1.87	1.49	0.42	1.74	0.00	0.00	0.00	NM	126.04	30.79	169.19	NM	0.40	4.24	0.00
Goodwill Companies(16)	13.41	12.23	0.36	3.03	2.73	0.27	2.24	3.48	40.36	1.34	23.60	121.49	16.44	134.49	23.28	0.14	1.56	15.02
Non-Goodwill Companies(11)	12.47	12.47	0.11	1.33	3.15	0.17	1.27	7.91	25.96	1.85	23.72	85.35	10.81	85.35	22.47	0.19	1.85	35.53
MHC Institutions(27)	13.04	12.32	0.26	2.39	2.09	0.23	1.00	5.45	33.96	1.52	23.67	107.03	14.19	114.83	22.00	0.16	1.67	22.91
MHC Converted Last 3 Months(1)	21.20	21.20	0.68	0.00	3.23	0.68	0.00	1.58	17.28	0.36	31.00	100.00	21.20	100.00	31.00	0.00	0.00	0.00

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

\* Parentheses following market averages indicate the number of institutions included in the respective averages. All figures have been adjusted for stock splits, stock dividends, and secondary offerings.

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

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Exhibit IV-1 (continued)  
 Weekly Thrift Market Line - Part Two  
 Prices As Of February 4, 2011

Financial Institution	Key Financial Ratios						Asset Quality Ratios			Pricing Ratios					Dividend Data(6)			
	Tang.		Reported Earnings			Core Earnings		MPAs	Revs/MPAs	Revs/Loans	Price/Earning	Price/Book	Price/Assets	Price/Book	Price/Earnings	Ind. Div./Share	Divi- dend Yield (%)	Payout Ratio(7)
	Equity/Assets (%)	Equity/Assets (%)	ROA(5) (%)	ROE(5) (%)	ROE(5) (%)	ROA(5) (%)	ROE(5) (%)											
<b>NYSE Traded Companies</b>																		
AF	6.87	5.90	0.38	5.98	5.07	0.37	5.82	NA	NA	1.41	19.71	116.47	8.00	136.85	20.25	0.52	3.52	69.33
BRX	1.41	1.08	-3.14	NM	NM	-3.21	NM	13.65	30.10	5.43	NM	110.78	1.56	144.87	NM	0.00	0.00	NM
BRU	11.15	10.65	1.62	14.51	6.84	1.60	14.36	NA	NA	1.40	14.42	212.12	23.65	223.13	14.77	0.00	0.00	0.00
FBC	5.88	5.88	-1.80	-28.22	-27.88	-3.42	NM	NA	NA	3.08	NM	112.24	6.60	112.24	NM	0.00	0.00	NM
NYE	13.17	7.59	1.36	10.53	6.85	1.53	11.78	NA	NA	0.58	14.60	145.84	19.21	269.25	13.84	1.00	5.44	NM
MAL	16.16	10.48	0.66	3.97	3.53	0.76	4.55	NA	NA	1.08	28.31	112.01	18.00	180.63	24.71	0.28	1.80	50.91
PFS	13.58	8.83	0.65	4.93	5.03	0.64	4.87	NA	NA	1.56	19.88	95.71	13.00	155.33	20.15	0.44	2.99	59.46
<b>AMEX Traded Companies</b>																		
TSH	9.92	9.48	0.93	9.67	9.51	0.94	9.79	NA	NA	1.68	10.52	98.98	9.82	104.08	10.40	1.42	3.95	41.52
<b>NASDAQ Listed OTC Companies</b>																		
ABND	17.00	17.00	0.61	3.40	3.04	0.61	3.60	3.34	10.26	0.61	32.87	118.84	20.20	118.84	32.87	0.24	1.92	63.16
ALLMD	17.41	17.41	0.12	1.38	0.91	0.12	1.38	NA	NA	1.75	NM	71.79	12.84	71.79	NM	0.12	1.99	NM
ANCW	0.09	0.00	-1.09	NM	NM	-1.73	NM	11.86	14.63	5.16	NM	NM	0.92	NM	NM	0.00	0.00	NM
ANCB	12.14	12.14	-0.11	NM	-2.39	-0.11	NM	NA	NA	2.86	NM	38.70	4.70	38.70	NM	0.00	0.00	NM
AFCS	17.65	17.53	0.11	0.76	0.84	0.13	0.89	NA	NA	1.95	NM	72.36	12.78	73.00	NM	0.20	1.52	NM
ACPCD	7.11	7.10	-2.03	NM	NM	-2.65	NM	5.72	21.46	1.72	NM	41.00	2.92	41.07	NM	0.00	0.00	NM
BCSB	8.21	8.19	0.20	2.02	3.24	0.11	1.14	NA	NA	1.82	10.82	73.65	6.05	73.79	NM	0.00	0.00	0.00
BKMU	11.54	10.14	0.14	1.25	2.49	-0.30	-2.61	NA	NA	3.40	NM	51.10	5.89	59.09	NM	0.12	2.71	NM
BFLW	16.52	15.15	-0.03	-0.16	-0.22	-0.01	-0.08	4.29	28.80	1.73	NM	75.16	12.42	83.35	NM	0.28	3.02	NM
BFDI	10.25	10.25	0.46	4.70	5.85	0.54	5.57	NA	NA	2.37	17.11	77.20	7.91	77.20	14.44	0.20	1.54	26.32
BKCL	12.94	10.61	-0.05	-0.38	-0.34	-0.09	-0.62	NA	NA	1.62	NM	112.71	14.58	141.16	NM	0.00	0.00	NM
BKHL	13.47	7.94	0.50	3.58	4.50	0.51	3.45	NA	NA	1.48	22.24	79.10	10.65	142.76	21.80	0.64	2.94	65.31
BOFI	7.98	7.98	1.44	17.34	13.43	1.01	12.14	NA	NA	0.67	7.44	119.00	9.50	119.00	10.63	0.00	0.00	0.00
BTEC	3.30	3.30	-0.91	-14.64	NM	-1.26	-20.31	12.08	30.07	4.09	NM	22.97	0.76	22.97	NM	0.00	0.00	NM
BKLL	18.22	16.82	1.04	5.62	4.19	1.04	5.62	NA	NA	1.32	23.87	133.73	24.36	147.24	23.87	0.34	3.03	72.34
BFSB	13.96	13.96	-2.64	-17.20	NM	-1.00	-6.53	19.04	21.80	5.15	NM	14.96	2.09	14.96	NM	0.00	0.00	NM
CITZ	10.18	10.17	0.42	4.09	7.34	0.47	4.57	NA	NA	2.34	13.62	54.48	5.54	54.53	12.17	0.04	0.70	9.52
CMSB	8.80	8.80	0.07	0.79	1.00	-0.16	-1.76	2.29	19.66	0.62	NM	77.40	6.81	77.40	NM	0.00	0.00	0.00
CBWJ	12.65	10.70	0.41	3.41	3.30	0.61	5.06	5.25	22.80	1.63	30.30	99.80	12.63	120.63	20.41	0.00	0.00	0.00
CFPW	20.72	20.72	0.77	3.38	3.62	0.71	3.15	0.78	22.37	0.29	27.59	101.93	21.12	101.93	29.61	0.30	2.47	68.18
CAWV	2.13	2.11	-3.42	-47.55	NM	-3.54	-49.28	10.93	21.12	2.81	NM	31.53	0.67	31.88	NM	0.00	0.00	NM
CBKX	6.95	6.55	0.41	3.00	9.01	0.35	4.18	3.22	21.46	0.84	11.10	67.81	4.71	72.22	13.28	0.20	1.34	14.93
CFBE	3.30	3.26	-2.88	-38.43	NM	-3.24	-43.33	4.83	72.51	4.69	NM	81.30	2.69	82.38	NM	0.00	0.00	NM
CHFW	11.42	11.03	0.34	3.16	2.12	-0.50	-4.66	NA	NA	1.69	NM	176.18	15.55	141.63	NM	0.20	2.02	NM
CHEV	20.13	20.13	0.61	3.07	2.77	0.51	2.55	NA	NA	NA	36.04	108.67	21.87	108.67	NM	0.44	5.09	NM
CBKX	16.01	16.01	0.09	0.51	0.57	0.06	0.38	NA	NA	1.01	NM	91.16	14.60	91.16	NM	0.00	0.00	0.00
CZWI	8.39	8.27	-1.23	-13.04	-25.32	-0.96	-10.23	1.47	47.59	0.91	NM	56.31	4.72	57.19	NM	0.00	0.00	NM
CSBC	6.85	6.70	0.74	8.37	14.16	2.08	23.57	NA	NA	1.61	7.06	73.50	5.04	75.28	2.51	0.04	0.86	6.06
CSBK	15.57	15.57	0.78	4.75	2.70	0.80	4.90	NA	NA	NA	37.09	175.33	27.31	175.33	35.97	0.24	2.02	NM
COBK	11.83	11.83	0.65	7.36	7.06	0.70	7.94	2.96	16.01	0.85	14.17	75.89	8.97	75.89	13.14	0.00	0.00	0.00
CFYC	6.85	6.85	0.41	4.55	14.45	0.26	2.94	4.60	33.68	1.67	6.92	41.73	2.86	41.73	10.70	0.00	0.00	0.00
DMBK	10.00	8.94	0.70	6.29	4.03	0.65	5.79	NA	NA	1.00	24.80	158.46	15.85	179.29	26.94	0.16	0.73	19.18
DCOM	8.13	6.85	1.02	13.23	7.72	1.04	13.45	NA	NA	0.55	12.95	163.58	13.30	196.94	12.74	0.56	3.60	46.67
ESBY	9.02	6.98	0.66	7.67	7.80	0.70	8.09	NA	NA	NA	12.82	95.32	8.60	125.91	12.15	0.40	2.83	37.04
ESBA	15.16	15.16	0.44	2.70	2.90	0.34	2.17	NA	NA	1.02	14.53	98.26	15.10	98.26	NM	0.20	1.61	55.56
ESMT	15.84	15.84	0.78	5.32	5.59	0.35	2.40	1.16	36.18	0.72	17.90	85.91	13.61	85.91	39.64	0.28	2.52	45.16
ESBK	7.65	5.21	0.97	8.75	13.92	0.48	4.32	NA	NA	0.94	7.19	90.61	6.94	136.64	14.55	0.80	4.51	32.39
FFDP	9.01	9.01	0.60	6.63	7.96	0.41	4.57	NA	NA	1.32	12.56	81.60	7.35	81.60	18.23	0.68	4.55	57.34
FFCO	17.28	16.95	0.31	2.33	2.57	0.32	2.39	NA	NA	1.21	38.89	70.35	12.15	72.02	37.84	0.12	0.86	33.33
FSEI	6.14	5.78	0.09	1.40	2.44	0.22	3.21	NA	NA	1.63	NM	64.42	3.96	68.70	17.31	0.08	0.89	36.36
FABK	19.47	19.47	0.23	1.13	1.44	0.20	1.01	1.04	85.49	1.30	NM	81.03	15.78	81.03	NM	0.20	1.51	NM
FBSI	10.49	10.44	-0.82	-7.47	-16.26	-0.83	-7.53	NA	NA	2.00	NM	47.83	5.02	48.10	NM	0.00	0.00	NM
FCAP	10.72	9.62	0.71	6.90	7.52	0.63	6.13	NA	NA	1.50	13.29	89.32	9.58	100.78	14.95	0.76	4.89	64.96
FCLE	11.52	11.60	0.34	2.54	3.13	0.23	1.72	2.68	35.14	1.77	30.00	75.85	10.25	98.36	NM	0.24	1.20	NM
FCFL	2.35	2.35	-3.88	NM	NM	-4.14	NM	11.07	25.09	3.89	NM	50.92	1.20	50.92	NM	0.00	0.00	NM
FDEP	10.01	7.11	0.30	2.54	5.79	0.08	0.65	NA	NA	2.67	17.27	51.57	5.16	74.99	NM	0.00	0.00	0.00
FFDM	10.57	10.29	-1.09	-10.48	-22.37	-1.16	-11.20	5.95	22.67	1.84	NM	47.04	4.97	48.44	NM	0.00	0.00	NM
FFBR	3.67	3.67	-3.40	NM	NM	-3.69	NM	15.74	35.20	7.96	NM	45.30	1.66	45.30	NM	0.00	0.00	NM
FFDM	14.42	14.62	-4.22	-27.80	NM	-4.26	-28.09	12.68	14.88	2.56	NM	55.06	8.05	55.06	NM	0.00	0.00	NM
FFCH	7.58	6.51	-1.04	-10.59	-20.65	-1.00	-10.19	NA	NA	3.38	NM	67.46	5.12	79.47	NM	0.20	1.96	NM

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Exhibit IV-1 (continued)  
 Weekly Thrift Market List - Part Two  
 Prices As Of February 4, 2011

Financial Institution	Key Financial Ratios						Asset Quality Ratios			Pricing Ratios					Dividend Data(6)				
	Tang.		Reported Earnings			Core Earnings			MPAs Assets	Revs/ Assets	Revs/ Loans	Price/ Earning	Price/ Book	Price/ Assets	Price/ Tang.	Price/ Core Earnings	Ind. Div./ Share	Divi/ Yield	Payout Ratio(7)
	Equity/ Assets	Equity/ Assets	ROA(5)	ROE(5)	ROI(5)	ROA(5)	ROE(5)	(%)											
NASDAQ Listed OTC Companies (continued)																			
FFHS First Franklin Corp. of OH(8)*	7.70	7.70	-0.72	-9.38	-8.57	-1.35	-17.70	NA	NA	2.51	NM	114.25	6.80	114.25	NM	0.00	0.00	NM	
FPTN First PacTrust Bancorp of CA*	9.24	9.24	0.10	0.87	1.45	0.01	0.09	5.63	36.16	2.49	NM	73.18	6.76	73.18	NM	0.40	2.91	NM	
FPFC First Place Fin. Corp. of OH*	5.79	5.53	-1.10	-13.16	NM	-1.52	-18.23	4.42	32.78	1.78	NA	NA	25.46	1.48	26.76	NM	0.00	0.00	NM
FSFG First Savings Fin. Grp. of IN*	10.85	9.35	0.53	4.90	6.07	0.76	6.98	NA	NA	1.15	16.47	78.52	8.52	92.60	11.57	0.00	0.00	0.00	
FFIC Flushing Fin. Corp. of NY*	5.27	8.98	0.86	9.45	8.05	0.92	10.02	3.07	20.87	0.85	12.42	114.46	10.61	119.88	11.72	0.52	3.61	44.93	
FXCB Fox Chase Bancorp, Inc. of PA*	18.78	18.78	0.24	1.60	1.49	0.13	0.84	NA	NA	1.90	NM	90.24	16.94	90.24	NM	0.08	0.63	42.11	
GSLA GS Financial Corp. of LA*	10.50	10.50	0.15	1.43	2.96	-0.13	-1.21	4.82	29.10	1.92	33.75	49.07	5.15	49.07	NM	0.40	3.70	NM	
CCBC Green Co Bcrp MMC of NY (44.1)	8.64	8.64	1.03	11.62	7.22	1.00	11.25	NA	NA	1.55	13.85	155.95	13.47	155.95	14.31	0.70	4.04	56.00	
HPFC HF Financial Corp. of SD*	7.41	7.08	0.44	6.05	7.01	0.28	3.85	2.91	36.59	1.49	14.26	82.06	6.08	86.12	22.41	0.45	4.10	58.44	
MMFY MM Financial, Inc. of MN*	6.17	6.17	-1.90	-20.17	NM	-2.20	-23.39	NA	NA	6.03	NM	19.92	1.23	19.92	NM	0.00	0.00	NM	
MMKX Hampden Bancorp, Inc. of MA*	16.33	16.33	0.06	0.37	0.40	0.02	0.15	NA	NA	NA	NM	92.66	15.13	92.66	NM	0.12	0.96	NM	
MMLL Harleysville Svcs Fin Co of PA*	6.22	6.22	0.59	9.67	8.59	0.49	9.67	NA	NA	0.52	11.50	107.85	6.71	107.85	11.50	0.76	4.89	56.30	
MMOS Meritage Fin Group, Inc. of GA*	16.64	16.28	-0.19	-2.64	-1.37	0.23	1.13	2.49	38.33	1.58	NM	85.08	14.16	85.98	NM	0.43	3.68	NM	
MMPS Hingham Inst. for Sav. of MA*	7.15	7.15	1.05	14.83	9.66	1.05	14.83	NA	NA	0.86	10.35	145.71	10.41	145.71	10.35	0.96	1.92	19.92	
MMCP Home Bancorp Inc. Lafayette LA*	18.78	18.58	0.71	3.56	4.08	0.78	3.93	0.27	209.74	0.89	24.53	87.95	16.52	89.16	22.23	0.00	0.00	0.00	
MMHE Home Federal Bancorp Inc of ID*	14.60	14.36	-0.48	-2.52	-2.89	-0.31	-1.63	NA	NA	2.60	NM	88.81	12.96	90.53	NM	0.22	2.05	NM	
MMFL Home Federal Bancorp Inc of LA*	23.99	23.99	1.13	5.42	5.88	0.26	1.23	NA	NA	NA	17.00	76.76	18.41	76.76	NM	0.24	1.88	32.00	
MMFC HopFed Bancorp, Inc. of KY*	9.03	8.96	0.74	8.33	11.39	0.45	5.01	NA	NA	1.61	8.78	68.70	6.21	69.35	14.58	0.32	3.38	29.63	
MMCB Hudson City Bancorp, Inc. of NJ*	9.01	8.77	0.88	9.80	9.16	0.72	7.97	NA	NA	0.76	10.92	106.50	9.59	109.65	13.42	0.60	5.39	58.82	
MMSC Investors Bcrp MMC of NJ(43.0)	10.01	9.76	0.67	6.63	3.83	0.60	5.98	NA	NA	1.13	26.14	167.88	16.81	172.67	28.98	0.00	0.00	0.00	
MMJV Jacksonville Bancorp Inc of IL*	12.11	11.31	0.59	6.29	7.05	0.37	3.94	NA	NA	NA	14.18	67.57	8.18	73.01	22.63	0.30	2.33	32.97	
MMJF Jefferson Bancshares Inc of TN*	8.01	8.48	-3.71	-34.18	NM	-3.84	-35.39	NA	NA	1.92	NM	54.55	4.30	51.75	NM	0.00	0.00	NM	
MMFB KY Fed Bd Bcrp MMC of KY (39.3)	24.43	19.40	0.46	1.87	1.49	0.42	1.24	NA	NA	NA	NM	126.04	30.79	149.19	NM	0.40	4.26	NM	
MMKF Kaiser Federal Fin Group of CA*	16.05	100.00	0.37	2.05	2.89	0.37	5.05	NA	NA	1.65	34.58	80.58	12.94	82.83	34.58	0.20	1.61	55.56	
MMKY Kearny Fin Co MMC of NJ (25.1)	16.54	13.29	0.23	1.13	0.88	0.31	1.55	NA	NA	0.75	NM	128.96	21.33	166.79	NM	0.20	2.21	NM	
MMLI LSI Fin. Corp. of Lafayette LA*	9.12	9.12	0.36	3.89	5.30	0.22	2.39	4.10	30.63	1.43	18.88	71.95	6.56	71.95	30.64	0.00	0.00	0.00	
MMLP LaPorte Bancorp MMC of IN(45.0)	11.39	9.54	0.71	5.96	6.77	0.50	4.22	1.45	68.38	1.52	14.77	86.10	9.81	104.92	20.87	0.00	0.00	0.00	
MMLS Lake Shore Bcrp MMC of NY(39.4)	12.16	12.16	0.66	5.20	4.95	0.51	4.03	NA	NA	NA	20.20	102.59	12.47	102.59	26.05	0.28	2.37	57.14	
MMLC Legacy Bancorp, Inc. of MA(8)*	12.09	10.68	-0.76	-6.02	-6.41	-0.60	-4.73	NA	NA	1.45	NM	96.25	11.63	110.64	NM	0.20	1.53	NM	
MMLB Louisiana Bancorp, Inc. of LA*	19.10	19.10	0.76	3.51	4.61	0.62	2.89	NA	NA	0.99	21.69	87.17	16.65	87.17	26.34	0.00	0.00	0.00	
MMBP MSB Fin Corp MMC of NJ (40.3)	11.31	11.31	0.23	2.06	2.67	0.23	2.06	NA	NA	NA	37.50	77.22	8.73	77.22	37.50	0.12	2.00	NM	
MMGR Maytag Bancorp MMC of NJ(44.7)	8.21	8.21	0.71	9.44	15.85	0.62	8.19	NA	NA	1.08	6.31	56.15	4.63	56.15	7.27	0.00	0.00	0.00	
MMGV Malvern Fed Bcrp MMC PA(44.6)	9.19	9.19	-0.45	-4.55	-6.23	-0.45	-4.55	NA	NA	1.40	NM	75.48	6.94	75.48	NM	0.12	1.47	NM	
MMFL Mayflower Bancorp, Inc. of MA*	8.51	8.51	0.54	6.57	7.26	0.34	4.14	NA	NA	1.06	13.77	88.09	7.50	88.09	21.83	0.24	2.68	36.92	
MMSB Meridian Fd Serv MMC MA (41.4)	11.74	11.08	-0.80	-6.38	-6.67	-0.75	-5.95	NA	NA	0.85	21.42	131.80	15.48	140.76	22.98	0.00	0.00	0.00	
MMSC Meta Financial Group of IA*	7.00	6.75	1.31	20.86	26.53	1.16	18.50	0.98	51.73	1.42	3.77	64.77	4.53	67.26	4.25	0.52	3.47	13.07	
MMSF MutualFirst Fin. Inc. of ID*	7.07	6.76	0.25	2.70	5.18	0.19	2.01	2.67	42.90	1.61	19.29	67.49	4.77	70.84	25.89	0.24	2.44	47.06	
MMSB NASB Fin. Inc. of Grandview MO*	11.70	11.54	0.43	3.79	5.19	-1.39	-12.36	6.38	35.33	2.58	19.26	72.28	8.45	73.38	NM	0.00	0.00	0.00	
MMCB NE Coma Bcrp MMC of NY (44.6)	21.55	21.26	-0.18	-0.85	-1.15	-0.18	-0.85	7.61	13.29	1.35	NM	74.39	16.03	75.68	NM	0.12	1.97	NM	
MMTB NH Thrift Bancshares of NH*	8.29	5.55	0.77	8.31	9.89	0.51	5.45	NA	NA	1.44	10.11	92.79	7.69	142.63	15.41	0.52	3.99	39.69	
MMVL Naug Villy Fin MMC of CT (40.4)	8.96	8.95	0.34	3.73	3.80	0.34	3.73	NA	NA	1.33	33.30	121.16	10.86	121.32	33.30	0.12	1.32	44.44	
MMPS Newport Bancorp, Inc. of NY*	11.06	11.06	0.40	3.61	3.82	0.42	3.75	NA	NA	1.02	26.15	95.44	10.55	95.44	25.19	0.00	0.00	0.00	
MMFD North Central Bancshares of IA*	8.74	8.74	0.48	4.46	5.94	0.31	2.85	4.11	40.98	2.22	10.06	54.95	4.80	54.95	15.73	0.04	0.25	2.48	
MMFR Northfield Bcrp MMC of NY(43.4)	17.65	17.06	0.65	3.50	2.46	0.61	3.29	3.22	30.20	1.64	NM	143.03	25.25	149.08	NM	0.20	1.53	62.50	
MMWI Northwest Bancshares Inc of PA*	16.04	16.19	0.71	4.38	4.33	0.71	4.38	NA	NA	1.38	23.08	101.27	16.24	116.96	23.08	0.40	3.33	NM	
MMBAP OBA Financial Svcs, Inc. of MD*	21.99	21.99	-0.13	-0.80	-0.79	0.14	0.87	1.36	18.67	0.67	NM	80.49	17.70	80.49	NM	0.00	0.00	NM	
MMSC Ocean Shore Holding Co. of NJ*	11.85	11.85	0.68	5.76	6.04	0.68	5.76	NA	NA	0.60	16.49	88.46	10.48	88.46	16.49	0.24	1.99	32.88	
MMCF OceanFirst Fin. Corp. of NJ*	8.94	8.94	0.93	10.52	7.81	0.86	9.74	NA	NA	1.17	12.81	129.37	11.56	129.37	13.83	0.48	3.47	44.44	
MMFD Oneace Fed Fd Cb MMC SC (35.0)	21.20	21.20	0.68	NM	3.23	0.68	NM	1.58	17.28	0.36	31.00	100.00	21.20	100.00	31.00	0.00	0.00	0.00	
MMCB OmniAmerican Bancorp Inc of TX*	17.87	17.87	0.13	0.91	0.81	0.03	0.23	3.62	22.85	1.37	NM	87.29	15.60	87.29	NM	0.00	0.00	0.00	
MMFC Oneida Financial Corp. of NY*	13.34	9.91	0.59	5.50	5.85	0.66	6.16	NA	NA	1.49	17.10	70.90	9.45	93.19	15.27	0.48	5.63	NM	
MMRT Oritani Financial Corp of NJ*	24.98	24.98	0.66	3.12	2.18	0.68	3.23	NA	NA	1.45	NM	108.41	27.08	108.41	NM	0.40	3.23	NM	
MMBV PNB Hldgs Inc MMC of CT (42.9)	9.52	8.12	0.20	2.19	2.70	0.35	3.80	NA	NA	1.00	37.00	79.17	7.53	94.23	21.35	0.00	0.00	0.00	
MMVC PVP Capital Corp. of Solon OH*	9.82	9.82	-0.38	-4.44	-6.84	-0.89	-10.71	NA	NA	5.21	NM	59.38	5.83	59.38	NM	0.00	0.00	NM	
MMFD Park Bancorp of Chicago IL*	9.81	9.81	-2.33	-22.14	NM	-2.32	-22.03	NA	NA	2.77	NM	22.30	2.19	22.30	NM	0.00	0.00	NM	
MMVA Parkvalle Financial Corp of PA*	4.82	3.32	-0.81	-10.95	-23.90	0.33	4.48	NA	NA	1.89	NM	72.09	3.47	104.38	10.22	0.08	0.71	NM	
MMBC Pathfinder BC MMC of NY (36.3)	6.25	5.35	0.59	7.53	11.12	0.43	5.54	1.57	56.13	1.29	8.39	80.20	5.01	94.57	12.21	0.12	1.47	13.19	
MMPP Peoples Fed Bancshares Inc of MA*	20.94	20.94	-0.24	-1.62	-1.36	0.56	3.75	1.12	52.48	0.84	NM	87.45	18.32	87.45	31.82	0.00	0.00	NM	
MMCT Peoples United Financial of CT*	20.84	14.22	0.39	2.62	1.82	0.45	2.89	NA	NA	0.98	NM	90.78	18.92	145.42	NM	0.62	4.70	NM	
MMPV Provident Fin. Holdings of CA*	10.07	10.07	0.88	9.55	13.74	-0.29	-3.09	6.17	44.07	3.29	7.28	65.55	6.60	65.55	NM	0.04	0.51	3.70	
MMBY Provident NY Bcrp, Inc. of NY*	14.28	9.20	0.71	4.95	5.92	0.47	3.24	1.95	54.08	1.82	16.89	84.53	12.07	138.86	25.81	0.24	2.58	43.64	
MMPI Provident Bcrp MMC PA (25.5)	10.77	10.77	0.60	5.57	4.73	0.68	6.28	1.26	47.20	1.22	21.13	135.32	12.42	135.32	18.71	0.20	3.05	64.52	
MMPL Pulaski Fin																			

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Exhibit IV-1 (continued)  
 Weekly Thrift Market Line - Part Two  
 Prices As Of February 4, 2011

Financial Institution	Key Financial Ratios						Asset Quality Ratios			Pricing Ratios					Dividend Data(6)			
	Tang.		Reported Earnings			Core Earnings		NPA	Revee/	Reeve/	Price/	Price/	Price/	Price/	Price/	Ind.	Divi-	Payout
	Equity/	Equity/	ROA(5)	ROE(5)	ROI(5)	ROA(5)	ROE(5)	Assets	NPA	Loane	Earning/	Book	Assets	Book	Earnings	Share	Yield	Ratio(7)
(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(\$)	(%)	(%)	
<b>NASDAQ Listed OTC Companies (continued)</b>																		
ROMA Roma Fin Corp NHC of NJ (26.2)	11.81	11.73	0.28	1.84	1.25	0.40	2.68	NA	NA	0.77	MM	148.30	17.52	149.57	MM	0.32	3.07	MM
ROME Rome Bancorp, Inc. of Rome NY(8)*	18.64	18.64	1.06	5.78	4.40	0.96	5.23	0.63	125.12	0.93	22.71	129.50	24.14	129.50	25.13	0.36	3.05	69.23
STPFD SI Financial Group, Inc. of CT*	13.64	13.19	0.28	3.60	2.70	0.25	3.17	1.01	55.36	0.81	37.00	76.64	10.45	79.26	MM	0.12	1.50	48.00
SPBC SP Bancorp, Inc. of Plano, TX*	13.13	13.13	0.07	MM	0.93	-0.06	MM	1.91	44.74	1.08	MM	53.91	7.08	53.91	MM	0.00	0.00	0.00
SVBI SeveFB Bancorp, Inc. of MO*	8.12	8.08	-0.22	-1.99	-4.23	-0.42	-3.88	NA	NA	3.69	MM	63.02	5.12	63.35	MM	0.00	0.00	MM
STWD Standard Financial Corp. of PA*	17.15	14.87	0.61	MM	5.20	0.68	MM	NA	NA	NA	19.22	68.01	11.66	78.43	17.13	0.00	0.00	0.00
SUPR Superior Bancorp of AL(8)*	0.10	-0.34	-6.34	MM	MM	-6.70	MM	15.24	31.37	6.10	MM	287.50	0.27	MM	MM	0.00	0.00	MM
TRHD TP Fin. Corp. of Newtown PA*	10.66	10.06	0.47	4.57	5.00	0.39	3.77	NA	NA	1.63	19.99	90.83	9.68	96.83	24.29	0.20	0.89	17.70
TFSL TFS Fin Corp NHC of OH (26.4)	15.81	15.75	0.11	0.70	0.40	-0.06	-0.35	3.56	33.82	1.43	MM	173.94	27.51	174.87	MM	0.00	0.00	0.00
TRNK Territorial Bancorp, Inc. of MI*	15.75	15.75	0.78	4.96	4.67	0.85	5.40	NA	NA	0.23	21.41	104.34	16.43	104.34	19.68	0.28	1.44	30.77
TSBK Timberland Bancorp, Inc. of WA*	9.79	9.02	-0.30	-2.54	-6.51	-0.29	-2.46	7.09	22.93	2.19	MM	47.41	4.64	51.91	MM	0.00	0.00	MM
TRST TrustCo Bank Corp NY of NY*	6.46	6.44	0.77	11.55	6.35	0.71	10.64	NA	NA	NA	15.74	180.66	11.66	181.21	17.09	0.26	4.35	68.42
UCBA United Coma Bncp NHC IN (40.7)	11.16	10.47	0.25	1.98	1.75	0.19	1.55	NA	NA	NA	MM	112.54	12.56	120.88	MM	0.44	5.51	MM
UCFC United Community Fin. of OH*	8.69	8.66	-1.54	-16.69	MM	-1.85	-19.97	8.47	20.83	2.29	MM	23.66	2.05	23.73	MM	0.00	0.00	MM
UBNK United Financial Bncrp of MA*	14.05	13.58	0.65	4.47	4.04	0.69	4.76	NA	NA	0.93	24.77	111.14	15.61	115.58	23.27	0.32	2.88	51.61
VFPF ViewPoint Financial Group of TX*	13.19	13.16	0.52	5.56	3.06	0.19	1.99	0.69	71.20	0.86	32.69	112.73	14.87	113.03	MM	0.20	1.57	51.38
WBS WBS Holdings, Inc. of Bowie MD*	13.36	13.36	-0.95	-7.66	-15.60	-0.74	-6.16	NA	NA	NA	MM	50.31	6.72	50.31	MM	0.00	0.00	MM
WFSB WFSB Financial Corp. of DE*	8.36	8.04	0.32	3.79	3.15	0.23	2.67	2.36	64.63	2.29	31.80	121.21	10.13	126.47	MM	0.48	1.06	33.80
WVFC WVS Financial Corp. of PA*	8.66	8.66	0.07	0.91	1.44	0.11	1.34	NA	NA	NA	MM	47.21	5.82	47.21	MM	0.16	1.78	MM
WFSL Washington Federal, Inc. of WA*	13.65	11.98	0.90	6.63	6.04	1.21	8.95	NA	NA	1.81	16.56	107.01	14.61	124.29	12.27	0.24	1.37	22.64
WSTP Waterstone Fin NHC of WI(26.2)	9.16	9.16	-0.30	-3.27	-6.87	-1.08	-11.82	9.76	17.54	2.22	MM	47.12	4.32	47.12	MM	0.00	0.00	MM
WAYN Wayne Savings Bancshares of OH*	9.28	8.82	0.55	5.90	7.79	0.52	5.58	NA	NA	NA	12.84	75.10	6.97	79.37	13.57	0.24	2.53	32.43
WFD Westfield Fin. Inc. of MA*	17.85	17.85	0.25	1.30	1.28	0.02	0.12	NA	NA	1.36	MM	109.81	19.60	109.81	MM	0.24	2.78	MM
WVBC Wolverine Bancorp, Inc. of MI*	19.04	19.04	-1.33	MM	-13.38	-0.82	MM	3.75	92.33	4.25	MM	52.15	9.93	52.15	MM	0.00	0.00	MM

**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>
2000: Quarter 1	10921.9	1498.6	4572.8	545.6	421.24
Quarter 2	10447.9	1454.6	3966.1	567.8	387.37
Quarter 3	10650.9	1436.5	3672.8	718.3	464.64
Quarter 4	10786.9	1320.3	2470.5	874.3	479.44
2001: Quarter 1	9878.8	1160.3	1840.3	885.2	459.24
Quarter 2	10502.4	1224.4	2160.5	964.5	493.70
Quarter 3	8847.6	1040.9	1498.8	953.9	436.60
Quarter 4	10021.5	1148.1	1950.4	918.2	473.67
2002: Quarter 1	10403.9	1147.4	1845.4	1006.7	498.30
Quarter 2	9243.3	989.8	1463.2	1121.4	468.91
Quarter 3	7591.9	815.3	1172.1	984.3	396.80
Quarter 4	8341.6	879.8	1335.5	1073.2	419.10
2003: Quarter 1	7992.1	848.2	1341.2	1096.2	401.00
Quarter 2	8985.4	974.5	1622.8	1266.6	476.07
Quarter 3	9275.1	996.0	1786.9	1330.9	490.90
Quarter 4	10453.9	1112.0	2003.4	1482.3	548.60
2004: Quarter 1	10357.7	1126.2	1994.2	1585.3	562.20
Quarter 2	10435.5	1140.8	2047.8	1437.8	546.62
Quarter 3	10080.3	1114.6	1896.8	1495.1	556.00
Quarter 4	10783.0	1211.9	2175.4	1605.6	595.10
2005: Quarter 1	10503.8	1180.6	1999.2	1516.6	551.00
Quarter 2	10275.0	1191.3	2057.0	1577.1	563.27
Quarter 3	10568.7	1228.8	2151.7	1527.2	546.30
Quarter 4	10717.5	1248.3	2205.3	1616.4	582.80
2006: Quarter 1	11109.3	1294.8	2339.8	1661.1	595.50
Quarter 2	11150.2	1270.2	2172.1	1717.9	601.14
Quarter 3	11679.1	1335.9	2258.4	1727.1	634.00
Quarter 4	12463.2	1418.3	2415.3	1829.3	658.60
2007: Quarter 1	12354.4	1420.9	2421.6	1703.6	634.40
Quarter 2	13408.6	1503.4	2603.2	1645.9	622.63
Quarter 3	13895.6	1526.8	2701.5	1523.3	595.80
Quarter 4	13264.8	1468.4	2652.3	1058.0	492.85
2008: Quarter 1	12262.9	1322.7	2279.1	1001.5	442.5
Quarter 2	11350.0	1280.0	2293.0	822.6	332.2
Quarter 3	10850.7	1166.4	2082.3	760.1	414.8
Quarter 4	8776.4	903.3	1577.0	653.9	268.3
2009: Quarter 1	7608.9	797.9	1528.6	542.8	170.1
Quarter 2	8447.0	919.3	1835.0	538.8	227.6
Quarter 3	9712.3	1057.1	2122.4	561.4	282.9
Quarter 4	10428.1	1115.1	2269.2	587.0	260.8
2010: Quarter 1	10856.6	1169.4	2398.0	626.3	301.1
Quarter 2	9744.0	1030.7	2109.2	564.5	257.2
Quarter 3	9744.0	1030.7	2109.2	564.5	257.2
Quarter 4	11577.5	1257.6	2652.9	592.2	290.1
As of Feb. 4, 2011	12092.2	1310.9	2769.3	589.5	301.5

(1) End of period data.

Sources: SNL Financial and The Wall Street Journal.

**EXHIBIT IV-3**

**Historical Thrift Stock Indices**



## Index Values

	Index Values				Price Appreciation (%)		
	Jan 31, 11	Dec 31, 10	Dec 31, 09	Jan 29, 10	1 Month	YTD	LTM
All Pub. Traded Thrifts	581.6	592.1	587.0	588.0	-1.77	-1.77	-1.09
MHC Index	2,783.8	2,668.9	2962.4	3,017.6	4.30	4.30	-7.75
<b>Stock Exchange Indexes</b>							
NYSE AMEX Thrifts	375.9	364.3	331.6	326.0	3.18	3.18	15.30
NYSE Thrifts	130.4	132.2	110.2	113.9	-1.36	-1.36	14.49
OTC Thrifts	1,501.3	1,531.2	1,531.2	1,587.9	-1.95	-1.95	-5.45
<b>Geographic Indexes</b>							
Mid-Atlantic Thrifts	2,561.9	2,669.6	2420.4	2,421.3	-4.03	-4.03	5.81
Midwestern Thrifts	1,689.1	1,636.7	2084.0	2,173.1	3.21	3.21	-22.27
New England Thrifts	1,625.1	1,665.6	1682.2	1,638.6	-2.43	-2.43	-0.83
Southeastern Thrifts	229.6	217.3	238.6	241.6	5.62	5.62	-4.97
Southwestern Thrifts	363.6	340.0	339.0	345.7	6.95	6.95	5.17
Western Thrifts	54.8	53.9	56.6	55.8	1.56	1.56	-1.76
<b>Asset Size Indexes</b>							
Less than \$250M	778.8	751.8	810.0	805.1	3.60	3.60	-3.27
\$250M to \$500M	2,750.5	2,657.7	2247.4	2,272.9	3.49	3.49	21.01
\$500M to \$1B	1,245.0	1,177.5	1096.7	1,095.4	5.74	5.74	13.66
\$1B to \$5B	1,525.5	1,513.3	1393.3	1,371.7	0.80	0.80	11.21
Over \$5B	284.3	294.2	294.2	303.6	-3.39	-3.39	-6.37
<b>Pink Indexes</b>							
Pink Thrifts	146.8	142.6	142.1	143.1	2.97	2.97	2.63
Less than \$75M	421.5	412.6	412.6	411.5	2.15	2.15	2.43
Over \$75M	147.6	143.3	143.3	143.8	3.01	3.01	2.66
<b>Comparative Indexes</b>							
Dow Jones Industrials	11,891.9	11,577.5	10428.1	10,067.3	2.72	2.72	18.12
S&P 500	1,286.1	1,257.6	1115.1	1,073.9	2.26	2.26	19.77

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 Industrial 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

Connecticut Thrift Acquisitions 2006 - Present

Exhibit IV-4  
Connecticut Thrift Acquisitions 2006-Present

Announce Date	Complete Date	Buyer Short Name	Target Name		Target Financials at Announcement							Deal Terms and Pricing at Announcement						
					Total Assets (\$000)	E/A (%)	TE/A (%)	ROAA (%)	ROAE (%)	NPAs/Assets (%)	Rsvs/NPLs (%)	Deal Value (\$M)	Value/Share (\$)	P/B (%)	P/TB (%)	P/E (x)	P/A (%)	Prem/Cdeps (%)
08/19/2010	Pending	First Niagara Finl Group	NY NewAlliance Bancshares, Inc.	CT	8,712,097	16.81	11.11	0.66	4.01	NA	NA	1,477.7	14.063	100.95	163.14	24.25	16.96	NA
04/24/2006	10/06/2006	Webster Financial Corp.	CT NewMil Bancorp, Inc.	CT	<u>877,774</u>	<u>5.96</u>	<u>5.08</u>	<u>1.01</u>	<u>16.58</u>	<u>0.11</u>	<u>528.45</u>	172.5	41.000	<u>319.31</u>	<u>377.53</u>	<u>19.16</u>	<u>19.65</u>	<u>NA</u>
			Average:		4,794,936	11.39	8.10	0.84	10.30	0.11	528.45			210.13	270.34	21.71	18.31	NA
			Median:		4,794,936	11.39	8.10	0.84	10.30	0.11	528.45			210.13	270.34	21.71	18.31	NA

Source: SNL Financial, L.C.

**EXHIBIT IV-5**

**Naugatuck Valley Financial Corporation  
Director and Senior Management Summary Resumes**

**Exhibit IV-5**  
**Naugatuck Valley Financial Corporation**  
**Director and Management Summary Resumes**

*Carlos S. Batista* is Vice President of Sales and Business Development for Water and Waste Water Automation Solutions, a business unit of PWS/Power & Water Solutions, a Division of Emerson Process Management. Age 61. Director since 1999. Chairman of the Board since 2009. Mr. Batista is currently Chairman of the Audit Committee.

Mr. Batista holds a Bachelors Degree in Electrical and Electronics Engineering and a Masters in Business Administration from the University of New Haven. He is a member of the Alpha Sigma Lambda National Honor Society at the University of New Haven. He has extensive experience in Systems Contracting, Marketing and Sales Engineering, gained throughout his long history of experiences and various company wide positions in the industry. Through customer relationship management he has been a major contributor to the development and expansion of products, systems and solutions in water and wastewater treatment for RAS-Bristol-Emerson. His management experience in a regulated industry has exposed Mr. Batista to many of the issues facing public companies today, particularly regulated entities, making Mr. Batista a valued component of a well rounded Board. Based on his experiences, qualifications, attributes and skills set forth above, the board of directors determined that Mr. Batista should serve as a director.

*John C. Roman* has served as President and Chief Executive Officer of Naugatuck Valley Financial and Naugatuck Valley Mutual Holding Company since 2004 and has been President and Chief Executive Officer of Naugatuck Valley Savings since September 1999. Mr. Roman previously was the Vice President and Chief Lending Officer of Naugatuck Valley Savings. Age 57. Director since 1999.

Since assuming the role of President and Chief Executive Office of Naugatuck Valley Savings in 1999, Mr. Roman has successfully completed a mutual to stock conversion and navigated the issues facing public companies within the banking sector. Mr. Roman's knowledge of all aspects of the business and its history, combined with his drive for responsible growth and excellence, position him well to continue to serve as our President and Chief Executive Officer and as a Board member. Based on his experiences, qualifications, attributes and skills set forth above, the board of directors determined that Mr. Roman should serve as a director.

*Camilo P. Vieira* is a consultant with, and previously served as the President of, CM Property Management, a property management firm. Mr. Vieira previously served with IBM Corp. as a project and financial manager for over 30 years. Age 67. Director since 2002.

Through his experience at IBM, Mr. Vieira brings substantial financial expertise, while his real estate management provides further experience in matters directly related to the business of the Company. Mr. Vieira's varied experience in both real estate management and project management and finance is an integral part of the board's composition. Based on his experiences, qualifications, attributes and skills set forth above, the board of directors determined that Mr. Vieira should serve as a director.

*Richard M. Famiglietti* has been the owner of CM Property Management, a property management firm, since 2002. Previously, Mr. Famiglietti was a Vice President of sales for Naugatuck Glass Company, a glass fabricator. Age 63. Director since 2000.

Mr. Famiglietti's experience as owner of a property management company provides the Board with critical experience in real estate matters, as well as, experience as a small business owner. In addition, Mr. Famiglietti brings substantial management experience and expertise in sales and marketing, specifically within the region in which the Company conducts its business, through his experience as Vice President of sales for Naugatuck Glass Company. Based on his experience, qualifications, attributes and skills set forth above, the board of directors determined that Mr. Famiglietti should serve as a director.

*Frederick A. Dlugokecki* is an attorney and has maintained a private practice in Naugatuck, Connecticut focusing on real estate, bankruptcy, estate planning and business and tax issues since 1990. Mr. Dlugokecki graduated with high honors from The Catholic University of America, School of Law, and from the University of Connecticut, School of Business, *magna cum laude*, with Distinction in Finance. Age 54. Director since 2009.

Mr. Dlugokecki was previously employed in Washington, D.C., with The United States Department of Justice, Tax Division and the General Counsel's Office of The Federal Deposit Insurance Corporation. In Philadelphia, PA, he was employed with the law firms of Duane, Morris, LLP and Saul, Ewing, LLP. Mr. Dlugokecki went on to hold the position of General Counsel with Hansen Properties of Ambler, PA. Mr. Dlugokecki has taught law classes at various universities, including Post University and Temple University Law School.

Exhibit IV-5(cont.)  
Naugatuck Valley Financial Corporation  
Director and Management Summary Resumes

*James A. Mengacci* has been the owner of James A. Mengacci Associates LLC, a consulting firm, since 1999. Mr. Mengacci previously was the Secretary and Treasurer of Fitzgerald Funeral Home, Inc. Age 52. Director since 1988.

Through his experiences as an independent business owner and as a treasurer of a local business, Mr. Mengacci brings substantial management experience and tenure to the Board and can offer the Board a unique perspective on the issues it faces. Based on his experience, qualifications, attributes and skills set forth above, the board of directors determined that Mr. Mengacci should serve as a director.

*Jane H. Walsh* served as Senior Vice President of Naugatuck Valley Savings, Naugatuck Valley Financial and Naugatuck Valley Mutual Holding Company prior to her retirement in August 2007. Ms. Walsh has served with Naugatuck Valley Savings and Loan for over 31 years. Age 67. Director since 2001.

As a result of Ms. Walsh's tenure with Naugatuck Valley Savings and Loan as Senior Vice President of Operations, she affords the Board the opportunity to utilize her deep knowledge of and insight into the institution, its market areas and operational risks. Based on her experience, qualifications, attributes and skills set forth above, the board of directors determined that Ms. Walsh should serve as a director.

*Dominte J. Alegi, Jr.* has served as Executive Vice President of Naugatuck Valley Financial and Naugatuck Valley Mutual since September 2004 and has been Executive Vice President of Naugatuck Valley Savings since 1989. Mr. Alegi has served with Naugatuck Valley Savings since 1970. Age 64.

*Mark S. Graveline* has served as Senior Vice President of Naugatuck Valley Financial and Naugatuck Valley Mutual and as Senior Vice President and Chief Lending Officer of Naugatuck Valley Savings since February 2005. Mr. Graveline previously was a Vice President of Banknorth-Connecticut and a Vice President of North American Bank and Trust. Age 54.

*William C. Nimons* has served as Senior Vice President of Naugatuck Valley Financial and Naugatuck Valley Mutual since September 2004 and has been Senior Vice President of Naugatuck Valley Savings since 2001. Mr. Nimons previously was the Manager-Network Management of Prudential Real Estate and Relocation, a real estate and relocation firm and was an Executive Vice President at Shelton Savings Bank. Age 64.

*Lee R. Schlesinger* was appointed Senior Vice President and Chief Financial Officer of Naugatuck Valley Mutual, Naugatuck Valley Financial and Naugatuck Valley Savings in December, 2007. Prior to that, he served as Vice President and Treasurer of Naugatuck Valley Financial and Naugatuck Valley Mutual since September 2004, and as Vice President and Treasurer of Naugatuck Valley Savings since August 2004. Mr. Schlesinger served as Vice President and Controller of Naugatuck Valley Savings from 2003 to 2004 and as Assistant Vice President and Controller of Naugatuck Valley Savings from 2000 to 2003. Mr. Schlesinger has served with Naugatuck Valley Savings since 1983. Age 50.

**EXHIBIT IV-6**

**Naugatuck Valley Financial Corporation  
Pro Forma Regulatory Capital Ratios**

Exhibit IV-6  
Naugatuck Valley Financial Corporation  
Pro Forma Regulatory Capital Ratios

(Dollars in thousands)	Pro Forma at December 31, 2010 (1)									
	Naugatuck Valley Savings and Loan Historical at December 31, 2010		Minimum of Offering Range		Midpoint of Offering Range		Maximum of Offering Range		15% Above Maximum of Offering Range	
	3,081,250 Shares at \$8.00 per share		3,625,000 Shares at \$8.00 per share		4,168,750 Shares at \$8.00 per share		4,794,063 Shares at \$8.00 per share			
	Amount	Percent of Assets (2)	Amount	Percent of Assets (2)	Amount	Percent of Assets (2)	Amount	Percent of Assets (2)	Amount	Percent of Assets (2)
Total equity under generally accepted accounting principles	\$45,867	8.09%	\$58,108	10.00%	\$60,440	10.35%	\$62,773	10.70%	\$65,455	11.10%
Tier 1 leverage capital:										
Actual (3)	\$45,464	8.03%	\$57,705	9.94%	\$60,037	10.29%	\$62,370	10.64%	\$65,052	11.04%
Requirement	<u>22,639</u>	<u>4.00%</u>	<u>23,219</u>	<u>4.00%</u>	<u>23,328</u>	<u>4.00%</u>	<u>23,437</u>	<u>4.00%</u>	<u>23,563</u>	<u>4.00%</u>
Excess	<u>\$22,825</u>	<u>4.02%</u>	<u>\$34,486</u>	<u>5.94%</u>	<u>\$36,709</u>	<u>6.29%</u>	<u>\$38,933</u>	<u>6.64%</u>	<u>\$41,489</u>	<u>7.04%</u>
Tier 1 risk-based capital:										
Actual	\$45,464	10.59%	\$57,705	13.15%	\$60,037	13.63%	\$62,370	14.10%	\$65,052	14.64%
Requirement	<u>17,170</u>	<u>4.00%</u>	<u>17,574</u>	<u>4.00%</u>	<u>17,618</u>	<u>4.00%</u>	<u>17,689</u>	<u>4.00%</u>	<u>17,770</u>	<u>4.00%</u>
Excess	<u>\$28,294</u>	<u>6.59%</u>	<u>\$40,131</u>	<u>9.15%</u>	<u>\$42,420</u>	<u>9.63%</u>	<u>\$44,681</u>	<u>10.10%</u>	<u>\$47,282</u>	<u>10.64%</u>
Total risk-based capital:										
Actual	\$50,831	11.84%	\$63,072	14.38%	\$65,404	14.85%	\$67,737	15.32%	\$70,419	15.85%
Requirement	<u>34,339</u>	<u>8.00%</u>	<u>35,093</u>	<u>8.00%</u>	<u>35,235</u>	<u>8.00%</u>	<u>35,377</u>	<u>8.00%</u>	<u>35,540</u>	<u>8.00%</u>
Excess	<u>\$16,492</u>	<u>3.84%</u>	<u>\$27,979</u>	<u>6.38%</u>	<u>\$30,169</u>	<u>6.85%</u>	<u>\$32,360</u>	<u>7.32%</u>	<u>\$34,879</u>	<u>7.85%</u>
Reconciliation of capital contributions to Naugatuck Valley Savings and Loan:										
Net Proceeds contributed to Naugatuck Valley Savings and Loan			\$11,496		\$17,226		\$19,957		\$23,097	
Less common stock acquired by ESOP			(1,479)		(1,740)		(2,001)		(2,301)	
Less common stock acquired by equity incentive plan			(76)		(913)		(1,050)		(1,208)	
Pro forma increase in GAAP and regulatory capital			<u>\$12,241</u>		<u>\$14,523</u>		<u>\$16,906</u>		<u>\$19,588</u>	

- (1) Pro forma amounts and percentages include capital contributed to Naugatuck Valley Savings and Loan from the offering and assume net proceeds are invested in assets that carry a 20% risk-weighting.
- (2) Tier 1 leverage capital levels are shown as a percentage of average assets. Risk-based capital levels are shown as a percentage of risk-weighted assets.
- (3) Goodwill and certain other intangible assets, the accumulated losses (gains) on certain securities and the disallowed portion of mortgage servicing rights account for the difference between equity calculated under generally accepted accounting principles and Tier 1 leverage capital.

EXHIBIT IV-7

Naugatuck Valley Financial Corporation  
Pro Forma Analysis Sheet

EXHIBIT IV-7  
PRO FORMA ANALYSIS SHEET  
Naugatuck Valley Financial Corporation  
Prices as of February 4, 2011

Valuation Midpoint Pricing Multiples	Symbol	Subject at Midpoint	Peer Group		Connecticut Companies		All Public Thrifts	
			Mean	Median	Mean	Median	Mean	Median
Price-earnings multiple =	P/E	39.01 x	17.48x	16.49x	37.00x	37.00x	18.22x	17.05x
Price-core earnings multiple =	P/CE	28.23 x	19.97x	21.83x	NM	NM	18.19x	17.09x
Price-book ratio =	P/B	66.82%	92.82%	91.91%	83.71%	83.71%	81.38%	80.94%
Price-tangible book ratio =	P/TB	66.83%	99.29%	94.05%	112.34%	112.34%	89.64%	85.91%
Price-assets ratio =	P/A	8.76%	11.56%	10.52%	14.69%	14.69%	9.49%	8.60%

**Valuation Parameters**

				<u>Adjusted</u>
Pre-Conversion Earnings (Y)	\$1,451,000 (12 Mths 12/10)	ESOP Stock (% of Offering + Foundation) (E)		6.00%
Pre-Conversion Core Earnings (YC)	\$1,960,000 (12 Mths 12/10)	Cost of ESOP Borrowings (S)		0.00%
Pre-Conversion Book Value (B)	\$52,282,000 (2)	ESOP Amortization (T)		20.00 Years
Pre-Conv. Tang. Book Value (B)	\$52,229,000 (2)	RRP (% of Offering + Foundation) (M)		3.15%
Pre-Conversion Assets (A)	\$568,275,000 (2)	RRP Vesting (N)		5.00 Years
Reinvestment Rate (R)	1.02%	Fixed Expenses		\$1,505,000
Tax rate (TAX)	34.00%	Variable Expenses (Blended Commission %)		3.42%
After Tax Reinvest. Rate (R)	0.67%	Percentage Sold (PCT)		59.5884%
Est. Conversion Expenses (1)(X)	8.28% (1)	MHC net assets		\$22,000
Insider Purchases	\$490,000	Options as (% of Offering + Foundation) (O1)		7.87%
Price/Share	\$8.00	Estimated Option Value (O2)		22.25%
Foundation Cash Contribution (FC)	\$ -	Option Vesting Period (O3)		5.00 Years
Foundation Stock Contribution (FS)	\$ -	% of Options taxable (O4)		25.00%
Foundation Tax Benefit (FT)	\$ -			

**Calculation of Pro Forma Value After Conversion**

1. V=	$\frac{P/E * (Y - FC * R)}{1 - P/E * PCT * ((1-X-E-M-FS)*R - (1-TAX)*(E/T) - (1-TAX)*(M/N) - (1-TAX*O4)*(O1*O2/O3))}$	V=	\$52,023,512
2. V=	$\frac{P/Core E * (YC)}{1 - P/Core E * PCT * ((1-X-E-M-FS)*R - (1-TAX)*(E/T) - (1-TAX)*(M/N) - (1-TAX*O4)*(O1*O2/O3))}$	V=	\$52,023,512
3. V=	$\frac{P/B * (B-FC+FT)}{1 - P/B * PCT * (1-X-E-M)}$	V=	\$52,023,512
4. V=	$\frac{P/TB * (B-FC+FT)}{1 - P/TB * PCT * (1-X-E-M)}$	V=	\$52,023,512
5. V=	$\frac{P/A * (A-FC+FT)}{1 - P/A * PCT * (1-X-E-M)}$	V=	\$52,023,512

**Shares**

	2nd Step Offering Shares	2nd Step Exchange Shares	Full Conversion Shares	Plus: Foundation Shares	Total Market Capitalization Shares	Exchange Ratio
Supermaximum	5,124,688	3,475,450	8,600,137	0	8,600,137	1.2253
Maximum	4,456,250	3,022,130	7,478,380	0	7,478,380	1.0655
Midpoint	3,875,000	2,627,939	6,502,939	0	6,502,939	0.9265
Minimum	3,293,750	2,233,748	5,527,498	0	5,527,498	0.7875

**Market Value**

	2nd Step Offering Value	2nd Step Exchange Shares Value	Full Conversion \$ Value	Plus: Foundation \$ Value	Total Market Capitalization \$ Value
Supermaximum	\$40,997,500	\$27,803,600	\$68,801,100	\$0	\$68,801,100
Maximum	\$35,650,000	\$24,177,040	\$59,827,040	0	\$59,827,040
Midpoint	\$31,000,000	\$21,023,512	\$52,023,512	0	\$52,023,512
Minimum	\$26,350,000	\$17,869,984	\$44,219,984	0	\$44,219,984

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

(2) Includes the effect of consolidating \$22 thousand of net assets at the MHC level.

**EXHIBIT IV-8**

**Naugatuck Valley Financial Corporation  
Pro Forma Effect of Conversion Proceeds**

Exhibit IV-8  
**PRO FORMA EFFECT OF CONVERSION PROCEEDS**  
 Naugatuck Valley Financial Corporation  
 At the Minimum of the Range

1.	Fully Converted Value and Exchange Ratio		
	Fully Converted Value		\$44,219,984
	Exchange Ratio		0.78752
	2nd Step Offering Proceeds		\$26,350,000
	Less: Estimated Offering Expenses		<u>2,406,540</u>
	2nd Step Net Conversion Proceeds (Including Foundation)		\$23,943,460
2.	Estimated Additional Income from Conversion Proceeds		
	Net Conversion Proceeds		\$23,943,460
	Less: Cash Contribution to Foundation		0
	Less: ESOP Stock Purchases (1)		(1,581,000)
	Less: RRP Stock Purchases (2)		<u>(829,746)</u>
	Net Cash Proceeds		\$21,532,714
	Estimated after-tax net incremental rate of return		<u>0.67%</u>
	Earnings Increase		\$144,958
	Less: Consolidated interest cost of ESOP borrowings		0
	Less: Amortization of ESOP borrowings(3)		(52,173)
	Less: RRP Vesting (3)		(109,526)
	Less: Option Plan Vesting (4)		<u>(84,471)</u>
	Net Earnings Increase		(\$101,212)

3.	Pro Forma Earnings	<u>Before Conversion</u>	<u>Net Earnings Increase</u>	<u>After Conversion</u>
	12 Months ended December 31, 2010 (reported)	\$1,451,000	(\$101,212)	\$1,349,788
	12 Months ended December 31, 2010 (core)	\$1,960,000	(\$101,212)	\$1,858,788

4.	Pro Forma Net Worth	<u>Before Conversion</u>	<u>Net Cash Proceeds</u>	<u>Tax Benefit and Other</u>	<u>After Conversion</u>
	December 31, 2010	\$52,282,000	\$21,532,714	\$ -	\$73,814,714
	December 31, 2010 (Tangible)	\$52,229,000	\$21,532,714	\$0	\$73,761,714

5.	Pro Forma Assets	<u>Before Conversion</u>	<u>Net Cash Proceeds</u>	<u>Tax Benefit and Other</u>	<u>After Conversion</u>
	December 31, 2010	\$568,275,000	\$21,532,714	\$0	\$589,807,714

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

(2) Includes RRP purchases of 3.15% of the second step offering.

(3) ESOP amortized over 20 years, RRP amortized over 5 years, tax effected at: 34.00%

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

Exhibit IV-8  
**PRO FORMA EFFECT OF CONVERSION PROCEEDS**  
 Naugatuck Valley Financial Corporation  
 At the Midpoint of the Range

1.	Fully Converted Value and Exchange Ratio		
	Fully Converted Value		\$52,023,512
	Exchange Ratio		0.92650
	2nd Step Offering Proceeds		\$31,000,000
	Less: Estimated Offering Expenses		<u>2,566,500</u>
	2nd Step Net Conversion Proceeds (Including Foundation)		\$28,433,500
2.	Estimated Additional Income from Conversion Proceeds		
	Net Conversion Proceeds		\$28,433,500
	Less: Cash Contribution to Foundation		0
	Less: ESOP Stock Purchases (1)		(1,860,000)
	Less: RRP Stock Purchases (2)		<u>(976,172)</u>
	Net Cash Proceeds		\$25,597,328
	Estimated after-tax net incremental rate of return		<u>0.67%</u>
	Earnings Increase		\$172,321
	Less: Consolidated interest cost of ESOP borrowings		0
	Less: Amortization of ESOP borrowings(3)		(61,380)
	Less: RRP Vesting (3)		(128,855)
	Less: Option Plan Vesting (4)		<u>(99,377)</u>
	Net Earnings Increase		(\$117,291)

		<u>Before Conversion</u>	<u>Net Earnings Increase</u>	<u>After Conversion</u>
3.	Pro Forma Earnings			
	12 Months ended December 31, 2010 (reported)	\$1,451,000	(\$117,291)	\$1,333,709
	12 Months ended December 31, 2010 (core)	\$1,960,000	(\$117,291)	\$1,842,709
4.	Pro Forma Net Worth	<u>Before Conversion</u>	<u>Net Cash Proceeds</u>	<u>Tax Benefit of Foundation</u>
	December 31, 2010	\$52,282,000	\$25,597,328	\$ -
	December 31, 2010 (Tangible)	\$52,229,000	\$25,597,328	\$ -
5.	Pro Forma Assets	<u>Before Conversion</u>	<u>Net Cash Proceeds</u>	<u>Tax Benefit of Foundation</u>
	December 31, 2010	\$568,275,000	\$25,597,328	\$ -

- (1) Includes ESOP purchases of 6.00% of the second step offering.  
 (2) Includes RRP purchases of 3.15% of the second step offering.  
 (3) ESOP amortized over 20 years, RRP amortized over 5 years, tax effected at: 34.00%  
 (4) Option valuation based on Black-Scholes model, 5 year vesting, and assuming 25% taxable.

Exhibit IV-8  
**PRO FORMA EFFECT OF CONVERSION PROCEEDS**  
 Naugatuck Valley Financial Corporation  
 At the Maximum of the Range

1.	Fully Converted Value and Exchange Ratio		
	Fully Converted Value		\$59,827,040
	Exchange Ratio		1.06547
	2nd Step Offering Proceeds		\$35,650,000
	Less: Estimated Offering Expenses		2,726,460
	2nd Step Net Conversion Proceeds (Including Foundation)		\$32,923,540
2.	Estimated Additional Income from Conversion Proceeds		
	Net Conversion Proceeds		\$32,923,540
	Less: Cash Contribution to Foundation		0
	Less: ESOP Stock Purchases (1)		(2,139,000)
	Less: RRP Stock Purchases (2)		<u>(1,122,598)</u>
	Net Cash Proceeds		\$29,661,942
	Estimated after-tax net incremental rate of return		<u>0.67%</u>
	Earnings Increase		\$199,684
	Less: Consolidated interest cost of ESOP borrowings		0
	Less: Amortization of ESOP borrowings(3)		(70,587)
	Less: RRP Vesting (3)		(148,183)
	Less: Option Plan Vesting (4)		<u>(114,284)</u>
	Net Earnings Increase		(\$133,370)

		<u>Before Conversion</u>	<u>Net Earnings Increase</u>	<u>After Conversion</u>
3.	Pro Forma Earnings			
	12 Months ended December 31, 2010 (reported)	\$1,451,000	(\$133,370)	\$1,317,630
	12 Months ended December 31, 2010 (core)	\$1,960,000	(\$133,370)	\$1,826,630
4.	Pro Forma Net Worth	<u>Before Conversion</u>	<u>Net Cash Proceeds</u>	<u>Tax Benefit of Foundation</u>
	December 31, 2010	\$52,282,000	\$29,661,942	\$ -
	December 31, 2010 (Tangible)	\$52,229,000	\$29,661,942	\$0
5.	Pro Forma Assets	<u>Before Conversion</u>	<u>Net Cash Proceeds</u>	<u>Tax Benefit of Foundation</u>
	December 31, 2010	\$568,275,000	\$29,661,942	\$0
				\$597,936,942

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

(2) Includes RRP purchases of 3.15% of the second step offering.

(3) ESOP amortized over 20 years, RRP amortized over 5 years, tax effected at:

34.00%

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

Exhibit IV-8  
**PRO FORMA EFFECT OF CONVERSION PROCEEDS**  
 Naugatuck Valley Financial Corporation  
 At the Supermaximum Value

1.	Fully Converted Value and Exchange Ratio	
	Fully Converted Value	\$68,801,100
	Exchange Ratio	1.22530
	2nd Step Offering Proceeds	\$40,997,500
	Less: Estimated Offering Expenses	<u>2,910,414</u>
	2nd Step Net Conversion Proceeds (Including Foundation)	\$38,087,086
2.	Estimated Additional Income from Conversion Proceeds	
	Net Conversion Proceeds	\$38,087,086
	Less: Cash Contribution to Foundation	0
	Less: ESOP Stock Purchases (1)	(2,459,850)
	Less: RRP Stock Purchases (2)	<u>(1,290,987)</u>
	Net Cash Proceeds	\$34,336,249
	Estimated after-tax net incremental rate of return	<u>0.67%</u>
	Earnings Increase	\$231,152
	Less: Consolidated interest cost of ESOP borrowings	0
	Less: Amortization of ESOP borrowings(3)	(81,175)
	Less: RRP Vesting (3)	(170,410)
	Less: Option Plan Vesting (4)	<u>(131,427)</u>
	Net Earnings Increase	(\$151,860)

	<u>Before Conversion</u>	<u>Net Earnings Increase</u>	<u>After Conversion</u>
3. Pro Forma Earnings			
12 Months ended December 31, 2010 (reported)	\$1,451,000	(\$151,860)	\$1,299,140
12 Months ended December 31, 2010 (core)	\$1,960,000	(\$151,860)	\$1,808,140
4. Pro Forma Net Worth	<u>Before Conversion</u>	<u>Net Cash Proceeds</u>	<u>Tax Benefit of Foundation</u>
December 31, 2010	\$52,282,000	\$34,336,249	\$ -
December 31, 2010 (Tangible)	\$52,229,000	\$34,336,249	\$0
5. Pro Forma Assets	<u>Before Conversion</u>	<u>Net Cash Proceeds</u>	<u>Tax Benefit of Foundation</u>
December 31, 2010	\$568,275,000	\$34,336,249	\$0
			<u>After Conversion</u>
			\$602,611,249

- (1) Includes ESOP purchases of 6.00% of the second step offering.  
 (2) Includes RRP purchases of 3.15% of the second step offering.  
 (3) ESOP amortized over 20 years, RRP amortized over 5 years, tax effected at: 34.00%  
 (4) Option valuation based on Black-Scholes model, 5 year vesting, and assuming 25% taxable.

EXHIBIT IV-9

Naugatuck Valley Financial Corporation  
Pricing of Recent Conversions  
Three Months Ended April 29, 2011

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**Pricing Characteristics and After-Market Trends  
Conversions Completed in Trailing 12 Months**

Institutional Information			Pre-Conversion Data				Offering Information				Contribution to Char. Found.		Insider Purchases				Pro Forma Data						Post-IPO Pricing Trends										
			Financial Info.		Asset Quality		Excluding Foundation				% of Public Off.		% Off Incl. Fdn. + Merger Share		Benefit Plans		Mgmt. & Dir.		Initial Div. Yield		Pricing Ratios(3)(6)						Closing Price:						
Institution	Conversion Date	Ticker	Assets (\$Mil)	Equity/Assets (%)	NPAs/Assets (%)	Res. Gov. (%)	Gross Proc. (\$Mil)	% Offer (%)	% of Mid. (%)	Exp./Proc. (%)	Form	Excl. Fdn.	ESOP (%)	Plans (%)	Option (%)	Dir. (%)	(2)	(%)	P/TB (%)	P/E (x)	P/A (%)	Core ROA (%)	TE/A (%)	Core ROE (%)	IPO Price (\$)	First Trading Day (\$)	% Chgt (%)	After First Week(4) (\$)	% Chgt (%)	After First Month(5) (\$)	% Chgt (%)	Thru 4/29/11 (\$)	% Chgt (%)
<b>Standard Conversions</b>																																	
Franklin Financial Corp. - VA	4/28/11	FRNK-NASDAQ	\$ 981	13.20%	2.73%	43%	\$ 138.9	100%	132%	1.7%	C/S	1%/3%	8.0%	4.0%	10.0%	3.0%	0.00%	57.3%	50.5x	13.0%	0.3%	22.7%	1.1%	\$10.00	\$11.97	19.7%	\$11.92	19.2%	\$11.92	19.2%	\$11.92	19.2%	
Sunshine Financial, Inc. - FL	4/6/11	SSNF-OTC-BB	\$ 150	10.03%	3.75%	33%	\$ 12.3	100%	118%	7.1%	N.A.	N.A.	8.0%	4.0%	10.0%	2.8%	0.00%	49.3%	61.2x	7.7%	0.1%	15.6%	0.8%	\$10.00	\$11.25	12.5%	\$11.00	10.0%	\$11.55	15.5%	\$11.55	15.5%	
Fraternity Comm Bancorp, Inc. - M	4/1/11	FRTR-OTC-BB	\$ 170	9.42%	1.58%	196%	\$ 15.9	100%	132%	5.0%	N.A.	N.A.	8.0%	4.0%	10.0%	2.8%	0.00%	54.4%	NM	8.7%	-0.6%	16.0%	-3.7%	\$10.00	\$11.00	10.0%	\$11.21	12.1%	\$11.00	10.0%	\$11.00	10.0%	
<b>Averages - Standard Conversions:</b>			<b>\$ 433</b>	<b>10.88%</b>	<b>2.69%</b>	<b>91%</b>	<b>\$ 55.7</b>	<b>100%</b>	<b>127%</b>	<b>4.6%</b>	<b>N.A.</b>	<b>N.A.</b>	<b>8.0%</b>	<b>4.0%</b>	<b>10.0%</b>	<b>2.9%</b>	<b>0.00%</b>	<b>53.7%</b>	<b>55.8x</b>	<b>9.8%</b>	<b>-0.1%</b>	<b>18.1%</b>	<b>-0.6%</b>	<b>\$10.00</b>	<b>\$11.41</b>	<b>14.1%</b>	<b>\$11.38</b>	<b>13.8%</b>	<b>\$11.49</b>	<b>14.9%</b>	<b>\$11.49</b>	<b>14.9%</b>	
<b>Medians - Standard Conversions:</b>			<b>\$ 170</b>	<b>10.03%</b>	<b>2.73%</b>	<b>43%</b>	<b>\$ 15.9</b>	<b>100%</b>	<b>132%</b>	<b>5.0%</b>	<b>N.A.</b>	<b>N.A.</b>	<b>8.0%</b>	<b>4.0%</b>	<b>10.0%</b>	<b>2.8%</b>	<b>0.00%</b>	<b>54.4%</b>	<b>55.8x</b>	<b>8.7%</b>	<b>0.1%</b>	<b>16.0%</b>	<b>0.8%</b>	<b>\$10.00</b>	<b>\$11.25</b>	<b>12.5%</b>	<b>\$11.21</b>	<b>12.1%</b>	<b>\$11.55</b>	<b>15.5%</b>	<b>\$11.55</b>	<b>15.5%</b>	
<b>Second Step Conversions</b>																																	
Rockville Financial New, Inc. - CT	3/4/11	RCKB-NASDAQ	\$ 1,849	10.56%	1.07%	122%	\$ 171.1	58%	132%	1.9%	N.A.	N.A.	4.0%	3.8%	9.5%	0.4%	0.00%	91.0%	27.87	16.4%	0.6%	18.0%	3.3%	\$10.00	\$10.60	6.0%	\$10.65	6.5%	\$10.50	5.0%	\$9.93	-0.7%	
Eureka Financial Corp., - PA	3/1/11	EKFC-OTCBB	\$ 127	11.10%	0.05%	1560%	\$ 7.6	58%	95%	11.0%	N.A.	N.A.	8.0%	4.0%	10.0%	10.5%	0.00%	65.2%	15.87	9.9%	0.6%	15.2%	4.1%	\$10.00	\$12.25	22.5%	\$11.75	17.5%	\$12.85	28.5%	\$12.50	25.0%	
Atlantic Coast Fin. Corp., - GA	2/4/11	ACFC-NASDAQ	\$ 893	5.67%	3.38%	51%	\$ 17.1	65%	86%	11.5%	N.A.	N.A.	4.0%	4.0%	10.0%	10.8%	0.00%	40.9%	NM	2.9%	-2.7%	7.1%	-37.2%	\$10.00	\$10.05	0.5%	\$10.00	0.0%	\$10.20	2.0%	\$9.97	-0.3%	
<b>Averages - Second Step Conversions:</b>			<b>\$ 890</b>	<b>9.11%</b>	<b>1.50%</b>	<b>578%</b>	<b>\$ 65.3</b>	<b>60%</b>	<b>104%</b>	<b>8.2%</b>	<b>N.A.</b>	<b>N.A.</b>	<b>5.3%</b>	<b>3.9%</b>	<b>9.8%</b>	<b>7.3%</b>	<b>0.00%</b>	<b>65.7%</b>	<b>21.9x</b>	<b>9.7%</b>	<b>-0.5%</b>	<b>13.4%</b>	<b>-10.0%</b>	<b>\$10.00</b>	<b>\$10.97</b>	<b>9.7%</b>	<b>\$10.80</b>	<b>8.0%</b>	<b>\$11.18</b>	<b>11.8%</b>	<b>\$10.80</b>	<b>8.0%</b>	
<b>Medians - Second Step Conversions:</b>			<b>\$ 893</b>	<b>10.56%</b>	<b>1.07%</b>	<b>122%</b>	<b>\$ 17.1</b>	<b>58%</b>	<b>95%</b>	<b>11.0%</b>	<b>N.A.</b>	<b>N.A.</b>	<b>4.0%</b>	<b>4.0%</b>	<b>10.0%</b>	<b>10.5%</b>	<b>0.00%</b>	<b>65.2%</b>	<b>21.9x</b>	<b>9.9%</b>	<b>0.6%</b>	<b>15.2%</b>	<b>3.3%</b>	<b>\$10.00</b>	<b>\$10.60</b>	<b>6.0%</b>	<b>\$10.65</b>	<b>6.5%</b>	<b>\$10.50</b>	<b>5.0%</b>	<b>\$9.97</b>	<b>-0.3%</b>	
<b>Averages - All Conversions:</b>			<b>\$ 567</b>	<b>10.00%</b>	<b>2.09%</b>	<b>334%</b>	<b>\$ 60.5</b>	<b>80%</b>	<b>116%</b>	<b>6.4%</b>	<b>N.A.</b>	<b>N.A.</b>	<b>6.7%</b>	<b>4.0%</b>	<b>9.9%</b>	<b>6.1%</b>	<b>0.00%</b>	<b>59.7%</b>	<b>38.9x</b>	<b>9.8%</b>	<b>-0.3%</b>	<b>15.7%</b>	<b>-5.3%</b>	<b>\$10.00</b>	<b>\$11.19</b>	<b>11.9%</b>	<b>\$11.09</b>	<b>10.9%</b>	<b>\$11.34</b>	<b>13.4%</b>	<b>\$11.15</b>	<b>11.5%</b>	
<b>Medians - All Conversions:</b>			<b>\$ 531</b>	<b>10.30%</b>	<b>2.16%</b>	<b>86%</b>	<b>\$ 16.5</b>	<b>83%</b>	<b>125%</b>	<b>6.1%</b>	<b>N.A.</b>	<b>N.A.</b>	<b>8.0%</b>	<b>4.0%</b>	<b>10.0%</b>	<b>2.9%</b>	<b>0.00%</b>	<b>55.9%</b>	<b>39.2x</b>	<b>9.3%</b>	<b>0.2%</b>	<b>15.8%</b>	<b>1.0%</b>	<b>\$10.00</b>	<b>\$11.13</b>	<b>11.3%</b>	<b>\$11.11</b>	<b>11.1%</b>	<b>\$11.28</b>	<b>12.8%</b>	<b>\$11.28</b>	<b>12.8%</b>	

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

EXHIBIT V-1

RP® Financial, LC.  
Firm Qualifications Statement

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# RP<sup>®</sup> FINANCIAL, LC.

*Serving the Financial Services Industry Since 1988*

## FIRM QUALIFICATION STATEMENT

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

### STRATEGIC PLANNING SERVICES

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

### MERGER ADVISORY SERVICES

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

### VALUATION SERVICES

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

### OTHER CONSULTING SERVICES

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

### KEY PERSONNEL (Years of Relevant Experience & Contact Information)

Ronald S. Riggins, Managing Director (29)	(703) 647-6543	riggins@rpfinancial.com
William E. Pommerening, Managing Director (25)	(703) 647-6546	wpommerening@rpfinancial.com
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James P. Hennessey, Director (23)	(703) 647-6544	jhennessey@rpfinancial.com
James J. Oren, Director (22)	(703) 647-6549	joren@rpfinancial.com
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OMB APPROVAL	
OMB Number:	3235-0327
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Estimated average burden hours per response	0.10

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, DC 20549**

**AMENDMENT NO. 3  
TO THE FORM SE**

**FORM FOR SUBMISSION OF PAPER FORMAT EXHIBITS  
BY EDGAR ELECTRONIC FILERS**

Naugatuck Valley Financial Corporation  
Exact name of registrant as specified in charter

0001493552  
Registrant CIK Number

Exhibit 99.1 to the Form S-1  
Electronic report, schedule or registration statement of which the documents are a part (give period of report)

333-167482  
SEC file number, if available

S- \_\_\_\_\_  
(Series identifier(s) and name(s), if applicable, add more lines as needed)

C- \_\_\_\_\_  
(Class (contact) identifier(s) and name(s), if applicable; add more lines as needed)

\_\_\_\_\_  
Report period (if applicable)

N/A  
Name of person filing this exhibit (if other than the registrant)

Identify the provision of Regulation S-T (§232 of this chapter) under which this exhibit is being filed in paper (check only one):

- Rule 201 (Temporary Hardship Exemption)
- Rule 202 (Continuing Hardship Exemption)
- Rule 311 (Permitted Paper Exhibit)

**IN ACCORDANCE WITH RULE 202 OF REGULATION S-T, THIS EXHIBIT 99.1 TO  
THE FORM S-1 IS BEING FILED IN PAPER PURSUANT TO A CONTINUING  
HARDSHIP EXEMPTION**