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IN ACCORDANCE WITH RULE 202 OF REGULATION S-1,
THE SUPPORTING FINANCIAL DATA OF
THIS EXHIBIT 99.3 TO THE REGISTRANT'S FORM S-1 IS BEING
FILED IN PAPER PURSUANT TO A CONTINUING
HARDSHIP EXEMPTION

SECURITIES AND EXCHANGE COMMISSION

Washington, DC 20549

FORM SE

FORM FOR SUBMISSION OF PAPER FORMAT EXHIBITS

BY ELECTRONIC FILERS

Blue Hills Bancorp, Inc.

(Exact Name of Registrant as Specified in Charter)

0001601545

(Registrant's CIK Number)

Exhibit 99.3 to the Form S-1

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

333-194486

(SEC File Number, if Available)

Not Applicable

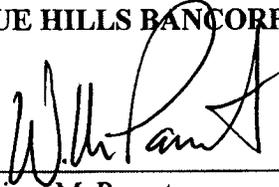
(Name of Person Filing the Document
(If Other Than the Registrant))

SIGNATURES

The Registrant has duly caused this form to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Boston, Commonwealth of Massachusetts on March 11, 2014.

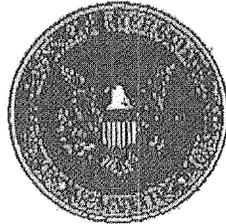
BLUE HILLS BANCORP, INC.

By:



William M. Parent
President and Chief Executive Officer

EXHIBIT 99.3



Grant of Continuing Hardship Exemption

March 11, 2014

Applicant: Michael J. Brown
Company Name: Blue Hills Bancorp, Inc.
Form Type: S-1
Period:
Subject document[s]: Financial data of Exhibit 99.3 Valuation Appraisal Report for S-1 to be filed approximately 3/11/14.

We considered your continuing hardship exemption request submitted via EDGAR on March 3, 2014 (Accession no. 0001193125-14-080028) 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.


Heather Mackintosh
Chief, Office of Information Technology
Division of Corporation Finance

PRO FORMA VALUATION REPORT STANDARD CONVERSION

Blue Hills Bancorp, Inc. | Hyde Park, Massachusetts

PROPOSED HOLDING COMPANY FOR:
Blue Hills Bank | Hyde Park, Massachusetts

Dated as of February 14, 2014



Advisory | Planning | Valuation

1100 North Glebe Road Suite 600
Arlington, Virginia 22201
703.528.1700
rpfinancial.com

February 14, 2014

Board of Trustees
Hyde Park Bancorp, MHC
Boards of Directors
Hyde Park Bancorp, Inc.
Blue Hills Bancorp, Inc.
Blue Hills Bank
1196 River Street
Hyde Park, Massachusetts 02136

Members of the Boards of Trustees and 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 stipulated in the Code of Federal Regulations 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" (the "Valuation Guidelines") of the Office of Thrift Supervision ("OTS") and accepted by the Federal Reserve Board ("FRB"), the Office of the Comptroller of the Currency ("OCC"), the Federal Deposit Insurance Corporation ("FDIC") and the Massachusetts Commissioner of Banks (the "Commissioner"), and applicable regulatory interpretations thereof.

Description of Plan of Conversion

On March 6, 2014, the Board of Trustees of Hyde Park Bancorp, MHC, (the "MHC"), a mutual holding company that owns all of the outstanding shares of common stock of Hyde Park Bancorp, Inc., a Massachusetts corporation ("Hyde Park"), adopted the plan of conversion whereby the MHC will convert to stock form. As a result of the conversion, Hyde Park, which currently owns all of the issued and outstanding common stock of Blue Hills Bank, Hyde Park, Massachusetts ("Blue Hills Bank" or the "Bank") will be succeeded by a Maryland corporation with the name of Blue Hills Bancorp, Inc. ("Blue Hills Bancorp" or the "Company"). Following the conversion, the MHC will no longer exist. For purposes of this document, the existing consolidated entity will hereinafter be referred to as Blue Hills Bancorp or the Company.

Blue Hills Bancorp will offer its common stock in a subscription offering to Eligible Account Holders, Tax-Qualified Employee Stock Benefit Plans including Blue Hills Bank's employee stock ownership plan (the "ESOP") and Employees, Officers Directors, Trustees and Corporators, as such terms are defined in the Company's prospectus for purposes of applicable federal regulatory guidelines governing mutual-to-stock conversions. To the extent shares remain available for purchase after satisfaction of all subscriptions received in the

Washington Headquarters

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

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

The plan of conversion provides for the establishment of a new charitable foundation (the "Foundation"). The Foundation contribution will total \$7.0 million and will be funded with Blue Hills Bancorp common stock contributed by the Company in an amount equal to 2.5% of the shares of common stock sold in the offering and the remainder in cash. The purpose of the Foundation is to provide financial support to charitable organizations in the communities in which Blue Hills Bank operates and to enable those communities to share in the Bank's long-term growth. The Foundation will be dedicated completely to community activities and the promotion of charitable causes.

RP[®] Financial, LC.

RP[®] Financial, LC. ("RP Financial") is a financial consulting firm serving the financial services industry nationwide that, among other things, specializes in financial valuations and analyses of business enterprises and securities, including the pro forma valuation for savings institutions converting from mutual-to-stock form. The background and experience of RP Financial is detailed in Exhibit V-1. We believe that, except for the fee we will receive for the 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 FRB, the FDIC, the Commissioner 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 years ended December 31, 2009 through December 31, 2013 and a review of various unaudited information and internal financial reports through December 31, 2013, and due diligence related discussions with the Company's management; Wolf & Company, P.C., the Company's independent auditor; Luse Gorman Pomeroy & Schick, P.C. the Company's conversion counsel and Keefe Bruyette & Woods, Inc., 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 Blue Hills Bancorp operates and have assessed Blue Hills Bancorp'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 Blue Hills Bancorp and the industry as a whole. We have analyzed the potential effects of the stock conversion on Blue Hills Bancorp's operating characteristics and financial performance as they relate to the pro forma market value of Blue Hills Bancorp. We have reviewed the economic and demographic characteristics of the Company's primary market area. We have compared Blue Hills Bancorp's financial performance and condition with selected publicly-traded thrifts in accordance with the Valuation Guidelines, as well as all publicly-traded thrifts and thrift holding companies. We have reviewed the current conditions in the securities markets in general and the market for thrift stocks in particular, including the market for existing thrift issues and initial public offerings by thrifts and thrift holding companies. 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 Blue Hills Bancorp's representation that the information contained in the regulatory applications and additional information furnished to us by Blue Bancorp 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 Blue Hills Bancorp, or its independent auditor, legal counsel and other authorized agents nor did we independently value the assets or liabilities of Blue Hills Bancorp. The valuation considers Blue Hills Bancorp only as a going concern and should not be considered as an indication of Blue Hills Bancorp's liquidation value.

Our appraised value is predicated on a continuation of the current operating environment for Blue Hills Bancorp 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 Blue Hills Bancorp's stock alone. It is our understanding that there are no current plans for selling control of Blue Hills Bancorp following completion of the 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 Blue Hills Bancorp's common stock, immediately upon completion of the 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 14, 2014, the estimated aggregate pro forma market value of the shares to be issued immediately following the conversion, including shares to be issued to the Foundation, equaled \$215,250,000 at the midpoint, equal to 21,525,000 shares offered at a per share value of \$10.00. Pursuant to conversion guidelines, the 15% valuation range indicates a minimum value of \$182,962,500 and a maximum value of \$247,537,500. Based on the \$10.00 per share offering price determined by the Board, this valuation range equates to total shares outstanding of 18,296,250 at the minimum and 24,753,750 at the maximum. In the event the appraised value is subject to an increase, the aggregate pro forma market value may be increased up to a super maximum value of \$284,668,130 without a resolicitation. Based on the \$10.00 per share offering price, the super maximum value would result in total shares outstanding of 28,466,813. Based on this valuation range, the offering range is as follows: \$178,500,000 at the minimum, \$210,000,000 at the midpoint, \$241,500,000 at the maximum and \$277,725,000 at the super maximum. Based on the \$10.00 per share offering price, the number of offering shares is as follows: 17,850,000 at the minimum, 21,000,000 at the midpoint, 24,150,500 at the maximum and 27,722,500 at the super maximum.

Limiting Factors and Considerations

The valuation is not intended, and must not be construed, as a recommendation of any kind as to the advisability of purchasing shares of the common stock. Moreover, because such valuation is determined in accordance with applicable regulatory guidelines and is necessarily based upon estimates and projections of a number of matters, all of which are subject to change from time to time, no assurance can be given that persons who purchase shares of common stock in the conversion offering 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 Blue Hills Bancorp immediately upon issuance of the stock and does not take into account any trading activity with respect to the purchase and sale of common stock in the secondary market on the date of issuance of such securities or at anytime thereafter following the completion of the stock offering.

RP Financial's valuation was based on the financial condition, operations and shares outstanding of Blue Hills Bancorp as of December 31, 2013, the date of the financial data included in the prospectus.

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

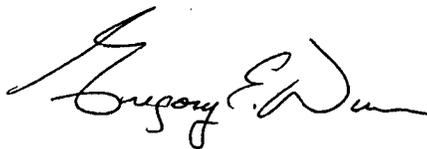
financial institutions, the stock market and the market for thrift stocks, and interest rates. Should any such new developments or changes be material, in our opinion, to the valuation of the shares, appropriate adjustments to the estimated pro forma market value will be made. The reasons for any such 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 Blue Hills Bancorp's stock offering.

Respectfully submitted,

RP® FINANCIAL, LC.

A handwritten signature in black ink, appearing to read "Ronald J. Gizio". The signature is fluid and cursive, with a large initial "R" and "G".

President and Managing Director

A handwritten signature in black ink, appearing to read "Gregory E. Dunn". The signature is fluid and cursive, with a large initial "G" and "D".

Gregory E. Dunn
Director

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Hyde Park, Massachusetts

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Hyde Park, Massachusetts

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I. OVERVIEW AND FINANCIAL ANALYSIS

Introduction

Blue Hills Bank (“Blue Hills” or the “Bank”), chartered in 1871, is a Massachusetts chartered stock savings bank headquartered in Hyde Park, Massachusetts. In 2008, Blue Hills reorganized into the mutual holding company structure, forming Hyde Park Bancorp, MHC, a Massachusetts mutual holding company (the “MHC”). The MHC owns 100% of the outstanding common stock of Hyde Park Bancorp, Inc., a Massachusetts corporation (“Hyde Park”). Blue Hills is the wholly owned subsidiary of Bancorp. Blue Hills serves the Boston metropolitan area and Nantucket Island through the main office, eight full service branch offices and an operations center. A map of Blue Hills’ office locations is provided in Exhibit I-1. Blue Hills is a member of the Federal Home Loan Bank (“FHLB”) system and its deposits are insured up to the maximum allowable amount by the Federal Deposit Insurance Corporation (“FDIC”). As of December 31, 2013, the MHC had consolidated total assets of \$1.314 billion, total deposits of \$915.2 million and total equity of \$171.5 million equal to 13.1% of total assets. The MHC’s audited financial statements are included by reference as Exhibit I-2.

Plan of Conversion

On March 6, 2014, the Board of Trustees of the MHC adopted the plan of conversion, whereby the MHC will convert to stock form. As a result of the conversion, Hyde Park, which currently owns all of the issued and outstanding common stock of Blue Hills will be succeeded by a Maryland corporation with the name of Blue Hills Bancorp, Inc., a newly formed Maryland stock holding company (“Blue Hills Bancorp” or the “Company”). Following the conversion, the MHC will no longer exist. For purposes of this document, the existing consolidated entity will hereinafter also be referred to as Blue Hills Bancorp or the Company.

Blue Hills Bancorp will offer its common stock in a subscription offering to Eligible Account Holders, Tax-Qualified Plans including Blue Hills’ employee stock ownership plan (the “ESOP”) and Employees, Officers, Directors, Trustees and Corporators, as such terms are defined in the Company’s prospectus for purposes of applicable federal regulatory guidelines governing mutual-to-stock conversions. To the extent that shares remain available for purchase after satisfaction of all subscriptions received in the subscription offering, the shares may be

offered for sale to members of the general public in a community offering and/or a syndicated or firm commitment underwritten offering. A portion of the net proceeds received from the sale of the common stock will be used to purchase all of the then to be issued and outstanding capital stock of Blue Hills Bank and the balance of the net proceeds will be retained by the Company.

As of December 31, 2013, the Company held unconsolidated cash and cash equivalents of \$30.0 million and preferred stock equity of \$18.7 million. At this time, following the conversion no other activities are contemplated for the Company other than the ownership of the Bank, funding a loan to the newly-formed ESOP and reinvestment of the proceeds that are retained by the Company. In the future, Blue Hills Bancorp may acquire or organize other operating subsidiaries, diversify into other banking-related activities, pay dividends or repurchase its stock, although there are no specific plans to undertake such activities at the present time.

The plan of conversion provides for the establishment of a new charitable foundation (the "Foundation"). The Foundation contribution will total \$7.0 million and will be funded with Blue Hills Bancorp common stock contributed by the Company in an amount equal to 2.5% of the shares of common stock sold in the offering and the remainder in cash. The purpose of the Foundation is to provide financial support to charitable organizations in the communities in which Blue Hills Bank operates and to enable those communities to share in the Bank's long-term growth. The Foundation will be dedicated completely to community activities and the promotion of charitable causes.

Strategic Overview

Blue Hills Park Bancorp maintains a local community banking emphasis, with a primary strategic objective of meeting the borrowing and savings needs of its local customer base. Historically, Blue Hills Bancorp's operating strategy was to maintain a relatively high concentration of assets in low risk investments, such as government-sponsored obligations and mortgage-backed securities issued by government-sponsored enterprises ("GSEs") and emphasize origination of 1-4 family permanent mortgage loans. Funding has been largely generated through retail deposits. In 2011, the Company embarked on a new strategic direction designed to build a full service community banking franchise. To facilitate implementation of new strategic initiatives, the Company added senior management infrastructure including the appointment of a new President and Chief Executive Officer in July 2010. In connection with

the implementation of a full service community banking strategy, the Company introduced its new banking brand with the name change of the Bank from Hyde Park Savings Bank to Blue Hills Bank. Pursuant to implementation of new strategic initiatives, the Company invested in infrastructure, personnel and platforms. These investments included adding a team of commercial lenders experienced in building full service commercial banking relationships in the local market, completing the renovation of all branch offices and signage to reflect the new Blue Hills Bank brand, enhancing consumer online platform and technology infrastructure and introduction of new deposit products. In 2012 and 2013, the Company started to realize some leveraging of its strategic investments as evidenced by acceleration of loan and deposit growth over the past two years. Growth strategies are emphasizing increased lending diversification that is primarily targeting growth of commercial real estate and commercial business loans and, to a lesser extent, growth of residential and consumer loans. The Company's objective is to fund asset growth primarily through deposit growth, emphasizing growth of lower cost core deposits. Core deposit growth is expected to be in part facilitated by growth of commercial lending relationships, pursuant to which the Company is seeking to establish a full service banking relationship with its commercial loan customers through offering a full range of commercial loan products that can be packaged with lower cost commercial deposit products.

In January 2014, the Company supplemented organic growth with the acquisition of Nantucket Bank, which operated as a division of Sovereign Bank, N.A. With the acquisition of Nantucket Bank, the Company added three branches on the island of Nantucket and approximately \$275 million in assets and deposits. Nantucket Bank will continue to operate under its own name as a division of Blue Hills Bank. Further expansion of the Company's branch network is planned over the next two years, with the addition of de novo branches in East Milton Square in 2014 and in University Station in Westwood, Massachusetts in 2015.

Investments serve as a supplement to the Company's lending activities and the investment portfolio is considered to be largely indicative of a low risk investment philosophy. U.S. Treasuries, GSE obligations and mortgage-backed securities issued by GSEs constitute more than half of the investment portfolio, with the balance of investment consisting of private label mortgage- and asset-backed securities, municipal bonds, corporate bonds, marketable equity securities and FHLB stock. In 2012, the Company also maintained a portfolio of trading securities consisting of U.S. Government and agency securities and to be announced mortgage-backed securities. At December 31, 2013, the Company held a nominal balance of U.S. Government and agency securities as trading securities. In connection with the Company's

investment in to be announced mortgage-backed securities, the Company maintained a related due to broker asset balance and related securities sold short and due to broker liability positions. The Company's current investment philosophy is to no longer invest in to be announced mortgage-backed securities.

Deposits have consistently served as the primary interest-bearing funding source for the Company and have funded the Company's recent asset growth along with increased utilization of borrowings, as well as the pay down of borrowings in recent years. Core deposits, consisting of transaction and savings account deposits, constitute the largest portion of the Company's deposit base. The Company utilizes borrowings as a supplemental funding source to facilitate management of funding costs and interest rate risk. Borrowings utilized the Company consist primarily of short- and long-term FHLB advances.

Blue Hills Bancorp's earnings base is largely dependent upon net interest income and operating expense levels. In recent years, the Company's net interest margin has trended lower as interest rate spreads have narrowed in which the prolonged low interest rate environment has resulted in yields earned on interest-earnings assets declining more relative to funding costs paid on interest-bearing liabilities. Operating expense ratios have trended higher over the past few years, which have been mostly related to investments made in infrastructure that has been put into place to facilitate implementation of the Company's strategic plan. Historically, non-interest operating income has been a limited contributor to earnings, reflecting the Company's traditional thrift operating strategy that has provided for only a modest earnings contribution from fee-based products and services and the high concentration of assets maintained in investments. Growth of non-operating income is a strategic initiative for the Company, pursuant to which the Company is seeking to build full service banking relationships with its retail and commercial customers that will generate increased revenues derived from fee-based products and services. Gains on sales of securities have been a fairly significant contributor to the Company's earnings in recent years.

The post-offering business plan of the Company is expected to continue to focus on implementing strategic initiatives to develop and grow a full service community banking franchise. Accordingly, Blue Hills Bancorp will continue to be an independent full service community bank, with a commitment to meeting the retail and commercial banking needs of individuals and businesses in the Boston metropolitan area and nearby regional markets in eastern Massachusetts, including the island of Nantucket.

The Company's Board of Directors has elected to complete a public stock offering to sustain recent growth strategies and facilitate implementation of its strategic plan. The capital realized from the stock offering will increase the Company's operating flexibility and allow for continued growth of the balance sheet. The additional funds realized from the stock offering will provide an alternative funding source to deposits and borrowings in meeting the Company's future funding needs, which may facilitate a reduction in Blue Hills Bancorp's funding costs. Additionally, Blue Hills Bancorp's higher equity-to-assets ratio will enable to the Company to redeem higher costing preferred stock and to pursue expansion opportunities. Such expansion would most likely occur through the establishment or acquisition of additional banking offices or customer facilities that would increase market penetration in the markets currently served by the Company or to gain a market presence into nearby complementary markets. The Company will also be bettered position to pursue growth through acquisition of other financial service providers following the stock offering, given its strengthened capital position and ability to offer stock as consideration. At this time, other than the planned opening of two de novo branches over the next two years, the Company has no specific plans for expansion, but will continue to evaluate branch expansion as such opportunities arise. The projected uses of proceeds are highlighted below.

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

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

Balance Sheet Trends

Table 1.1 shows the Company's historical balance sheet data from yearend 2009 through yearend 2013. From yearend 2009 through yearend 2013, Blue Hills Bancorp's assets

Table 1.1
Blue Hills Bancorp, Inc.
Historical Balance Sheet Data

	At December 31,										12/31/09- 12/31/13	Pro Forma Combined	
	2009		2010		2011		2012		2013		Annual.	At December 31,(2)	
	Amount (\$000)	Pct(1) (%)	Growth Rate Pct (%)	Amount (\$000)	Pct(1) (%)								
Total Amount of:													
Assets	\$905,382	100.00%	\$910,289	100.00%	\$970,674	100.00%	\$1,228,636	100.00%	\$1,314,287	100.00%	9.77%	\$1,437,754	100.00%
Cash and cash equivalents	180,264	19.91%	111,759	12.28%	87,331	9.00%	73,819	6.01%	40,316	3.07%	-31.23%	40,316	2.80%
Trading assets	-	0.00%	-	0.00%	-	0.00%	32,125	2.61%	750	0.06%	NM	750	0.05%
Investment securities	457,887	50.57%	543,890	59.75%	547,475	56.40%	533,785	43.45%	441,306	33.58%	-0.92%	441,306	30.69%
Loans receivable, net	210,858	23.29%	202,016	22.19%	276,528	28.49%	488,207	39.74%	765,347	58.23%	38.03%	862,813	60.01%
Bank owned life insurance	30,167	3.33%	31,178	3.43%	32,220	3.32%	33,344	2.71%	29,831	2.27%	-0.28%	29,831	2.07%
FHLB stock	3,293	0.36%	3,293	0.36%	3,846	0.40%	9,669	0.79%	10,766	0.82%	34.47%	10,766	0.75%
Intangible assets	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	NM	14,917	1.04%
Deposits	760,692	84.02%	754,228	82.86%	756,481	77.93%	817,877	66.57%	915,223	69.64%	4.73%	1,148,769	79.90%
Borrowings	-	0.00%	-	0.00%	40,000	4.12%	154,424	12.57%	215,000	16.36%	NM	63,652	4.43%
Equity	127,145	14.04%	144,384	15.86%	163,832	16.88%	176,938	14.40%	171,534	13.05%	7.77%	171,534	11.93%
Tangible equity	127,145	14.04%	144,384	15.86%	163,832	16.88%	176,938	14.40%	171,534	13.05%	7.77%	156,617	10.89%
Loans/Deposits		27.72%		26.78%		36.55%		59.69%		83.62%			75.11%
Full Service Banking Offices Open	6		6		6		6		6			9	

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

(2) Reflects estimated pro forma impact of the acquisition of Nantucket Bank.

Sources: Blue Hills Bancorp's prospectus, audited and unaudited financial statements and RP Financial calculations.

increased at a 9.8% annual rate. Most of the growth has occurred during the past two years, pursuant to the Company's implementation of new strategic initiatives to build a full service community banking franchise. Asset growth was largely driven by loan growth, which was in part funded by redeployment of cash and investments into loans. Asset growth was funded by deposit growth and increased utilization of borrowings. A summary of Blue Hills Bancorp's key operating ratios from yearend 2009 through yearend 2013 is presented in Exhibit I-3.

Blue Hills Bancorp's loans receivable portfolio increased at a 38.0% annual rate from yearend 2009 through yearend 2013, with the loan portfolio exhibiting the most significant growth during 2012 and 2013. The relatively strong loan growth during the past two years reflects implementation of lending initiatives set forth in the Company's strategic plan, including adding a commercial lending team to facilitate significantly increasing diversification into commercial real estate and commercial business types of lending. The Company's stronger loan growth rate compared to its asset growth rate served to increase the loans-to-assets ratio from 23.3% at yearend 2009 to 58.2% at yearend 2013.

While residential mortgage loans represent the largest concentration in the Company's loan portfolio, Blue Hills Bancorp's emphasis on growing a more diversified loan portfolio is evidenced by recent trends in its loan portfolio composition. Trends in the Company's loan portfolio composition since yearend 2009 show that the concentration of 1-4 family permanent mortgage loans comprising total loans decreased from 94.2% of total loans at yearend 2009 to 47.3% of total loans at yearend 2013. Comparatively, from yearend 2009 through yearend 2013, commercial real estate loans increased from 2.7% to 29.6% of total loans, commercial business loans increased from 0.5% to 14.4% of total loans, consumer loans (including home equity loans) increased from 2.1% of total loans to 6.6% of total loans and construction loans increased from 0.6% to 2.1% of total loans. The decrease in the concentration of 1-4 family loans comprising the loan portfolio was attributable to comparatively slower growth of 1-4 family loans, which was in part related to the Company's general philosophy of selling most originations of conforming, fixed rate 1-4 family fixed loans into the secondary market. Additionally, the Company completed a bulk sale of 1-4 family loans held in the loans receivable portfolio during 2013.

The intent of the Company's investment policy is to provide adequate liquidity and to generate a favorable return within the context of supporting Blue Hills Bancorp's overall credit and interest rate risk objectives. It is anticipated that proceeds retained at the holding company

level will primarily be invested into short-term liquid funds. Since yearend 2009, the Company's level of cash and investment securities (inclusive of FHLB stock) ranged from a low of 37.5% of assets at yearend 2013 to a high of 72.4% of assets at yearend 2010. The decrease in the concentration of cash and investments comprising assets reflects implementation of the Company's strategic plan, in which the Company has been downsizing its investment portfolio and emphasizing loan growth. U.S. Government and GSE obligations totaling \$142.2 million comprised the most significant component of the Company's investment portfolio at December 31, 2013. Other investments held by the Company at December 31, 2013 consisted of mortgage- and asset-backed securities (\$114.0 million), municipal bonds (\$15.7 million), corporate bonds (\$89.2 million) and marketable equity securities (\$80.2 million). As of December 31, 2013, the Company also held \$40.3 million of cash and cash equivalents, \$10.8 million of FHLB stock and trading assets of \$750,000. Trading assets held by the Company at December 31, 2013 consisted of U.S. Government and agency securities. All investments are maintained as available for sale and, as of December 31, 2013, the investment portfolio had a net unrealized gain of \$2.8 million. Exhibit I-4 provides historical detail of the Company's investment portfolio.

The Company also maintains an investment in bank-owned life insurance ("BOLI") policies, which cover the lives of some of the Company's employees. The purpose of the investment is to provide funding for the benefit plans of the covered individuals. The life insurance policies earn tax-exempt income through cash value accumulation and death proceeds. As of December 31, 2013, the cash surrender value of the Company's BOLI equaled \$29.8 million.

Blue Hills Bancorp's funding needs have been addressed through a combination of deposits, borrowings and internal cash flows. From yearend 2009 through yearend 2013, the Company's deposits increased at a 4.7% annual rate. Since yearend 2009, the major portion of the Company's deposit growth was realized during the past two years. Recent deposit growth trends reflect that deposit growth has been primarily driven by growth of core deposits, with savings account deposits accounting for the largest portion of the core deposit growth. Core deposits comprised 59.8% of average total deposits during the year ended December 31, 2013, versus 41.2% of average total deposits during the year ended December 31, 2011.

Borrowings serve as an alternative funding source for the Company to address funding needs for growth and to support management of deposit costs and interest rate risk. From year

end 2009 to yearend 2013, borrowings increased from a zero balance to \$215.0 million equal to 16.4% of assets. The Company's utilization of borrowings has primarily consisted of FHLB advances, but has also included a limited amount of repurchase agreement.

The Company's equity increased at a 7.8% annual rate from yearend 2009 through yearend 2013, which was largely related to retention of earnings. Capital growth was supplemented with the issuance of \$18.7 million of preferred stock in 2011. On September 22, 2011, the Company issued and sold 18,724 shares of senior non-cumulative perpetual preferred stock, Series A ("Series A Preferred"), with a liquidation value of \$1,000 per share. The Company sold the Series A Preferred to the U.S. Treasury as part of the Small Business Lending Fund Program ("SBLF") for an aggregate purchase price of \$18,724,000. Non-cumulative dividends on the Series A Preferred accrue at an annual rate of between 1% and 5% for the first four and one-half years and at an annual rate of 9% thereafter. The variable rate is determined based upon changes in the amount of the Company's "Qualified Small Business Lending" as compared to a baseline level. At December 31, 2013, as a result of the Company's small business lending activity, the dividend rate was 4.48%. A portion of the net proceeds from the offering will fund the redemption of the Company's preferred stock. As of December 31, 2013, all of the Company's capital was tangible capital and Blue Hills Bank maintained capital surpluses relative to all of its regulatory capital requirements at December 31, 2013. The addition of stock proceeds will serve to strengthen the Company's capital position, as well as support growth opportunities. At the same time, Blue Hills Bancorp's ROE will initially be depressed following its stock conversion as the Company's pro forma capital position will be significantly higher following the infusion of net stock proceeds into capital.

Pro Forma Balance Sheet Impact of Nantucket Bank Acquisition

The Company's pro forma balance sheet as of December 31, 2013, which accounts for the acquisition of Nantucket Bank, is also included in Table 1.1. After accounting for the Nantucket Bank acquisition, the Company's assets increase from \$1.314 billion to \$1.438 billion. The major balance sheet entries resulting from the acquisition include loans increasing from \$765.3 million or 58.2% assets to \$862.8 million or 60.0% of assets, deposits increasing from \$915.2 million or 69.6% of asset to \$1.149 billion or 79.9% of assets and borrowings decreasing from \$215.0 million or 16.4% of assets to \$63.7 million or 4.4% of assets. The Company will use most of the \$161.6 million of cash obtained in the acquisition to fund the pay down of borrowings and replace brokered deposits. Goodwill and intangibles increase from a zero

balance to \$14.9 million or 1.0% of assets. Accordingly, the Company's tangible equity-to-assets ratio declines from 13.1% to 10.9%. Loan acquired in the acquisition consist of a mix of small business, home equity and consumer loans.

Income and Expense Trends

Table 1.2 shows the Company's historical income statements for the past five years through the year ended December 31, 2013. The Company's reported earnings ranged from \$2.6 million or 0.22% of average assets in 2013 to \$29.6 million or 3.21% of average assets in 2010. The relatively high level of net income reported for 2010 was supported by gains on the sale of investment securities. Net interest income and operating expenses represent the primary components of the Company's earnings. Non-interest operating income has been somewhat of limited source of earnings for the Company. Loan loss provisions typically have not had a significant impact on earnings, while non-operating gains and losses have had a varied impact on the Company's earnings during the period covered in Table 1.1.

During the period covered in Table 1.1, the Company's net interest income to average assets ratio reached a peak of 2.51% during 2011 and then trended lower over the past two years to equal 2.10% during 2013. The recent decline in the Company's net interest income ratio was largely attributable to interest rate spread compression that has resulted from a more significant decrease in the yield earned on interest-earning assets relative to the cost of interest-bearing liabilities. As the result of the prolonged low interest rate environment, the decline in yield earned on less rate sensitive interest-earning assets has become more significant relative to the decline in rate paid on more rate sensitive liabilities which had more significant downward repricing earlier in the prevailing interest rate environment. The decline in yield earned on interest-earning assets has been partially offset by the increase in comparatively higher yielding loans that comprise interest-earning assets; however, a significant portion of the loan growth has consisted of relatively low yielding loans indexed to the 3-month LIBOR. Overall, during the past five years, the Company's interest rate spread decreased from a peak of 2.52% during 2011 to 2.09% during 2013. The Company's net interest rate spreads and yields and costs for the past five years are set forth in Exhibit I-3 and Exhibit I-5.

Table 1.2
Blue Hills Bancorp, Inc.
Historical Income Statements

	Fiscal Year Ended December 31,									
	2009		2010		2011		2012		2013	
	Amount (\$000)	Pct(1) (%)	Amount (\$000)	Pct(1) (%)	Amount (\$000)	Pct(1) (%)	Amount (\$000)	Pct(1) (%)	Amount (\$000)	Pct(1) (%)
Interest income	\$40,087	3.51%	\$34,186	3.71%	\$31,995	3.48%	\$31,703	2.97%	\$33,092	2.77%
Interest expense	(17,849)	-1.56%	(12,083)	-1.31%	(8,938)	-0.97%	(8,372)	-0.78%	(\$7,971)	-0.67%
Net interest income	\$22,238	1.95%	\$22,103	2.40%	\$23,057	2.51%	\$23,331	2.18%	\$25,121	2.10%
Provision for loan losses	(1,250)	-0.11%	(502)	-0.05%	(1,126)	-0.12%	(2,361)	-0.22%	(\$4,094)	-0.34%
Net interest income after provisions	\$20,988	1.84%	\$21,601	2.34%	\$21,931	2.39%	\$20,970	1.97%	\$21,027	1.76%
Non-interest operating income	\$3,395	0.30%	\$3,236	0.35%	\$3,644	0.40%	\$4,044	0.38%	\$7,507	0.63%
Non-interest operating expense	(13,313)	-1.17%	(17,362)	-1.88%	(21,041)	-2.29%	(26,283)	-2.46%	(31,659)	-2.65%
Net operating income	\$11,070	0.97%	\$7,475	0.81%	\$4,534	0.49%	(\$1,269)	-0.12%	(\$3,125)	-0.26%
<u>Non-Operating Income(Loss)</u>										
Gain on sales of securities	\$1,974	0.17%	\$25,677	2.79%	\$5,557	0.60%	\$11,931	1.12%	\$5,091	0.43%
Net impairment losses on securities	(4,218)	-0.37%	-	0.00%	-	0.00%	-	0.00%	(92)	-0.01%
Gain on trading assets and derivatives, net	-	0.00%	-	0.00%	-	0.00%	604	0.06%	505	0.04%
Net non-operating income	(\$2,244)	-0.20%	\$25,677	2.79%	\$5,557	0.60%	12,535	1.18%	\$5,504	0.46%
Net income before tax	\$8,826	0.77%	\$33,152	3.60%	\$10,091	1.10%	\$11,266	1.06%	\$2,379	0.20%
Income tax provision	(3,456)	-0.30%	(3,542)	-0.38%	(2,530)	-0.28%	(3,412)	-0.32%	\$284	0.02%
Net income (loss)	\$5,370	0.47%	\$29,610	3.21%	\$7,561	0.82%	\$7,854	0.74%	\$2,663	0.22%
<u>Adjusted Earnings</u>										
Net income	\$5,370	0.47%	\$29,610	3.21%	\$7,561	0.82%	\$7,854	0.74%	\$2,663	0.22%
Add(Deduct): Net gain/(loss) on sale	2,244	0.20%	(25,677)	-2.79%	(5,557)	-0.60%	(12,535)	-1.18%	(5,504)	-0.46%
Tax effect (2)	(898)	-0.08%	10,271	1.11%	2,223	0.24%	5,014	0.47%	2,202	0.18%
Adjusted earnings	\$6,716	0.59%	\$14,204	1.54%	\$4,227	0.46%	\$333	0.03%	(\$639)	-0.05%
Expense Coverage Ratio (3)	1.67x		1.27x		1.10x		0.89x		0.79x	
Efficiency Ratio (4)	52.00%		68.52%		78.80%		96.01%		97.07%	

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

(2) Assumes a 40.0% effective tax rate.

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

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

Sources: Blue Hills Bancorp's prospectus, audited & unaudited financial statements and RP Financial calculations.

Non-interest operating income has been a fairly stable, but somewhat limited, contributor to the Company's earnings, reflecting the Company's limited diversification into products and services that generate non-interest operating income. Throughout the period shown in Table 1.2, sources of non-interest operating income ranged from a low of \$3.2 million or 0.35% of average assets during 2010 to a high of \$7.5 million or 0.61% of average assets during 2013. The relatively high level of non-interest operating income for 2013 was supported by a \$1.9 million death benefit realized from the Company's BOLI investment, as well as increases in customer services fees, gains on sales of loans and loan level derivative income generated from interest rate swaps written on floating rate commercial real estate loans that provide the borrower with a fixed rate of interest.

Operating expenses represent the other major component of the Company's earnings, ranging from a low of \$13.3 million or 1.17% of average assets during 2009 to a high of \$31.7 million or 2.65% of average assets during 2013. The increase in the Company's operating expense ratio since 2009 reflects infrastructure that has been put into place to facilitate implementation of the Company's strategic plan, pursuant to which the Company is seeking to build a profitable full service community bank franchise. The higher operating expenses reported during 2013 also include \$1.7 million of expenses related to certain employee benefit plans that were terminated in 2013. Upward pressure will be placed on the Company's operating expense ratio following the stock offering, due to expenses associated with operating as a publicly-traded company, including expenses related to the stock benefit plans. At the same time, the increase in capital realized from the stock offering will increase the Company's capacity to leverage operating expenses through implementation of current growth strategies.

Overall, the general trends in the Company's net interest margin and operating expense ratio since 2009 reflect a negative trend in core earnings, as indicated by the Company's expense coverage ratios (net interest income divided by operating expenses). Blue Hills Bancorp's expense coverage ratio equaled 1.67 times during 2009, versus a ratio of 0.79 times during 2013. The decrease in the expense coverage ratio since 2009 was the result of a decrease in the net interest income ratio and an increase in the operating expense ratio. Similarly, Blue Hills Bancorp's efficiency ratio (operating expenses as a percent of the sum of net interest income and other operating income) of 52.00% during 2009 was lower or more favorable compared to its 2013 efficiency ratio of 97.07%.

During the period covered in Table 1.2, maintenance of generally favorable credit quality measures served to limit the impact of loan loss provisions on the Company's earnings. Loan loss provisions ranged from a low of \$502,000 or 0.05% of average assets during 2010 to a high of \$4.1 million or 0.34% of average assets during 2013. Loan growth, including growth of higher risk types of loans, largely accounted for higher loan loss provisions established during the past two years. As of December 31, 2013, the Company maintained loan loss allowances of \$9.7 million, equal to 1.25% of total loans and 555.17% of non-accruing loans. Exhibit I-6 sets forth the Company's loan loss allowance activity during the past five years.

Non-operating income and losses have had a varied impact on the Company's earnings during the period covered in Table 1.2, ranging from a non-operating loss of \$2.2 million or 0.20% of average assets during 2009 to non-operating income equal to \$25.7 million or 2.79% of average assets during 2010. For 2013, the Company reported non-operating income of \$5.5 million or 0.46% of average assets. The non-operating loss recorded in 2009 was due to net impairment losses on securities, which was partially offset by gains on sales of securities. Gains on sales of securities accounted for all of the non-operating income reported for 2010. Non-operating income reported for 2013 consisted of \$5.1 million of gains on sales of securities, \$505,000 of gains on trading assets and derivatives and \$92,000 of net impairment losses on securities. The other components of the Company's non-operating income are viewed as non-recurring income items.

The Company's effective tax rate ranged from 10.68% during 2010 to 39.16% during 2009. As set forth in the prospectus, the Company's marginal effective tax rate is 40.0%.

Interest Rate Risk Management

The Company's balance sheet is liability-sensitive in the short-term (less than one year) and, thus, the net interest margin will typically be adversely affected during periods of rising and higher interest rates. Comparatively, the Company's net interest margin has benefited from the declining and low interest rate environment that has prevailed in recent years. However, as interest rates have remained at historically low levels for an extended period of time, the Company has experienced interest spread compression as the average yield earned on interest-earning assets has started to decline more relative to the average rate paid on interest-bearing liabilities. The Company's interest rate risk analysis as of December 31, 2013 indicates that in the event of a 200 basis point increase in interest rates over a one year period, assuming

a gradual parallel shift across the yield curve over such period, net interest income would decrease by 5.01% and Economic Value of Equity would decrease by 17.4%, which were within policy limits (see Exhibit I-7).

The Company pursues a number of strategies to manage interest rate risk, particularly with respect to seeking to limit the repricing mismatch between interest rate sensitive assets and liabilities. The Company manages interest rate risk from the asset side of the balance sheet through selling originations of conforming fixed rate 1-4 family loans with terms of 15 years or more, investing in debt securities with maturities of less than five years, maintaining the entire investment portfolio as available for sale, diversifying into other types of lending beyond 1-4 family permanent mortgage loans which consists primarily of shorter term fixed rate loans, adjustable rate loans or balloon loans and using interest rate swaps on certain larger commercial real estate loans. As of December 31, 2013, of the Company's total loans due after December 31, 2014, ARM loans comprised 55.9% of those loans (see Exhibit I-8). The notional amount of interest rate swap agreements maintained by the Company at December 31, 2013 equaled \$171.7 million for which the Company had offsetting positions in an equal amount. On the liability side of the balance sheet, management of interest rate risk has been pursued through utilizing fixed rate FHLB advances with maturities out to 2018 and emphasizing growth of lower costing and less interest rate sensitive transaction and savings accounts. Transaction and savings accounts comprised 59.8% of the Company's average total deposits during the year ended December 31, 2013.

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

Lending Activities and Strategy

Blue Hills Bancorp's lending activities have traditionally emphasized 1-4 family permanent mortgage loans and such loans continue to comprise the largest component of the Company's loan portfolio. Pursuant to the Company's strategic plan, the Company is pursuing a diversified lending strategy emphasizing commercial real estate loans and commercial business loans as the primary areas of targeted loan growth. Other areas of lending diversification for the Company include construction loans, home equity loans and other

consumer loans. The origination of 1-4 family permanent mortgage loans is expected to remain an active area of lending for the Company, although growth of the 1-4 family loan portfolio will be constrained by the sale of most fixed rate originations of conforming 1-4 family loans. Exhibit I-9 provides historical detail of Blue Hills Bancorp's loan portfolio composition for the past five years and Exhibit I-10 provides the contractual maturity of the Company's loan portfolio by loan type as of December 31, 2013.

1-4 Family Residential Loans. Blue Hills Bancorp offers both fixed rate and adjustable rate 1-4 family permanent mortgage loans. Loans are underwritten to secondary market guidelines, as the Company's current philosophy has been to sell most originations of conforming 1-4 family fixed rate loans. Loans are generally sold on a servicing retained basis. ARM loans offered by the Company have initial repricing terms of three, five, seven or ten years and then reprice annually for the balance of the loan term. ARM loans are indexed to the 1-year Treasury rate. Fixed rate loans are offered for terms of 15 through 30 years. As of December 31, 2013, the Company's outstanding balance of 1-4 family loans equaled \$365.7 million or 47.3% of total loans outstanding.

Home Equity Loans and Lines of Credit. The Company's 1-4 family lending activities include home equity loans and lines of credit. Home equity loans are originated as fixed rate loans with amortization terms up to 15 years. Home equity lines of credit are tied to the prime rate as published in *The Wall Street Journal* and are offered for terms of up to a ten year draw period followed by a 15 year repayment period. The Company will originate home equity loans and lines of credit up to a maximum loan-to value ("LTV") ratio of 80.0%, inclusive of other liens on the property. The Company has also made one purchase of home equity loans, which were underwritten consistent with the Company's internal underwriting guidelines and are secured by local properties. As of December 31, 2013, the Company's outstanding balance of home equity loans and lines of credit totaled \$25.5 million or 3.3% of total loans outstanding.

Construction Loans. Construction loans originated by the Company consist of loans to finance the construction of 1-4 family residences and commercial/multi-family properties. The Company's 1-4 family construction lending activities consist of construction loans, which convert to a permanent loan at the end of the construction period. Commercial real estate/multi-family construction loans are mostly secured by apartment development projects. Residential and commercial construction loans are interest only loans during the construction period and are generally offered up to a maximum LTV ratio of 80.0% of the appraised value of the completed

property. As of December 31, 2013, the Company's outstanding balance of construction loans equaled \$16.6 million or 2.1% of total loans outstanding

Commercial Real Estate and Multi-family Loans. The balance of the mortgage loan portfolio consists of commercial real estate and multi-family loans, which are collateralized by properties in the Company's regional lending area. Blue Hills Bancorp originates commercial real estate and multi-family loans up to a maximum LTV ratio of 80.0% and requires a minimum debt-coverage ratio of 1.25 times. The Company supplements originations of commercial real estate and multi-family loans with purchases of loan participations, which are secured by commercial real estate and multi-family properties in the Company's regional lending area and are subject to the Company's underwriting standards for commercial real estate and multi-family loans. Commercial real estate and multi-family loans are originated as adjustable rate loans for terms of up to 25 years and may have a shorter term balloon provision. Commercial real estate and multi-family loans are indexed to the 3-month LIBOR and reprice monthly or quarterly. Properties securing the commercial real estate loan portfolio include office buildings, owner-occupied businesses, industrial buildings, strip mall centers, mixed-use properties, hotels and apartments. As of December 31, 2013, the Company's outstanding balance of commercial real estate and multi-family loans totaled \$228.7 million equal to 29.6% of total loans outstanding.

Commercial Business Loans. The commercial business loan portfolio is generated through extending loans to businesses operating in the local market area. Additionally, in 2013 the Company purchased a \$56.0 million participation in a portfolio of seasoned franchise loans with a leading restaurant chain. At December 31, 2013, \$47.0 million of such participations remained outstanding. Expansion of commercial business lending activities is a desired area of loan growth for the Company, pursuant to which the Company is seeking to become a full service community bank to its commercial loan customers through offering a full range of commercial loan products that can be packaged with lower cost commercial deposit products. In this regard, the Company has put in place a team of commercial lender, with significant lending experience in the Boston metropolitan area. Commercial business loans offered by the Company consist of floating lines of credit indexed to *The Wall Street Journal* prime rate and fixed rate term loans based on a corresponding FHLB rate, plus a margin. The commercial business loan portfolio consists substantially of loans secured by business assets such as accounts receivable, inventory, equipment and real estate. As of December 31, 2013, the Company's outstanding balance of commercial business loans equaled \$111.2 million or 14.4% of total loans outstanding.

Consumer Loans. The Company's consumer lending activities have been concentrated in indirect auto loans, which are secured by classic and luxury vehicles. The indirect auto loans are re-underwritten by the Company. The balance of the consumer loan portfolio consists of small balances of loans secured by deposit, personal lines of credit and miscellaneous installment loans. As of December 31, 2013, the consumer loan portfolio totaled \$25.4 million or 3.3% of total loans outstanding.

Exhibit I-11 provides a summary of the Company's lending activities over the past five years. Total loans originated ranged from a low of \$49.0 million during 2011 to a high of \$281.5 million during 2013. The increase in loans originated during 2012 and 2013 was primarily due to increased originations of commercial real estate loans, commercial business loans and 1-4 family loans. During 2013, the Company originated \$55.3 million of commercial business loans, \$138.6 million of commercial real estate loans and \$73.8 million of 1-4 family loans. The Company's self-generated loan production was supplemented with loan purchases, which ranged from a low of \$1.6 million during 2009 to a high of \$218.1 million during 2013. Loan purchases have largely consisted of 1-4 family loans, while to a lesser extent the Company has purchased commercial real estate, construction and home equity loans. Loans sold consisting of 1-4 family loans and loans participated out by the Company consisting of commercial real estate loans, ranged from a low of \$1.6 million during 2011 to a high of \$52.3 million during 2013. Total principal repayments ranged from a low of \$54.9 million during 2010 to a high of \$160.9 million during 2013. Net loan growth was recorded during each of the past three years following two years of loan shrinkage during 2009 and 2010. Overall, net loans receivable increased from \$210.9 million at yearend 2009 to \$765.3 million at yearend 2013.

Asset Quality

The Company's historical balance sheet concentration in investment securities, 1-4 family lending emphasis and emphasis on lending in local and familiar markets have generally supported the maintenance of relatively favorable credit quality measures. With the onset of the recession in the Company's lending markets, the Company experienced some modest credit quality deterioration in its loan portfolio; although, the Company's ratios for non-performing loans and non-performing assets have remained at relatively low levels. Blue Hills Bancorp's balance of non-performing assets ranged from a low of \$1.6 million or 0.18% of assets at yearend 2010 to a high of \$2.7 million or 0.28% of assets at yearend 2011. As shown in Exhibit I-12, non-performing assets at December 31, 2013 totaled \$1.7 million or 0.13% of assets and

consisted entirely of non-accruing loans. Non-accruing loans held by the Company at December 31, 2013 consisted of \$1.706 million or 1-4 family loans and \$36,000 of consumer loans.

To track the Company's asset quality and the adequacy of valuation allowances, Blue Hills Bancorp has established detailed asset classification policies and procedures which are consistent with regulatory guidelines. Classified assets are reviewed monthly by senior management and the Board. The loan portfolio is also reviewed by an independent third party. Pursuant to these procedures, when needed, the Company establishes additional valuation allowances to cover anticipated losses in classified or non-classified assets. As of December 31 2013, the Company maintained loan loss allowances of \$9.7 million, equal to 1.25% of total loans receivable and 555.17% of non-performing loans.

Funding Composition and Strategy

Deposits have consistently served as the Company's primary funding source and at December 31, 2013 deposits accounted for 81.0% of Blue Hills Bancorp's interest-bearing funding composition. Exhibit I-13 sets forth the Company's deposit composition for the past three years. Transaction and savings account deposits constituted 59.8% of average total deposits for the year ended December 31, 2013. Comparatively, transaction and savings account deposits constituted 41.2% of average total deposits for the year ended December 31, 2011. The increase in the concentration of core deposits comprising total deposits since 2011 was realized through a decrease in the balance of CDs and an increase in the balance of core deposits. Most of the core deposit growth has consisted of savings account deposits, which was facilitated by marketing relatively attractive rates on certain savings account products. Savings account deposits comprised 66.0% of the Company's average total core deposits for the year ended December 31, 2013.

The balance of the Company's deposits consists of CDs, which equaled 40.2% of average total deposits for the year ended December 31, 2013 compared to 58.8% of average total deposits for the year ended December 31, 2011. Blue Hills Bancorp's current CD composition reflects a higher concentration of short-term CDs (maturities of one year or less). The CD portfolio totaled \$388.3 million at December 31, 2013 and \$262.6 million or 67.6% of the CDs were scheduled to mature in one year or less. Exhibit I-14 sets forth the maturity schedule of the Company's CDs as of December 31, 2013. As of December 31, 2013, jumbo

CDs (CD accounts with balances of \$100,000 or more excluding brokered CDs) amounted to \$129.0 million or 33.2% of total CDs. Brokered CDs averaged \$38.3 million or 4.4% of average total deposits during the year ended December 31, 2013.

Borrowings serve as an alternative funding source for the Company to facilitate management of funding costs and interest rate risk. The Company maintained \$215.0 million of FHLB advances at December 31, 2013 with a weighted average rate of 0.61%. FHLB advances held by the Company at December 31, 2013 consisted of \$170,000 million with an original maturity of three months or less and \$45,000 million of fixed rate advances with laddered maturities through 2018. Exhibit I-15 provides further detail of the Company's borrowings activities for the past three years.

Subsidiary Activity

Upon completion of the conversion, the Bank will become a wholly owned subsidiary of Blue Hills Bancorp. Additionally, it is expected that Blue Hills Bancorp will form another subsidiary for the sole purpose of funding the loan to the Bank's ESOP.

Blue Hills Bank has two subsidiaries, HP Security Corporation ("HP Security") and 1196 Corporation. HP Security buys, sell and holds securities on its own behalf as a wholly-owned subsidiary of the Bank, which results in tax advantages in Massachusetts. At December 31, 2013, HP Security had total assets of \$253.5 million. 1196 Corporation owns shares in Northeast Retirement Services, Inc., a company that administers pension and 401(k) plans for a number of savings banks, including Blue Hills Bank, and other entities.

Legal Proceedings

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

II. MARKET AREA

Introduction

Blue Hills Bancorp serves the Boston metropolitan area and the island of Nantucket through the main office in Hyde Park, Massachusetts and eight additional branch offices. One of the branches is also located in the Hyde Park and the remaining seven branches are located in the Brookline, Dedham, Norwood, West Roxbury and Nantucket. The Blue Hills and West Roxbury offices are in Suffolk County and the Brookline, Dedham and Norwood offices are in Norfolk County. All three of the branches acquired from Nantucket Bank are located on the island of Nantucket, Massachusetts, which is also Nantucket County. Exhibit II-1 provides information on the Company's office properties.

With operations in a major metropolitan area, the Company's competitive environment includes a significant number of thrifts, commercial banks and other financial services companies, some of which have a regional or national presence and are larger than the Company in terms of deposits, loans, scope of operations, and number of branches. These institutions also have greater resources at their disposal than the Company. The Boston metropolitan area has a highly developed economy, with a relatively high concentration of highly skilled workers who are employed in a number of different industry clusters including healthcare, financial services and technology.

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

National Economic Factors

The future success of the Company's operations is partially dependent upon various national and local economic trends. In assessing national economic trends over the past few quarters, manufacturing and non-manufacturing activity continued to expand in July 2013. Job growth for the U.S. slowed during July, as the U.S. economy added 162,000 jobs during July, which was below forecasted job growth of 184,000 jobs, and the July unemployment rate nudged down to 7.4%. Housing starts and existing home sales rose in July compared to June,

while new home sales declined from June to July. Durable-goods orders showed a sharp decline in July, as aircraft demand and business spending weakened. However, exclusive of the transportation category, July durable-goods orders still showed a slight decline. Expansion in the manufacturing and non-manufacturing sectors continued in August, while the August jobs report showed the pace of hiring remained sluggish. The U.S. economy added 169,000 jobs in August and the unemployment rate edged down to 7.3%. Notably, the number of jobs added during July was revised down from 162,000 to 104,000. The positive trends in housing starts and existing home sales were sustained during August, with existing home sales rising to their highest level in six and one-half years. New homes sales were also up solidly in August compared to July. The delayed release of employment data for September showed 148,000 jobs were added in September, which was less than forecasted, and the unemployment rate edged down slightly to 7.2%. Pending home sales declined for the fourth consecutive month in September, as higher mortgage interest rates and home prices curbed buying power. Retail sales were down slightly in September, but core September retail sales which excludes autos were up slightly. Third quarter GDP increased at a 2.8% annual rate (subsequently revised to 4.1%), which marked the fastest growth in a year. Median home prices in U.S. metropolitan areas increased 12.5% during the third quarter compared to the year ago quarter.

Manufacturing activity grew for a fifth consecutive month in October 2013, with the PMI index rising to its highest level in more than two years. Service sector activity also continued to expand in October. The employment report for October showed that 204,000 jobs were added, while the October unemployment rate edged up to 7.3%. Despite the partial government shutdown in early-October, retail sales increased in October. Existing home sales declined in October, which was viewed as a potential sign that rising interest rates were starting to weigh on the housing recovery. The pace of manufacturing activity accelerated further in November, while service sector activity grew at a slightly lower rate in November. Employment growth remained steady in November, with 203,000 jobs being added and the November unemployment rate hitting a five year low of 7.0%. New and existing home sales were down slightly in November compared to October, as home buyers faced higher interest rates and an increase in home prices. Bolstered by a rebound in consumer confidence, retail sales for November showed a healthy increase from October, While manufacturing activity expanded at a slightly lower rate in December, the PMI readings for November and December were the highest and second highest for 2013. Similarly, December service sector activity also grew at a slightly lower rate compared to November. December job growth was the lowest in almost three

years, as only 74,000 jobs were added in December. However, the December unemployment rate dropped to 6.7%, which was mostly attributable to people leaving the labor force.

The pace of manufacturing activity slowed considerably in January 2014, with the PMI reading declining to 52.3 from 51.3. Comparatively, January service sector activity expanded at a slight faster pace, with PMI reading of 56.7 compared to 55.7 in December. January was the second straight month of weak job growth, with a tepid gain of 113,000 jobs. The January unemployment rate dipped to 6.6% in January.

In terms of interest rates trends over the past few quarters, interest rates edged higher at the start of the third quarter of 2013 as job growth for June came in stronger-than-expected. Assurances from the Federal Reserve Chairman that it would not raise short-term rates for some time after the unemployment rate hit 6.5%, along with a decline in consumer sentiment and weaker-than-expected June retail sales, translated into a slight decline in interest rates going into mid-July. Stable interest rates prevailed during the second half of July and the first half of August, as the Federal Reserve concluded its late-July meeting with keeping easy monetary policies in place. Interest rates climbed higher in mid-August, as news that weekly unemployment claims were the lowest since 2007 raised expectations that the Federal Reserve would start to reduce its \$85 billion in monthly bond purchases. Despite economic data that generally reflected sluggish economic growth, the 10-year Treasury yield edged closer to 3.0% in the first week of September. Long-term Treasury yields eased lower during the second half of September, as the Federal Reserve concluded its two day meeting in mid-September by staying the course on its bond buying program in light of the prevailing uneven economic climate and potential for fiscal discord in Washington.

Treasury yields dipped lower at the beginning of October 2013, as hiring in the private sector increased less than expected during September. Stalled negotiations in Washington to avert the first ever default on the U.S. debt pushed Treasury yields higher going into mid-October, which was followed by a rally in Treasury bonds on news of an agreement in Washington that raised the debt ceiling and avoided an imminent default by the U.S. Government. A weaker than expected jobs report for September furthered the downward trend in interest rates, as investors became more confident that the Federal Reserve would leave its bond buying program unchanged. A sharp decline in October consumer confidence and an October employment report that continued to reflect a relatively slow pace of job growth provided for a stable interest rate environment at the end of October and into early-November. Long term Treasury yields edged higher in mid-November and then stabilized for the balance of

November, as investors reacted to generally favorable October economic data and Congressional testimony by the Federal Reserve Chairman nominee Janet Yellen, in which she stated for a continuation of the Federal Reserve's stimulus efforts. Signs of the economic recovery gaining momentum and the Federal Reserve's mid-December announcement that it would begin to taper its stimulus program provided for a general upward trend in interest rates throughout December, with the 10-year Treasury yield edging above 3.0% in late-December.

Interest rates eased lower at the start of 2014, with the 10-year Treasury yield dipping below 3.0%. The weaker-than-expected jobs report for December furthered the downward trend in long-term Treasury yields heading into mid-January. The downward trend in long-term Treasury yields continued through the balance of January, as investors sought the safe haven of Treasury bonds amid turmoil in emerging markets and soft jobs data. The Federal Reserve concluded its late-January meeting by voting to scale back its bond buying program by another \$10 billion. Soft economic data provided for a stable interest rate environment during the first half of February. As of February 14, 2014, the bond equivalent yields for U.S. Treasury bonds with terms of one and ten years equaled 0.11% and 2.75%, respectively, versus comparable year ago yields of 0.16% and 2.00%. Exhibit II-2 provides historical interest rate trends.

Based on the consensus outlook of economists surveyed by The Wall Street Journal in January 2014 economic growth forecasts were largely unchanged, as annual GDP growth was not expected to top 3% through at least 2015. The unemployment rate was forecasted to stall, falling just 0.1% to 6.6% in June 2014 and 200,000 jobs were expected to be added per month over the next year. On average, the economists did not expect the Federal Reserve to begin raising its target rate until mid-2015 at the earliest and the 10-year Treasury yield would increase to 3.5% at the end of 2014. The surveyed economists also forecasted home prices would rise by 5.0% in 2014. Housing starts were forecasted to continue to trend slightly higher in 2014.

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 Blue Hills Bancorp. Demographic data for Suffolk, Norfolk and Nantucket Counties, as well as for Massachusetts and the U.S., is provided in Table 2.1.

Population and household data indicate that the market area served by the Company's branches is a mix of urban and suburban markets. Suffolk County, where the city of Boston is located, and the adjacent Norfolk County, are two of the largest counties in Massachusetts, each with a total population of 0.7 million. Suffolk County experienced relatively strong demographic growth from 2010 to 2012, at 1.0% annually, which exceeded both the national and state growth rates. Norfolk County, which is a suburban market with a larger commuter population, experienced moderate population growth from 2010 to 2012, at 0.5% annually. Nantucket County is a popular tourist destination and summer colony and, thus, has seasonal fluctuations in population. Nantucket County has 10,000 full time residents, which expands to a population approximating 100,000 during the peak of the summer vacation season. From 2010 to 2012, Nantucket County experienced a 0.4% decline in population.

Household growth rates paralleled population growth trends in all three market counties, with Suffolk County displaying the fastest household growth and Nantucket County exhibiting a decline in households. Recent population and household growth trends are generally projected to continue over the next five years, although Nantucket County is projected to record a slight increase in population over the next five years.

Income measures show that Suffolk County is a relatively low-income market, characterized by its urban demographic in the city of Boston. Median household income for Suffolk County fell below both national and state measures, while per capita income exceeded the national measure but was below the state measure. Comparatively, income measures show that Norfolk and Nantucket counties are relatively affluent markets. Norfolk County is the wealthiest county in the state of Massachusetts and is characterized by a high concentration of white collar professionals who work in the Boston MSA. Nantucket County is a prestigious vacation destination targeted towards high-income visitors, with home values among the highest in the country. Median household and per capita income measures for Norfolk and Nantucket Counties are both well above the comparable U.S. and Massachusetts income measures. Projected income growth measures were generally in line with the comparable projected growth rates for the U.S. and Massachusetts, although Nantucket County's projected income growth rates were at the low end of the range of projected growth rates for the primary market area counties as well as the U.S and Massachusetts.

Table 2.1
Blue Hills Bancorp, Inc.
Summary Demographic Data

	Year			Growth Rate	
	<u>2010</u>	<u>2012</u>	<u>2017</u>	<u>2010-2012</u> (%)	<u>2012-2017</u> (%)
<u>Population (000)</u>					
USA	308,746	313,129	323,986	0.7%	0.7%
Massachusetts	6,548	6,607	6,757	0.5%	0.5%
Nantucket, MA	10	10	10	-0.4%	0.1%
Norfolk, MA	671	678	696	0.5%	0.5%
Suffolk, MA	722	736	777	1.0%	1.1%
<u>Households (000)</u>					
USA	116,716	118,209	122,665	0.6%	0.7%
Massachusetts	2,547	2,567	2,637	0.4%	0.5%
Nantucket, MA	4	4	4	-0.2%	0.0%
Norfolk, MA	258	261	268	0.6%	0.5%
Suffolk, MA	293	298	318	0.9%	1.3%
<u>Median Household Income (\$)</u>					
USA	NA	50,157	56,895	NA	2.6%
Massachusetts	NA	62,403	73,930	NA	3.4%
Nantucket, MA	NA	76,164	84,195	NA	2.0%
Norfolk, MA	NA	80,955	90,098	NA	2.2%
Suffolk, MA	NA	48,847	55,703	NA	2.7%
<u>Per Capita Income (\$)</u>					
USA	NA	26,409	29,882	NA	2.5%
Massachusetts	NA	33,741	38,312	NA	2.6%
Nantucket, MA	NA	38,685	43,170	NA	2.2%
Norfolk, MA	NA	40,822	46,796	NA	2.8%
Suffolk, MA	NA	30,253	34,724	NA	2.8%
<u>2012 Age Distribution (%)</u>					
	<u>0-14 Yrs.</u>	<u>15-34 Yrs.</u>	<u>35-54 Yrs.</u>	<u>55-69 Yrs.</u>	<u>70+ Yrs.</u>
USA	19.6	27.4	27.1	16.6	9.2
Massachusetts	17.5	27.2	28.2	17.1	10.0
Nantucket, MA	17.6	25.0	31.7	17.1	8.7
Norfolk, MA	18.4	23.9	29.4	17.5	10.7
Suffolk, MA	14.4	41.2	23.9	13.0	7.5
<u>2012 HH Income Dist. (%)</u>					
	<u>Less Than</u> <u>25,000</u>	<u>\$25,000 to</u> <u>50,000</u>	<u>\$50,000 to</u> <u>100,000</u>	<u>\$100,000+</u>	
USA	24.7	25.1	29.9	20.3	
Massachusetts	20.0	19.7	29.9	30.4	
Nantucket, MA	9.6	20.3	32.1	38.0	
Norfolk, MA	14.2	16.2	28.6	41.0	
Suffolk, MA	29.2	21.5	26.5	22.8	

Source: SNL Financial

Household income distribution measures provide another indication of the relative affluence of the Company's primary market area counties. Suffolk County maintains a relatively high percent of households with incomes below \$50,000, at 50.7% of total households, while Norfolk and Nantucket Counties maintain relatively high percentages of households with incomes above \$100,000, at 41.0% and 38.0% of total households, respectively. Age distribution measures show that Suffolk County is home to a younger population based compared to Norfolk and Nantucket Counties, which has supported Suffolk County's more robust population growth.

Regional Economy

Comparative employment data shown in Table 2.2 shows that employment in services constituted the major source of jobs in Suffolk and Norfolk Counties, as well as Massachusetts. Wholesale/retail employment followed by finance/insurance/real estate employment represented the second and third largest employment sectors in Suffolk and Norfolk Counties. Wholesale/retail trade jobs followed by service jobs comprised the largest employment sectors in Nantucket County, which is supported by tourists and vacationers. Compared to the other market area counties and the state, Suffolk County maintains the highest levels of employment in services, healthcare, government and finance/insurance/real estate, Norfolk County maintains the highest level of employment in manufacturing and Nantucket County maintains the highest level of wholesale/retail jobs. Nantucket County also holds the highest levels of employment in construction and transportation/utility.

Table 2.2
Blue Hills Bancorp, Inc.
Primary Market Area Employment Sectors
(Percent of Labor Force)

<u>Employment Sector</u>	<u>Massachusetts</u>	<u>Nantucket County</u> (% of Total Employment)	<u>Norfolk County</u>	<u>Suffolk County</u>
Services	33.3%	30.4%	30.1%	34.5%
Healthcare	10.7%	5.0%	9.3%	13.9%
Government	4.7%	4.0%	2.9%	7.4%
Wholesale/Retail Trade	24.4%	34.4%	27.8%	15.9%
Finance/Insurance/Real Estate	8.2%	5.8%	10.0%	15.7%
Manufacturing	8.5%	3.8%	9.0%	4.2%
Construction	4.2%	5.4%	4.9%	2.4%
Information	0.9%	0.7%	1.0%	1.3%
Transportation/Utility	3.3%	5.7%	2.8%	3.3%
Agriculture	0.9%	3.9%	1.3%	0.3%
Other	<u>0.8%</u>	<u>1.0%</u>	<u>0.8%</u>	<u>1.0%</u>
	100.0%	100.0%	100.0%	100.0%

Source: SNL Financial

The market area served by the Company, characterized primarily as the Boston MSA, has a highly developed and diverse economy, with the regions' many colleges and universities serving to attract industries in need of a highly skilled and educated workforce. Healthcare, high-tech and financial services companies constitute major sources of employment in the Company's regional market area, as well as the colleges and universities that populate the Boston MSA. Tourism also is a prominent component of market area's economy, as Boston annually ranks as one of the nation's top tourist destinations. Table 2.3 lists in detail the major employers in the Company's market area.

Table 2.3
Blue Hills Bancorp, Inc.
Market Area Largest Employers

<u>Company/Institution</u>	<u>Industry</u>	<u>Employees</u>
Massachusetts General Hospital	Health Care	14,752
Brigham and Women's Hospital	Health Care	11,229
Boston University	Higher Education	9,783
Children's Hospital, Boston	Health Care	7,903
State Street Bank & Trust Co	Finance and Insurance	7,800
Beth Israel Deaconess Med. Center	Health Care	6,695
Fidelity	Finance and Insurance	5,500
Harvard University	Higher Education	5,132
Northeastern University	Higher Education	4,484
Boston Medical Center	Health Care	4,217
Boston College	Higher Education	4,122
Tufts Medical Center	Health Care	3,692
Dana-Farber Cancer Institute	Health Care	3,607
John Hancock	Finance and Insurance	3,430

Source: Boston Redevelopment Authority, 2013.

Unemployment Trends

Comparative unemployment rates for Suffolk, Norfolk and Nantucket Counties, as well as for the U.S. and Massachusetts, are shown in Table 2.4. The November 2013 unemployment rates for Norfolk and Suffolk Counties, at 5.6% and 6.3% respectively, were below the comparable unemployment rates for the U.S. and Massachusetts. Comparatively, the November 2013 unemployment rate for Nantucket County was 7.8%, which was above the comparable unemployment rates for Massachusetts and the U.S. In contrast to the U.S., Nantucket, Norfolk and Suffolk Counties, along with the state of Massachusetts, reported higher unemployment rates for November 2013 compared to a year ago.

Table 2.4
Blue Hills Bancorp, Inc.
Unemployment Trends

<u>Region</u>	<u>November 2012 Unemployment</u>	<u>November 2013 Unemployment</u>
USA	7.8%	6.7%
Massachusetts	6.1%	6.7%
Nantucket, MA	6.8%	7.8%
Norfolk, MA	5.1%	5.6%
Suffolk, MA	6.1%	6.3%

Source: U.S. Bureau of Labor Statistics.

Market Area Deposit Characteristics and Competition

The Company's deposit base is closely tied to the economic fortunes of Suffolk, Norfolk and Nantucket Counties and, in particular, the areas that are nearby to the Company's branches. Table 2.5 displays deposit market trends from June 30, 2009 through June 30, 2013 for Blue Hills Bancorp and the Nantucket Bank branches that were acquired subsequent to June 30, 2013, as well as for all commercial bank and savings institution branches located in the market area counties and the state of Massachusetts. Consistent with the state of Massachusetts, commercial banks maintained a larger market share of deposits than savings institutions in Suffolk, Norfolk and Nantucket Counties. For the four year period covered in Table 2.5, savings institutions experienced a decrease in deposit market share in the market area counties as well as in the state of Massachusetts. Overall, for the past four years, bank and thrift deposits increased at a comparatively higher annual rate of 20.8% in Suffolk County, versus annual deposit growth rates of 3.9% for Norfolk County and 5.3% for Nantucket County. Comparatively, deposits increased at an 11.0% annual rate in the state of Massachusetts during the four year period.

As of June 30, 2013, Blue Hills Bancorp maintained relatively low deposit market shares in Suffolk and Norfolk Counties of 0.4% and 1.6% respectively. The Company's deposits increased at annual rates of 2.6% and 4.9% in Suffolk and Norfolk Counties, respectively, which translated into a slight decrease in deposit market share in Suffolk County and no change in deposit market share in Norfolk County. Nantucket Bank maintains the largest market share of Nantucket County bank and thrift deposits, with a deposit market share of 54.4% as of June 30,

2013. Nantucket Bank experienced declines in both deposit balance and deposit market share during the four year period.

Table 2.5
Blue Hills Bancorp, Inc.
Deposit Summary

	As of June 30,						Deposit Growth Rate 2009-2013 (%)
	2009			2013			
	Deposits	Market Share	No. of Branches (Dollars in Thousands)	Deposits	Market Share	No. of Branches	
Massachusetts	\$189,870,183	100.0%	2,245	\$288,381,314	100.0%	2,218	11.0%
Commercial Banks	115,811,378	61.0%	1,046	225,589,069	78.2%	1,320	18.1%
Savings Institutions	74,058,805	39.0%	1,199	62,792,245	21.8%	898	-4.0%
Nantucket County	\$426,905	100.0%	5	\$525,284	100.0%	7	5.3%
Commercial Banks	98,851	23.2%	2	395,405	75.3%	5	41.4%
Savings Institutions	328,054	76.8%	3	129,879	24.7%	2	-20.7%
Nantucket Bank	328,054	76.8%	3	285,999	54.4%	3	-3.4%
Norfolk County	\$17,347,122	100.0%	247	\$20,221,583	100.0%	245	3.9%
Commercial Banks	8,953,209	51.6%	116	14,691,337	72.7%	169	13.2%
Savings Institutions	8,393,913	48.4%	131	5,530,246	27.3%	76	-9.9%
Blue Hills Bank	275,241	1.6%	3	333,294	1.6%	3	4.9%
Suffolk County	\$69,777,255	100.0%	224	\$148,646,631	100.0%	237	20.8%
Commercial Banks	61,835,622	88.6%	144	142,921,562	96.1%	183	23.3%
Savings Institutions	7,941,633	11.4%	80	5,725,069	3.9%	54	-7.9%
Blue Hills Bank	502,923	0.7%	3	556,564	0.4%	3	2.6%

Source: FDIC.

As implied by the Company's low market shares of deposits in Suffolk and Norfolk Counties, competition among financial institutions in the Company's market area is significant. Among the Company's competitors are much larger and more diversified institutions, which have greater resources than maintained by Blue Hills Bancorp. Financial institution competitors in the Company's primary market area include other locally based thrifts and banks, as well as regional, super regional and money center banks. From a competitive standpoint, Blue Hills Bancorp has sought to emphasize its community orientation in the markets served by its branches. There are a total of 32 banking institutions operating in Suffolk County, with Blue Hills Bancorp holding the 12th largest market share of deposits. In Norfolk County, there are a total of 47 banking institutions, with Blue Hills Bancorp holding the 14th largest market share of deposits. As previously noted, Nantucket Bank holds the largest deposit market share in Nantucket County.

Table 2.6 lists the Company's largest competitors in the market area counties, based on deposit market share as noted parenthetically.

Table 2.6
Blue Hills Bancorp, Inc.
Market Area Deposit Competitors

<u>Location</u>	<u>Name</u>	<u>Market Share</u>	<u>Rank</u>
Nantucket County	Nantucket Bank	54.45%	1 out of 3
	Cape Cod Five Mutual Co.	24.73%	
	Bank of America Corp	20.83%	
Norfolk County	Bank of America Corp	19.71%	
	RBS	16.78%	
	Santander	6.34%	
	Blue Hills Bancorp	1.64%	14 out of 47
Suffolk County	Bank of America Corp	24.43%	
	RBS	9.80%	
	Bank of New York Mellon Corp	9.35%	
	Blue Hills Bancorp	0.37%	12 out of 32

Source: SNL Financial.

III. PEER GROUP ANALYSIS

This chapter presents an analysis of Blue Hills Bancorp's operations versus a group of comparable savings institutions (the "Peer Group") selected from the universe of all publicly-traded savings institutions in a manner consistent with the regulatory valuation guidelines. The basis of the pro forma market valuation of Blue Hills Bancorp 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 Blue Hills Bancorp, key areas examined for differences are: financial condition; profitability, growth and viability of earnings; asset growth; primary market area; dividends; liquidity of the shares; marketing of the issue; management; and effect of government regulations and regulatory reform.

Peer Group Selection

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

Ideally, the Peer Group, which must have at least 10 members to comply with the regulatory valuation guidelines, should be comprised of locally- or regionally-based institutions with comparable resources, strategies and financial characteristics. There are approximately 103 fully-converted publicly-traded institutions nationally and, thus, it is typically the case that the Peer Group will be comprised of institutions with relatively comparable characteristics. To the extent that differences exist between the converting institution and the Peer Group, valuation adjustments will be applied to account for the differences. Since Blue Hills Bancorp will be a fully-converted public company upon completion of the offering, we considered only

fully-converted public companies to be viable candidates for inclusion in the Peer Group. From the universe of publicly-traded thrifts, we selected ten institutions with characteristics similar to those of Blue Hills Bancorp. In the selection process, we applied two “screens” to the universe of all public companies that were eligible for consideration:

- Screen #1 New England institutions with assets between \$750 million and \$2.5 billion, tangible equity-to-assets ratios of greater than 8.0% and positive core earnings. Six companies met the criteria for Screen #1 and four were included in the Peer Group: BSB Bancorp, Inc. of Massachusetts, First Connecticut Bancorp, Inc. of Connecticut, SI Financial Group, Inc. of Connecticut and Westfield Financial, Inc. of Massachusetts. Rockville Financial, Inc. of Connecticut and United Financial Bancorp, Inc. of Massachusetts were excluded from the Peer Group, as the result of their announced merger agreement. Exhibit III-2 provides financial and public market pricing characteristics of all publicly-traded New England thrifts.
- Screen #2 Mid-Atlantic institutions with assets between \$750 million and \$2.5 billion, tangible equity-to-assets ratios of greater than 8.0% and positive core earnings. Six companies met the criteria for Screen #2 and all six were included in the Peer Group: Cape Bancorp, Inc. of New Jersey, ESSA Bancorp, Inc. of Pennsylvania, Fox Chase Bancorp, Inc. of Pennsylvania, Ocean Shore Holding Company of New Jersey, OceanFirst Financial Corp. of New Jersey and TF Financial Corp. of Pennsylvania. Exhibit III-3 provides financial and public market pricing characteristics of all publicly-traded Mid-Atlantic thrifts.

Table 3.1 shows the general characteristics of each of the ten Peer Group companies and Exhibit III-4 provides summary demographic and deposit market share data for the primary market areas served by each of the Peer Group companies. While there are expectedly some differences between the Peer Group companies and Blue Hills Bancorp, 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 Blue Hills Bancorp'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. Comparative data for all publicly-traded thrifts, publicly-traded Massachusetts thrifts and publicly-traded institutions comparable to Blue Hills Bancorp that have recently completed a standard conversion offering have been included in the Chapter III tables as well.

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 Blue Hills Bancorp's characteristics is detailed below.

Table 3.1
Peer Group of Publicly-Traded Thrifts

Ticker	Financial Institution	Exchange	City	State	Total Assets (1) (\$M/i)	Offices	Fiscal Mth End	Conv. Date	As of February 14, 2014	
									Stock Price (\$)	Market Value (\$M/i)
OCFC	OceanFirst Financial Corp.	NASDAQ	Toms River	NJ	2,286	24	Dec	7/3/96	17.39	302
FBNK	First Connecticut Bancorp, Inc.	NASDAQ	Farmington	CT	1,992	25	Dec	6/30/11	15.60	257
ESSA	ESSA Bancorp Inc.	NASDAQ	Stroudsburg	PA	1,372	26	Sep	4/4/07	10.85	129
SIFI	SI Financial Group Inc.	NASDAQ	Willimantic	CT	1,369	26	Dec	1/13/11	11.73	150
WFD	Westfield Financial Inc.	NASDAQ	Westfield	MA	1,271	13	Dec	1/4/07	7.53	152
FXCB	Fox Chase Bancorp Inc.	NASDAQ	Hatboro	PA	1,107	11	Dec	6/29/10	17.06	207
CBNJ	Cape Bancorp Inc.	NASDAQ	Cape May Court House	NJ	1,074	15	Dec	2/1/08	10.58	128
OSHC	Ocean Shore Holding Co.	NASDAQ	Ocean City	NJ	1,043	12	Dec	12/21/09	13.95	96
BLMT	BSB Bancorp Inc.	NASDAQ	Belmont	MA	1,023	6	Dec	10/5/11	15.82	143
THRD	TF Financial Corp.	NASDAQ	Newtown	PA	833	19	Dec	7/13/94	29.99	94

(1) As of September 30, 2013 or the most recent quarter end available.

Source: SNL Financial, L.C.

BSB Bancorp, Inc. of Massachusetts. Selected due to Boston market area, similar interest-bearing funding composition, similar return on average assets, similar ratio of operating expenses as a percent of average assets, lending diversification emphasis on commercial real estate loans and relatively favorable credit quality measures.

- Cape Bancorp, Inc. of New Jersey. Selected due to similar contribution from sources of non-interest operating income, similar impact of loan loss provisions on earnings, similar concentration of 1-4 family loans and mortgage-backed securities comprising assets and lending diversification emphasis on commercial real estate loans.
- ESSA Bancorp, Inc. of Pennsylvania. Selected due to similar asset size, similar earnings contribution from sources of non-interest income, similar impact of loan loss provisions on earnings and lending diversification emphasis on commercial real estate loans.
- First Connecticut Bancorp, Inc. of Connecticut. Selected due to similar return on average assets, similar earnings contribution from sources of non-interest operating income and lending diversification emphasis on commercial real estate loans.
- Fox Chase Bancorp, Inc. of Pennsylvania. Selected due to relatively high equity-to-assets ratio, similar interest-earning asset composition, similar ratio of operating expenses as a percent of average assets and lending diversification emphasis on commercial real estate loans.
- Ocean Shore Holding Co. of New Jersey. Selected due to relatively low net interest income to average assets ratio, lending diversification emphasis on commercial real estate loans and relatively favorable credit quality measures.
- OceanFirst Financial Corp. of New Jersey. Selected due to similar earnings contribution from sources of non-interest operating income, similar impact of loan loss provisions on earnings and lending diversification emphasis on commercial real estate loans.
- SI Financial Group, Inc. of Connecticut. Selected due to similar asset size, similar interest-bearing funding composition, lending diversification emphasis on commercial real estate loans and relatively favorable credit quality measures.
- TF Financial Corp. of Pennsylvania. Selected due to similar earnings contribution from sources of non-interest operating income, similar ratio of operating expenses as a percent of average assets and lending diversification emphasis on commercial real estate loans.
- Westfield Financial Inc. of Massachusetts. Selected due to similar asset size, relatively low net interest income to average assets ratio, lending diversification emphasis on commercial real estate loans and relatively favorable credit quality measures.

In aggregate, the Peer Group companies maintained a slightly lower level of tangible equity than the industry average (11.4% of assets versus 12.5% for all public companies), generated similar core earnings as a percent of average assets (0.47% core ROAA versus 0.51% for all public companies), and earned a similar core ROE (3.94% core ROE versus 4.01% for all public companies). Overall, the Peer Group's average P/TB ratio and average

core P/E multiple were slightly below and slightly above the respective averages for all publicly-traded thrifts.

	All <u>Publicly-Traded</u>	<u>Peer Group</u>
<u>Financial Characteristics (Averages)</u>		
Assets (\$Mil)	\$2,478	\$1,348
Market capitalization (\$Mil)	\$344	\$166
Tangible equity/assets (%)	12.52%	11.36%
Core return on average assets (%)	0.51	0.47
Core return on average equity (%)	4.01	3.94
<u>Pricing Ratios (Averages)(1)</u>		
Core price/earnings (x)	18.14x	19.84x
Price/tangible book (%)	113.87%	108.65%
Price/assets (%)	13.36	12.26

(1) Based on market prices as of February 14, 2014.

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

Financial Condition

Table 3.2 shows comparative balance sheet measures for Blue Hills Bancorp and the Peer Group, reflecting the expected similarities and some differences given the selection procedures outlined above. The Company's and the Peer Group's ratios reflect balances as of December 31, 2013 and September 30, 2013, respectively. Blue Hills Bancorp's equity-to-assets ratio of 13.1% exceeded the Peer Group's average net worth ratio of 11.9%. With the infusion of the net conversion proceeds, the Company's pro forma equity-to-assets ratio should further exceed the Peer Group's equity-to-assets ratio. Tangible equity-to-assets ratios for the Company and the Peer Group equaled 13.1% and 11.4%, respectively. The increase in Blue Hills Bancorp's pro forma capital position will be favorable from a risk perspective and in terms of future earnings potential that could be realized through leverage and lower funding costs. At the same time, the Company's higher pro forma capitalization will initially depress return on

Table 3.2
Balance Sheet Composition and Growth Rates
Comparable Institution Analysis
As of September 30, 2013

		Balance Sheet as a Percent of Assets										Balance Sheet Annual Growth Rates						Regulatory Capital			
		Cash & Equivalents	MBS & Invest	BOLI	Net Loans (1)	Deposits	Borrowed Funds	Sub. Debt	Total Equity	Goodwill & Intang	Tangible Equity	Assets	MBS, Cash & Investments	Loans (1)	Deposits	Borrow s. &Subdebt	Total Equity	Tangible Equity	Tangible	Tier 1 Risk-Based	Risk-Based Capital
<u>Blue Hills Bancorp, Inc.</u>																					
December 31, 2013	MA	3.07%	34.45%	2.27%	58.23%	69.64%	16.36%	0.00%	13.05%	0.00%	13.05%	6.97%	-24.06%	56.77%	11.90%	39.23%	-3.05%	-3.05%	11.12%	15.27%	16.58%
<u>All Public Companies</u>																					
Averages		6.03%	20.83%	1.86%	66.92%	74.39%	10.71%	0.38%	13.23%	0.71%	12.52%	3.34%	4.23%	5.06%	3.80%	1.67%	4.67%	3.78%	12.61%	19.43%	20.53%
Medians		3.76%	16.71%	1.94%	69.25%	75.80%	8.54%	0.00%	12.35%	0.02%	11.33%	1.01%	-0.58%	3.31%	1.18%	-2.00%	-0.76%	-0.59%	12.30%	18.11%	19.32%
<u>State of MA</u>																					
Averages		6.13%	19.49%	1.78%	69.88%	69.09%	17.21%	0.24%	12.57%	0.49%	12.08%	9.09%	7.80%	10.84%	9.03%	25.05%	-0.94%	-1.09%	14.55%	17.68%	18.69%
Medians		5.12%	9.89%	1.42%	77.74%	70.26%	17.29%	0.00%	12.06%	0.00%	11.93%	7.74%	-0.64%	10.50%	7.23%	20.86%	-2.04%	-2.04%	13.84%	16.90%	18.00%
<u>Comparable Recent Conversions(2)</u>																					
CWAY Coastway Bancorp, Inc.	RI	2.60%	0.00%	0.00%	87.40%	87.80%	3.70%	0.00%	7.30%	0.10%	7.20%	5.96%	40.50%	5.86%	7.21%	-14.34%	1.10%	1.14%	7.69%	9.70%	10.19%
<u>Comparable Group</u>																					
Averages		3.67%	20.64%	2.15%	70.11%	73.54%	13.19%	0.28%	11.92%	0.55%	11.36%	9.85%	6.60%	12.24%	13.49%	4.52%	-1.97%	-3.37%	10.41%	16.87%	17.91%
Medians		2.76%	16.07%	2.15%	70.52%	76.46%	11.21%	0.00%	11.78%	0.25%	11.13%	3.16%	0.66%	5.93%	7.55%	-10.10%	-3.90%	-3.87%	9.86%	16.28%	17.37%
<u>Comparable Group</u>																					
BLMT BSB Bancorp Inc.	MA	4.78%	14.75%	1.29%	77.76%	71.06%	15.08%	0.00%	12.62%	0.00%	12.62%	24.41%	47.38%	20.27%	25.64%	50.87%	-2.67%	-2.67%	10.63%	16.16%	17.10%
CBNJ Cape Bancorp Inc.	NJ	3.00%	16.06%	2.88%	71.30%	77.10%	9.30%	0.00%	13.08%	2.12%	10.96%	2.98%	-0.45%	9.09%	9.92%	-23.18%	-6.93%	-8.12%	9.50%	12.88%	14.13%
ESSA ESSA Bancorp Inc.	PA	2.07%	23.69%	2.10%	67.64%	75.86%	11.10%	0.00%	12.13%	0.82%	11.31%	-3.28%	-4.04%	-2.33%	4.56%	-35.14%	-5.11%	-5.05%	11.19%	19.42%	20.35%
FBNK First Connecticut Bancorp, Inc.	CT	2.53%	6.61%	1.92%	86.23%	77.83%	8.81%	0.00%	11.42%	0.00%	11.42%	13.44%	7.30%	15.30%	23.26%	-17.36%	-6.05%	-6.05%	9.20%	14.96%	16.12%
FXCB Fox Chase Bancorp Inc.	PA	0.58%	31.61%	1.30%	63.29%	61.71%	21.83%	0.00%	15.74%	0.00%	15.74%	3.33%	1.10%	3.98%	-2.86%	37.04%	-5.11%	-5.11%	13.10%	18.98%	20.02%
OSHC Ocean Shore Holding Co.	NJ	12.03%	13.11%	2.21%	69.73%	77.05%	10.54%	0.99%	10.17%	0.51%	9.66%	-1.70%	-16.84%	5.20%	-1.87%	-4.11%	1.90%	2.04%	9.46%	19.27%	20.01%
OCFC OceanFirst Financial Corp.	NJ	1.93%	26.20%	2.37%	66.70%	77.37%	11.33%	1.20%	9.35%	0.00%	9.35%	-0.79%	0.21%	-1.69%	1.66%	-11.77%	-2.69%	-2.69%	9.38%	15.02%	16.27%
SIFI SI Financial Group Inc.	CT	3.82%	14.46%	1.50%	75.50%	73.18%	13.42%	0.60%	11.16%	1.49%	9.67%	44.02%	5.93%	53.43%	41.56%	89.44%	19.63%	6.59%	8.84%	14.34%	15.19%
THRD TF Financial Corp.	PA	3.72%	16.09%	2.21%	74.76%	81.82%	6.12%	0.00%	11.14%	0.58%	10.56%	19.55%	38.69%	16.49%	27.86%	-32.15%	13.23%	13.29%	10.21%	16.39%	17.64%
WFD Westfield Financial Inc.	MA	2.24%	43.86%	3.68%	48.20%	62.42%	24.38%	0.00%	12.34%	0.00%	12.34%	-3.47%	-13.33%	6.66%	5.18%	-8.43%	-25.87%	-25.87%	12.60%	21.26%	22.24%

(1) Includes loans held for sale.

(2) Ratios are based on the date of the most recent financial statements disclosed in the offering prospectus.

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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equity. Both Blue Hills Bancorp's and the Peer Group's capital ratios reflected capital surpluses with respect to the regulatory capital requirements.

The interest-earning asset compositions for the Company and the Peer Group were somewhat similar, with loans constituting the bulk of interest-earning assets for both Blue Hills Bancorp and the Peer Group. The Company's loans-to-assets ratio of 58.2% was lower than the comparable Peer Group ratio of 70.1%. Comparatively, the Company's cash and investments-to-assets ratio of 37.5% exceeded the comparable ratio for the Peer Group of 24.3%. Overall, Blue Hills Bancorp's interest-earning assets amounted to 95.8% of assets, which was slightly above the comparable Peer Group ratio of 94.4%. The Peer Group's non-interest earning assets included bank-owned life insurance ("BOLI") equal to 2.2% of assets and goodwill/intangibles equal to 0.6% of assets, while the Company maintained BOLI equal to 2.3% of assets and a zero balance of goodwill and intangibles.

Blue Hills Bancorp's funding liabilities reflected a funding strategy that was somewhat similar to that of the Peer Group's funding composition. The Company's deposits equaled 69.7% of assets, which was slightly below the comparable Peer Group's ratio of 73.5%. Comparatively, the Company maintained a slightly higher level of borrowings than the Peer Group, as indicated by borrowings-to-assets ratios of 16.4% and 13.5% for Blue Hills Bancorp and the Peer Group, respectively. Total interest-bearing liabilities maintained by the Company and the Peer Group, as a percent of assets, equaled 86.0% and 87.0%, respectively, with the Company's slightly lower ratio supported by maintenance of a higher capital position.

A key measure of balance sheet strength for a thrift institution is its IEA/IBL ratio. Presently, the Company's IEA/IBL ratio is slightly higher than the Peer Group's ratio, based on IEA/IBL ratios of 111.4% and 108.5%, respectively. The additional capital realized from stock proceeds should serve to provide Blue Hills Bancorp with an IEA/IBL ratio that further exceeds the Peer Group's ratio, as the increase in capital provided by the infusion of stock proceeds will serve to lower the level of interest-bearing liabilities funding assets and will be primarily deployed into interest-earning assets.

The growth rate section of Table 3.2 shows annual growth rates for key balance sheet items. Blue Hills Bancorp's and the Peer Group's growth rates are based on annual growth rates for the twelve months ended December 31, 2013 and September 30, 2013, respectively. Blue Hills Bancorp recorded a 7.0% increase in assets, versus a 9.9% increase in assets recorded by the Peer Group. Asset growth for the Peer Group was in part supported by an

acquisition completed by SI Financial Group. Asset growth by the Company was sustained by a 56.8% increase in loans, which was in part funded by a 24.1% reduction in cash and investments. Comparatively, the Peer Group recorded increases in both loans and cash and investments of 12.2% and 6.6%, respectively.

Blue Hills Bancorp's asset growth was funded by an 11.9% increase in deposits and a 39.2% increase in borrowings. Comparatively, asset growth for the Peer Group was funded through deposit growth of 13.5% and a 4.5% increase in borrowings. The Company's and the Peer Group's capital declined by 3.1% and 2.0%, respectively. The reduction in the Company's capital was due to a decrease in accumulated other comprehensive income, which was a factor in the Peer Group's negative capital growth rate as well. Additionally, the decline in the Peer Group's reflects implementation of capital management strategies such as dividend payments and stock repurchases. The Company's post-conversion capital growth rate will initially be constrained by maintenance of a higher pro forma capital position. Dividend payments and stock repurchases, pursuant to regulatory limitations and guidelines, could also potentially slow the Company's capital growth rate in the longer term following the stock offering.

Income and Expense Components

Table 3.3 displays statements of operations for the Company and the Peer Group. The Company's and the Peer Group's ratios are based on earnings for the twelve months ended December 31, 2013 and September 30, 2013, respectively. Blue Hills Bancorp and the Peer Group reported net income to average assets ratios of 0.22% and 0.48%, respectively. Higher levels of non-interest operating income and net gains represented earnings advantages for the Company, which were more than offset by earnings advantages maintained by the Peer Group with respect to a higher level of net interest income and lower levels of loan loss provisions and operating expenses.

The Peer Group's stronger net interest margin was realized through maintenance of a higher interest income ratio, as the Company and the Peer Group maintained similar interest expense ratios. The Peer Group's higher interest income ratio was supported by maintaining a higher overall yield earned on interest-earning assets (3.86% versus 2.91% for the Company), which was partially offset by the Company's higher concentration of assets maintained in interest-earning assets. The Company's and the Peer Group's interest expense ratios were indicative of their similar cost of funds (0.82% versus 0.85% for the Peer Group). Overall, Blue

Table 3.3
Income as Percent of Average Assets and Yields, Costs, Spreads
Comparable Institution Analysis
For the 12 Months Ended September 30, 2013

		Net Interest Income				Loss Provis. on IEA	NII After Provis.	Non-Interest Income		Total Non-Int Expense	Non-Op. Items			Yields, Costs, and Spreads			MEMO Assets/FTE Emp.	MEMO Effective Tax Rate
		Net Income (%)	Income	Expense	NII			Gain on Sale of Loans	Other Non-Int Income		Net Gains/Losses (1)	Extra Items	Provision for Taxes	Yield On Assets	Cost Of Funds	Yld-Cost Spread		
<u>Blue Hills Bancorp, Inc.</u>	MA	0.22%	2.77%	0.67%	2.10%	0.34%	1.76%	0.10%	0.53%	2.65%	0.46%	0.00%	-0.02%	2.91%	0.82%	2.09%	\$8,941	11.94%
<u>All Public Companies</u>																		
Averages		0.52%	3.75%	0.75%	3.01%	0.22%	2.80%	0.45%	0.57%	3.04%	0.12%	0.00%	0.04%	4.04%	0.96%	3.10%	\$5,542	29.28%
Medians		0.60%	3.75%	0.70%	3.06%	0.15%	2.88%	0.10%	0.44%	2.84%	0.04%	0.00%	0.00%	4.08%	0.93%	3.12%	\$4,989	31.73%
<u>State of MA</u>																		
Averages		0.56%	3.78%	0.71%	3.07%	0.13%	2.94%	0.12%	0.36%	2.61%	0.13%	0.00%	0.04%	4.02%	0.94%	3.08%	\$6,880	33.86%
Medians		0.51%	3.90%	0.74%	3.08%	0.12%	2.96%	0.05%	0.30%	2.63%	0.03%	0.00%	0.00%	4.12%	0.97%	3.09%	\$6,523	36.77%
<u>Comparable Recent Conversions (2)</u>																		
CWAY Coastway Bancorp, Inc.	RI	0.35%	4.88%	0.96%	3.91%	0.27%	3.65%	1.53%	1.03%	5.60%	0.00%	0.00%	0.26%	4.33%	0.82%	3.51%	\$2,619	41.98%
<u>Comparable Group</u>																		
Averages		0.48%	3.56%	0.68%	2.88%	0.15%	2.74%	0.11%	0.41%	2.59%	0.16%	0.00%	0.21%	3.86%	0.85%	3.01%	\$6,055	30.84%
Medians		0.51%	3.55%	0.65%	2.88%	0.15%	2.72%	0.08%	0.41%	2.57%	0.10%	0.00%	0.21%	3.80%	0.90%	2.99%	\$5,956	29.87%
<u>Comparable Group</u>																		
BLMT BSB Bancorp Inc.	MA	0.21%	3.36%	0.57%	2.79%	0.18%	2.61%	0.23%	0.26%	2.78%	0.01%	0.00%	0.10%	3.46%	0.82%	2.64%	\$8,456	37.06%
CBNU Cape Bancorp Inc.	NJ	0.53%	3.95%	0.55%	3.40%	0.29%	3.15%	0.09%	0.48%	2.89%	0.14%	0.00%	0.40%	4.38%	0.69%	3.69%	\$5,399	44.24%
ESSA ESSA Bancorp Inc.	PA	0.64%	3.68%	0.81%	2.87%	0.27%	2.62%	0.03%	0.49%	2.34%	0.05%	0.00%	0.21%	3.96%	0.98%	2.98%	\$5,424	24.31%
FBNK First Connecticut Bancorp, Inc.	CT	0.31%	3.42%	0.53%	2.89%	0.06%	2.83%	0.34%	0.32%	3.10%	0.04%	0.00%	0.10%	3.67%	0.66%	3.01%	\$5,983	26.68%
FXCB Fox Chase Bancorp Inc.	PA	0.55%	3.69%	0.74%	2.96%	0.09%	2.87%	0.00%	0.28%	2.50%	0.14%	0.00%	0.23%	3.82%	1.03%	2.79%	\$7,815	29.87%
OSHC Ocean Shore Holding Co.	NJ	0.48%	3.31%	0.84%	2.47%	0.09%	2.36%	0.00%	0.42%	2.06%	0.01%	0.00%	0.27%	4.20%	1.08%	3.12%	\$5,928	36.01%
OCFC OceanFirst Financial Corp.	NJ	0.80%	3.53%	0.48%	3.05%	0.25%	2.85%	0.07%	0.66%	2.30%	0.01%	0.00%	0.44%	3.69%	0.60%	3.09%	\$6,128	35.06%
SIFI SI Financial Group Inc.	CT	-0.12%	3.56%	0.89%	2.67%	0.13%	2.54%	0.16%	0.75%	3.23%	0.21%	0.00%	-0.02%	3.77%	1.05%	2.72%	\$4,632	NM
THRD TF Financial Corp.	PA	0.88%	3.88%	0.54%	3.34%	0.20%	3.18%	0.14%	0.39%	2.63%	0.65%	0.00%	0.21%	4.25%	0.62%	3.63%	\$4,063	20.95%
WFD Westfield Financial Inc.	MA	0.50%	3.20%	0.84%	2.37%	-0.03%	2.40%	0.00%	-0.01%	2.07%	0.34%	0.00%	0.16%	3.44%	1.01%	2.43%	\$6,726	23.40%

(1) Net gains/losses includes gain/loss on sale of securities and nonrecurring income and expense.
(2) Ratios are based on the date of the most recent financial statements disclosed in the offering prospectus.

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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Hills Bancorp and the Peer Group reported net interest income to average assets ratios of 2.10% and 2.88%, respectively.

In another key area of core earnings strength, the Peer Group maintained a slightly lower level of operating expenses than the Company. For the period covered in Table 3.3, the Company and the Peer Group reported operating expenses to average assets ratios of 2.65% and 2.59%, respectively. The Peer Group's lower operating expense ratio was achieved despite maintaining a comparatively lower ratio of assets per full time equivalent employees. Assets per full time equivalent employee equaled \$8.9 million for Blue Hills Bancorp versus \$6.1 million for the Peer Group. On a post-offering basis, the Company's operating expenses can be expected to increase with the addition of stock benefit plans and certain expenses that result from being a publicly-traded company, with such expenses already impacting the Peer Group's operating expenses. At the same time, Blue Hills Bancorp's capacity to leverage operating expenses will become even more significant than the Peer Group's leverage capacity following the increase in capital realized from the infusion of net stock proceeds.

When viewed together, net interest income and operating expenses provide considerable insight into a thrift's earnings strength, since those sources of income and expenses are typically the most prominent components of earnings and are generally more predictable than losses and gains realized from the sale of assets or other non-recurring activities. In this regard, as measured by their expense coverage ratios (net interest income divided by operating expenses), the Peer Group's earnings were more favorable than the Company's. Expense coverage ratios for Blue Hills Bancorp and the Peer Group equaled 0.79x and 1.11x, respectively.

Sources of non-interest operating income provided a larger contribution to the Company's earnings, with such income amounting to 0.63% and 0.52% of Blue Hills Bancorp's and the Peer Group's average assets, respectively. Taking non-interest operating income into account in comparing the Company's and the Peer Group's earnings, Blue Hills Bancorp's efficiency ratio (operating expenses as a percent of the sum of non-interest operating income and net interest income) of 97.07% was less favorable than the Peer Group's efficiency ratio of 76.18%.

Loan loss provisions had a larger impact on the Company's earnings, with loan loss provisions established by the Company and the Peer Group equaling 0.34% and 0.15% of average assets, respectively. The higher level of loan loss provisions established by the

Company was related to its more significant loan growth compared to the Peer Group, as opposed to addressing deterioration in credit quality.

Net gains and losses realized from the sale of assets other than loans had a larger impact on the Company's earnings, as the Company and the Peer Group reported net non-operating gains equal to 0.46% and 0.16% of average assets, respectively. Typically, gains and losses generated from the sale of assets are viewed as earnings with a relatively high degree of volatility, particularly to the extent that such gains and losses result from the sale of investments or other assets that are not considered to be part of an institution's core operations. Extraordinary items were not a factor in either the Company's or the Peer Group's earnings.

Taxes had a less significant impact on the Company's earnings, as the Company and the Peer Group posted effective tax rates of 11.94% and 30.84%, respectively. As indicated in the prospectus, the Company's effective marginal tax rate is equal to 40.0%.

Loan Composition

Table 3.4 presents data related to the Company's and the Peer Group's loan portfolio compositions (including the investment in mortgage-backed securities). The Company's loan portfolio composition reflected a lower concentration of 1-4 family permanent mortgage loans and mortgage-backed securities than maintained by the Peer Group (36.5% of assets versus 52.7% for the Peer Group). The Company maintained lower concentrations of both mortgage-backed securities and 1-4 family permanent mortgage loans relative to the Peer Group's ratios. Loans serviced for others equaled 3.6% and 11.5% of the Company's and the Peer Group's assets, respectively, thereby indicating a greater influence of loan servicing income on the Peer Group's earnings. Both the Company and the Peer Group maintained relatively modest balances of loan servicing intangibles.

Diversification into higher risk and higher yielding types of lending was similar for the Company and the Peer Group. Commercial real estate loans represented the most significant area of lending diversification for the Company and the Peer Group, equaling 13.4% and 19.2% of their respective assets. The Peer Group also maintained a slightly higher concentration of construction/land loans, while multi-family loans, commercial business loans and consumer loans constituted more significant areas of lending diversification for the Company. In total, construction/land, commercial real estate, multi-family, commercial business and consumer loans comprised 31.0% and 30.6% of the Company's and the Peer Group's assets,

Table 3.4
Loan Portfolio Composition and Related Information
Comparable Institution Analysis
As of September 30, 2013

Institution	Portfolio Composition as a Percent of Assets							RWA/ Assets (%)	Serviced For Others (\$000)	Servicing Assets (\$000)	
	MBS (%)	1-4 Family (%)	Constr. & Land (%)	Multi- Family (%)	Comm RE (%)	Commerc. Business (%)	Consumer (%)				
<u>Blue Hills Bancorp, Inc.</u> December 31, 2013	MA	8.67%	27.83%	1.26%	4.05%	13.35%	8.46%	3.87%	68.85%	\$47,599	\$257
<u>All Public Companies</u>											
Averages		12.38%	33.17%	2.92%	7.27%	17.31%	4.13%	1.86%	64.55%	\$1,583,919	\$15,855
Medians		10.41%	32.22%	2.00%	2.48%	17.76%	2.87%	0.32%	65.28%	\$30,304	\$275
<u>State of MA</u>											
Averages		8.73%	35.80%	5.72%	5.24%	21.02%	5.57%	2.18%	71.42%	\$117,830	\$699
Medians		6.44%	34.70%	4.60%	2.35%	18.85%	4.06%	0.33%	71.56%	\$66,178	\$258
<u>Comparable Recent Conversions(1)</u>											
CWAY Coastway Bancorp, Inc.	RI	0.00%	34.74%	1.66%	1.40%	28.15%	4.99%	0.50%	76.33%	\$2,810	\$0
<u>Comparable Group</u>											
Averages		13.07%	39.62%	1.70%	3.06%	19.24%	5.52%	1.07%	67.97%	\$155,594	\$1,097
Medians		8.73%	39.79%	1.24%	2.29%	18.62%	4.58%	0.12%	69.37%	\$45,920	\$380
<u>Comparable Group</u>											
BLMT BSB Bancorp Inc.	MA	9.69%	37.39%	2.04%	11.17%	18.33%	0.28%	9.26%	77.36%	\$63,299	\$378
CBNJ Cape Bancorp Inc.	NJ	7.78%	29.99%	1.21%	3.72%	30.34%	6.85%	0.07%	71.32%	\$2,024	\$3
ESSA ESSA Bancorp Inc.	PA	15.63%	54.53%	1.27%	1.50%	7.68%	0.64%	0.16%	57.02%	\$0	\$382
FBNK First Connecticut Bancorp, Inc	CT	0.55%	41.91%	4.58%	4.31%	25.09%	11.13%	0.10%	78.30%	\$283,093	\$2,888
FXCB Fox Chase Bancorp Inc.	PA	29.75%	17.15%	0.70%	1.57%	28.77%	12.96%	0.02%	69.37%	\$28,540	\$157
OSHC Ocean Shore Holding Co.	NJ	7.69%	58.12%	2.43%	0.41%	8.15%	0.91%	0.08%	NA	\$0	\$4
OCFC OceanFirst Financial Corp.	NJ	15.92%	44.02%	1.59%	0.55%	18.92%	2.31%	0.01%	NA	\$813,481	\$4,314
SIFI SI Financial Group Inc.	CT	6.53%	37.67%	1.19%	2.77%	23.51%	9.79%	0.69%	NA	\$213,731	\$1,368
THRD TF Financial Corp.	PA	5.85%	56.66%	1.07%	2.20%	14.72%	0.70%	0.22%	62.95%	\$150,298	\$1,471
WFD Westfield Financial Inc.	MA	31.33%	18.78%	0.96%	2.38%	16.85%	9.67%	0.14%	59.46%	\$1,476	\$0

(1) Ratios are based on the date of the most recent financial statements disclosed in the offering prospectus.

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

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respectively. Overall, the compositions of the Company's and the Peer Group's assets translated into similar risk weighted assets-to-assets ratios of 68.85% and 67.97%, respectively.

Interest Rate Risk

Table 3.5 reflects various key ratios highlighting the relative interest rate risk exposure of the Company versus the Peer Group. In terms of balance sheet composition, Blue Hills Bancorp's interest rate risk characteristics were considered to be somewhat similar relative to the comparable measures for the Peer Group. Most notably, the Company's higher tangible equity-to-assets ratio and lower ratio of average non-interest earning assets were viewed to be somewhat offset by the Peer Group's higher ratio for average IEA/average IBL. On a pro forma basis, the infusion of stock proceeds should serve to provide the Company with more favorable balance sheet interest rate risk characteristics, with respect to the increases that will be realized in Company's equity-to-assets and average IEA/average IBL ratios.

To analyze interest rate risk associated with the net interest margin, we reviewed quarterly changes in net interest income as a percent of average assets for Blue Hills Bancorp 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 fairly comparable. Accordingly, based on the interest rate environment that prevailed during the period analyzed in Table 3.5, Blue Hills Bancorp 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 of interest rate sensitive liabilities funding Blue Hills Bancorp's assets.

Credit Risk

Overall, based on a comparison of credit quality measures, the Company's credit risk exposure was considered to be less than Peer Group's. As shown in Table 3.6, the Company's non-performing assets/assets and non-performing loans/loans ratios equaled 0.15% and 0.26%, respectively, versus comparable measures of 1.73% and 2.12% for the Peer Group. It should be noted that the measures for non-performing assets and non-performing loans include performing loans that are classified as troubled debt restructurings. The Company's and Peer Group's loss reserves as a percent of non-performing loans equaled 478.53% and 54.78%,

Table 3.5
Interest Rate Risk Measures and Net Interest Income Volatility
Comparable Institution Analysis
As of September 30, 2013

Institution		Balance Sheet Measures			Quarterly Change in Net Interest Income						
		Tangible Equity/ Assets	Avg IEA/ Avg IBL (%)	Non-Earn. Assets/ Assets (%)	9/30/2013	6/30/2013	3/31/2013	12/31/2012	9/30/2012	6/30/2012	
		(%)	(%)	(%)	(change in net interest income is annualized in basis points)						
<u>Blue Hills Bancorp, Inc.</u>	MA	13.1%	117.3%	4.7%	-3	12	-44	0	16	7	
	December 31, 2013										
All Public Companies		12.6%	121.2%	7.6%	2	-2	-7	-2	-1	-1	
State of MA		11.7%	125.4%	7.7%	5	-1	-2	-2	-3	-5	
<u>Comparable Recent Conversions(1)</u>											
CWAY	Coastway Bancorp, Inc.	RI	7.2%	121.5%	9.2%	-2	17	-33	-1	-4	-19
<u>Comparable Group</u>											
Average			11.4%	122.1%	9.9%	2	-2	-11	1	5	-7
Median			11.3%	121.6%	8.1%	3	-2	-8	-3	4	-7
<u>Comparable Group</u>											
BLMT	BSB Bancorp Inc.		12.6%	135.8%	9.0%	11	-7	-3	-10	23	-36
CBNJ	Cape Bancorp Inc.		11.2%	118.4%	11.2%	5	1	-6	-5	17	-3
ESSA	ESSA Bancorp Inc.		11.4%	113.2%	7.1%	-10	1	-23	42	21	-3
FBNK	First Connecticut Bancorp, Inc		11.4%	130.8%	10.0%	-3	-2	-34	8	1	-9
FXCB	Fox Chase Bancorp Inc.		15.7%	133.5%	3.4%	7	-5	-7	-17	11	-8
OSHC	Ocean Shore Holding Co.		9.7%	103.7%	18.1%	2	5	0	-2	-18	-11
OCFC	OceanFirst Financial Corp.		9.4%	119.3%	3.0%	-1	5	-13	1	-11	-13
SIFI	SI Financial Group Inc.		9.8%	122.6%	27.9%	5	-4	-8	1	2	-6
THRD	TF Financial Corp.		10.6%	NA	4.6%	0	-8	-23	-5	6	17
WFD	Westfield Financial Inc.		12.3%	121.6%	4.8%	8	-2	6	-4	-3	3

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

(1) Ratios are based on the date of the most recent financial statements disclosed in the offering prospectus.

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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Table 3.6
Credit Risk Measures and Related Information
Comparable Institution Analysis
As of September 30, 2013

<u>Institution</u>		<u>REO/ Assets</u> (%)	<u>NPAs & 90+Del/ Assets (1)</u> (%)	<u>NPLs/ Loans (1)</u> (%)	<u>Rsrvs/ Loans HFI</u> (%)	<u>Rsrvs/ NPLs (1)</u> (%)	<u>Rsrvs/ NPAs & 90+Del (1)</u> (%)	<u>Net Loan Chargeoffs (2)</u> (\$000)	<u>NLCs/ Loans</u> (%)
<u>Blue Hills Bancorp, Inc.</u> December 31, 2013	MA	0.00%	0.15%	0.26%	1.25%	478.53%	478.53%	-\$27	0.00%
<u>All Public Companies</u>									
Averages		0.41%	2.67%	3.29%	1.43%	68.48%	55.00%	\$6,321	0.43%
Medians		0.16%	1.74%	2.32%	1.25%	52.57%	44.95%	\$1,219	0.23%
<u>State of MA</u>									
Averages		0.05%	1.15%	1.53%	0.99%	82.61%	77.06%	\$1,498	0.08%
Medians		0.04%	1.22%	1.51%	0.98%	61.57%	59.56%	\$318	0.07%
<u>Comparable Recent Conversions(3)</u>									
CWAY Coastway Bancorp, Inc.	RI	0.44%	3.06%	1.56%	0.42%	13.93%	11.92%	\$385	0.13%
<u>Comparable Group</u>									
Averages		0.25%	1.73%	2.12%	1.04%	54.78%	44.50%	\$1,747	0.21%
Medians		0.13%	1.65%	1.82%	1.04%	55.11%	45.87%	\$1,247	0.13%
<u>Comparable Group</u>									
BLMT BSB Bancorp Inc.		0.00%	1.17%	1.49%	0.91%	61.37%	61.37%	\$215	0.03%
CBNJ Cape Bancorp Inc.		0.69%	2.01%	1.73%	1.29%	74.42%	46.41%	\$5,445	0.74%
ESSA ESSA Bancorp Inc.		0.15%	2.42%	3.32%	0.86%	25.93%	24.28%	\$2,988	0.32%
FBNK First Connecticut Bancorp, Inc		0.01%	1.67%	1.90%	1.02%	53.67%	53.21%	\$1,427	0.09%
FXCB Fox Chase Bancorp Inc.		0.60%	2.22%	2.29%	1.56%	68.18%	45.33%	\$1,066	0.15%
OSHC Ocean Shore Holding Co.		0.09%	0.80%	1.02%	0.58%	56.55%	50.40%	\$384	0.05%
OCFC OceanFirst Financial Corp.		0.19%	2.95%	4.08%	1.35%	33.11%	31.01%	\$3,104	0.20%
SIFI SI Financial Group Inc.		0.11%	1.11%	1.31%	0.61%	46.40%	41.74%	\$783	0.11%
THRD TF Financial Corp.		0.69%	1.62%	1.23%	1.06%	86.30%	49.42%	\$1,570	0.29%
WFD Westfield Financial Inc.		0.00%	1.37%	2.82%	1.18%	41.83%	41.83%	\$489	0.08%

(1) Includes TDRs for the Company and the Peer Group.

(2) Net loan chargeoffs are shown on a last twelve month basis.

(3) Ratios are based on the date of the most recent financial statements disclosed in the offering prospectus.

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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respectively. Loss reserves maintained as percent of net loans receivable equaled 1.25% for the Company, versus 1.04% for the Peer Group. Net loan charge-offs were lower for the Company, as net loan charge-offs for the Company equaled a nominal recovery versus 0.21% of loans for the Peer Group.

Summary

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

IV. VALUATION ANALYSIS

Introduction

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

Appraisal Guidelines

The federal regulatory appraisal guidelines required by the FRB, the FDIC and the Commissioner specify the pro forma market value methodology for estimating the pro forma market value of a converting thrift. 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 Blue Hills Bancorp's operations and financial condition; (2) monitor Blue Hills Bancorp's operations and financial condition relative to the Peer Group to identify any fundamental

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

The appraised value determined herein is based on the current market and operating environment for the 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 Blue Hills Bancorp's value, or Blue Hills Bancorp'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 interest-earning asset composition showed a lower concentration of loans and a higher concentration of investments. The Company's and the Peer Group's loan portfolio compositions as a percent of assets reflected similar degrees of diversification into higher risk and higher yielding types of loans. Overall, in comparison to the Peer Group, the Company's interest-earning asset composition provided for a lower yield earned on interest-earning assets and a similar risk weighted assets-to-assets ratio. Blue Hills Bancorp's funding composition reflected a slightly lower level of deposits and a slightly higher level of borrowings relative to the comparable Peer Group ratios, which translated into similar cost of funds for the Company and the Peer Group. Overall, as a percent of assets, the Company maintained a slightly higher level of interest-earning assets and a slightly lower level of interest-bearing liabilities compared to the Peer Group's ratios, which resulted in a higher IEA/IBL ratio for the Company. After factoring in the impact of the net stock proceeds, the Company's IEA/IBL ratio should further exceed the Peer Group's ratio. On balance, RP Financial concluded that asset/liability composition was a neutral factor in our adjustment for financial condition.
- Credit Quality. The Company's ratios for non-performing assets and non-performing loans were more favorable than the comparable Peer Group ratios. Loss reserves as a percent of non-performing loans and as a percent of loans were higher for the Company. Net loan charge-offs were a larger factor for the Peer Group. As noted above, the Company's risk weighted assets-to-assets ratio was similar to the Peer Group's ratio. Overall, RP Financial concluded that credit quality was a moderately positive factor in our adjustment for financial condition.
- Balance Sheet Liquidity. The Company operated with a higher level of cash and investment securities relative to the Peer Group (37.5% of assets versus 24.3% of the Peer Group). Following the infusion of stock proceeds, the Company's cash and investments ratio is expected to increase as the proceeds retained at the holding company level will be initially deployed into investments. The Company's future borrowing capacity was considered to be comparable to the Peer Group's borrowing capacity. Overall, RP Financial concluded that balance sheet liquidity was a slightly positive factor in our adjustment for financial condition.
- Funding Liabilities. The Company's interest-bearing funding composition reflected a slightly lower concentration of deposits and a slightly higher level of borrowings relative to the comparable Peer Group ratios, which translated into similar cost of funds for the Company and the Peer Group. Total interest-bearing liabilities as a percent of assets were slightly lower for the Company compared to the Peer Group's ratio, which was attributable to Blue Hills Bancorp's higher capital position. Following the stock offering, the increase in the Company's capital position will reduce the level of interest-bearing liabilities funding the Company's assets. Overall, RP Financial concluded that funding liabilities were a slightly positive factor in our adjustment for financial condition.
- Capital. The Company currently operates with a slightly higher equity-to-assets ratio than the Peer Group. Accordingly, following the stock offering, Blue Hills Bancorp's pro forma capital position will further exceed the Peer Group's equity-to-assets ratio.

The increase in the Company's pro forma capital position will result in greater leverage potential and reduce the level of interest-bearing liabilities utilized to fund assets. At the same time, the Company's more significant capital surplus will likely result in a lower ROE. On balance, RP Financial concluded that capital strength was a slightly positive factor in our adjustment for financial condition.

On balance, Blue Hills Bancorp's balance sheet strength was considered to be more favorable than the Peer Group's and, thus, a slight upward adjustment was applied for the Company's financial condition.

2. Profitability, Growth and Viability of Earnings

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

- Reported Earnings. The Company's reported earnings were lower than the Peer Group's on a ROAA basis (0.22% of average assets versus 0.48% for the Peer Group). The Company maintained more favorable ratios for non-interest operating income, non-operating gains and effective tax rate, which were more than offset by the Peer Group's more favorable ratios for net interest income, loan loss provisions and operating expense. Reinvestment of stock proceeds into interest-earning assets will serve to increase the Company's earnings, with the benefit of reinvesting proceeds expected to be somewhat offset by higher operating expenses associated with operating as a publicly-traded company and the implementation of stock benefit plans. Overall, given the Company's lower reported earnings and that non-operating gains were a larger contributor to the Company's reported earnings, the Company's pro forma reported earnings were viewed as not as strong as the Peer Group's earnings and, thus, RP Financial concluded that reported earnings were a moderately negative factor in our adjustment for profitability, growth and viability of earnings.
- Core Earnings. Net interest income, operating expenses, non-interest operating income and loan loss provisions were reviewed in assessing the relative strengths and weaknesses of the Company's and the Peer Group's core earnings. In these measures, the Company operated with a lower net interest margin, a higher operating expense ratio, a higher level of non-interest operating income and a lower level of loan loss provisions. The Company's lower ratio for net interest income and high ratio for operating expenses translated into a lower expense coverage ratio in comparison to the Peer Group's ratio (equal to 0.79x versus 1.11X for the Peer Group). Likewise, the Company's efficiency ratio of 97.07% was less favorable than the Peer Group's efficiency ratio of 76.18%. Loan loss provisions had a more significant impact on the Company's earnings. Overall, these measures, as well as the expected earnings benefits the Company should realize from the redeployment of stock proceeds into interest-earning assets and leveraging of post-conversion capital, which will be somewhat negated by expenses associated with the stock

benefit plans and operating as a publicly-traded company, indicate that the Company's pro forma core earnings will be less favorable than the Peer Group's core earnings. Therefore, RP Financial concluded that this was a moderately negative factor in our adjustment for profitability, growth and viability of earnings.

- Interest Rate Risk. Quarterly changes in the Company's and the Peer Group's net interest income to average assets ratios indicated a similar degree of volatility was associated with the Company's and the Peer Group's net interest margins. Other measures of interest rate risk, such as capital and average IEA/IBL ratios and average ratio of non-interest earning assets/average assets were more favorable for the Company except for the Peer Group's slightly higher average IEA/IBL ratio. On a pro forma basis, the infusion of stock proceeds can be expected to provide the Company with equity-to-assets and average IEA/ILB ratios that will be above the Peer Group ratios, as well as enhance the stability of the Company's net interest margin through the reinvestment of stock proceeds into interest-earning assets. On balance, RP Financial concluded that interest rate risk was a slightly positive factor in our adjustment for profitability, growth and viability of earnings.
- Credit Risk. Loan loss provisions were a larger factor in the Company's earnings (0.34% of average assets versus 0.15% of average assets for the Peer Group). In terms of future exposure to credit quality related losses, the Peer Group maintained a higher concentration of assets in loans, while lending diversification into higher risk types of loans was similar for the Company and the Peer Group. Credit quality measures for non-performing assets and loss reserves as a percent of non-performing loans and as a percent of loans were more favorable for the Company. Overall, RP Financial concluded that credit risk was a moderately positive factor in our adjustment for profitability, growth and viability of earnings.
- Earnings Growth Potential. Several factors were considered in assessing earnings growth potential. First, the Peer Group maintained a more favorable interest rate spread than the Company, which would tend to support a stronger net interest margin going forward for the Peer Group. Second, the infusion of stock proceeds will provide the Company with more significant growth potential through leverage than currently maintained by the Peer Group. Third, the Company's higher ratio of non-interest operating income and the Peer Group's lower operating expense ratio were viewed as respective advantages for the Company and Peer Group to sustain earnings growth during periods when net interest margins come under pressure as the result of adverse changes in interest rates. Overall, earnings growth potential was considered to be a neutral factor in our adjustment for profitability, growth and viability of earnings.
- Return on Equity. Currently, the Company's core ROE is lower than the Peer Group's core ROE. Accordingly, as the result of the significant increase in capital that will be realized from the infusion of net stock proceeds into the Company's equity, the Company's pro forma return on equity on a core earnings basis will continue to be less than the Peer Group's return on equity ratio. Accordingly, this was a moderately negative factor in the adjustment for profitability, growth and viability of earnings.

On balance, Blue Hills Bancorp's pro forma earnings strength was considered to be less

favorable than the Peer Group's and, thus, a moderate downward adjustment was applied for profitability, growth and viability of earnings.

3. Asset Growth

The Company recorded a 7.0% increase in assets, versus a 9.9% increase in assets recorded by the Peer Group. Asset growth for the Peer Group included acquisition related growth by one of the Peer Group companies. Asset growth for the Company was driven by a significant increase in loans, which was partially funded with cash and investments. Likewise, the Peer Group's asset growth was primarily sustained by loan growth and supplemented with growth of cash and investments. Overall, as compared to the Peer Group, the Company's recent asset growth trends, as well as the growth that will be provided by the Nantucket Bank acquisition, would tend to be viewed more favorably in terms of supporting future earnings growth. At the same time, there is more implied credit risk exposures associated with the Company's relatively high rate of loan growth. On a pro forma basis, the Company's tangible equity-to-assets ratio will exceed the Peer Group's tangible equity-to-assets ratio, indicating greater leverage capacity for the Company. On balance, a slight upward adjustment was applied for asset growth.

4. Primary Market Area

The general condition of an institution's market area has an impact on value, as future success is in part dependent upon opportunities for profitable activities in the local market served. Blue Hills Bancorp serves the Boston metropolitan area and the island of Nantucket through the main office and eight additional branch locations. Operating in a densely populated market area provides the Company with growth opportunities, but such growth must be achieved in a highly competitive market environment. The Company competes against significantly larger institutions that provide a larger array of services and have significantly larger branch networks than maintained by Blue Hills Bancorp. The competitiveness of the market area is highlighted by the Company's relatively low market share of deposits in Suffolk County.

On average, the Peer Group companies generally operate in markets with lower population densities compared to Suffolk County. Population growth for the primary market area counties served by the Peer Group companies reflect a range of growth rates, but overall population growth rates in the markets served by the Peer Group companies were lower

compared to Suffolk County's population growth rate in recent years. Suffolk County has a lower per capita income compared to the Peer Group's average per capita income and the Peer Group's primary market area counties were relatively more affluent markets within their respective states compared to Suffolk County which had a comparatively lower per capita income compared to Massachusetts' per capita income. The average and median deposit market shares maintained by the Peer Group companies were well above the Company's market share of deposits in Suffolk County. Overall, the degree of competition faced by the Peer Group companies was viewed as less than faced by the Company, while the growth potential in the markets served by the Peer Group companies was for the most part viewed to be not quite as strong as the Company's primary market area. Summary demographic and deposit market share data for the Company and the Peer Group companies is provided in Exhibit III-4. As shown in Table 4.1, the average unemployment rate for the primary market area counties served by the Peer Group companies was above the unemployment rate reflected for Suffolk County. On balance, we concluded that a slight upward adjustment was appropriate for the Company's market area.

Table 4.1
Market Area Unemployment Rates
Blue Hills Bancorp, Inc. and the Peer Group Companies(1)

	<u>County</u>	<u>November 2013 Unemployment</u>
Blue Hills Bancorp, Inc. - MA	Suffolk	6.4%
<u>Peer Group Average</u>		8.1%
BSB Bancorp, Inc. – MA	Middlesex	5.2%
Cape Bancorp, Inc. – NJ	Cape May	12.3
ESSA Bancorp, Inc. – PA	Monroe	8.7
First Connecticut Bancorp – CT	Hartford	7.1
Fox Chase Bancorp, Inc. – PA	Montgomery	5.7
Ocean Shore Holding Co. – NJ	Cape May	12.3
OceanFirst Financial Corp. – NJ	Ocean	7.2
SI Financial Group, Inc. - CT	Windham	7.6
TF Financial Corp. – PA	Montgomery	6.2
Westfield Financial Inc.. – MA	Hampden	8.5

(1) Unemployment rates are not seasonally adjusted.

Source: U.S. Bureau of Labor Statistics.

5. Dividends

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

Nine out of the ten Peer Group companies pay regular cash dividends, with implied dividend yields ranging from 0.77% to 3.19%. The average dividend yield on the stocks of the Peer Group institutions equaled 1.75% as of February 14, 2011. Comparatively, as of February 14, 2014, the average dividend yield on the stocks of all fully-converted publicly-traded thrifts equaled 1.72%.

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

6. Liquidity of the Shares

The Peer Group is by definition composed of companies that are traded in the public markets. All ten of the Peer Group members trade on the NASDAQ. 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 \$94.4 million to \$302.4 million as of February 14, 2014, with average and median market values of \$165.9 million and \$146.6 million, respectively. The shares issued and outstanding of the Peer Group companies ranged from 3.1 million to 20.2 million, with average and median shares outstanding of 12.2 million and 12.1 million, respectively. The Company's stock offering is expected to have a pro forma market value and shares outstanding that will be in the upper end of the comparable Peer Group ranges or in the case of shares outstanding may exceed the top end of the Peer Group's range. Like all of the Peer Group companies, the Company's stock will be quoted on the NASDAQ following the stock offering. Overall, we anticipate that the Company's public stock will have a comparable trading market as the Peer Group companies on average and, therefore, concluded no adjustment was necessary for this factor.

7. Marketing of the Issue

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

A. The Public Market

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

In terms of assessing general stock market conditions, the overall stock market has generally trended higher in recent quarters, although there has been some pullback in the market year-to-date. The rally in the broader stock market that started at the end of the second quarter of 2013 continued during the first half of July 2013, as the Dow Jones Industrial Average ("DJIA") closed at multiple new highs in mid-July. Some favorable economic data and assurances from the Federal Reserve that it would continue its easy monetary policies were noteworthy factors that fueled the gains in the broader stock market. The broader stock market traded in a narrow range during the second half of July, as investors digested some mixed second quarter earnings reports and awaited fresh data on the economy. Economic data showing a pick-up in manufacturing activity and new unemployment claims hitting a five-year low propelled the DJIA to a new record high at the beginning of August. Following sluggish job growth reflected in the July employment report and lowered sales forecast by some retailers, stocks retreated heading into mid-August. The downward trend in stocks continued through the second half of August, with the DJIA hitting a two-month low in late-August. Ongoing worries about the tapering of economic stimulus by the Federal Reserve and the prospect of a military

strike on Syria were noteworthy factors that contributed to the downturn. Some favorable economic reports, as well as subsiding investor concerns about Syria and the Federal Reserve scaling back its easy monetary policies, helped stocks to regain some upward momentum during the first half of September. Stocks reversed course and traded down to close out the third quarter, which was attributed to renewed fears over the Federal Reserve scaling back its financial stimulus program and mounting concerns over the budget standoff in Washington.

Stocks fell broadly at the beginning of the fourth quarter of 2013, as investors weighed the consequences of the budget impasse in Washington and the possibility of an extended shutdown of the U.S. Government. Indications that lawmakers were nearing a deal to raise the federal debt ceiling and end the shutdown of the U.S. Government fueled a stock market rally heading into mid-October. A last minute compromise to raise the debt ceiling, which averted a default on the national debt and allowed for the re-opening of the U.S. Government sustained the positive trend in stocks through late-October. The DJIA closed at a record high in late-October, as weaker-than-expected job growth reflected in the September employment data and subdued inflation readings raised expectations that the Federal Reserve would stay the course on its easy money policies at its end of October meeting. An overall strong month for stocks closed with consecutive losses at the end of October, as investors who were expecting the Federal Reserve to downgrade its economic outlook were surprised that the Federal Reserve's assessment of the economy was unchanged and, thereby, raised expectations that it could taper its stimulus efforts as early as its next policy meeting in December. Favorable reports on manufacturing and nonmanufacturing activity in October, along with comments from a Federal Reserve President suggesting that the Federal Reserve should wait for stronger evidence of economic momentum before tapering its bond-buying program, contributed to a rebound in stocks at the start of November. The DJIA closed at multiple record highs through mid-November, with a better-than-expected employment report for October and comments made by Federal Reserve Chairman nominee Janet Yellen during confirmation hearings that the Federal Reserve's economic stimulus efforts would continue under her leadership contributed to the rally that included the DJIA closing above 16000 for the first time. Stocks edged higher in the final week of November, as positive macroeconomic news contributed to the gains. Stocks traded lower at the start of December 2013, as a number of favorable economic reports stoked concerns that the Federal Reserve would start to wind down its stimulus efforts in the near future. After five consecutive losses in the DJIA, the stock market rebounded on news of the strong employment report for November. The rebound was temporary, as stocks eased lower

ahead of the Federal Reserve's mid-December meeting. Stocks surged at the conclusion of the Federal Reserve's meeting, as investors approved of the Federal Reserve's action to begin measured paring of its \$85 billion a-month bond buying program. The DJIA moved to record highs in late-December, as more favorable economic reports helped to sustain the stock market rally through the end of 2013. Overall, the DJIA was up 30% during 2013, which was its strongest performance in 18 years.

Stocks retreated at the start of 2014, as profit taking and a disappointing employment report for December weighed on the broader stock market. Mixed fourth quarter earnings reports translated into an up and down stock market in mid-January. Concerns about weakening economies in emerging market countries precipitated a global stock market selloff heading into the second half of January, as the DJIA posted five consecutive losses. News that the Federal Reserve voted again to scale back its monthly bond buying program by another \$10 billion, despite recent turmoil in emerging markets and soft jobs data, added to the selloff to close out January. A significant decline in January manufacturing activity drove stocks sharply lower at the start of February. Stocks rebounded heading into mid-February, as disappointing job growth reflected in the January employment report and congressional testimony by the new Federal Reserve Chairwoman eased investor concerns that the Federal Reserve would not continue on its current course of easy monetary policies. On February 14, 2014, the DJIA closed at 16154.39, an increase of 15.5% from one year ago and a decrease of 2.5% year-to-date, and the NASDAQ closed at 4244.03, an increase of 33.0% from one year ago and an increase of 1.6% year-to-date. The Standard & Poor's 500 Index closed at 1838.63 on February 14, 2014, an increase of 21.0% from one year ago and a decrease of 0.5% year-to-date.

The market for thrift stocks has also generally shown a positive trend in recent quarters, while pulling back in January 2014. The rally in thrift stocks started at the end of the second quarter of 2013 gained momentum early in the third quarter of 2013, as June employment data showed job growth beating expectations. Financial shares led the broader stock market higher heading into the second half of July, as some large banks beat second quarter earnings estimates. Thrift stocks edged lower at the end of July, as investors took some profits following the extended run-up in thrift prices. Some favorable economic data boosted thrift shares at the beginning of August, which was followed by a downturn amid indications from the Federal Reserve that tapering of quantitative easing was becoming more likely. After trading in a narrow range through mid-August, financial shares sold-off in late-August on the

threat of a military strike on Syria and a weak report on consumer spending. Thrift stocks rebounded along with the broader stock market during the first half of September, which was followed by a slight downturn on expectations that the Federal Reserve could begin tapering its monthly asset purchases at its next meeting and the looming threat of the budget impasse shutting down the U.S. government.

Thrift issues stabilized at the start of the fourth quarter of 2013 and then traded lower as the budget impasse in Washington continued into a second week. A deal to raise the federal debt ceiling and re-open the U.S. Government lifted thrift stocks and the broader stock market to healthy gains in mid-October. Third quarter earnings reports and signs of merger activity picking in the thrift sector boosted thrift shares in late-October, which was followed by a slight downturn at the end of October and into early-November as the Federal Reserve concluded its two day meeting by staying the course on quantitative easing and the benchmark interest rate. Thrift shares followed the broader stock market higher through mid-November, as the financial sector benefited from the better-than-expected employment report for October and a continuation of low interest rates. A larger-than-expected increase in a November consumer sentiment index and a decline in weekly jobless claims supported a modest gain for the thrift sector in late-November. Thrift issues generally followed trends in the broader stock market throughout December 2013, declining in early-December on the uncertain outlook for the Federal Reserve's stimulus efforts and then rallying higher on the stronger-than-expected job growth reflected in the November employment data. After trading in a narrow range into mid-December, the rally in thrift issues resumed following the Federal Reserve's mid-December meeting and announcement that it will begin to taper its bond buying. Thrift stocks participated in the broader stock market rally to close out 2013, with the SNL Index for all publicly-traded thrifts posting a gain of 25% for all of 2013.

Shares of thrift issues traded down at the start of 2014, as the 10-year Treasury yield approached 3.0% in early-January. Thrift stocks were also hurt by the disappointing employment report for December and then traded in a narrow range in mid-January, as investors reacted to mixed fourth quarter earnings reports coming out the banking sector at the start of the fourth quarter earnings season. Financial shares participated in the selloff experienced in the broader stock market during the second half of January and the first trading day of February. Janet Yellen's debut congressional testimony as Federal Reserve Chairwoman helped to spark a rally in thrift stocks heading into mid-February, as she indicated that there no plans to change course from the Federal Reserve's current monetary policies. On

February 14, 2014, the SNL Index for all publicly-traded thrifts closed at 685.1, an increase of 16.1% from one year ago and a decrease of 3.0% 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 4.2, two standard conversions and one second-step conversion have been completed during the past three months. The standard conversion offerings are considered to be more relevant for Blue Hills Bancorp's pro forma pricing. The average closing pro forma price/tangible book ratio of the two recent standard conversion offerings equaled 63.6%. On average, the two standard conversion offerings reflected price appreciation of 5.0% after the first week of trading. As of February 14, 2014, the two recent standard conversion offerings reflected a 2.2% increase in price on average.

Shown in Table 4.3 are the current pricing ratios for the two fully-converted offerings completed during the past three months that trade on NASDAQ, one of which was a second-step offering. The current P/TB ratio of the fully-converted recent conversions equaled 79.51%, based on closing stock prices as of February 14, 2014.

C. The Acquisition Market

Also considered in the valuation was the potential impact on Blue Hills Bancorp's stock price of recently completed and pending acquisitions of other thrift institutions operating in

Table 4.2
Pricing Characteristics and After-Market Trends
Conversions Completed in the Last Three Months

Institutional Information			Pre-Conversion Data				Offering Information				Contribution to		Insider Purchases				Pro Forma Data						Post-IPO Pricing Trends									
			Financial Info.		Asset Quality		Excluding Foundation				Char. Found.		% Off Incl. Fdn.+Merger Shares				Pricing Ratios(2)(5)			Financial Charac.			Closing Price:									
Institution	Conversion Date	Ticker	Assets (\$Mil)	Equity/Assets (%)	NPAs/Assets (%)	Res. Cov. (%)	Gross Proc. (\$Mil)	% Offer (%)	% of Mid. (%)	Exp./Proc. (%)	Form	% of Public Off. Excl. Fdn. (%)	ESOP (%)	Recog. Plans (%)	Stk Option (%)	Mgmt. & Dir. (%)	Initial Div. Yield (%)	P/TB (%)	Core P/E (x)	P/A (%)	Core ROA (%)	TE/A (%)	Core ROE (%)	IPO Price (\$)	First Trading Day (\$)	% Chge (%)	After Week(3) (\$)	% Chge (%)	After First Month(4) (\$)	% Chge (%)	Thru 2/14/14 (\$)	% Chge (%)
Standard Conversions																																
Edgewater Bancorp, Inc. - MI	1/17/14	EGDW-OTCBB	\$ 200	8.15%	3.84%	33%	\$ 6.7	100%	86%	19.5%	N.A.	N.A.	8.0%	4.0%	10.0%	13.5%	0.00%	55.0%	NM	5.5%	-1.4%	10.0%	-13.1%	\$10.00	\$10.00	0.0%	\$10.25	2.5%	\$10.25	2.5%	\$10.25	2.5%
Coastway Bancorp, Inc. - RI*	1/15/14	CWAY-NASDAQ	\$ 381	7.24%	2.16%	25%	\$ 49.5	100%	132%	3.2%	C/S	\$300K/2.5%	8.0%	4.0%	10.0%	1.8%	0.00%	72.1%	114.2x	11.7%	0.1%	16.3%	0.6%	\$10.00	\$10.92	9.2%	\$10.75	7.5%	\$10.19	1.9%	\$10.19	1.9%
Averages - Standard Conversions:																																
Medians - Standard Conversions:																																
Second Step Conversions																																
Waterstone Financial, Inc. - WI*	1/23/14	WSBF-NASDAQ	\$ 1,598	13.32%	5.04%	43%	\$ 344.1	74%	115%	3.4%	N.A.	N.A.	8.0%	4.0%	10.0%	0.8%	0.00%	80.7%	23.05	19.0%	0.8%	23.5%	3.5%	\$10.00	\$10.66	6.6%	\$10.58	5.8%	\$10.60	6.0%	\$10.60	6.0%
Averages - Second Step Conversions:																																
Medians - Second Step Conversions:																																
Averages - All Conversions:																																
Medians - All Conversions:																																

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) As a percent of MHC offering for MHC transactions.
- (2) Does not take into account the adoption of SOP 93-6.
- (3) Latest price if offering is less than one week old.
- (4) Latest price if offering is more than one week but less than one month old.
- (5) Mutual holding company pro forma data on full conversion basis.
- (6) Simultaneously completed acquisition of another financial institution.
- (7) Simultaneously converted to a commercial bank charter.
- (8) Former credit union.

Table 4.3
Market Pricing Comparatives
As of February 14, 2014

	Market Capitalization		Per Share Data		Pricing Ratios(2)					Dividends(3)			Financial Characteristics(5)								
	Price/ Share (\$)	Market Value (\$Mil)	Core 12 Month EPS(1) (\$)	Book Value/ Share (\$)	P/E (x)	P/B (%)	P/A (%)	P/TB (%)	P/Core (x)	Amount/ Share (\$)	Yield (%)	Payout Ratio(4) (%)	Total Assets (\$Mil)	Equity/ Assets (%)	Tang. Eq./ T. Assets (%)	NPAs/ Assets (%)	Reported		Core		
																	ROAA (%)	ROAE (%)	ROAA (%)	ROAE (%)	
All Non-MHC Public Companies	16.31	334.56	0.35	14.68	19.88	108.21	14.36	117.16	21.53	0.23	1.52	25.36	2,530	13.29	12.64	2.59	0.49	3.78	0.24	1.68	
Converted Last 3 Months (No MHC)	10.40	207.54	0.26	13.14	12.05	79.44	16.05	79.51	24.65	0.00	0.00	0.00	1,117	19.93	19.91	6.63	0.85	12.96	0.46	6.33	
Converted Last 3 Months (No MHC)																					
CWAY Coastway Bncp, Inc.	RI	10.19	50.43	0.09	13.87	NM	73.47	11.96	73.47	NM	0.00	0.00	0.00	422	16.28	16.28	NA	0.04	NM	0.11	NM
WSBF Waterstone Financial Inc.	WI	10.60	364.64	0.43	12.41	12.05	85.41	20.13	85.55	24.65	0.00	0.00	0.00	1,812	23.57	23.53	6.63	1.67	12.96	0.82	6.33

(1) Core income, on a diluted per-share basis. Core income is net income after taxes and before extraordinary items, less net income attributable to noncontrolling interest, gain on the sale of securities, amortization of intangibles, goodwill and nonrecurring items. Assumed tax rate is 35%.

(2) 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. P/E and P/Core =NM if the ratio is negative or above 35x.

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

(4) Indicated 12 month dividend as a percent of trailing 12 month earnings.

(5) ROAA (return on average assets) and ROAE (return on average equity) are indicated ratios based on trailing 12 month earnings and average equity and assets balances.

(6) 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 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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Massachusetts. As shown in Exhibit IV-4, there were 10 Massachusetts thrift acquisitions completed from the beginning of 2010 through February 14, 2014 and there were three acquisitions pending for Massachusetts savings institutions. The recent acquisition activity involving Massachusetts savings institutions may imply a certain degree of acquisition speculation for the Company's stock. To the extent that acquisition speculation may impact the Company's offering, we have largely taken this into account in selecting companies for the Peer Group which operate in markets that have experienced a comparable level of acquisition activity as the Company's market and, thus, are subject to the same type of acquisition speculation that may influence Blue Hills Bancorp's stock. However, since converting thrifts are subject to a three-year regulatory moratorium from being acquired, acquisition speculation in Blue Hills Bancorp's stock would tend to be less compared to the stocks of the Peer Group companies.

* * * * *

In determining our valuation adjustment for marketing of the issue, we considered trends in both the overall thrift market, the new issue market including the new issue market for thrift conversions and the local acquisition market for thrift stocks. Taking these factors and trends into account, RP Financial concluded that 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.

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

9. Effect of Government Regulation and Regulatory Reform

In summary, as a fully-converted, FDIC insured institution, Blue Hills Bancorp 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 Blue Hills Bancorp's pro forma regulatory capital ratios. On balance, no adjustment has been applied for the effect of government regulation and regulatory reform.

Summary of Adjustments

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

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

Valuation Approaches

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

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

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

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

The Company will adopt "Employers' Accounting for Employee Stock Ownership Plans" ("ASC 718-40"), which will cause earnings per share computations to be based on shares issued and outstanding excluding unreleased ESOP shares. For purposes of preparing the pro forma pricing analyses, we have reflected all shares issued in the offering, including all ESOP shares, to capture the full dilutive impact, particularly since the ESOP shares are economically dilutive, receive dividends and can be voted. However, we did consider the impact of the adoption of ASC 718-40 in the valuation.

Based on the application of the three valuation approaches, taking into consideration the valuation adjustments discussed above and the dilutive impact of the stock contribution to the Foundation, RP Financial concluded that, as of February 14, 2014, the pro forma market value

of Blue Hills Bancorp's conversion stock was \$215,250,000 at the midpoint, equal to 21,525,000 shares at \$10.00 per share.

1. Price-to-Earnings ("P/E"). The application of the P/E valuation method requires calculating the Company's pro forma market value by applying a valuation P/E multiple to the pro forma earnings base. In applying this technique, we considered both reported earnings and a recurring earnings base, that is, earnings adjusted to exclude any one-time non-operating items, plus the estimated after-tax earnings benefit of the reinvestment of the net proceeds. The Company's reported earnings equaled \$2.663 million for the twelve months ended December 31, 2013. In deriving Blue Hills Bancorp's core earnings, the adjustments made to reported earnings were to eliminate gains on sale of securities of \$5.091 million, gains on trading assets of \$505,000 and net impairment losses of \$92,000. As shown below, on a tax effected basis, assuming an effective marginal tax rate of 40.0% for the earnings adjustments, the Company's core earnings were determined to equal a net loss of \$639,000 for the twelve months ended December 31, 2013.

	<u>Amount</u> (\$000)
Net income(loss)	\$2,663
Deduct: Gains on sale of securities(1)	(3,054)
Deduct: Gains on trading assets(1)	(303)
Add: Net impairment losses(1)	55
Core earnings estimate	(\$639)

(1) Tax effected at 40.0%.

Based on the Company's reported earnings and incorporating the impact of the pro forma assumptions discussed previously, the Company's pro forma reported P/E multiple at the \$215.3 million midpoint value equaled 85.39 times, which provided for a premium of 368.40% relative to the Peer Group's average reported P/E multiple of 18.23 times (see Table 4.4). In comparison to the Peer Group's median reported earnings multiple which equaled 17.76 times, the Company's pro forma reported P/E multiple at the midpoint value indicated a premium of 380.80%. The Company's pro forma P/E ratios based on reported earnings at the minimum and the super maximum equaled 72.49 times and 113.21 times, respectively. As the result of the Company's net loss on a core earnings basis, the Company's core P/E multiples were not meaningful (NM). Comparatively, the Peer Group's average and core P/E multiples equaled 19.84 times and 15.28 times, respectively.

Table 4.4
Public Market Pricing Versus Peer Group
Blue Hills Bancorp, Inc. and the Comparables
As of February 14, 2014

		Market Capitalization		Per Share Data					Dividends(3)			Financial Characteristics(5)							Offering Range (\$Mil)			
		Price/Share (\$)	Market Value (\$Mil)	Core 12 Month EPS(1) (\$)	Book Value/Share (\$)	Pricing Ratios(2)					Amount/Share (\$)	Yield (%)	Payout Ratio(4) (%)	Total Assets (\$Mil)	Equity/Assets (%)	Tang. Eq./T. Assets (%)	NPAs/Assets (%)	Reported		Core		
						P/E (x)	P/B (%)	P/A (%)	P/TB (%)	P/Core (x)								ROAA (%)		ROAE (%)	ROAA (%)	ROAE (%)
Blue Hills Bancorp, Inc.																						
	MA	\$10.00	\$284.67	(\$0.03)	\$13.89	113.21x	71.99%	16.94%	74.79%	NM	\$0.00	0.00%	0.00%	\$1,680	23.53%	22.64%	0.08%	0.15%	0.64%	-0.05%	-0.21%	\$277.73
		\$10.00	\$247.54	(\$0.03)	\$14.66	98.31x	68.21%	15.02%	71.12%	NM	\$0.00	0.00%	0.00%	\$1,648	22.02%	21.12%	0.08%	0.15%	0.69%	-0.05%	-0.23%	\$241.50
		\$10.00	\$215.25	(\$0.04)	\$15.55	85.39x	64.31%	13.29%	67.29%	NM	\$0.00	0.00%	0.00%	\$1,620	20.67%	19.75%	0.08%	0.16%	0.75%	-0.05%	-0.25%	\$210.00
		\$10.00	\$182.96	(\$0.05)	\$16.76	72.49x	59.67%	11.50%	62.74%	NM	\$0.00	0.00%	0.00%	\$1,592	19.26%	18.33%	0.08%	0.16%	0.82%	-0.05%	-0.27%	\$178.50
All Non-MHC Public Companies(6)																						
		\$16.51	\$344.10	\$0.82	\$15.47	17.42x	104.92%	13.36%	113.87%	18.14x	\$0.29	1.72%	47.73%	\$2,478	13.23%	12.34%	3.00%	0.55%	4.13%	0.51%	4.01%	
		\$15.05	\$94.66	\$0.67	\$14.91	16.28x	96.11%	12.34%	102.39%	17.20x	\$0.24	1.48%	42.53%	\$771	12.29%	11.57%	2.26%	0.63%	4.68%	0.60%	4.34%	
All Non-MHC State of MA(6)																						
		\$23.35	\$162.21	\$1.29	\$20.09	21.21x	107.74%	13.07%	114.57%	22.77x	\$0.36	1.57%	54.97%	\$1,328	12.33%	11.84%	1.17%	0.53%	4.65%	0.53%	4.63%	
		\$17.37	\$115.83	\$0.52	\$16.35	20.61x	102.38%	12.09%	106.55%	21.98x	\$0.24	1.45%	43.64%	\$694	12.07%	12.07%	1.27%	0.53%	4.04%	0.45%	2.88%	
State of MA (7)																						
	MA	\$25.09	\$628.15	\$2.03	\$27.08	15.21x	92.64%	11.07%	154.19%	12.36x	\$0.72	2.87%	43.64%	\$5,673	11.95%	7.54%	NA	0.78%	6.10%	0.95%	7.50%	
	MA	\$15.82	\$143.26	\$0.22	\$14.40	NM	109.85%	13.58%	109.85%	NM	\$0.00	0.00%	NM	\$1,055	12.37%	12.37%	1.17%	0.21%	1.51%	0.21%	1.49%	
	MA	\$17.37	\$94.42	\$0.52	\$16.97	34.74x	102.38%	16.07%	102.38%	33.70x	\$0.28	1.61%	44.00%	\$588	15.69%	15.69%	1.27%	0.43%	2.79%	0.45%	2.88%	
	MA	\$14.75	\$27.01	\$0.41	\$15.80	NM	93.34%	10.27%	93.34%	NM	\$0.16	1.08%	39.02%	\$263	11.00%	11.00%	1.16%	0.32%	2.47%	0.32%	2.47%	
	MA	\$15.96	\$90.18	\$0.66	\$14.98	23.82x	106.55%	12.98%	106.55%	24.31x	\$0.24	1.50%	34.33%	\$694	12.19%	12.19%	1.32%	0.55%	4.31%	0.54%	4.23%	
	MA	\$77.01	\$163.94	\$6.28	\$48.49	12.26x	158.83%	12.09%	158.83%	12.26x	\$1.08	1.40%	21.34%	\$1,356	12.09%	7.61%	NA	1.07%	13.52%	1.07%	13.52%	
	MA	\$18.08	\$115.83	\$0.35	\$16.35	NM	110.55%	19.76%	110.55%	NM	\$0.16	0.88%	117.14%	\$588	17.88%	17.88%	0.47%	0.37%	2.01%	0.37%	2.01%	
	MA	\$18.50	\$45.41	\$0.94	\$19.06	19.07x	97.06%	9.90%	97.06%	19.66x	NA	NA	NM	\$459	10.20%	10.20%	1.41%	0.55%	5.09%	0.54%	4.94%	
	MA	\$7.53	\$151.73	\$0.22	\$7.65	22.15x	98.43%	11.88%	98.43%	34.33x	\$0.24	3.19%	85.29%	\$1,277	12.07%	12.07%	1.37%	0.53%	4.04%	0.34%	2.60%	
Comparable Group																						
		\$15.05	\$165.87	\$0.60	\$14.54	18.23x	103.80%	12.26%	108.65%	19.84x	\$0.25	1.75%	52.65%	\$1,348	11.84%	11.32%	1.71%	0.45%	3.77%	0.47%	3.94%	
		\$14.78	\$146.64	\$0.33	\$14.02	17.76x	99.68%	11.78%	109.18%	15.28x	\$0.24	1.78%	51.35%	\$1,197	11.65%	10.87%	1.65%	0.52%	3.92%	0.48%	3.55%	
Comparable Group																						
	MA	\$15.82	\$143.26	\$0.22	\$14.40	NM	109.85%	13.58%	109.85%	NM	\$0.00	0.00%	NM	\$1,055	12.37%	12.37%	1.17%	0.21%	1.51%	0.21%	1.49%	
	NJ	\$10.58	\$127.59	\$0.51	\$11.64	23.00x	90.86%	11.67%	108.51%	20.93x	\$0.24	2.27%	58.70%	\$1,093	12.85%	10.76%	1.94%	0.53%	3.80%	0.58%	4.18%	
	PA	\$10.85	\$129.04	\$0.73	\$13.96	15.50x	77.71%	9.55%	83.23%	14.82x	\$0.20	1.84%	28.57%	\$1,355	12.29%	11.57%	2.30%	0.58%	4.68%	0.60%	4.87%	
	CT	\$15.60	\$256.74	\$0.21	\$14.08	NM	110.76%	12.17%	110.76%	NM	\$0.12	0.77%	52.17%	\$2,110	10.99%	10.99%	1.67%	0.19%	1.52%	0.18%	1.42%	
	PA	\$17.06	\$207.24	\$0.45	\$14.28	NM	119.47%	18.56%	119.47%	NM	\$0.40	2.34%	100.00%	\$1,117	15.53%	15.53%	1.95%	0.51%	3.13%	0.48%	2.93%	
	NJ	\$13.95	\$96.30	\$0.22	\$15.39	17.22x	90.66%	9.44%	95.39%	NM	\$0.24	1.72%	29.63%	\$1,020	10.41%	9.95%	0.80%	0.51%	5.04%	0.48%	4.81%	
	NJ	\$17.39	\$302.36	\$1.14	\$12.33	18.31x	141.06%	13.44%	141.06%	15.28x	\$0.48	2.76%	50.53%	\$2,250	9.53%	9.53%	3.16%	0.71%	7.51%	0.85%	8.99%	
	CT	\$11.73	\$150.02	\$0.15	\$11.94	NM	98.28%	10.97%	113.38%	NM	\$0.12	1.02%	NM	\$1,369	11.16%	9.82%	1.11%	-0.12%	-0.87%	0.13%	0.99%	
	PA	\$29.99	\$94.44	\$2.17	\$29.71	13.21x	100.93%	11.33%	106.42%	13.82x	\$0.48	1.60%	16.30%	\$834	11.22%	10.64%	1.62%	0.85%	7.40%	0.81%	7.07%	
	MA	\$7.53	\$151.73	\$0.22	\$7.65	22.15x	98.43%	11.88%	98.43%	34.33x	\$0.24	3.19%	85.29%	\$1,277	12.07%	12.07%	1.37%	0.53%	4.04%	0.34%	2.60%	

(1) Core income, on a diluted per-share basis. Core income is net income after taxes and before extraordinary items, less net income attributable to noncontrolling interest, gain on the sale of securities, amortization of intangibles, goodwill and nonrecurring items. Assumed tax rate is 35%.

(2) 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. P/E and P/Core =NM if the ratio is negative or above 35x.

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

(4) Indicated 12 month dividend as a percent of trailing 12 month earnings.

(5) ROAA (return on average assets) and ROAE (return on average equity) are indicated ratios based on trailing 12 month earnings and average equity and assets balances.

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

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

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 \$215.3 million midpoint valuation, the Company's pro forma P/B and P/TB ratios equaled 64.31% and 67.29%, respectively. In comparison to the average P/B and P/TB ratios for the Peer Group of 103.80% and 108.65%, the Company's ratios reflected a discount of 38.04% on a P/B basis and a discount of 38.07% on a P/TB basis. In comparison to the Peer Group's median P/B and P/TB ratios of 99.68% and 109.18%, respectively, the Company's pro forma P/B and P/TB ratios at the midpoint value reflected discounts of 35.48% and 38.37%, respectively. At the top of the super maximum, the Company's P/B and P/TB ratios equaled 71.99% and 74.79%, 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 maximum reflected discounts of 30.65% and 31.16%, 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 maximum reflected discounts of 27.78% and 31.50%, respectively. RP Financial considered the discounts under the P/B approach to be reasonable, given the nature of the calculation of the P/B ratio which mathematically results in a ratio discounted to book value. The discounts reflected under the P/B approach were also supported by the significant premiums reflected in the Company's reported P/E multiples and the Company's net loss on a core earnings basis.

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 \$215.3 million midpoint of the valuation range, the Company's value equaled 13.29% of pro forma assets. Comparatively, the Peer Group companies exhibited an average P/A ratio of 12.26%, which implies a premium of 8.40% has been applied to the Company's pro forma P/A ratio. In comparison to the Peer Group's median P/A ratio of 11.78%, the Company's pro forma P/A ratio at the midpoint value reflects a premium of 12.82%.

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 cannot 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, two standard conversion offerings were completed during the past three months. In comparison to the 63.60% average closing form P/TB ratio of the two recent standard conversions, the Company's P/TB ratio of 67.29% at the midpoint value reflects an implied premium of 5.80%. At the top of the super maximum, the Company's P/TB ratio of 74.79% reflects an implied premium of 17.59% relative to the recent standard conversions average P/TB ratio at closing. The current P/TB ratio of the only recent standard conversion that is publicly-traded (Coastway Bancorp) equaled 73.47%, based on closing stock prices as of February 14, 2014. In comparison to the current P/TB ratio of Coastway Bancorp, the Company's P/TB ratio at the midpoint value reflects an implied discount of 8.41% and at the top of the super maximum reflects an implied premium of 1.80%. Comparative pre-conversion financial data for Coastway Bancorp has been included in the Chapter III tables and show that, in comparison to Blue Hills Bancorp, Coastway Bancorp maintained a lower tangible equity-to-assets ratio (7.20% versus 13.05% for Blue Hills Bancorp), a slightly higher return on average assets (0.35% versus 0.22% for Blue Hills Bancorp) and a higher ratio of non-performing assets as a percent of assets (3.06% versus 0.15% for Blue Hills Bancorp).

Valuation Conclusion

Based on the foregoing, it is our opinion that, as of February 14, 2014, the estimated aggregate pro forma market value of the shares to be issued immediately following the conversion, including shares to be issued to the Foundation, equaled \$215,250,000 at the midpoint, equal to 21,525,000 shares offered at a per share value of \$10.00. Pursuant to conversion guidelines, the 15% valuation range indicates a minimum value of \$182,962,500 and a maximum value of \$247,537,500. Based on the \$10.00 per share offering price determined by the Board, this valuation range equates to total shares outstanding of 18,296,250 at the minimum and 24,753,750 at the maximum. In the event the appraised value is subject to an increase, the aggregate pro forma market value may be increased up to a super maximum

value of \$284,668,130 without a resolicitation. Based on the \$10.00 per share offering price, the super maximum value would result in total shares outstanding of 28,466,813. Based on this valuation range, the offering range is as follows: \$178,500,000 at the minimum, \$210,000,000 at the midpoint, \$241,500,000 at the maximum and \$277,725,000 at the super maximum. Based on the \$10.00 per share offering price, the number of offering shares is as follows: 17,850,000 at the minimum, 21,000,000 at the midpoint, 24,150,000 at the maximum and 27,772,500 at the super maximum. The pro forma valuation calculations relative to the Peer Group are shown in Table 4.4 and are detailed in Exhibit IV-7 and Exhibit IV-8.

EXHIBITS

LIST OF EXHIBITS

<u>Exhibit Number</u>	<u>Description</u>
I-1	Map of Office Locations
I-2	Audited Financial Statements
I-3	Key Operating Ratios
I-4	Investment Portfolio Composition
I-5	Yields and Costs
I-6	Loan Loss Allowance Activity
I-7	Interest Rate Risk Analysis
I-8	Fixed and Adjustable Rate Loans
I-9	Loan Portfolio Composition
I-10	Contractual Maturity by Loan Type
I-11	Loan Originations, Purchases, Sales and Repayments
I-12	Non-Performing Assets
I-13	Deposit Composition
I-14	Maturity of Time Deposits
I-15	Borrowing Activity
II-1	Description of Office Properties
II-2	Historical Interest Rates

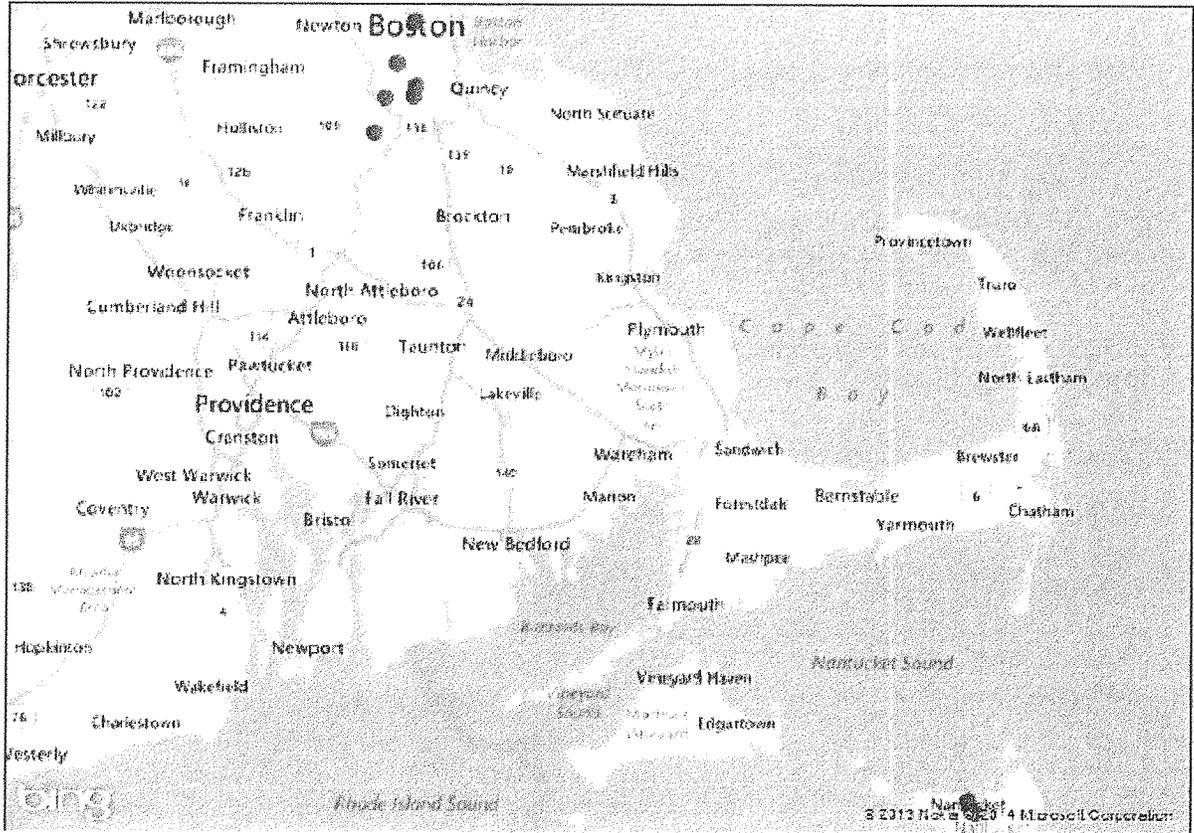
LIST OF EXHIBITS (continued)

<u>Exhibit Number</u>	<u>Description</u>
III-1	General Characteristics of Publicly-Traded Institutions
III-2	Public Market Pricing of New England Thrift Institutions
III-3	Public Market Pricing of Mid-Atlantic Thrift Institutions
III-4	Peer Group Market Area Comparative Analysis
IV-1	Stock Prices: As of February 14, 2014
IV-2	Historical Stock Price Indices
IV-3	Historical Thrift Stock Indices
IV-4	Market Area Acquisition Activity
IV-5	Director and Senior Management Summary Resumes
IV-6	Pro Forma Regulatory Capital Ratios
IV-7	Pro Forma Analysis Sheet
IV-8	Pro Forma Effect of Conversion Proceeds
V-1	Firm Qualifications Statement

EXHIBIT I-1

**Blue Hills Bancorp, Inc.
Map of Office Locations**

Exhibit I-1
 Blue Hills Bancorp, Inc.
 Map of Office Locations



● U.S. Branches (R)

Source: SNL Financial LC

EXHIBIT I-2

**Blue Hills Bancorp, Inc.
Audited Financial Statements
[Incorporated by Reference]**

EXHIBIT I-3

**Blue Hills Bancorp, Inc.
Key Operating Ratios**

Exhibit I-3
Blue Hills Bancorp, Inc.
Key Operating Ratios

	At or For the Years Ended December 31,				
	2013	2012	2011	2010	2009
	(unaudited)				
Selected Financial Ratios and Other Data:					
Performance Ratios:					
Return on average assets (ratio of net income to average total assets)	0.22%	0.74%	0.82%	3.21%	0.47%
Return on average equity (ratio of net income to average equity)	1.52%	4.57%	5.01%	18.48%	1.54%
Interest rate spread ⁽¹⁾	2.09%	2.18%	2.51%	2.39%	2.41%
Net interest margin ⁽²⁾	2.21%	2.33%	2.68%	2.57%	2.59%
Efficiency ratio ⁽³⁾	83.02%	66.35%	65.23%	34.03%	56.92%
Noninterest expense to average total assets	2.65%	2.46%	2.29%	1.88%	1.16%
Average interest-earning assets to average interest-bearing liabilities	117.24%	117.88%	116.51%	112.38%	108.94%
Average equity to average total assets	14.68%	16.11%	16.43%	17.39%	30.39%
Asset Quality Ratios:					
Non-performing assets to total assets	0.13%	0.18%	0.28%	0.18%	0.21%
Non-performing loans to total loans	0.22%	0.45%	0.98%	0.78%	0.87%
Allowance for loan losses to non-performing loans	555%	251%	128%	155%	166%
Allowance for loan losses to total loans	1.25%	1.13%	1.25%	1.21%	1.44%
Consolidated Capital Ratios:					
Total capital to risk-weighted assets	19.82%	21.70%	30.50%	N/A	N/A
Tier 1 capital to risk-weighted assets	18.50%	20.80%	29.80%	N/A	N/A
Tier 1 capital to average assets	13.20%	14.40%	16.20%	N/A	N/A
Capital Ratios for the Bank:					
Total capital to risk-weighted assets	16.60%	18.60%	28.60%	35.60%	25.20%
Tier 1 capital to risk-weighted assets	15.30%	17.70%	27.90%	34.80%	22.40%
Tier 1 capital to average assets	11.10%	12.20%	15.10%	15.20%	12.10%
Other Data:					
Number of full service offices	6	6	6	6	6
Number of full time equivalent employees	147	141	122	103	96

- (1) The average interest rate spread represents the difference between the weighted-average yield on interest-earning assets and the weighted average cost of interest-bearing liabilities for the period.
- (2) The net interest margin represents net interest income as a percent of average interest-earning assets for the period on a non tax equivalent basis.
- (3) The efficiency ratio represents noninterest expense divided by the sum of net interest income and noninterest income, including gains on securities available for sale, net.

Source: Blue Hills Bancorp's prospectus.

EXHIBIT I-4

**Blue Hills Bancorp, Inc.
Investment Portfolio Composition**

Exhibit I-4
Blue Hills Bancorp, Inc.
Investment Portfolio Composition

	At December 31,					
	2013		2012		2011	
	Amortized Cost	Fair Value	Amortized Cost	Fair Value	Amortized Cost	Fair Value
	(In thousands)					
Securities available for sale:						
Debt securities:						
U.S. Treasury	\$ 131,781	\$ 128,202	\$ 108,087	\$ 108,789	\$ 67,849	\$ 68,256
U.S. government and government-sponsored enterprise obligations	13,985	13,957	14,278	14,786	75,462	77,801
U.S. government-sponsored residential mortgage-backed and collateralized mortgage obligations	67,787	67,493	109,802	114,158	133,515	138,836
Other mortgage and asset-backed securities	46,610	46,473	50,698	52,088	26,798	26,896
Other bonds and obligations:						
State and political subdivisions ..	15,628	15,739	17,845	18,588	12,610	12,949
Financial services	42,193	43,671	30,213	32,865	40,524	42,549
Other corporate	<u>44,920</u>	<u>45,536</u>	<u>61,732</u>	<u>65,187</u>	<u>61,038</u>	<u>67,574</u>
Total debt securities	362,904	361,071	392,655	406,461	417,796	434,861
Marketable equity securities:						
Mutual funds:						
International	5,000	5,540	27,590	27,182	31,800	26,777
Domestic	466	453	20,024	21,634	19,130	18,184
Global asset allocation	32,956	37,124	40,210	40,940	35,134	32,893
Diversified bonds	34,392	34,350	33,460	34,626	32,687	32,091
Other	<u>2,750</u>	<u>2,768</u>	<u>2,753</u>	<u>2,942</u>	<u>2,500</u>	<u>2,669</u>
Total marketable equity securities	<u>75,564</u>	<u>80,235</u>	<u>124,037</u>	<u>127,324</u>	<u>121,251</u>	<u>112,614</u>
Total securities available for sale	<u>\$ 438,468</u>	<u>\$ 441,306</u>	<u>\$ 516,692</u>	<u>\$ 533,785</u>	<u>\$ 539,047</u>	<u>\$ 547,475</u>

Source: Blue Hills Bancorp's prospectus.

EXHIBIT I-5

**Blue Hills Bancorp, Inc.
Yields and Costs**

Exhibit I-5
Blue Hills Bancorp, Inc.
Yields and Costs

	At December 31, 2013	For the Year Ended December 31, 2013		
	Yield/Rate	Average Outstanding Balance	Interest	Yield/ Rate
(Dollars in thousands)				
Interest-earning assets:				
Total loans.....	3.58%	\$ 591,990	\$ 21,876	3.70%
Securities.....	2.19	500,499	11,150	2.23
Other interest earning assets ⁽¹⁾	0.15	<u>45,828</u>	<u>66</u>	0.14
Total interest-earning assets.....	2.45	1,138,317	33,092	2.91
Non-interest-earning assets.....		<u>55,958</u>		
Total assets.....		<u>\$ 1,194,275</u>		
Interest-bearing liabilities:				
NOW accounts.....	0.06%	\$ 66,580	\$ 68	0.10%
Regular savings accounts.....	0.47	344,783	2,420	0.70
Money market accounts.....	0.39	81,225	531	0.65
Certificates of deposit.....	0.90	<u>350,861</u>	<u>3,784</u>	1.08
Total interest-bearing deposits.....	0.62	843,449	6,803	0.81
Borrowings.....	0.61	<u>127,501</u>	<u>1,168</u>	0.92
Total interest-bearing liabilities.....	0.70	970,950	<u>7,971</u>	0.82
Non-interest-bearing deposits.....		29,716		
Other non-interest-bearing liabilities.....		<u>18,279</u>		
Total liabilities.....		1,018,945		
Equity.....		<u>175,330</u>		
Total liabilities and equity.....		<u>\$ 1,194,275</u>		
Net interest and dividend income.....			<u>\$ 25,121</u>	
Net interest rate spread ⁽²⁾				2.09%
Net interest-earning assets ⁽³⁾		<u>\$ 167,367</u>		
Net interest margin ⁽⁴⁾				2.21%
Average interest-earning assets to interest-bearing liabilities.....		117.24%		

Source: Blue Hills Bancorp's prospectus.

Exhibit I-5 (continued)
Blue Hills Bancorp, Inc.
Yields and Costs

	For the Year Ended December 31,					
	2012			2011		
	Average Outstanding Balance	Interest	Yield/Rate	Average Outstanding Balance	Interest	Yield/Rate
	(Dollars in thousands)					
Interest-earning assets:						
Total loans.....	\$ 384,432	\$ 16,545	4.30%	\$ 244,561	\$ 12,666	5.18%
Securities	565,584	15,151	2.68	518,143	19,147	3.70
Other interest earning assets ⁽¹⁾	55,768	120	0.22	97,385	182	0.19
Total interest-earning assets.....	1,005,784	31,816	3.16	860,089	31,995	3.72
Non-interest-earning assets	60,862			58,797		
Total assets.....	<u>\$ 1,066,646</u>			<u>\$ 918,886</u>		
Interest-bearing liabilities:						
NOW accounts.....	\$ 60,241	\$ 80	0.13%	\$ 60,013	\$ 125	0.21%
Regular savings accounts	243,507	1,756	0.72	179,677	888	0.49
Money market accounts	105,783	893	0.84	46,097	430	0.93
Certificates of deposit	341,453	4,530	1.33	432,561	7,034	1.63
Total interest-bearing deposits	750,984	7,259	0.97	718,348	8,477	1.18
Borrowings.....	102,266	1,113	1.09	19,836	461	2.32
Total interest-bearing liabilities.....	853,250	8,372	0.98	738,184	8,938	1.21
Non-interest-bearing deposits	19,681			17,796		
Other non-interest bearing liabilities.....	21,921			11,954		
Total liabilities	894,852			767,934		
Equity.....	171,794			150,952		
Total liabilities and equity.....	<u>\$ 1,066,646</u>			<u>\$ 918,886</u>		
Net interest and dividend income.....		<u>\$ 23,444</u>			<u>\$ 23,057</u>	
Net interest rate spread ⁽²⁾			2.18%			2.51%
Net interest-earning assets ⁽³⁾	<u>\$ 152,534</u>			<u>\$ 121,905</u>		
Net interest margin ⁽⁴⁾			2.33%			2.68%
Average interest-earning assets to interest-bearing liabilities.....	117.88%			116.51%		

(1) Includes Federal Home Loan Bank common stock and short-term investments.

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

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

(4) Net interest margin represents net interest income as a percentage of average interest-earning assets.

Source: Blue Hills Bancorp's prospectus.

EXHIBIT I-6

**Blue Hills Bancorp, Inc.
Loan Loss Allowance Activity**

Exhibit I-6
Blue Hills Bancorp, Inc.
Loan Loss Allowance Activity

	At or For the Years Ended December 31,				
	2013	2012	2011	2010	2009
	(In thousands)				
Balance at beginning of period	\$ 5,550	\$ 3,501	\$ 2,478	\$ 3,081	\$ 1,997
Charge-offs:					
Real estate:					
One- to four-family	(165)	(714)	(328)	(1,141)	(166)
Consumer loans	(44)	—	(13)	—	—
Total charge-offs	(209)	(714)	(341)	(1,141)	(166)
Recoveries:					
Real estate:					
One- to four-family	236	402	232	36	—
Consumer loans	—	—	6	—	—
Total recoveries	236	402	238	36	—
Net (charge-offs) recoveries	27	(312)	(103)	(1,105)	(166)
Provision for loan losses	4,094	2,361	1,126	502	1,250
Balance at end of period	<u>9,671</u>	<u>5,550</u>	<u>3,501</u>	<u>2,478</u>	<u>3,081</u>
Ratios:					
Net charge-offs to average loans outstanding	0.00%	(0.08)%	(0.04)%	(0.54)%	(0.08)%
Allowance for loan losses to non- performing loans at end of period	555%	251%	128%	155%	166%
Allowance for loan losses to total loans at end of period ⁽¹⁾	1.25%	1.13%	1.25%	1.21%	1.44%

(1) Total loans do not include deferred costs

Source: Blue Hills Bancorp's Prospectus.

EXHIBIT I-7

**Blue Hills Bancorp, Inc.
Interest Rate Risk Analysis**

Exhibit I-7
Blue Hills Bancorp, Inc.
Interest Rate Risk Analysis

<u>Change in Interest Rates (basis points) (1)</u>	<u>Change in Net Interest Income Year One (% Change From Year One Base)</u>
+200	-5.01%
- 100	1.24%

(1) The calculated change in net interest income assumes a gradual parallel shift across the yield curve over a one-year period.

Source: Blue Hills Bancorp's prospectus.

EXHIBIT I-8

**Blue Hills Bancorp, Inc.
Fixed and Adjustable Rate Loans**

Exhibit I-8
Blue Hills Bancorp, Inc.
Fixed and Adjustable Rate Loans

	Due After December 31, 2014		
	Fixed	Adjustable	Total
	(In thousands)		
Real estate loans and lines:			
One- to four-family residential.....	\$ 227,409	\$ 138,170	\$ 365,579
Home equity.....	1,291	24,238	25,529
Commercial real estate.....	44,711	182,641	227,352
Construction.....	398	15,245	15,643
Total real estate loans and lines.....	273,809	360,294	634,103
Commercial business loans.....	27,255	53,349	80,604
Consumer loans.....	25,274	—	25,274
Total loans.....	\$ 326,338	\$ 413,643	\$ 739,981

Source: Blue Hills Bancorp's prospectus.

EXHIBIT I-9

**Blue Hills Bancorp, Inc.
Loan Portfolio Composition**

Exhibit I-9
Blue Hills Bancorp, Inc.
Loan Portfolio Composition

	At December 31,									
	2013		2012		2011		2010		2009	
	Amount t	Percent	Amount t	Percent t	Amount t	Percent t	Amount t	Percent t	Amount t	Percent t
	(Dollars in thousands)									
Real estate loans and lines:										
One- to four-family										
residential.....	\$ 365,70	47.31%	\$ 311,71	63.27%	\$ 264,16	94.64%	\$ 192,17	94.05%	\$ 201,44	94.19%
Home equity.....	25,53	3.30	25,06	5.09	2,92	1.05	3,04	1.49	4,01	1.88
Commercial.....	228,68	29.59	100,90	20.48	7,65	2.74	6,32	3.10	5,70	2.66
Construction.....	16,55	2.14	5,75	1.17	65	0.24	1,23	0.60	1,17	0.55
Total real estate loans and lines.....	636,48	82.34	443,43	90.01	275,40	98.67	202,78	99.24	212,33	99.28
Commercial business loans.....	111,15	14.38	33,76	6.85	1,00	0.36	1,00	0.49	1,00	0.47
Consumer loans.....	25,37	3.28	15,47	3.14	2,71	0.97	54	0.27	53	0.25
Total loans.....	773,01	<u>100.0%</u>	492,66	<u>100.0%</u>	279,11	<u>100.0%</u>	204,32	<u>100.0%</u>	213,86	<u>100.0%</u>
Other items:										
Allowance for loan losses.....	(9,67)		(5,55)		(3,50)		(2,47)		(3,08)	
Deferred loan costs and discounts.....	2,00		1,09		91		16		7	
Total loans, net.....	\$ <u>765,34</u>		\$ <u>488,20</u>		\$ <u>276,52</u>		\$ <u>202,01</u>		\$ <u>210,85</u>	

Source: Blue Hills Bancorp's prospectus.

EXHIBIT I-10

**Blue Hills Bancorp, Inc.
Contractual Maturity by Loan Type**

Exhibit I-10
Blue Hills Bancorp, Inc.
Contractual Maturity by Loan Type

	One- to Four-Family Residential Loans		Home Equity Loans and Lines of Credit		Commercial Real Estate Loans		Construction	
	Amount	Yield	Amount	Yield	Amount	Yield	Amount	Yield
(Dollars in thousands)								
Due During the Years Ending December 31,								
2014.....	\$ 128	5.81%	\$ 6	6.27%	\$ 1,336	4.43%	\$ 916	5.00%
2015.....	128	4.70	—	—	14,598	2.67	15,245	2.49
2016.....	168	6.17	62	5.08	6,633	3.56	—	—
2017 to 2018.....	3,658	5.31	181	6.26	50,473	2.94	—	—
2019 to 2023.....	17,199	3.86	938	6.27	155,062	2.78	—	—
2024 to 2028.....	31,224	3.89	197	5.85	362	6.00	—	—
2029 and beyond.....	<u>313,202</u>	4.07	<u>24,151</u>	2.85	<u>224</u>	6.00	<u>398</u>	5.25
Total.....	<u>\$ 365,707</u>	4.06%	<u>\$ 25,535</u>	3.03%	<u>\$ 228,688</u>	2.85%	<u>\$ 16,559</u>	2.70%
Commercial Business Loans								
	Commercial Business Loans		Consumer Loans		Total Loans			
	Amount	Yield	Amount	Yield	Amount	Yield		
(Dollars in thousands)								
Due During the Years Ending December 31,								
2014.....	\$ 30,550	2.91%	\$ 98	15.43%	\$ 33,034	3.08%		
2015.....	706	2.33	98	6.26	30,775	2.59		
2016.....	5,962	2.33	53	5.16	12,878	3.04		
2017 to 2018.....	32,626	3.05	1,000	6.58	87,938	3.13		
2019 to 2023.....	37,344	3.57	11,852	6.89	222,395	3.23		
2024 to 2028.....	2,501	2.82	12,271	5.86	46,555	4.38		
2029 and beyond.....	<u>1,465</u>	0.82	<u>—</u>	—	<u>339,440</u>	3.97		
Total.....	<u>\$ 111,154</u>	3.11%	<u>\$ 25,372</u>	6.40%	<u>\$ 773,015</u>	3.58%		

Source: Blue Hills Bancorp's prospectus.

EXHIBIT I-11

**Blue Hills Bancorp, Inc.
Loan Originations, Purchases, Sales and Repayments**

Exhibit I-11
Blue Hills Bancorp, Inc.
Loan Originations, Purchases, Sales and Repayments

	For the Years Ended December 31,				
	2013	2012	2011	2010	2009
	(In thousands)				
<u>Originations by type:</u>					
<u>Real Estate Loans:</u>					
One- to four-family.....	\$ 73,754	\$ 75,988	\$ 45,606	\$ 55,733	\$ 55,857
Commercial real estate	138,604	96,558	2,138	—	—
Construction	8,049	3,705	—	—	—
Home equity	5,371	2,096	325	793	318
Total real estate loans	225,778	178,347	48,069	56,526	56,175
Commercial business loans	55,293	10,928	210	—	—
Consumer loans.....	458	605	699	826	733
Total loans originated.....	<u>\$ 281,528</u>	<u>\$ 189,880</u>	<u>\$ 48,978</u>	<u>\$ 57,352</u>	<u>\$ 56,910</u>
<u>Purchases (1):</u>					
<u>Real Estate Loans:</u>					
One- to four-family.....	\$ 102,433	\$ 89,136	\$ 88,006	\$ 14,805	\$ 1,573
Commercial real estate	14,683	19,055	—	240	—
Construction	10,508	494	—	—	—
Home equity	—	22,304	—	—	—
Total real estate loans	127,624	130,989	88,006	15,045	1,573
Commercial business loans	72,735	36,469	—	—	—
Consumer.....	17,737	16,906	2,909	—	—
Total loans purchased.....	<u>\$ 218,096</u>	<u>\$ 184,364</u>	<u>\$ 90,915</u>	<u>\$ 15,045</u>	<u>\$ 1,573</u>
<u>Sales (2):</u>					
<u>Real Estate Loans:</u>					
One- to four-family.....	\$ (51,289)	\$ (24,957)	\$ (1,623)	\$ (28,225)	\$ (26,146)
Commercial real estate	(1,050)	(15,806)	—	—	—
Total loans sold	<u>\$ (52,339)</u>	<u>\$ (40,763)</u>	<u>\$ (1,623)</u>	<u>\$ (28,225)</u>	<u>\$ (26,146)</u>
Commercial business loans	(7,659)	—	—	—	—
Total loans sold.....	<u>\$ (59,998)</u>	<u>\$ (40,763)</u>	<u>\$ (1,623)</u>	<u>\$ (28,225)</u>	<u>\$ (26,146)</u>
<u>Principal repayments:</u>					
Total principal repayments.....	<u>\$ (160,892)</u>	<u>\$ (120,541)</u>	<u>\$ (62,593)</u>	<u>\$ (54,909)</u>	<u>\$ (61,074)</u>
Net increase (decrease)	<u>\$ 278,732</u>	<u>\$ 212,940</u>	<u>\$ 75,678</u>	<u>\$ (10,737)</u>	<u>\$ (28,737)</u>

- (1) Includes loan purchases and participations by the Bank in loans originated by other financial institutions.
(2) Includes loan sales and participations by other financial institutions in loans originated by the Bank.

Source: Blue Hills Bancorp's prospectus.

EXHIBIT I-12

**Blue Hills Bancorp, Inc.
Non-Performing Assets**

Exhibit I-12
Blue Hills Bancorp, Inc.
Non-Performing Assets

	At December 31,				
	2013	2012	2011	2010	2009
	(Dollars in thousands)				
Non-accrual loans:					
One- to four-family	\$ 1,706	\$ 2,209	\$ 1,437	\$ 1,596	\$ 1,861
Home equity loans and lines.....	<u>36</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Total non-accrual loans	<u>1,742</u>	<u>2,209</u>	<u>1,437</u>	<u>1,596</u>	<u>1,861</u>
Loans delinquent 90 days or greater and still accruing:					
One- to four-family	—	—	193	—	—
Construction	<u>—</u>	<u>—</u>	<u>1,098</u>	<u>—</u>	<u>—</u>
Total loans delinquent 90 days or greater and still accruing	<u>—</u>	<u>—</u>	<u>1,291</u>	<u>—</u>	<u>—</u>
Total non-performing loans and nonperforming assets.....	<u>1,742</u>	<u>2,209</u>	<u>2,728</u>	<u>1,596</u>	<u>1,861</u>
Performing troubled debt restructurings.....	<u>279</u>	<u>568</u>	<u>—</u>	<u>30</u>	<u>—</u>
Total non-performing assets and performing troubled debt restructurings	<u>\$ 2,021</u>	<u>\$ 2,777</u>	<u>\$ 2,728</u>	<u>\$ 1,626</u>	<u>\$ 1,861</u>
Ratios:					
Non-performing loans to total loans.....	0.23%	0.45%	0.98%	0.78%	0.87%
Non-performing assets to total assets	0.13%	0.18%	0.28%	0.18%	0.21%

Source: Blue Hills Bancorp's prospectus.

EXHIBIT I-13

**Blue Hills Bancorp, Inc.
Deposit Composition**

Exhibit I-13
Blue Hills Bancorp, Inc.
Deposit Composition

	For the Years Ended December 31,								
	2013			2012			2011		
	Average Balance	Percent	Weighted Average Rate	Average Balance	Percent	Weighted Average Rate	Average Balance	Percent	Weighted Average Rate
	(Dollars in thousands)								
Deposit type:									
Now and demand:									
Interest bearing.....	\$ 66,580	7.63%	0.06%	\$ 60,241	7.82%	0.11%	\$ 60,013	8.15%	0.15%
Non-interest bearing.....	29,716	3.40	0.00	19,681	2.55	0.00	17,796	2.42	0.00
Savings accounts.....	344,783	39.49	0.47	243,507	31.60	0.81	179,677	24.41	0.50
Money market accounts.....	81,225	9.30	0.39	105,783	13.73	0.79	46,097	6.26	0.99
Certificates of deposit.....	312,596	35.80	1.10	339,122	44.00	1.20	432,561	58.76	1.53
Brokered certificates of deposit.....	38,265	4.38	0.28	2,331	0.30	0.67	—	—	—
Total deposits.....	<u>\$ 873,165</u>	<u>100.00%</u>	0.62%	<u>\$ 770,665</u>	<u>100.00%</u>	0.91%	<u>\$ 736,114</u>	<u>100.00%</u>	1.09%

Source: Blue Hills Bancorp's prospectus.

EXHIBIT I-14

**Blue Hills Bancorp, Inc.
Maturity of Time Deposits**

Exhibit I-14
Blue Hills Bancorp, Inc.
Maturity of Time Deposits

At December 31, 2013

	Period to Maturity				Total	Percent of Total
	Less Than or Equal to One Year	More Than One to Two Years	More Than Two to Three Years	More Than Three Years		
	(Dollars in thousands)					
Interest rate range:						
Less than 0.50%	\$ 117,231	\$ 1,358	\$ —	\$ —	\$ 118,590	31%
0.50% to 0.99%	18,282	29,108	5,420	3,706	56,516	15%
1.00% to 1.49%	118,753	30,670	3,931	21,542	174,895	44%
1.50% to 1.99%	8,368	763	2,955	11,236	23,322	6%
2.00% to 2.99%	—	147	14,872	—	15,019	4%
3.00% and greater	—	—	—	—	—	—
Total	<u>\$ 262,634</u>	<u>\$ 62,046</u>	<u>\$ 27,178</u>	<u>\$ 36,484</u>	<u>\$ 388,342</u>	<u>100%</u>

Source: Blue Hills Bancorp's prospectus.

EXHIBIT I-15

**Blue Hills Bancorp, Inc.
Borrowing Activity**

Exhibit I-15
Blue Hills Bancorp, Inc.
Borrowing Activity

	At or For the Years Ended December 31,		
	2013	2012	2011
	(Dollars in thousands)		
Balance at end of period.....	\$ 215,000	\$ 152,000	\$ 40,000
Average balance during period.....	\$ 127,280	\$ 102,120	\$ 19,836
Maximum outstanding at any month end	\$ 215,000	\$ 160,000	\$ 40,000
Weighted average interest rate at end of period	0.61%	0.81%	2.35%
Average interest rate during period	0.92%	1.09%	2.32%

Source: Blue Hills Bancorp's prospectus.

EXHIBIT II-1

**Blue Hills Bancorp, Inc.
Description of Office Properties**

Exhibit II-1
Blue Hills Bancorp, Inc.
Description of Office Properties

<u>Office Name and Address</u>	<u>Leased or Owned</u>	<u>Year Acquired or Leased</u>	<u>Month of lease expiration</u>
Full Service Banking Offices:			
Main Office			
Blue Hills Bank – River Street 1196 River Street Hyde Park, MA 02136	Owned ¹	1871	
Blue Hills Bank – Truman 1065 Truman Parkway Hyde Park, MA 02136	Owned/Leased ²	1977	March 2021
Blue Hills Bank – Brookline 1337 Beacon Street Brookline, MA 02446	Leased	2007	February 2017
Blue Hills Bank – Dedham 749 Providence Highway Dedham, MA 02026	Leased	1988	May 2016
Blue Hills Bank – Norwood 111 Lenox Street Norwood, MA 02062	Leased	1998	October 2016
Blue Hills Bank – West Roxbury 1920 Centre Street West Roxbury, MA 02132	Leased	2004	February 2019
Nantucket Bank – Pleasant Street 104 Pleasant Street Nantucket, MA 02554	Owned	2014	
Nantucket Bank – Orange Street 2 Orange Street Nantucket, MA 02554	Owned	2014	
Nantucket Bank – Amelia Drive 1 Amelia Drive Nantucket, MA 02554	Owned	2014	
Administrative and Other Facilities:			
Blue Hills Bank ³ 81 Newbury St., 2 nd Floor Boston, MA 02115	Leased	2014	February 2015
320 Norwood Park South Norwood, MA 02062	Leased	2011	November 2016
9 Bayberry Court Nantucket, MA 02554	Owned	2014	
3 Madison Court Nantucket, MA 02554	Owned	2014	

(1) We lease 1,500 square feet of additional office space adjacent to this location at 1202 River Street. This lease expires in March 2015.

(2) This office building is owned and located on land that is leased.

(3) This property is used as a loan production office.

Source: Blue Hills Bancorp's prospectus.

EXHIBIT II-2
Historical Interest Rates

Exhibit II-2
Historical Interest Rates(1)

<u>Year/Qtr. Ended</u>	<u>Prime Rate</u>	<u>90 Day T-Bill</u>	<u>One Year T-Bill</u>	<u>10 Year T-Bond</u>
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%
2011: Quarter 1	3.25%	0.09%	0.30%	3.47%
Quarter 2	3.25%	0.03%	0.19%	3.18%
Quarter 3	3.25%	0.02%	0.13%	1.92%
Quarter 4	3.25%	0.02%	0.12%	1.89%
2012: Quarter 1	3.25%	0.07%	0.19%	2.23%
Quarter 2	3.25%	0.09%	0.21%	1.67%
Quarter 3	3.25%	0.10%	0.17%	1.65%
Quarter 4	3.25%	0.05%	0.16%	1.78%
2013: Quarter 1	3.25%	0.07%	0.14%	1.87%
Quarter 2	3.25%	0.04%	0.15%	2.52%
Quarter 3	3.25%	0.02%	0.10%	2.64%
Quarter 4	3.25%	0.07%	0.13%	3.04%
As of Feb. 14, 2014	3.25%	0.02%	0.11%	2.75%

(1) End of period data.

Sources: Federal Reserve and The Wall Street Journal.

EXHIBIT III-1

General Characteristics of Publicly-Traded Institutions

Exhibit III-1
Characteristics of Publicly-Traded Thrifts
February 14, 2014

Ticker	Financial Institution	Exchange	Region	City	State	Total Assets (1) (\$Mil)	Offices	Fiscal Mth End	Conv. Date	As of February 14, 2014	
										Stock Price (\$)	Market Value (\$Mil)
ALLB	Alliance Bancorp of Penn	NASDAQ	MA	Broomall	PA	\$436	8	Dec	1/18/11	\$ 15.30	\$ 68
ANCB	Anchor Bancorp	NASDAQ	WE	Lacey	WA	403	11	Jun	1/26/11	18.25	47
ASBB	ASB Bncp Inc	NASDAQ	SE	Asheville	NC	751	13	Dec	10/12/11	17.45	88
AF	Astoria Financial Corp.	NYSE	MA	Lake Success	NY	16,022	85	Dec	11/18/93	13.12	1,297
AFCB	Athens Bancshares Corporation	NASDAQ	SE	Athens	TN	296	7	Dec	1/7/10	19.98	42
ACFC	Atlantic Coast Financial Corp.	NASDAQ	SE	Jacksonville	FL	714	12	Dec	2/4/11	3.99	62
BKMU	Bank Mutual Corp.	NASDAQ	MW	Brown Deer	WI	2,333	77	Dec	10/30/03	6.26	291
BFIN	BankFinancial Corp	NASDAQ	MW	Burr Ridge	IL	1,442	20	Dec	6/24/05	9.71	205
BHLB	Berkshire Hills Bancorp Inc.	NYSE	NE	Pittsfield	MA	5,450	97	Dec	6/28/00	25.09	628
BOFI	Bofi Holding Inc.	NASDAQ	WE	San Diego	CA	3,284	1	Jun	3/14/05	83.20	1,174
BYFC	Broadway Financial Corp.	NASDAQ	WE	Los Angeles	CA	346	4	Dec	1/9/96	1.10	21
BLMT	BSB Bancorp Inc.	NASDAQ	NE	Belmont	MA	1,023	6	Dec	10/5/11	15.82	143
CBNJ	Cape Bancorp Inc.	NASDAQ	MA	Cape May Court House	NJ	1,074	15	Dec	2/1/08	10.58	128
CFFN	Capitol Federal Financial Inc	NASDAQ	MW	Topeka	KS	9,186	47	Sep	12/22/10	12.08	1,754
CARV	Carver Bancorp Inc.	NASDAQ	MA	New York	NY	635	10	Mar	10/25/94	15.00	55
CFBK	Central Federal Corp.	NASDAQ	MW	Fairlawn	OH	250	5	Dec	12/30/98	1.42	22
CHFN	Charter Financial Corp.	NASDAQ	SE	West Point	GA	1,089	17	Sep	4/9/13	10.60	242
CHEV	Cheviot Financial	NASDAQ	MW	Cheviot	OH	592	12	Dec	1/18/12	10.45	71
CBNK	Chicopee Bancorp Inc.	NASDAQ	NE	Chicopee	MA	605	9	Dec	7/20/06	17.37	94
CZWI	Citizens Community Bncp	NASDAQ	MW	Eau Claire	WI	555	24	Sep	11/1/06	8.33	43
CMSB	CMS Bancorp Inc.	NASDAQ	MA	White Plains	NY	258	6	Sep	4/4/07	9.30	17
CWAY	Coastway Bncp, Inc.	NASDAQ	NE	Cranston	RI	381	11	Dec	1/15/14	10.19	50
COBK	Colonial Financial Services	NASDAQ	MA	Vineland	NJ	598	9	Dec	7/13/10	12.00	46
DCOM	Dime Community Bancshares Inc.	NASDAQ	MA	Brooklyn	NY	4,015	25	Dec	6/26/96	16.14	593
EBMT	Eagle Bancorp Montana, Inc.	NASDAQ	WE	Helena	MT	514	13	Jun	4/5/10	10.65	42
ESBF	ESB Financial Corp.	NASDAQ	MA	Ellwood City	PA	1,899	23	Dec	6/13/90	12.74	226
ESSA	ESSA Bancorp Inc.	NASDAQ	MA	Stroudsburg	PA	1,372	26	Sep	4/4/07	10.85	129
EVER	EverBank Financial	NYSE	SE	Jacksonville	FL	17,612	17	Dec	5/2/12	17.29	2,120
FFCO	FedFirst Financial Corp.	NASDAQ	MA	Monessen	PA	323	7	Dec	9/21/10	20.06	47
FCAP	First Capital Inc.	NASDAQ	MW	Corydon	IN	448	13	Dec	1/4/99	20.50	57
FCLF	First Clover Leaf Fin Corp.	NASDAQ	MW	Edwardsville	IL	647	5	Dec	7/11/06	9.09	64
FBNK	First Connecticut Bancorp, Inc	NASDAQ	NE	Farmington	CT	1,992	25	Dec	6/30/11	15.60	257
FDEF	First Defiance Financial	NASDAQ	MW	Defiance	OH	2,058	32	Dec	10/2/95	26.65	259
FFBH	First Federal Bancshares of AR	NASDAQ	SE	Harrison	AR	530	13	Dec	5/3/96	8.17	164
FFNM	First Fed of Northern MI Bncp	NASDAQ	MW	Alpena	MI	214	8	Dec	4/4/05	5.06	15
FFNW	First Financial Northwest Inc	NASDAQ	WE	Renton	WA	892	1	Dec	10/10/07	10.36	170
FSFG	First Savings Financial Group	NASDAQ	MW	Clarksville	IN	660	16	Sep	10/7/08	23.25	53
FBC	Flagstar Bancorp Inc.	NYSE	MW	Troy	MI	11,808	111	Dec	4/30/97	21.25	1,193
FXCB	Fox Chase Bancorp Inc.	NASDAQ	MA	Hatboro	PA	1,107	11	Dec	6/29/10	17.06	207
FRNK	Franklin Financial Corp.	NASDAQ	SE	Glen Allen	VA	1,059	8	Sep	4/28/11	19.11	231
FSBW	FS Bancorp Inc.	NASDAQ	WE	Mountlake Terrace	WA	396	8	Dec	7/10/12	16.86	55
GTWN	Georgetown Bancorp Inc.	NASDAQ	NE	Georgetown	MA	247	3	Dec	7/12/12	14.75	27
HBK	Hamilton Bancorp Inc	NASDAQ	MA	Towson	MD	314	5	Mar	10/10/12	13.85	49
HBNK	Hampden Bancorp Inc.	NASDAQ	NE	Springfield	MA	696	10	Jun	1/17/07	15.96	90

Exhibit III-1
Characteristics of Publicly-Traded Thrifts
February 14, 2014

Ticker	Financial Institution	Exchange	Region	City	State	Total Assets (1) (\$Mil)	Offices	Fiscal Mth End	Conv. Date	As of February 14, 2014	
										Stock Price (\$)	Market Value (\$Mil)
HBOS	Heritage Financial Group Inc.	NASDAQ	SE	Albany	GA	1,322	27	Dec	11/30/10	18.87	148
HFFC	HF Financial Corp.	NASDAQ	MW	Sioux Falls	SD	1,251	27	Jun	4/8/92	13.45	95
HIFS	Hingham Instit. for Savings	NASDAQ	NE	Hingham	MA	1,304	12	Dec	12/20/88	77.01	164
HMNF	HMN Financial Inc.	NASDAQ	MW	Rochester	MN	563	11	Dec	6/30/94	11.93	53
HBCP	Home Bancorp Inc.	NASDAQ	SW	Lafayette	LA	962	30	Dec	10/3/08	20.17	143
HFBL	Home Fedl Bncp Inc. LA	NASDAQ	SW	Shreveport	LA	293	4	Jun	12/22/10	17.86	40
HMST	HomeStreet Inc.	NASDAQ	WE	Seattle	WA	2,854	33	Dec	2/10/12	18.39	272
HTBI	HomeTrust Bancshares Inc.	NASDAQ	SE	Asheville	NC	1,674	21	Jun	7/11/12	15.55	308
IROQ	IF Bancorp Inc.	NASDAQ	MW	Watseka	IL	540	5	Jun	7/8/11	16.40	73
JXSB	Jacksonville Bancorp	NASDAQ	MW	Jacksonville	IL	321	7	Dec	7/15/10	21.90	40
LPSB	LaPorte Bancorp Inc	NASDAQ	MW	La Porte	IN	500	8	Dec	10/5/12	10.93	65
LABC	Louisiana Bancorp Inc.	NASDAQ	SW	Metairie	LA	318	4	Dec	7/10/07	18.45	53
LSBI	LSB Financial Corp.	NASDAQ	MW	Lafayette	IN	355	5	Dec	2/3/95	29.27	46
MCBK	Madison County Financial Inc.	NASDAQ	MW	Madison	NE	277	5	Dec	10/4/12	17.10	52
MLVF	Malvern Bancorp Inc	NASDAQ	MA	Paoli	PA	602	9	Sep	10/12/12	10.64	70
CASH	Meta Financial Group Inc.	NASDAQ	MW	Sioux Falls	SD	1,692	13	Sep	9/20/93	40.05	245
NASB	NASB Financial Inc.	NASDAQ	MW	Grandview	MO	1,144	9	Sep	9/27/85	25.46	200
NVSL	Naugatuck Valley Finl	NASDAQ	NE	Naugatuck	CT	487	10	Dec	6/30/11	7.25	51
NHTB	New Hampshire Thrift Bncshrs	NASDAQ	NE	Newport	NH	1,240	38	Dec	5/27/86	15.10	124
NYCB	New York Community Bancorp	NYSE	MA	Westbury	NY	45,764	277	Dec	11/23/93	15.75	6,943
NFBK	Northfield Bancorp Inc.	NASDAQ	MA	Woodbridge	NJ	2,727	30	Dec	1/25/13	12.51	725
NWBI	Northwest Bancshares, Inc.	NASDAQ	MA	Warren	PA	7,908	167	Dec	12/18/09	14.27	1,345
OBAF	OBA Financial Services Inc	NASDAQ	MA	Germantown	MD	390	7	Jun	1/22/10	19.00	77
OSHC	Ocean Shore Holding Co.	NASDAQ	MA	Ocean City	NJ	1,043	12	Dec	12/21/09	13.95	96
OCFC	OceanFirst Financial Corp.	NASDAQ	MA	Toms River	NJ	2,286	24	Dec	7/3/96	17.39	302
OABC	OmniAmerican Bancorp Inc.	NASDAQ	SW	Fort Worth	TX	1,448	14	Dec	1/21/10	22.21	254
ONFC	Oneida Financial Corp.	NASDAQ	MA	Oneida	NY	714	13	Dec	7/7/10	12.34	87
ORIT	Oritani Financial Corp.	NASDAQ	MA	Township of Washington	NJ	2,824	26	Jun	6/24/10	15.64	715
PEOP	Peoples Federal Bancshares Inc	NASDAQ	NE	Brighton	MA	585	8	Sep	7/7/10	18.08	116
PBCT	People's United Financial Inc.	NASDAQ	NE	Bridgeport	CT	31,511	416	Dec	4/16/07	14.16	4,346
PBSK	Poage Bankshares Inc.	NASDAQ	MW	Ashland	KY	291	6	Sep	9/13/11	13.90	47
PBCP	Polonia Bncp, Inc.	NASDAQ	MA	Huntingdon Valley	PA	286	6	Dec	11/13/12	9.51	33
PROV	Provident Financial Holdings	NASDAQ	WE	Riverside	CA	1,153	15	Jun	6/28/96	15.14	149
PFS	Provident Financial Services	NYSE	MA	Jersey City	NJ	7,341	79	Dec	1/16/03	16.57	993
PBIP	Prudential Bancorp Inc.	NASDAQ	MA	Philadelphia	PA	608	7	Sep	10/10/13	10.45	100
PULB	Pulaski Financial Corp.	NASDAQ	MW	Saint Louis	MO	1,276	13	Sep	12/3/98	10.32	117
RVSB	Riverview Bancorp Inc.	NASDAQ	WE	Vancouver	WA	789	18	Mar	10/1/97	3.45	78
SVBI	Severn Bancorp Inc.	NASDAQ	MA	Annapolis	MD	815	4	Dec	1/0/00	4.45	45
SIFI	SI Financial Group Inc.	NASDAQ	NE	Willimantic	CT	1,369	26	Dec	1/13/11	11.73	150
SMPL	Simplicity Bancorp Inc	NASDAQ	WE	Covina	CA	835	8	Jun	11/19/10	16.39	129
SPBC	SP Bancorp Inc.	NASDAQ	SW	Plano	TX	305	4	Dec	11/1/10	20.03	31
SIBC	State Investors Bancorp Inc.	NASDAQ	SW	Metairie	LA	256	4	Dec	7/7/11	15.50	37
TBNK	Territorial Bancorp Inc.	NASDAQ	WE	Honolulu	HI	1,562	28	Dec	7/13/09	22.33	224
THRD	TF Financial Corp.	NASDAQ	MA	Newtown	PA	833	19	Dec	7/13/94	29.99	94

Exhibit III-1
 Characteristics of Publicly-Traded Thrifts
 February 14, 2014

Ticker	Financial Institution	Exchange	Region	City	State	Total Assets (1) (\$Mil)	Offices	Fiscal Mth End	Conv. Date	As of February 14, 2014	
										Stock Price (\$)	Market Value (\$Mil)
TSBK	Timberland Bancorp Inc.	NASDAQ	WE	Hoquiam	WA	746	22	Sep	1/13/98	11.23	79
TRST	TrustCo Bank Corp NY	NASDAQ	MA	Glenville	NY	4,459	139	Dec	1/0/00	6.56	620
UCBA	United Community Bancorp	NASDAQ	MW	Lawrenceburg	IN	511	8	Jun	1/10/13	11.00	57
UCFC	United Community Finl Corp.	NASDAQ	MW	Youngstown	OH	1,756	33	Dec	7/9/98	3.48	175
WSBF	Waterstone Financial Inc.	NASDAQ	MW	Wauwatosa	WI	1,598	11	Dec	1/23/14	10.60	365
WAYN	Wayne Savings Bancshares	NASDAQ	MW	Wooster	OH	400	12	Dec	1/9/03	11.00	31
WEBK	Wellesley Bancorp	NASDAQ	NE	Wellesley	MA	421	4	Dec	1/26/12	18.50	45
WBB	Westbury Bancorp Inc.	NASDAQ	MW	West Bend	WI	543	12	Sep	4/10/13	14.18	73
WFD	Westfield Financial Inc.	NASDAQ	NE	Westfield	MA	1,271	13	Dec	1/4/07	7.53	152
WBKC	Wolverine Bancorp Inc.	NASDAQ	MW	Midland	MI	291	4	Dec	1/20/11	21.98	53
WSFS	WSFS Financial Corp.	NASDAQ	MA	Wilmington	DE	4,443	44	Dec	11/26/86	70.09	623
WVFC	WVS Financial Corp.	NASDAQ	MA	Pittsburgh	PA	296	6	Jun	11/29/93	12.00	25
BNCL	Beneficial Mutual Bncp (MHC)	NASDAQ	MA	Philadelphia	PA	4,685	60	Dec	7/16/07	11.69	912
CSBK	Clifton Svgs Bncp Inc. (MHC)	NASDAQ	MA	Clifton	NJ	1,083	12	Mar	3/4/04	13.04	345
GCBC	Greene County Bncp Inc. (MHC)	NASDAQ	MA	Catskill	NY	650	14	Jun	12/30/98	25.53	107
ISBC	Investors Bancorp Inc. (MHC)	NASDAQ	MA	Short Hills	NJ	13,807	136	Dec	10/12/05	25.88	3,606
KRNY	Kearny Financial Corp. (MHC)	NASDAQ	MA	Fairfield	NJ	3,238	41	Jun	2/24/05	11.72	775
KFFB	Kentucky First Federal (MHC)	NASDAQ	MW	Frankfort	KY	315	7	Jun	3/3/05	8.75	75
LSBK	Lake Shore Bancorp Inc. (MHC)	NASDAQ	MA	Dunkirk	NY	485	11	Dec	4/4/06	12.49	74
MGYR	Magyar Bancorp Inc. (MHC)	NASDAQ	MA	New Brunswick	NJ	538	6	Sep	1/24/06	7.66	45
EBSB	Meridian Interstate Bncp (MHC)	NASDAQ	NE	East Boston	MA	2,655	27	Dec	1/23/08	23.66	527
MBSB	MSB Financial Corp. (MHC)	NASDAQ	MA	Millington	NJ	347	5	Jun	1/5/07	8.00	40
NECB	NorthEast Community Bncp (MHC)	NASDAQ	MA	White Plains	NY	433	9	Dec	7/6/06	7.28	92
OFED	Oconee Federal Financial Corp.	NASDAQ	SE	Seneca	SC	366	4	Jun	1/14/11	17.44	102
PBHC	Pathfinder Bancorp Inc. (MHC)	NASDAQ	MA	Oswego	NY	493	16	Dec	11/16/95	14.41	38
PSBH	PSB Holdings Inc. (MHC)	NASDAQ	NE	Putnam	CT	452	8	Jun	10/5/04	6.40	42
TFSL	TFS Financial Corp (MHC)	NASDAQ	MW	Cleveland	OH	11,269	39	Sep	4/23/07	11.57	3,554

(1) As of September 30, 2013 or the most recent quarter end available.
 Source: SNL Financial, L.C.

EXHIBIT III-2

Public Market Pricing of New England Thrift Institutions

Exhibit III-2
Public Market Pricing of New England Institutions
As of February 14, 2014

	Market Capitalization		Per Share Data		Pricing Ratios(2)					Dividends(3)			Financial Characteristics(5)							
	Price/Share (\$)	Market Value (\$Mil)	Core 12 Month EPS(1) (\$)	Book Value/Share (\$)	P/E (x)	P/B (%)	P/A (%)	P/TB (%)	P/Core (x)	Amount/Share (\$)	Yield (%)	Payout Ratio(4) (%)	Total Assets (\$Mil)	Equity/Assets (%)	Tang. Eq./T. Assets (%)	NPAs/Assets (%)	Reported		Core	
																	ROAA (%)	ROAE (%)	ROAA (%)	ROAE (%)
All Non-MHC Public Companies(6)																				
Averages	\$16.51	\$344.10	\$0.82	\$15.47	17.42x	104.92%	13.36%	113.87%	18.14x	\$0.29	1.72%	47.73%	\$2,478	13.23%	12.34%	3.00%	0.55%	4.13%	0.51%	4.01%
Median	\$15.05	\$94.66	\$0.67	\$14.91	16.28x	96.11%	12.34%	102.39%	17.20x	\$0.24	1.48%	42.53%	\$771	12.29%	11.57%	2.26%	0.63%	4.68%	0.60%	4.34%
New England Institutions																				
Averages	\$18.94	\$429.19	\$0.86	\$17.78	20.00x	103.68%	12.27%	121.73%	21.00x	\$0.36	1.86%	57.16%	\$3,395	11.78%	10.77%	2.10%	0.28%	2.53%	0.30%	2.67%
Medians	\$15.60	\$124.07	\$0.46	\$15.37	19.10x	98.28%	11.88%	110.55%	18.72x	\$0.24	1.45%	45.42%	\$1,055	11.95%	10.99%	1.32%	0.48%	3.42%	0.41%	2.74%
New England Institutions																				
BHLB	\$25.09	\$628.15	\$2.03	\$27.08	15.21x	92.64%	11.07%	154.19%	12.36x	\$0.72	2.87%	43.64%	\$5,673	11.95%	7.54%	NA	0.78%	6.10%	0.95%	7.50%
BLMT	\$15.82	\$143.26	\$0.22	NA	NM	NA	NA	NA	NM	NA	NA	NM	\$1,055	12.37%	12.37%	NA	0.21%	1.51%	0.21%	1.49%
CBNK	\$17.37	\$94.42	\$0.52	\$16.97	34.74x	102.38%	16.07%	102.38%	33.70x	\$0.28	1.61%	44.00%	\$588	15.69%	15.69%	NA	0.43%	2.79%	0.45%	2.88%
CWAY	\$10.19	\$50.43	NA	NA	NM	NA	NA	NA	NM	NA	NA	NM	\$381	7.24%	7.24%	3.90%	NA	NA	NA	NA
FBNK	\$15.60	\$256.74	\$0.21	\$14.08	NM	110.76%	12.17%	110.76%	NM	\$0.12	0.77%	52.17%	\$2,110	10.99%	10.99%	NA	0.19%	1.52%	0.18%	1.42%
GTWN	\$14.75	\$27.01	\$0.41	\$15.80	NM	93.34%	10.27%	93.34%	NM	\$0.16	1.08%	39.02%	\$263	11.00%	11.00%	NA	0.32%	2.47%	0.32%	2.47%
HBNK	\$15.96	\$90.18	\$0.68	\$14.98	23.82x	106.55%	12.98%	106.55%	24.31x	\$0.24	1.50%	34.33%	\$694	12.19%	12.19%	1.32%	0.55%	4.31%	0.54%	4.23%
HIFS	\$77.01	\$163.94	\$6.28	\$48.49	12.26x	158.83%	12.09%	158.83%	12.26x	\$1.08	1.40%	21.34%	\$1,356	7.61%	7.61%	NA	1.07%	13.52%	1.07%	13.52%
NVSL	\$7.25	\$50.77	(\$1.83)	\$8.49	NM	85.40%	10.42%	85.40%	NM	\$0.00	0.00%	NM	\$487	12.20%	12.20%	3.69%	-2.33%	-18.33%	-2.33%	-18.33%
NHTB	\$15.10	\$124.07	\$1.11	\$15.37	13.60x	98.27%	8.87%	172.59%	13.61x	\$0.52	3.44%	46.85%	\$1,422	10.49%	6.94%	NA	0.67%	6.34%	0.67%	6.34%
PEOP	\$18.08	\$115.83	\$0.35	\$16.35	NM	110.55%	19.76%	110.55%	NM	\$0.16	0.88%	117.14%	\$588	17.88%	17.88%	0.47%	0.37%	2.01%	0.37%	2.01%
PBCT	\$14.16	\$4,345.85	\$0.80	\$14.84	19.14x	95.41%	13.09%	179.03%	17.79x	\$0.65	4.59%	87.84%	\$33,208	13.72%	7.81%	NA	0.75%	4.89%	0.81%	5.26%
SIFI	\$11.73	\$150.02	\$0.15	\$11.94	NM	98.28%	10.97%	113.38%	NM	\$0.12	1.02%	NM	\$1,369	11.16%	9.82%	1.11%	-0.12%	-0.87%	0.13%	0.99%
WEBK	\$18.50	\$45.41	\$0.94	\$19.06	19.07x	97.06%	9.90%	97.06%	19.66x	NA	NA	NM	\$459	10.20%	10.20%	NA	0.55%	5.09%	0.54%	4.94%
WFD	\$7.53	\$151.73	\$0.22	\$7.65	22.15x	98.43%	11.88%	98.43%	34.33x	\$0.24	3.19%	85.29%	\$1,277	12.07%	12.07%	NA	0.53%	4.04%	0.34%	2.60%

(1) Core income, on a diluted per-share basis. Core income is net income after taxes and before extraordinary items, less net income attributable to noncontrolling interest, gain on the sale of securities, amortization of intangibles, goodwill and nonrecurring items. Assumed tax rate is 35%.

(2) 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. P/E and P/Core =NM if the ratio is negative or above 35x.

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

(4) Indicated 12 month dividend as a percent of trailing 12 month earnings.

(5) ROAA (return on average assets) and ROAE (return on average equity) are indicated ratios based on trailing 12 month earnings and average equity and assets balances.

(6) 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 Financial, LC, calculations. The information provided in this report has been obtained from sources we believe are reliable, but we cannot guarantee the accuracy or completeness of such information.

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EXHIBIT III-3

Public Market Pricing of Mid-Atlantic Thrift Institutions

Exhibit III-3
Public Market Pricing of Mid-Atlantic Institutions
As of February 14, 2014

	Market Capitalization		Per Share Data		Pricing Ratios(2)					Dividends(3)			Financial Characteristics(5)								
	Price/Share (\$)	Market Value (\$Mil)	Core EPS(1) (\$)	Book Value/Share (\$)	P/E (x)	P/B (%)	P/A (%)	P/TB (%)	P/Core (x)	Amount/Share (\$)	Yield (%)	Payout Ratio(4) (%)	Total Assets (\$Mil)	Equity/Assets (%)	Tang. Eq./T. Assets (%)	NPAs/Assets (%)	Reported			Core	
																	ROAA (%)	ROAE (%)	ROAA (%)	ROAE (%)	
All Non-MHC Public Companies(6)																					
Averages	\$16.51	\$344.10	\$0.82	\$15.47	17.42x	104.92%	13.36%	113.87%	18.14x	\$0.29	1.72%	47.73%	\$2,478	13.23%	12.34%	3.00%	0.55%	4.13%	0.51%	4.01%	
Median	\$15.05	\$94.66	\$0.67	\$14.91	16.28x	96.11%	12.34%	102.39%	17.20x	\$0.24	1.48%	42.53%	\$771	12.29%	11.57%	2.26%	0.63%	4.68%	0.60%	4.34%	
Mid-Atlantic Institutions																					
Averages	\$15.76	\$543.26	\$0.62	\$14.34	17.54x	105.06%	13.28%	116.85%	17.05x	\$0.34	2.20%	57.75%	\$3,874	13.31%	12.36%	2.51%	0.33%	2.85%	0.27%	2.36%	
Medians	\$13.85	\$99.74	\$0.59	\$12.96	15.83x	96.79%	12.50%	106.84%	15.48x	\$0.25	1.88%	51.09%	\$1,020	12.29%	10.30%	1.95%	0.53%	4.29%	0.59%	4.60%	
Mid-Atlantic Institutions																					
ALLB	\$15.30	\$68.35	\$0.38	\$15.81	NM	96.79%	16.07%	96.79%	NM	\$0.20	1.31%	52.63%	\$425	16.60%	16.60%	NA	0.42%	2.37%	0.42%	2.37%	
AF	\$13.12	\$1,296.81	\$0.59	\$14.06	21.87x	93.31%	8.28%	107.66%	22.37x	\$0.16	1.22%	26.67%	\$15,794	9.62%	8.55%	NA	0.41%	4.69%	0.40%	4.60%	
CBNJ	\$10.58	\$127.59	\$0.51	\$11.64	23.00x	90.86%	11.67%	NA	20.93x	\$0.24	2.27%	58.70%	\$1,093	12.85%	NA	NA	0.53%	3.80%	0.58%	4.18%	
CARV	\$15.00	\$55.44	\$0.19	\$1.50	NM	NA	9.34%	NA	NM	\$0.00	0.00%	NM	\$639	7.90%	7.90%	5.49%	0.26%	2.82%	0.15%	1.68%	
CMSB	\$9.30	\$17.32	\$0.41	\$11.42	17.88x	81.47%	6.63%	81.47%	22.75x	NA	NA	NM	\$263	8.66%	8.66%	NA	0.37%	4.29%	0.30%	3.42%	
COBK	\$12.00	\$46.24	(\$1.10)	\$15.65	NM	76.68%	7.73%	76.68%	NM	NA	NA	NM	\$598	10.08%	10.08%	5.37%	-0.54%	-5.07%	-0.66%	-6.14%	
DCOM	\$16.14	\$592.55	\$1.23	\$11.85	13.12x	136.17%	14.71%	156.13%	13.14x	\$0.56	3.47%	45.53%	\$4,028	10.80%	9.55%	0.80%	1.09%	10.58%	1.09%	10.56%	
ESBF	\$12.74	\$225.92	NA	NA	14.64x	NA	NA	NA	NA	\$0.40	3.14%	44.06%	\$1,907	9.75%	NA	NA	0.83%	8.38%	NA	NA	
ESSA	\$10.85	\$129.04	\$0.73	\$13.96	15.50x	77.71%	9.55%	83.23%	14.82x	\$0.20	1.84%	28.57%	\$1,355	12.29%	11.57%	2.30%	0.58%	4.68%	0.60%	4.87%	
FFCO	\$20.06	\$47.29	\$0.89	NA	22.04x	NA	NA	NA	22.47x	\$0.24	1.20%	51.65%	\$319	16.25%	15.96%	NA	0.73%	4.29%	0.71%	NA	
FXCB	\$17.06	\$207.24	\$0.45	\$14.28	NM	119.47%	18.56%	119.47%	NM	\$0.40	2.34%	100.00%	\$1,117	15.53%	15.53%	1.95%	0.51%	3.13%	0.48%	2.93%	
HBK	\$13.85	\$48.72	(\$0.43)	\$17.47	NM	79.26%	16.22%	83.10%	NM	NA	NA	NM	\$300	20.46%	19.70%	2.15%	-0.38%	-1.86%	-0.44%	-2.14%	
MLVF	\$10.64	\$69.78	(\$2.94)	\$11.38	NM	93.52%	11.75%	93.52%	NM	\$0.11	0.00%	NM	\$594	12.56%	12.56%	1.18%	-2.99%	-21.51%	-2.88%	-20.74%	
NYCB	\$15.75	\$6,942.75	\$1.07	\$13.01	14.58x	121.05%	14.87%	211.46%	14.69x	\$1.00	6.35%	92.59%	\$46,688	12.29%	7.42%	NA	1.07%	8.46%	1.06%	8.40%	
NFBK	\$12.51	\$724.66	NA	\$12.36	NM	101.19%	26.81%	NA	NM	\$0.24	1.92%	144.12%	\$2,703	26.50%	NA	1.65%	0.70%	2.70%	NA	NA	
NWBI	\$14.27	\$1,344.86	\$0.70	\$12.31	19.55x	115.95%	17.06%	136.80%	20.38x	\$0.52	3.64%	100.00%	\$7,885	14.71%	12.75%	2.23%	0.84%	5.88%	0.81%	5.64%	
OBAF	\$19.00	\$76.72	\$0.30	\$17.78	NM	106.84%	19.65%	106.84%	NM	NA	NA	NM	\$390	18.39%	18.39%	1.05%	0.31%	1.58%	0.31%	1.58%	
OSHC	\$13.95	\$96.30	NA	\$15.39	17.22x	90.66%	9.44%	95.39%	NM	\$0.24	1.72%	29.63%	\$1,020	10.41%	9.95%	NA	0.51%	5.04%	NA	NA	
OCFC	\$17.39	\$302.36	\$1.14	\$12.33	18.31x	141.06%	13.44%	141.06%	15.28x	\$0.48	2.76%	50.53%	\$2,250	9.53%	9.53%	3.16%	0.71%	7.51%	0.85%	8.99%	
ONFC	\$12.34	\$86.70	\$0.92	\$12.90	14.18x	95.67%	11.68%	135.36%	13.38x	\$0.48	3.89%	55.17%	\$742	12.22%	8.96%	NA	0.86%	6.59%	0.91%	7.05%	
ORIT	\$15.64	\$714.85	\$0.95	\$11.37	16.12x	137.52%	24.29%	137.52%	16.51x	\$0.70	4.48%	97.94%	\$2,942	17.67%	17.67%	0.88%	1.49%	8.07%	1.45%	7.88%	
PBCP	\$9.51	\$33.39	(\$0.14)	\$11.62	NM	81.88%	11.69%	81.88%	NM	NA	NA	NM	\$286	14.27%	14.27%	NA	-0.18%	-1.21%	-0.18%	-1.21%	
PFS	\$16.57	\$992.84	\$1.21	\$16.87	13.47x	98.23%	13.26%	NA	13.73x	\$0.60	3.62%	47.15%	\$7,487	13.50%	NA	NA	0.97%	7.08%	0.95%	6.95%	
PBIP	\$10.45	\$99.74	NA	NA	NM	NA	NA	NA	NM	\$0.00	0.00%	NM	\$525	24.84%	24.84%	1.55%	0.35%	2.65%	NA	NA	
SVBI	\$4.45	\$44.80	NA	\$5.58	NM	79.82%	5.80%	80.30%	NM	\$0.00	0.00%	NM	\$800	10.35%	10.31%	6.82%	-3.03%	-25.00%	-3.02%	-24.91%	
THRD	\$29.99	\$94.44	\$2.17	\$29.71	13.21x	100.93%	11.33%	NA	13.82x	\$0.48	1.60%	16.30%	\$834	11.22%	NA	NA	0.85%	7.40%	0.81%	7.07%	
TRST	\$6.56	\$619.68	\$0.41	\$3.83	15.55x	171.27%	13.71%	171.53%	15.97x	\$0.26	4.00%	62.20%	\$4,521	8.00%	7.99%	NA	0.90%	11.15%	0.88%	10.86%	
WSFS	\$70.09	\$623.45	\$4.53	\$43.06	13.85x	162.76%	13.81%	181.20%	15.48x	\$0.48	0.68%	9.49%	\$4,516	8.48%	7.69%	1.06%	1.07%	11.60%	0.97%	10.42%	
WVFC	\$12.00	\$24.70	NA	\$15.89	31.58x	76.48%	7.86%	76.48%	NM	\$0.16	1.33%	42.11%	\$314	10.28%	10.28%	NA	0.29%	2.55%	NA	NA	

(1) Core income, on a diluted per-share basis. Core income is net income after taxes and before extraordinary items, less net income attributable to noncontrolling interest, gain on the sale of securities, amortization of intangibles, goodwill and nonrecurring items. Assumed tax rate is 35%.

(2) 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. P/E and P/Core =NM if the ratio is negative or above 35x.

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

(4) Indicated 12 month dividend as a percent of trailing 12 month earnings.

(5) ROAA (return on average assets) and ROAE (return on average equity) are indicated ratios based on trailing 12 month earnings and average equity and assets balances.

(6) 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 Financial, LC. calculations. The information provided in this report has been obtained from sources we believe are reliable, but we cannot guarantee the accuracy or completeness of such information.

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EXHIBIT III-4

Peer Group Market Area Comparative Analysis

Exhibit III-4
Peer Group Market Area Comparative Analysis

<u>Institution</u>	<u>County</u>	<u>Population</u>		<u>Proj.</u>	<u>2010-2012</u>	<u>2012-2017</u>	<u>Per Capita Income</u>		<u>Deposit</u>
		<u>2010</u>	<u>2012</u>	<u>Pop.</u>			<u>2012</u>	<u>% State</u>	
				<u>2017</u>	<u>% Change</u>	<u>% Change</u>	<u>Amount</u>	<u>Average</u>	<u>Share(1)</u>
BSB Bancorp, Inc. - MA	Middlesex	1,503,085	1,517,172	1,569,246	0.5%	0.7%	39,354	116.6%	1.50%
Cape Bancorp, Inc. - NJ	Cape May	97,265	97,616	95,876	0.2%	-0.4%	31,360	92.4%	13.30%
ESSA Bancorp, Inc. - PA	Monroe	169,842	171,507	172,849	0.5%	0.2%	24,558	91.9%	29.90%
First Connecticut Bancorp - CT	Hartford	894,014	895,761	902,939	0.1%	0.2%	32,831	93.1%	4.50%
Fox Chase Bancorp, Inc. - PA	Montgomery	799,874	806,827	825,595	0.4%	0.5%	37,574	140.6%	1.10%
Ocean Shore Holding Co. - NJ	Cape May	97,265	97,616	95,876	0.2%	-0.4%	31,360	92.4%	9.45%
OceanFirst Financial Corp. - NJ	Ocean	576,567	577,234	586,729	0.1%	0.3%	30,573	90.1%	10.20%
SI Financial Group, Inc. - CT	Windham	118,428	118,953	119,982	0.2%	0.2%	26,936	76.4%	20.30%
TF Financial Corp. - PA	Bucks	625,249	629,397	633,763	0.3%	0.1%	35,502	132.9%	1.54%
Westfield Financial Inc. - MA	Hampden	463,490	465,207	468,120	0.2%	0.1%	24,845	73.6%	8.70%
	Averages:	534,508	537,729	547,098	0.3%	0.1%	31,489	100.0%	10.05%
	Medians:	520,029	521,221	527,425	0.2%	0.2%	31,360	92.4%	9.08%
Blue Hills Bancorp, Inc.	Suffolk	722,023	736,089	777,446	1.0%	1.1%	30,253	89.7%	0.63%

(1) Total institution deposits in headquarters county as percent of total county deposits as of June 30, 2013.

Sources: SNL Financial LC, FDIC.

EXHIBIT IV-1

**Stock Prices:
As of February 14, 2014**

Exhibit IV-1A
Weekly Thrift Market Line - Part One
Prices As of February 14, 2014

Financial Institution	Market Capitalization			Price Change Data						Current Per Share Financials				
	Price/	Shares	Market	52 Week (1)		% Change From				LTM	LTM Core	BV/	TBV/	Assets/
	Share(1)	Outstanding	Capitalization	High	Low	Last Wk	Last Wk	52 Wks (2)	MRY (2)	EPS (3)	EPS (3)	Share	Share (4)	Share
(\$)	(000)	(\$Mil)	(\$)	(\$)	(\$)	(\$)	(%)	(%)	(%)	(\$)	(\$)	(\$)	(\$)	(\$)
ALLB Alliance Bancorp of Penn	15.30	4,467	68.3	15.60	12.77	15.35	-0.33	19.87	-0.65	0.38	0.38	15.81	15.81	95.20
ANCB Anchor Bancorp	18.25	2,550	46.5	19.00	14.15	17.00	7.35	25.86	-0.22	-0.41	-0.40	20.45	20.45	153.48
ASBB ASB Bncp Inc	17.45	5,040	87.9	18.41	15.67	17.31	0.61	6.73	1.15	0.31	0.26	20.06	20.06	145.44
AF Astoria Financial Corp.	13.12	98,842	1,296.8	14.47	9.22	12.75	2.90	31.86	-5.13	0.60	0.59	14.06	12.19	159.79
AFCB Athens Bancshares Corporation	19.98	2,084	41.6	20.61	16.50	19.80	0.92	9.73	0.82	1.13	1.15	NA	NA	141.48
ACFC Atlantic Coast Financial Corp.	3.99	15,509	61.9	6.88	3.00	3.87	3.10	20.18	-7.85	-3.23	NA	NA	NA	47.30
BKMU Bank Mutual Corp.	6.26	46,438	290.7	7.35	5.00	6.37	-1.73	9.82	-10.70	0.23	0.23	6.05	6.05	50.55
BFIN BankFinancial Corp	9.71	21,109	205.0	9.80	7.25	9.35	3.85	22.76	6.00	0.16	0.18	8.32	8.20	68.86
BHLB Berkshire Hills Bancorp Inc.	25.09	25,036	628.2	29.38	23.38	24.56	2.16	2.87	-7.99	1.65	2.03	27.08	16.27	226.59
BOFI Boff Holding Inc.	83.20	14,116	1,174.5	84.41	32.14	80.13	3.83	132.53	6.08	3.28	3.41	21.82	21.82	252.78
BYFC Broadway Financial Corp.	1.10	20,225	22.2	1.50	0.52	1.10	0.12	19.35	18.14	-1.32	-1.41	1.89	1.89	17.09
BLMT BSB Bancorp Inc.	15.82	9,056	143.3	15.92	12.60	15.45	2.39	20.78	4.84	0.22	0.22	NA	NA	116.46
CBNJ Cape Bancorp Inc.	10.58	12,060	127.6	10.60	8.65	10.27	3.02	14.63	4.13	0.46	0.51	11.64	NA	90.62
CFFN Capitol Federal Financial Inc	12.08	145,169	1,753.6	13.21	11.67	11.93	1.26	1.34	-0.25	0.48	0.48	10.65	10.65	62.76
CARV Carver Bancorp Inc.	15.00	3,696	55.4	17.87	4.17	14.06	6.68	277.83	114.59	0.36	0.19	1.50	1.50	172.80
CFBK Central Federal Corp.	1.42	15,824	22.5	1.75	1.29	1.38	2.90	1.42	6.76	-0.14	-0.14	1.39	1.39	15.82
CHFN Charter Financial Corp.	10.60	22,817	241.9	11.82	9.31	10.51	0.86	10.71	-1.58	0.25	0.26	11.88	11.66	47.33
CHEV Cheviot Financial	10.45	6,835	71.4	11.94	9.76	10.30	1.46	-3.24	1.46	0.21	0.25	13.30	11.72	85.90
CBNK Chicopee Bancorp Inc.	17.37	5,436	94.4	19.72	15.50	17.14	1.34	10.08	-0.23	0.50	0.52	16.97	16.97	108.12
CZWI Citizens Community Bncp	8.33	5,163	43.0	8.56	6.52	8.09	2.96	22.66	12.42	0.21	0.29	10.50	10.46	106.96
CMSB CMS Bancorp Inc.	9.30	1,863	17.3	10.44	7.68	9.30	0.00	14.25	0.11	0.52	0.41	11.42	11.42	141.03
CWAY Coastway Bncp. Inc.	10.19	4,949	50.4	11.05	10.04	10.19	0.00	NA	NA	NA	NA	NA	NA	76.89
COBK Colonial Financial Services	12.00	3,853	46.2	17.00	11.85	12.30	-2.44	-12.60	-9.77	-0.91	-1.10	15.65	15.65	155.26
DCOM Dime Community Bancshares Inc.	16.14	36,713	592.5	17.92	13.79	15.67	3.00	15.29	-4.61	1.23	1.23	11.85	10.34	109.72
EBMT Eagle Bancorp Montana, Inc.	10.65	3,918	41.7	12.03	10.20	10.75	-0.93	2.90	-2.72	0.69	0.57	12.19	10.18	131.79
ESBF ESB Financial Corp.	12.74	17,733	225.9	15.00	10.68	12.81	-0.55	11.43	-10.28	0.87	NA	NA	NA	107.53
ESSA ESSA Bancorp Inc.	10.85	11,893	129.0	11.70	9.99	10.96	-1.00	-4.41	-6.14	0.70	0.73	13.96	13.04	113.95
EVER EverBank Financial	17.29	122,626	2,120.2	18.97	13.93	16.73	3.35	16.27	-5.73	1.02	1.21	12.00	11.57	143.86
FFCO FedFirst Financial Corp.	20.06	2,357	47.3	23.00	16.20	20.09	-0.15	18.00	2.98	0.91	0.89	NA	NA	135.34
FCAP First Capital Inc.	20.50	2,784	57.1	21.97	19.40	20.30	0.99	3.12	-3.57	1.82	NA	NA	NA	159.80
FCLF First Clover Leaf Fin Corp.	9.09	7,007	63.7	10.00	6.46	9.17	-0.81	24.57	-7.21	0.54	0.53	10.49	8.82	92.27
FBNK First Connecticut Bancorp, Inc	15.60	16,458	256.7	17.00	13.14	15.46	0.91	10.01	-3.23	0.23	0.21	14.08	14.08	128.19
FDEF First Defiance Financial	26.65	9,720	259.0	28.46	20.80	25.95	2.70	21.58	2.62	2.19	2.28	28.00	21.31	219.88
FBFH First Federal Bancshares of AR	8.17	20,041	163.7	10.05	7.55	8.20	-0.37	-17.89	-8.09	-0.01	-0.01	3.57	3.57	28.43
FNNM First Fed of Northern MI Bncp	5.06	2,884	14.8	5.72	3.40	5.20	-2.69	5.64	-6.30	-0.20	-0.18	8.27	8.25	74.16
FFNW First Financial Northwest Inc	10.36	16,392	169.8	11.25	7.44	10.34	0.19	28.38	-0.10	1.47	1.48	11.25	11.25	56.18
FSFG First Savings Financial Group	23.25	2,259	52.5	28.20	20.88	22.87	1.66	2.88	1.75	2.00	2.10	28.88	24.49	304.06
FBC Flagstar Bancorp Inc.	21.25	56,138	1,182.9	21.63	12.29	20.73	2.51	41.01	8.31	4.37	5.08	20.66	20.66	167.57
FXCB Fox Chase Bancorp Inc.	17.06	12,148	207.2	18.24	16.07	16.97	0.53	-0.93	-1.23	0.48	0.45	14.28	14.28	91.92
FRNK Franklin Financial Corp.	19.11	12,075	230.8	20.50	17.14	18.78	1.76	6.76	-3.39	0.83	0.69	19.97	19.97	89.06
FSBW FS Bancorp Inc.	16.86	3,240	54.6	19.45	14.26	16.95	-0.53	12.40	-1.69	1.29	1.20	19.23	19.23	129.37
GTWN Georgetown Bancorp Inc.	14.75	1,832	27.0	16.50	12.48	14.90	-1.01	18.95	-7.23	0.41	0.41	15.80	15.80	143.81
HBK Hamilton Bancorp Inc	13.85	3,518	48.7	15.45	12.35	13.88	-0.07	12.25	-2.40	-0.36	-0.43	17.47	16.67	85.41
HBNK Hampden Bancorp Inc.	15.96	5,650	90.2	18.42	14.78	16.05	-0.56	-0.75	-2.74	0.67	0.66	14.98	14.98	122.88
HBOS Heritage Financial Group Inc.	18.87	7,835	147.8	20.44	13.55	18.57	1.62	35.08	-1.97	1.90	1.35	15.96	15.42	176.29
HFCC HF Financial Corp.	13.45	7,055	94.9	14.55	12.13	13.37	0.59	3.45	3.85	0.84	0.78	13.85	13.15	177.79
HIFF Hingham Instt. for Savings	77.01	2,129	163.9	79.56	57.69	77.56	-0.71	6.97	-1.89	6.28	6.28	48.49	48.49	637.20
HMNF HMN Financial Inc.	11.93	4,424	52.8	11.98	4.73	10.75	10.98	116.91	12.87	5.71	NA	13.49	13.49	146.60
HBCP Home Bancorp Inc.	20.17	7,099	143.2	23.50	16.86	19.31	4.45	9.09	7.00	1.06	1.05	19.99	NA	138.64
HFBL Home Fedl Bncp Inc. LA	17.86	2,247	40.1	18.99	15.34	17.75	0.62	1.25	0.34	1.22	1.21	18.36	18.36	127.22
HMST HomeStreet Inc.	18.39	14,800	272.2	26.81	17.02	17.46	5.33	-31.20	-8.05	1.61	1.73	17.97	17.08	207.17
HTBI HomeTrust Bancshares Inc.	15.55	19,784	307.6	17.00	14.57	15.34	1.37	7.09	-2.75	0.60	0.64	18.10	NA	82.38
IROQ IF Bancorp Inc.	16.40	4,428	72.6	17.04	14.92	16.50	-0.61	10.74	-1.80	0.84	0.83	17.71	17.71	128.34
JXSB Jacksonville Bancorp	21.90	1,831	40.1	21.90	18.32	20.08	9.06	15.84	12.02	1.73	1.44	22.45	20.96	173.92
LPSB LaPorte Bancorp Inc	10.93	5,909	64.6	11.86	9.31	10.90	0.32	11.42	-1.71	0.69	0.61	13.56	NA	89.16
LABC Louisiana Bancorp Inc.	18.45	2,887	53.3	18.75	15.00	18.75	-1.61	8.52	1.25	1.03	0.96	20.07	20.07	109.71
LSBI LSB Financial Corp.	29.27	1,562	45.7	30.71	20.05	29.50	-0.78	37.74	2.74	1.72	1.72	25.80	25.80	227.39
MCBK Madison County Financial Inc.	17.10	3,052	52.2	19.19	15.81	17.20	-0.59	4.33	-5.01	NA	NA	19.86	19.49	90.79
MLVF Malvern Bancorp Inc	10.64	6,558	69.8	13.20	10.37	10.45	1.82	-8.52	-3.27	-3.05	-2.94	11.38	11.38	90.58
CASH Meta Financial Group Inc.	40.05	6,108	244.6	42.19	22.75	38.92	2.90	73.15	-0.69	2.46	2.43	23.42	23.02	295.84
NASB NASB Financial Inc.	25.46	7,868	200.3	30.50	19.80	25.84	-1.47	11.91	-15.70	2.71	2.74	24.40	24.12	150.15
NVSL Naugatuck Valley Finl	7.25	7,002	50.8	7.94	6.86	7.15	1.40	5.07	0.14	-1.83	-1.83	8.49	8.49	69.59
NHTB New Hampshire Thrift Bncshrs	15.10	8,217	124.1	15.51	12.50	14.80	2.03	11.19	-0.98	1.11	1.11	15.37	8.75	173.09
NYCB New York Community Bancorp	16.75	440,809	6,942.7	17.39	12.91	15.35	2.61	15.81	-6.53	1.08	1.07	13.01	7.45	105.91
NFBK Northfield Bancorp Inc.	12.51	57,926	724.7	13.43	11.20	12.43	0.64	9.93	-5.23	0.34	NA	12.36	NA	46.66
NWBI Northwest Bancshares, Inc.	14.27	94,244	1,344.9	15.05	11.98	13.88	2.81	14.34	-3.45	0.73	0.70	12.31	10.43	83.66
OBFA OBA Financial Services Inc	19.00	4,038	76.7	19.50	17.62	18.50	2.70	2.98	4.40	0.28	0.28	17.91	17.91	95.48
OSHC Ocean Shore Holding Co.	13.95	6,903	96.3	15.45	13.01	13.81	1.01	-4.45	2.12	0.81	NA	15.39	14.62	147.76
OCFC OceanFirst Financial Corp.	17.39	17,387	302.4	19.47	13.43	17.28	0.64	20.18	1.52	0.95	1.14	12.33	12.33	129.39
QABC OmniAmerican Bancorp Inc.	22.21	11,452	254.3	26.61	20.46	21.91	1.37	-14.81	3.88	0.56	0.44	18.00	18.00	126.48
ONFC Oneida Financial Corp.	12.34	7,027	86.7	16.32	11.51	12.30	0.33	-0.64	-2.60	0.87	0.92	12.90	9.12	105.86
ORIT Oritani Financial Corp.	15.64	45,707	714.9	16.90	14.49	15.34	1.96	4.69	-2.55	0.97	0.95	11.37	11.37	64.37
PEOP Peoples Federal Bancshares Inc	18.08	6,408	115.8	19.28	17.10	17.77	1.74	0.84	1.92	0.35	0.35	16.35	16.35	91.84
PBCT People's United Financial Inc.	14.16	306,910	4,345.8	15.70	12.62	13.96	1.43	9.88	-8.35	0.74	0.80	14.84	7.91	108.20
PBSK Poage Bankshares Inc.	13.90	3,352	46.6	15.10	13.06	14.05	-1.07	-1.07	-0.79	0.69	0.53	17.28	17.28	86.81
PBCP Polonia Bncp, Inc.	9.51	3,511	33.4	10.31	8.76	9.80	-2.96	5.79	-3.84	-0.14	-0.14	11.62	11.62	81.37
PROV Provident Financial Holdings	15.14	9,855	149.2	18.62	14.12	14.74	2.71	-14.61	0.93	1.24	1.24	15.47	15.47	115.08
PFS Provident Financial Services	16.57	59,918	982.8	19.93	14.41	16.49	0.49	9.66	-14.23	1.23	1.21	16.87	NA	124.96

Exhibit IV-1A
Weekly Thrift Market Line - Part One
Prices As of February 14, 2014

	Market Capitalization			Price Change Data						Current Per Share Financials					
	Price/	Shares	Market	52 Week (1)		Last Wk	Last Wk	% Change From			LTM	LTM Core	BV/	TBVI/	Assets/
	Share(1)	Outstanding	Capitalization	High	Low	(\$)	(\$)	52 Wks (2)	MRY (2)	EPS (3)	EPS (3)	Share	Share (4)	Share	
(\$)	(000)	(\$M)	(\$)	(\$)	(\$)	(\$)	(%)	(%)	(%)	(\$)	(\$)	(\$)	(\$)	(\$)	
Financial Institution															
PBIP Prudential Bancorp Inc.	10.45	9,545	99.7	11.39	7.70	10.59	-1.32	32.62	-3.15	0.20	0.14	13.67	13.67	55.02	
PULB Pulaski Financial Corp.	10.32	11,371	117.4	11.74	9.52	10.24	0.78	4.14	-8.35	0.70	0.70	9.04	8.68	113.77	
RVSB Riverview Bancorp Inc.	3.45	22,472	77.5	3.49	2.04	3.23	6.81	61.21	18.97	0.20	0.20	3.62	2.48	35.82	
SVBI Severn Bancorp Inc.	4.45	10,067	44.8	5.78	4.00	4.77	-6.71	3.49	-6.12	-2.64	NA	5.58	5.54	79.43	
SIFI SI Financial Group Inc.	11.73	12,790	150.0	12.34	10.34	11.68	0.43	0.80	-2.66	-0.11	0.15	11.94	10.35	107.01	
SMPL Simplicity Bancorp Inc.	16.39	7,880	129.2	16.64	14.02	16.26	0.80	11.12	1.42	0.80	0.80	17.91	17.40	108.49	
SPBC SP Bancorp Inc.	20.03	1,568	31.4	23.10	17.08	20.50	-2.29	8.86	1.47	0.93	0.94	20.84	20.84	194.83	
SIBC State Investors Bancorp Inc.	15.50	2,390	37.1	16.64	13.28	15.50	0.00	8.16	1.04	0.20	0.20	17.39	17.39	108.22	
TBNK Territorial Bancorp Inc.	22.33	10,051	224.4	24.38	21.05	22.24	0.40	-4.04	-3.75	1.49	1.26	21.11	NA	160.86	
THRD TF Financial Corp.	29.99	3,149	94.4	33.72	24.20	29.50	1.66	19.72	6.50	2.27	2.17	29.71	NA	284.75	
TSBK Timberland Bancorp Inc.	11.23	7,049	79.2	11.41	7.36	10.74	4.56	33.43	16.74	0.57	0.51	11.22	10.41	103.27	
TRST TrustCo Bank Corp NY	6.56	94,463	619.7	7.67	5.13	6.31	3.96	24.01	-8.64	0.42	0.41	3.83	3.82	47.86	
UCBA United Community Bancorp	11.00	5,150	56.7	11.71	9.41	10.91	0.83	10.01	2.43	0.56	0.52	14.41	13.80	99.47	
UCFC United Community Fintl Corp.	3.48	50,229	174.8	5.00	3.20	3.43	1.46	1.75	-2.52	0.10	0.04	3.65	3.65	34.96	
WSBF Waterstone Financial Inc.	10.60	34,407	364.7	10.70	6.65	10.47	1.24	51.65	4.79	0.90	0.90	6.19	6.17	46.44	
WAYN Wayne Savings Bancshares	11.00	2,843	31.3	11.75	9.08	10.90	0.92	8.70	1.01	0.72	0.74	13.56	12.94	144.29	
WEBK Wellesley Bancorp	18.50	2,455	45.4	20.45	15.50	19.24	-3.85	19.20	-5.37	0.97	0.94	19.06	19.06	186.78	
WBB Westbury Bancorp Inc.	14.18	5,143	72.9	14.84	13.02	13.92	1.87	NA	1.65	NA	NA	17.64	17.64	104.15	
WFD Westfield Financial Inc.	7.53	20,150	151.7	8.07	6.50	7.25	3.86	-3.46	0.94	0.34	0.22	7.65	7.65	63.37	
WBKC Wolverine Bancorp Inc.	21.98	2,398	52.7	22.50	18.00	21.60	1.76	16.98	3.21	0.72	0.72	26.20	26.20	121.47	
WSFS WSFS Financial Corp.	70.09	8,895	623.5	79.85	45.82	68.80	2.17	46.60	-9.60	5.06	4.53	43.06	38.68	507.67	
WVFC WVS Financial Corp.	12.00	2,058	24.7	13.63	9.50	12.10	-0.83	14.29	-2.03	0.38	0.37	15.69	15.69	152.60	
MHCs															
BNCL Beneficial Mutual Bncp (MHC)	11.69	78,015	912.0	12.11	8.36	11.47	1.92	25.83	7.05	0.17	0.17	NA	NA	58.75	
CSBK Clifton Svgs Bncp Inc. (MHC)	13.04	26,477	345.3	13.47	11.22	12.82	1.72	13.10	1.88	0.25	0.24	7.23	7.23	41.51	
GCBC Greene County Bncp Inc. (MHC)	25.53	4,210	107.5	32.54	19.34	25.20	1.29	16.28	-1.83	1.51	1.51	13.88	13.88	155.02	
ISBC Investors Bancorp Inc. (MHC)	25.88	139,342	3,606.2	26.54	17.42	25.27	2.41	41.89	1.17	1.01	1.05	9.64	NA	112.12	
KRNY Kearny Financial Corp. (MHC)	11.72	66,131	775.1	12.18	9.19	11.10	5.59	14.01	0.77	0.15	0.14	7.02	5.37	49.28	
KFFB Kentucky First Federal (MHC)	8.75	8,529	74.6	8.97	7.55	8.40	4.17	8.16	9.37	0.29	0.29	7.82	6.12	37.10	
LSBK Lake Shore Bancorp Inc. (MHC)	12.49	5,900	73.7	14.69	10.53	12.25	1.96	13.24	2.38	0.65	0.65	11.06	11.06	81.72	
MGYR Magyar Bancorp Inc. (MHC)	7.66	5,811	44.5	7.99	4.73	7.81	-1.92	47.88	2.68	0.01	0.00	7.82	7.82	92.33	
EBSB Meridian Interstate Bncp (MHC)	23.06	22,257	526.6	24.40	17.41	23.48	0.77	31.66	4.78	0.70	0.42	11.20	10.58	120.51	
MSBF MSB Financial Corp. (MHC)	8.00	5,010	40.1	9.10	6.06	8.00	0.00	14.29	0.25	0.16	0.16	8.02	8.02	69.27	
NECB NorthEast Community Bncp (MHC)	7.28	12,645	92.1	8.00	5.25	7.26	0.28	32.36	0.83	-0.08	-0.05	8.27	8.19	34.25	
OFED Oconee Federal Financial Corp.	17.44	5,846	102.0	17.75	13.73	17.00	2.59	19.29	-0.91	0.66	0.63	12.90	12.90	61.68	
PBHC Pathfinder Bancorp Inc. (MHC)	14.41	2,618	37.7	16.50	11.05	14.41	0.00	29.24	6.74	0.95	NA	NA	NA	192.42	
PSBH PSB Holdings Inc. (MHC)	6.40	6,542	41.9	7.25	5.31	6.40	0.00	19.63	0.31	0.18	0.20	7.68	6.61	69.45	
TFSL TFS Financial Corp (MHC)	11.57	307,148	3,553.7	12.49	10.08	11.64	-0.60	8.54	-4.50	0.19	NA	6.06	6.03	37.06	
Under Acquisition															
HCBK Hudson City Bancorp Inc.	9.27	528,419	4,898.4	9.79	7.87	9.18	0.98	6.80	-1.70	0.37	0.33	8.98	8.69	73.06	
JFBI Jefferson Bancshares Inc.	7.76	6,595	51.2	7.80	4.84	7.72	0.52	41.74	20.87	0.30	0.34	8.12	7.97	75.48	
RCKB Rockville Financial Inc.	13.02	25,979	338.2	15.42	12.27	12.95	0.54	0.23	-8.37	0.54	0.61	NA	NA	88.60	
UBNK United Financial Bancorp	17.48	19,784	345.8	20.47	14.25	17.28	1.16	16.22	-7.46	0.87	0.95	15.31	13.07	125.44	

- (1) Average of High/Low or Bid/Ask price per share.
- (2) Or since offering price if converted of 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 12 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 12 month common earnings and average common equity and total assets balances.
- (6) Annualized based on last regular quarterly cash dividend announcement.
- (7) Indicated dividend as a percent of trailing 12 month earnings.
- (8) Excluded from averages due to actual or rumored acquisition activities or unusual operating characteristics.
- (9) For MHC institutions, market value reflects share price multiplied by public (non-MHC) shares.

Source: SNL Financial, L.C. and RP® Financial, L.C. calculations. The information provided in this table has been obtained from sources we believe are reliable, but we cannot guarantee the accuracy or completeness of such information.
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Exhibit IV-1B
Weekly Thrift Market Line - Part Two
Prices As of February 14, 2014

	Key Financial Ratios						Asset Quality Ratios		Pricing Ratios					Dividend Data (6)		
	Equity/ Assets(1)	Tang Equity/ Assets(1)	Reported Earnings ROA(5)	Core Earnings ROE(5)	Core Earnings ROA(5)	Core Earnings ROE(5)	NPA's/ Assets	Rsv's/ NPLs	Price/ Earnings	Price/ Book	Price/ Assets	Price/ Tang Book	Price/ Core Earnings	Div/ Share	Dividend Yield (%)	Payout Ratio (7)
Financial Institution	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(x)	(%)	(%)	(%)	(x)	(\$)	(%)	(%)	
ALLB Alliance Bancorp of Penn	16.60	16.60	0.42	2.37	0.42	2.37	NA	NA	40.26	96.79	16.07	96.79	40.26	0.20	1.31	52.63
ANCB Anchor Bancorp	13.33	13.33	-0.23	-1.93	-0.22	-1.87	6.22	22.12	NM	89.22	11.89	89.22	NM	NA	NA	NM
ASBB ASB Bncp Inc	13.79	13.79	0.19	1.37	0.16	1.13	2.82	113.25	56.29	87.00	12.00	87.00	68.21	NA	NA	NM
AF Astoria Financial Corp.	9.62	8.55	0.41	4.69	0.40	4.60	NA	NA	21.87	93.31	8.28	107.86	22.37	0.18	1.22	26.67
AFCB Athens Bancshares Corporation	13.94	13.89	0.78	5.17	0.80	5.28	2.69	59.04	17.68	NA	NA	NA	17.32	0.20	1.00	17.70
ACFC Atlantic Coast Financial Corp.	8.93	8.93	-1.55	-30.45	NA	NA	4.14	27.58	NM	NA	NA	NA	NA	0.00	0.00	NM
BKMU Bank Mutual Corp.	12.10	12.09	0.46	3.91	0.46	3.95	NA	NA	27.22	103.44	12.40	103.53	26.87	0.12	1.92	47.83
BFIN BankFinancial Corp	12.08	11.93	0.23	1.89	0.25	2.11	NA	NA	60.69	116.71	14.10	118.35	54.23	0.04	0.41	25.00
BHLB Berkshire Hills Bancorp Inc.	11.95	7.54	0.78	6.10	0.95	7.50	NA	NA	15.21	92.64	11.07	154.19	12.36	0.72	2.87	43.64
BOFI Boff Holding Inc.	8.73	8.73	1.54	17.05	1.60	17.72	0.54	84.44	25.37	381.32	32.81	381.32	24.40	NA	NA	NM
BYFC Broadway Financial Corp.	7.40	7.40	-0.25	-4.91	-0.47	-9.19	13.29	26.28	NM	58.24	2.03	58.24	NM	0.04	0.00	NM
BLMT BSB Bancorp Inc.	12.37	12.37	0.21	1.51	0.21	1.49	NA	NA	NM	NA	NA	NA	72.73	NA	NA	NM
CBNJ Cape Bancorp Inc.	12.85	NA	0.53	3.80	0.58	4.18	NA	NA	23.00	90.86	11.67	NA	20.93	0.24	2.27	56.70
CFFN Capitol Federal Financial Inc	17.23	17.23	0.76	4.25	0.76	4.25	NA	NA	25.17	113.39	19.53	113.39	25.17	0.30	2.48	152.08
CARV Carver Bancorp Inc.	7.90	7.90	0.26	2.82	0.15	1.68	5.49	25.04	41.67	NM	9.34	NM	77.30	0.00	0.00	NM
CFBK Central Federal Corp.	8.77	8.76	-0.96	-9.52	-0.94	-9.40	4.30	66.31	NM	102.32	8.97	102.41	NM	0.00	0.00	NM
CHFN Charter Financial Corp.	25.30	24.95	0.51	2.29	0.53	2.41	1.35	87.95	42.40	89.24	22.57	90.91	40.38	0.20	1.89	180.00
CHEV Cheviot Financial	15.49	13.90	0.24	1.46	0.29	1.77	NA	NA	49.76	78.55	12.17	89.19	41.14	0.36	3.44	171.43
CBNK Chicopee Bancorp Inc.	15.69	15.69	0.43	2.79	0.45	2.88	NA	NA	34.74	102.38	16.07	102.38	33.70	0.28	1.61	44.00
CZWI Citizens Community Bncp	9.80	9.77	0.20	2.00	0.28	2.79	1.81	74.14	39.67	79.33	7.77	79.63	28.45	0.02	0.24	9.52
CMSB CMS Bancorp Inc.	8.66	8.66	0.37	4.29	0.30	3.42	NA	NA	17.88	81.47	6.63	81.47	22.75	NA	NA	NM
CWAY Coastway Bncp, Inc.	7.24	7.24	NA	NA	NA	NA	3.90	16.62	NA	NA	NA	NA	NA	NA	NA	NA
COBK Colonial Financial Services	10.08	10.08	-0.54	-5.07	-0.66	-6.14	5.37	20.29	NM	76.68	7.73	76.68	NA	NA	NA	NM
DCOM Dime Community Bancshares Inc.	10.80	9.55	1.09	10.58	1.09	10.56	0.80	64.66	13.12	136.17	14.71	156.13	13.14	0.56	3.47	45.53
EBMT Eagle Bancorp Montana, Inc.	9.25	7.84	0.53	5.38	0.44	4.46	0.25	245.94	15.43	87.38	8.08	104.61	18.60	0.29	2.72	42.03
ESBF ESB Financial Corp.	9.75	7.61	0.83	8.38	NA	NA	NA	NA	14.64	NA	NA	NA	NA	0.40	3.14	44.06
ESSA ESSA Bancorp Inc.	12.29	11.57	0.58	4.68	0.60	4.87	2.30	29.25	15.50	77.71	9.55	83.23	14.82	0.20	1.84	28.57
EVER EverBank Financial	9.19	8.92	0.75	8.87	0.89	10.41	1.09	39.12	16.95	144.13	12.12	149.49	14.27	0.12	0.69	10.78
FFCO FedFirst Financial Corp.	16.25	15.96	0.73	4.29	0.71	NA	NA	NA	22.04	NA	NA	NA	22.47	0.24	1.20	51.65
FGAP First Capital Inc.	NA	NA	1.12	NA	NA	NA	1.66	71.15	11.26	NA	NA	NA	NA	0.80	3.90	43.96
FCLF First Clover Leaf Fin Corp.	11.37	9.73	0.66	5.11	0.65	5.03	2.22	66.18	16.84	86.09	9.85	103.14	17.07	0.24	2.64	44.44
FBNK First Connecticut Bancorp, Inc	10.99	10.99	0.19	1.52	0.18	1.42	NA	NA	67.83	110.76	12.17	110.76	72.68	0.12	0.77	52.17
FDEF First Defiance Financial	12.73	10.00	1.08	8.39	1.13	8.75	2.87	44.97	12.17	95.18	12.12	125.06	11.66	0.60	2.25	20.55
FFBH First Federal Bancshares of AR	13.49	13.49	0.01	0.04	-0.01	-0.05	4.37	98.07	NM	229.05	30.91	229.05	NM	0.20	0.00	NM
FFNM First Fed of Northern MI Bncp	11.15	11.12	-0.27	-2.35	-0.23	-2.03	2.86	46.16	NM	61.19	6.82	61.37	NM	0.08	1.58	NM
FFNW First Financial Northwest Inc	20.02	20.02	2.71	13.10	2.72	13.15	8.21	20.25	7.05	92.12	18.44	92.12	7.02	0.16	1.54	8.18
FSFG First Savings Financial Group	12.00	10.71	0.71	5.64	0.75	5.91	2.29	40.56	11.63	80.52	7.85	94.93	11.08	0.40	1.72	20.00
FBC Flagstar Bancorp Inc.	15.16	15.16	2.13	21.56	2.48	24.98	8.02	39.10	4.86	102.87	13.05	102.87	4.18	0.00	0.00	NM
FXCB Fox Chase Bancorp Inc.	15.53	15.53	0.51	3.13	0.48	2.93	1.95	74.07	36.54	119.47	18.56	119.47	37.91	0.40	2.34	100.00
FRNK Franklin Financial Corp.	22.51	22.51	0.91	3.98	0.75	3.32	5.59	24.05	23.02	95.89	21.54	95.69	27.65	NA	NA	NM
FSBW FS Bancorp Inc.	14.87	14.87	1.01	6.42	0.94	5.97	NA	265.90	13.07	87.67	13.03	87.67	14.07	0.20	1.19	15.50
GTWN Georgetown Bancorp Inc.	11.00	11.00	0.32	2.47	0.32	2.47	NA	NA	35.98	93.34	16.27	93.34	35.98	0.16	1.08	39.02
HBK Hamilton Bancorp Inc	20.46	19.70	-0.38	-1.86	-0.44	-2.14	2.15	46.81	NM	79.20	16.22	83.10	NM	NA	NA	NM
HBNK Hampden Bancorp Inc.	12.19	12.19	0.55	4.31	0.54	4.23	1.32	69.86	23.82	106.55	12.98	106.55	24.31	0.24	1.50	34.33
HBOS Heritage Financial Group Inc.	9.06	8.78	0.87	9.37	0.79	8.43	0.96	78.43	12.58	116.21	10.71	122.37	13.98	0.20	1.48	4.67
HFFC HF Financial Corp.	7.79	7.43	0.48	6.06	0.45	5.64	1.81	47.44	16.01	97.13	7.56	102.24	17.20	0.45	3.35	53.57
HIFS Hingham Instit. for Savings	7.61	7.61	1.07	13.52	1.07	13.52	NA	NA	12.26	158.83	12.09	158.83	12.26	1.08	1.40	21.34
HMNF HMN Financial Inc.	13.21	13.21	4.55	42.22	NA	NA	NA	NA	2.09	88.45	8.48	88.45	NA	0.00	0.00	NM
HBCP Home Bancorp Inc.	14.42	NA	0.76	5.14	0.75	5.09	2.19	34.41	19.03	100.90	14.55	NA	19.24	NA	NA	NM
HFBL Home Fedl Bncp Inc. LA	14.46	14.46	0.94	6.18	0.93	6.12	NA	639.78	14.64	97.25	14.06	97.25	14.77	0.24	1.34	19.67
HMST HomeStreet Inc.	8.87	8.28	0.88	9.56	0.94	10.28	4.00	21.77	11.42	102.35	8.88	107.64	10.62	0.44	0.00	27.33
HTBI HomeTrust Bancshares Inc.	21.98	NA	0.73	3.21	0.77	3.40	4.97	38.14	25.92	85.91	18.88	NA	24.41	NA	NA	NM
IROQ IF Bancorp Inc.	13.89	13.89	0.64	4.22	0.63	4.18	0.97	74.32	19.52	92.82	12.87	92.82	19.70	0.10	0.61	11.90
JXSB Jacksonville Bancorp	12.91	12.16	1.02	7.52	0.85	6.27	NA	NA	12.66	97.55	12.59	104.48	15.19	0.32	1.46	17.63
LPSB LaPorte Bancorp Inc	15.25	NA	0.83	4.81	0.73	4.25	NA	NA	15.84	80.60	12.29	NA	17.93	0.16	1.46	23.19
LABC Louisiana Bancorp Inc.	18.29	18.29	0.86	4.81	0.80	4.47	NA	NA	17.91	91.92	16.82	91.92	19.29	0.20	1.08	4.85
LSBI LSB Financial Corp.	11.33	11.33	0.75	6.85	0.75	6.85	1.51	123.45	17.02	113.46	12.85	113.46	17.02	0.28	0.96	11.05
MCBK Madison County Financial Inc.	22.89	22.56	1.07	4.97	NA	NA	0.14	NM	NA	86.10	19.71	87.72	NA	0.28	1.64	NA
MLVF Malvern Bancorp Inc	12.56	12.56	-2.99	-21.51	-2.88	-20.74	1.18	106.39	NM	93.52	11.75	93.52	NM	0.11	0.00	NM
CASH Meta Financial Group Inc.	7.89	7.77	0.81	9.96	0.81	9.85	0.31	78.72	16.28	170.99	13.50	173.95	16.50	0.52	1.30	21.14
NASB NASB Financial Inc.	16.25	16.09	1.83	11.13	1.85	11.25	5.86	36.30	9.39	104.33	16.96	105.57	9.29	0.90	0.00	22.14
NVSL Naugatuck Valley Finl	12.20	12.20	-2.33	-18.33	-2.33	-18.33	3.69	63.49	NM	85.40	10.42	85.40	NM	0.00	0.00	NM
NHTB New Hampshire Thrift Bncshrs	10.49	6.94	0.67	6.34	0.67	6.34	NA	NA	13.60	98.27	8.87	172.59	13.61	0.52	3.44	46.85
NYCB New York Community Bancorp	12.29	7.42	1.07	8.46	1.06	8.40	NA	NA	14.58	121.05	14.87	211.46	14.69	1.00	6.35	92.59
NFBK Northfield Bancorp Inc.	26.50	NA	0.70	2.70	NA	NA	1.65	59.23	36.79	101.19	26.81	NA	NA	0.24	1.92	144.12
NWBI Northwest Bancshares, Inc.	14.71	12.75	0.84	5.88	0.81	5.64	2.23	45.30	19.55	115.95	17.06	136.80	20.38	0.52	3.64	100.00
OBAF OBA Financial Services Inc	18.76	18.76	0.28	1.49	0.28	1.49	1.30	69.92	67.86	106.09	19.90	106.09	67.86	NA	NA	NM
OSHC Ocean Shore Holding Co.	10.41	9.95	0.51	5.04	NA	NA	NA	NA	17.22	90.66	9.44	95.39	NA	0.24	1.72	29.63
OCFC OceanFirst Financial Corp.	9.53	9.53	0.71	7.51	0.85	8.99	3.16	31.32	18.31	141.06	13.44	141.06	15.28	0.48	2.76	50.53
OABC OmniAmerican Bancorp Inc.	14.24	14.24	0.46	2.90	0.36	2.25	1.13	44.63	39.66	123.42	17.58	123.42	50.91	0.20	0.90	8.93
ONFC Oneida Financial Corp.	12.22	8.96	0.86	6.59	0.91	7.05	NA	NA	14.18	95.87	11.68	135.36	13.38	0.48	3.89	55.17
ORIT Ortani Financial Corp.	17.87	17.87	1.49	8.07	1.45	7.88	0.88	139.90	16.12	137.52	24.29	137.52	16.51	0.70	4.48	97.94
PEOP Peoples Federal Bancshares Inc	17.88	17.88	0.37	2.01	0.37	2.01	0.47	144.93	51.66	110.55	19.76	110.55	51.66	0.16	0.88	117.14
PBCT People's United Financial Inc.	13.72	7.81	0.75	4.89	0.81	5.26	NA	NA	19.14							

Exhibit IV-1B
Weekly Thrift Market Line - Part Two
Prices As of February 14, 2014

	Key Financial Ratios						Asset Quality Ratios		Pricing Ratios				Dividend Data (6)			
	Equity/ Assets(1) (%)	Tang Equity/ Assets(1) (%)	Reported Earnings		Core Earnings		NPA's/ Assets (%)	Rev's/ NPL's (%)	Price/ Earnings (x)	Price/ Book (%)	Price/ Assets (%)	Price/ Tang Book (%)	Price/ Core Earnings (x)	Div/ Share (\$)	Dividend Yield (%)	Payout Ratio (7) (%)
Financial Institution																
PFS Provident Financial Services	13.50	NA	0.97	7.08	0.95	6.95	NA	NA	13.47	98.23	13.26	NA	13.73	0.60	3.62	47.15
PBIP Prudential Bancorp Inc.	24.84	24.84	0.36	2.40	0.25	1.69	1.30	36.70	52.55	76.44	18.99	76.44	74.45	0.00	0.00	NM
PULB Pulaski Financial Corp.	9.04	8.76	0.72	7.58	0.72	7.59	4.33	35.13	14.74	114.14	8.90	118.86	14.76	0.38	3.68	54.29
RVSB Riverview Bancorp Inc.	10.15	7.20	0.56	5.42	0.55	5.44	4.48	58.35	17.25	95.40	9.64	139.29	17.44	0.00	0.00	NM
SVBI Severn Bancorp Inc.	10.35	10.31	-3.03	-25.00	-3.02	-24.81	6.82	25.74	NM	79.82	5.80	80.30	NA	0.00	0.00	NM
SIFI SI Financial Group Inc.	11.18	9.82	-0.12	-0.87	0.13	0.99	1.11	46.40	NM	96.28	10.97	113.38	79.28	0.12	1.02	NM
SMPL Simplicity Bancorp Inc	16.50	16.12	0.72	4.28	0.72	4.28	2.50	23.92	20.49	91.54	15.11	94.17	20.48	0.32	1.95	40.00
SPBC SP Bancorp Inc.	10.80	10.80	0.48	4.28	0.48	4.31	1.39	54.92	21.54	96.11	10.38	96.11	21.39	NA	NA	NM
SIBC State Investors Bancorp Inc.	16.07	16.07	0.20	1.19	0.20	1.19	NA	NA	NM	89.14	14.32	89.14	77.50	NA	NA	NM
TBNK Territorial Bancorp Inc.	13.12	NA	0.93	6.73	0.79	5.70	NA	NA	14.99	105.80	13.88	NA	17.70	0.56	2.51	42.95
THRD TF Financial Corp.	11.22	NA	0.85	7.40	0.81	7.07	NA	NA	13.21	100.93	11.33	NA	13.82	0.48	1.60	16.30
TSBK Timberland Bancorp Inc.	10.86	10.16	0.63	5.19	0.61	5.00	6.45	33.16	19.70	100.07	10.87	107.90	22.04	0.16	1.42	22.81
TRST TrustCo Bank Corp NY	8.00	7.99	0.90	11.15	0.88	10.86	NA	NA	15.55	171.27	13.71	171.53	15.97	0.26	4.00	62.00
UCBA United Community Bancorp	14.49	13.96	0.52	3.77	0.48	3.47	3.98	27.42	19.64	76.33	11.06	79.70	21.29	0.24	2.18	75.00
UCFC United Community Finl Corp.	10.44	10.43	0.57	5.62	0.44	4.34	3.43	41.25	34.80	95.34	9.95	95.43	92.81	0.00	0.00	NM
WSBF Waterstone Financial Inc.	13.32	13.29	1.88	15.08	1.87	14.99	6.63	29.85	11.75	171.32	22.82	171.81	11.82	NA	NA	NM
WAYN Wayne Savings Bancshares	9.40	9.01	0.51	5.24	0.53	5.40	NA	NA	15.28	81.13	7.62	85.00	14.85	0.32	2.91	43.06
WEBK Wellesley Bancorp	10.20	10.20	0.55	5.09	0.54	4.94	NA	NA	19.07	97.06	9.90	97.06	19.66	NA	NA	NM
WBB Westbury Bancorp Inc.	16.94	16.94	0.03	0.21	0.09	0.60	1.87	42.55	NA	80.40	13.62	80.40	NA	NA	NA	NA
WFD Westfield Financial Inc.	12.07	12.07	0.53	4.04	0.34	2.60	NA	NA	22.15	98.43	11.88	98.43	34.33	0.24	3.19	85.29
WBKC Wolverine Bancorp Inc.	21.66	21.66	0.60	2.73	0.60	2.73	3.59	77.27	30.53	83.91	18.17	83.91	30.53	NA	NA	55.56
WSFS WSFS Financial Corp.	8.48	7.69	1.07	11.60	0.97	10.42	1.06	95.29	13.85	162.76	13.81	181.20	15.48	0.48	0.68	9.49
WVFC WVS Financial Corp.	10.28	10.28	0.29	2.55	0.28	2.50	NA	NA	31.58	76.48	7.86	76.48	32.15	0.16	1.33	42.11
MHCs																
BNCL Beneficial Mutual Bncp (MHC)	13.42	10.89	0.27	2.01	0.27	2.04	NA	NA	68.76	NA	NA	NA	67.69	NA	NA	NM
CSBK Clifton Svgs Bncp Inc. (MHC)	17.42	17.42	0.61	3.42	0.58	3.23	NA	NA	52.16	180.28	31.41	180.28	55.43	0.24	1.84	72.00
GCBC Greene County Bncp Inc. (MHC)	8.95	8.95	1.01	11.39	1.01	11.39	1.32	89.20	16.90	183.92	16.46	183.92	16.90	0.70	2.74	46.36
ISBC Investors Bancorp Inc. (MHC)	8.54	NA	0.83	10.00	0.87	10.44	0.95	124.21	25.62	268.53	22.93	NA	24.54	0.20	0.77	19.80
KRNY Kearny Financial Corp. (MHC)	14.25	11.28	0.30	1.95	0.29	1.84	NA	NA	NA	166.86	23.78	218.05	82.54	0.00	0.00	NM
KFFB Kentucky First Federal (MHC)	21.18	17.39	0.76	3.76	0.76	3.76	2.63	21.64	30.17	111.95	23.71	142.89	30.17	0.40	4.57	137.93
LSBK Lake Shore Bancorp Inc. (MHC)	13.54	13.54	0.77	5.65	0.77	5.63	NA	NA	19.22	112.90	15.28	112.90	19.30	0.28	2.24	53.85
MGYR Magyar Bancorp Inc. (MHC)	8.47	8.47	0.02	0.25	0.01	0.12	NA	NA	NA	97.99	8.30	97.99	NM	NA	NA	NM
EBSB Meridian Interstate Bncp (MHC)	9.29	8.83	0.82	6.39	0.37	3.79	NA	NA	33.80	211.31	19.63	223.59	56.90	NA	NA	NM
MSBF MSB Financial Corp. (MHC)	11.57	11.57	0.22	1.98	0.22	1.98	6.21	17.56	50.00	99.80	11.55	99.80	50.00	0.00	0.00	NM
NECB NorthEast Community Bncp (MHC)	24.16	23.96	-0.24	-1.01	-0.15	-0.61	5.07	22.13	NM	87.98	21.25	88.92	NM	0.12	1.65	NM
OFED Oconee Federal Financial Corp.	20.81	20.81	1.04	4.98	1.00	4.76	0.90	32.92	26.42	135.19	28.27	135.19	27.68	0.40	2.29	60.61
PBHC Pathfinder Bancorp Inc. (MHC)	8.48	7.78	0.48	5.85	NA	NA	NA	NA	15.17	NA	NA	NA	NA	0.12	0.83	12.63
PSBH PSB Holdings Inc. (MHC)	11.05	9.67	0.25	2.24	0.27	2.45	NA	NA	35.56	83.38	9.22	96.82	32.54	0.16	0.00	NM
TFSL TFS Financial Corp (MHC)	16.36	16.29	0.54	3.29	NA	NA	2.47	32.92	60.89	190.80	31.22	191.80	NA	0.00	0.00	NM
Under Acquisition																
HCBK Hudson City Bancorp Inc.	12.28	11.93	0.47	3.91	0.42	3.54	2.93	25.99	25.05	103.29	12.69	106.73	27.70	0.16	1.73	43.24
JFBI Jefferson Bancshares Inc.	10.76	10.58	0.38	3.55	0.42	3.98	3.07	44.31	25.87	95.58	10.28	97.36	23.04	0.00	0.00	NM
RCKB Rockville Financial Inc.	13.01	12.97	0.67	4.67	0.76	5.30	NA	NA	24.11	NA	NA	NA	21.27	0.40	3.07	74.07
UBNK United Financial Bancorp	12.20	10.61	0.71	5.72	0.78	6.24	NA	NA	20.09	114.19	13.93	133.70	18.43	0.44	2.52	50.57

- (1) Average of High/Low or Bid/Ask price per share.
- (2) Or since offering price if converted of 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 12 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 12 month common earnings and average common equity and total assets balances.
- (6) Annualized based on last regular quarterly cash dividend announcement.
- (7) Indicated dividend as a percent of trailing 12 month earnings.
- (8) Excluded from averages due to actual or rumored acquisition activities or unusual operating characteristics.
- (9) For MHC institutions, market value reflects share price multiplied by public (non-MHC) shares.

Source: SNL Financial, L.C. and RP® Financial, L.C. calculations. The information provided in this table has been obtained from sources we believe are reliable, but we cannot guarantee the accuracy or completeness of such information. Copyright (c) 2014 by RP® Financial, L.C.

EXHIBIT IV-2

Historical Stock Price Indices

Exhibit IV-2
Historical Stock Price Indices(1)

<u>Year/Qtr. Ended</u>	<u>DJIA</u>	<u>S&P 500</u>	<u>NASDAQ Composite</u>	<u>SNL Thrift Index</u>	<u>SNL Bank Index</u>
2000: Quarter 1	10921.9	1498.6	4572.8	545.6	421.24
Quarter 2	10447.9	1454.6	3966.1	567.8	387.37
Quarter 3	10650.9	1436.5	3672.8	718.3	464.64
Quarter 4	10786.9	1320.3	2470.5	874.3	479.44
2001: Quarter 1	9878.8	1160.3	1840.3	885.2	459.24
Quarter 2	10502.4	1224.4	2160.5	964.5	493.70
Quarter 3	8847.6	1040.9	1498.8	953.9	436.60
Quarter 4	10021.5	1148.1	1950.4	918.2	473.67
2002: Quarter 1	10403.9	1147.4	1845.4	1006.7	498.30
Quarter 2	9243.3	989.8	1463.2	1121.4	468.91
Quarter 3	7591.9	815.3	1172.1	984.3	396.80
Quarter 4	8341.6	879.8	1335.5	1073.2	419.10
2003: Quarter 1	7992.1	848.2	1341.2	1096.2	401.00
Quarter 2	8985.4	974.5	1622.8	1266.6	476.07
Quarter 3	9275.1	996.0	1786.9	1330.9	490.90
Quarter 4	10453.9	1112.0	2003.4	1482.3	548.60
2004: Quarter 1	10357.7	1126.2	1994.2	1585.3	562.20
Quarter 2	10435.5	1140.8	2047.8	1437.8	546.62
Quarter 3	10080.3	1114.6	1896.8	1495.1	556.00
Quarter 4	10783.0	1211.9	2175.4	1605.6	595.10
2005: Quarter 1	10503.8	1180.6	1999.2	1516.6	551.00
Quarter 2	10275.0	1191.3	2057.0	1577.1	563.27
Quarter 3	10568.7	1228.8	2151.7	1527.2	546.30
Quarter 4	10717.5	1248.3	2205.3	1616.4	582.80
2006: Quarter 1	11109.3	1294.8	2339.8	1661.1	595.50
Quarter 2	11150.2	1270.2	2172.1	1717.9	601.14
Quarter 3	11679.1	1335.9	2258.4	1727.1	634.00
Quarter 4	12463.2	1418.3	2415.3	1829.3	658.60
2007: Quarter 1	12354.4	1420.9	2421.6	1703.6	634.40
Quarter 2	13408.6	1503.4	2603.2	1645.9	622.63
Quarter 3	13895.6	1526.8	2701.5	1523.3	595.80
Quarter 4	13264.8	1468.4	2652.3	1058.0	492.85
2008: Quarter 1	12262.9	1322.7	2279.1	1001.5	442.5
Quarter 2	11350.0	1280.0	2293.0	822.6	332.2
Quarter 3	10850.7	1166.4	2082.3	760.1	414.8
Quarter 4	8776.4	903.3	1577.0	653.9	268.3
2009: Quarter 1	7608.9	797.9	1528.6	542.8	170.1
Quarter 2	8447.0	919.3	1835.0	538.8	227.6
Quarter 3	9712.3	1057.1	2122.4	561.4	282.9
Quarter 4	10428.1	1115.1	2269.2	587.0	260.8
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
2011: Quarter 1	12319.7	1325.8	2781.1	578.1	293.1
Quarter 2	12414.3	1320.6	2773.5	540.8	266.8
Quarter 3	10913.4	1131.4	2415.4	443.2	198.9
Quarter 4	12217.6	1257.6	2605.2	481.4	221.3
2012: Quarter 1	13212.0	1408.5	3091.6	529.3	284.9
Quarter 2	12880.1	1362.2	2935.1	511.6	257.3
Quarter 3	13437.1	1440.7	3116.2	557.6	276.8
Quarter 4	13104.1	1426.2	3019.5	565.8	292.7
2013: Quarter 1	14578.5	1569.2	3267.5	602.3	318.9
Quarter 2	14909.6	1606.3	3404.3	625.3	346.7
Quarter 3	15129.7	1681.6	3771.5	650.8	354.4
Quarter 4	16576.7	1848.4	4176.6	706.5	394.4
As of Feb. 14, 2014	16154.4	1838.6	4244.0	685.1	392.5

(1) End of period data.

Sources: SNL Financial and The Wall Street Journal.

EXHIBIT IV-3

Historical Thrift Stock Indices

Index Values

Industry: Savings Bank/Thrift/Mutual

Geography: United States and Canada

	Close	Last Update	Change (%)						Price / Earnings (x)	
			1 Day	1 Week	MTD	QTD	YTD	1 Year		3 Years
SNL Custom** Indexes										
SNL Banking Indexes										
SNL U.S. Bank and Thrift	375.91	2/14/2014	0.22	1.45	2.13	(0.60)	(0.60)	24.13	25.61	14.5
SNL U.S. Thrift	685.12	2/14/2014	0.56	1.76	(0.06)	(3.02)	(3.02)	16.25	14.02	19.2
SNL TARP Participants	72.64	2/14/2014	(0.09)	1.77	2.29	(7.11)	(7.11)	7.20	12.93	5.7
S&P 500 Bank	212.27	2/14/2014	0.62	1.69	2.00	1.47	1.47	27.32	32.79	NA
NASDAQ Bank	2,519.59	2/14/2014	0.55	2.33	1.08	(3.17)	(3.17)	24.81	33.37	NA
S&P 500 Thrifts & Mortgage Finance	4.06	2/14/2014	0.90	1.04	1.06	(4.10)	(4.10)	8.34	(6.97)	NA
SNL Asset Size Indexes										
SNL U.S. Thrift < \$250M	891.29	2/14/2014	0.20	(2.69)	(3.62)	(5.93)	(5.93)	3.57	14.49	NA
SNL U.S. Thrift \$250M-\$500M	3,987.93	2/14/2014	0.19	0.67	1.01	1.05	1.05	15.84	42.85	20.7
SNL U.S. Thrift < \$500M	1,361.96	2/14/2014	0.19	0.64	0.97	0.86	0.86	15.16	40.79	20.7
SNL U.S. Thrift \$500M-\$1B	1,700.70	2/14/2014	(0.24)	1.29	1.24	2.22	2.22	13.49	33.26	17.0
SNL U.S. Thrift \$1B-\$5B	2,182.88	2/14/2014	0.03	2.01	(0.29)	(1.97)	(1.97)	18.69	39.22	18.9
SNL U.S. Thrift \$5B-\$10B	794.45	2/14/2014	0.39	1.82	0.47	(3.62)	(3.62)	9.62	8.61	16.8
SNL U.S. Thrift > \$10B	138.64	2/14/2014	0.96	1.73	(0.24)	(4.08)	(4.08)	16.41	1.20	20.0
SNL Market Cap Indexes										
SNL Micro Cap U.S. Thrift	682.09	2/14/2014	(0.63)	1.04	0.46	0.26	0.26	13.41	46.84	17.1
SNL Micro Cap U.S. Bank & Thrift	467.53	2/14/2014	0.10	1.08	0.51	1.43	1.43	18.87	45.52	14.5
SNL Small Cap U.S. Thrift	488.59	2/14/2014	0.06	2.01	(0.34)	(3.48)	(3.48)	19.32	22.25	17.5
SNL Small Cap U.S. Bank & Thrift	422.92	2/14/2014	0.26	2.44	0.21	(4.80)	(4.80)	22.13	32.35	16.8
SNL Mid Cap U.S. Thrift	267.79	2/14/2014	0.83	1.61	0.67	(2.79)	(2.79)	17.18	14.60	21.6
SNL Mid Cap U.S. Bank & Thrift	290.69	2/14/2014	0.58	2.15	0.73	(5.05)	(5.05)	23.87	25.32	18.3
SNL Large Cap U.S. Thrift	142.03	2/14/2014	1.03	2.61	(2.72)	(6.39)	(6.39)	10.17	(20.53)	14.6
SNL Large Cap U.S. Bank & Thrift	248.41	2/14/2014	0.17	1.29	2.46	0.30	0.30	24.31	24.31	13.9
SNL Geographic Indexes										
SNL Mid-Atlantic U.S. Thrift	2,767.29	2/14/2014	0.58	2.04	(0.11)	(3.41)	(3.41)	17.90	4.98	19.4
SNL Midwest U.S. Thrift	2,115.22	2/14/2014	0.22	0.71	0.63	(1.57)	(1.57)	14.01	19.72	17.2
SNL New England U.S. Thrift	1,876.76	2/14/2014	0.92	1.30	(0.04)	(4.96)	(4.96)	9.95	11.53	20.3
SNL Southeast U.S. Thrift	328.38	2/14/2014	0.88	2.48	(2.24)	(4.29)	(4.29)	11.46	41.09	18.6
SNL Southwest U.S. Thrift	523.12	2/14/2014	(1.24)	1.48	(0.07)	3.78	3.78	(3.69)	39.47	18.4
SNL Western U.S. Thrift	95.92	2/14/2014	0.45	3.17	1.03	2.68	2.68	38.25	66.44	19.5
SNL Stock Exchange Indexes										
SNL U.S. Thrift NYSE	131.15	2/14/2014	0.96	2.56	(2.06)	(5.80)	(5.80)	18.82	(2.31)	14.7
SNL U.S. Thrift NASDAQ	1,871.04	2/14/2014	0.42	1.47	0.67	(2.00)	(2.00)	15.28	20.43	21.3
SNL U.S. Thrift Pink	197.39	2/14/2014	0.20	0.24	0.38	1.34	1.34	15.03	33.36	14.5
SNL Other Indexes										
SNL U.S. Thrift MHCs	4,139.20	2/14/2014	0.51	1.36	1.15	(0.02)	(0.02)	23.78	42.29	26.3
Broad Market Indexes										
DJIA	16,154.39	2/14/2014	0.79	2.28	2.90	(2.55)	(2.55)	15.61	31.68	NA
S&P 500	1,838.63	2/14/2014	0.48	2.32	3.14	(0.53)	(0.53)	20.85	38.00	NA

Index Values

S&P Mid-Cap	1,346.86	2/14/2014	0.39	2.94	2.57	0.32	0.32	20.57	38.23	NA
S&P Small-Cap	648.62	2/14/2014	0.17	2.67	1.42	(2.54)	(2.54)	25.40	48.29	NA
S&P 500 Financials	291.21	2/14/2014	0.15	1.58	2.64	(1.19)	(1.19)	21.32	26.58	NA
SNL All Financial Institutions	642.33	2/14/2014	0.26	1.73	1.99	(2.58)	(2.58)	24.60	32.50	14.8
MSCI US IMI Financials	1,083.08	2/14/2014	0.16	1.74	2.37	(0.90)	(0.90)	18.58	25.07	NA
NASDAQ	4,244.03	2/14/2014	0.08	2.86	3.42	1.61	1.61	32.68	50.65	NA
NASDAQ Finl	2,991.42	2/14/2014	0.23	2.43	1.99	(2.57)	(2.57)	21.28	30.12	NA
NASDAQ OMX Govt Relief	1,246.06	2/14/2014	0.00	0.00	0.00	0.00	0.00	0.00	(6.27)	NA
NYSE	10,282.54	2/14/2014	0.53	2.26	3.16	(1.13)	(1.13)	14.85	22.34	NA
Russell 1000	1,028.01	2/14/2014	0.45	2.39	3.16	(0.23)	(0.23)	21.65	38.98	NA
Russell 2000	1,149.21	2/14/2014	0.12	2.92	1.62	(1.24)	(1.24)	24.41	39.15	NA
Russell 3000	1,104.86	2/14/2014	0.43	2.43	3.04	(0.31)	(0.31)	21.87	38.97	NA
S&P TSX Composite	14,054.76	2/14/2014	0.38	1.95	2.63	3.18	3.18	10.48	1.04	NA
MSCI AC World (USD)	404.18	2/14/2014	0.50	2.35	3.13	(1.07)	(1.07)	13.43	17.76	NA
MSCI World (USD)	1,650.12	2/14/2014	0.42	2.38	3.23	(0.66)	(0.66)	16.90	22.70	NA

Intraday data is available for certain exchanges. In all cases, the data is at least 15 minutes delayed.

** - Non-publicly traded institutions and institutions outside of your current subscription are not included in custom indexes. Custom indexes including foreign institutions do not take into account currency translations. Data is as of the previous close.

All SNL indexes are market-value weighted; i.e., an institution's effect on an index is proportional to that institution's market capitalization.

Source: MSCI. MSCI makes no express or implied warranties or representations and shall have no liability whatsoever with respect to any MSCI data contained herein. The MSCI data may not be further redistributed or used as a basis for other indices or any securities or financial products.

Mid-Atlantic: DE, DC, MD, NJ, NY, PA, PR Midwest: IA, IN, IL, KS, KY, MI, MN, MO, ND, NE, OH, SD, WI

New England: CT, ME, MA, NH, RI, VT Southeast: AL, AR, FL, GA, MS, NC, SC, TN, VA, WV

Southwest: CO, LA, NM, OK, TX, UT West: AZ, AK, CA, HI, ID, MT, NV, OR, WA, WY

EXHIBIT IV-4

Market Area Acquisition Activity

Exhibit IV-4
Massachusetts Thrift Acquisitions 2010-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 (%)	LTM ROAA (%)	LTM ROAE (%)	NPAs/ Assets (%)	Rsrvs/ NPLs (%)	Deal Value (\$M)	Value/ Share (\$)	P/B (%)	P/TB (%)	P/E (x)	P/A (%)	Prem/ Cdeps (%)	
02/13/2014	Def. Agrmt	North Shore Bancorp	MA Saugusbank, a Co-operative Bank	MA	206,232	8.91	8.91	0.31	3.56	3.02	25.84	NA	NA	NA	NA	NA	NA	NA
12/31/2013	Def. Agrmt	North Brookfield SB	MA FamilyFirst Bank	MA	51,905	9.17	9.15	-0.39	-4.03	1.47	31.54	NA	NA	NA	NA	NA	NA	NA
11/15/2013	Def. Agrmt	Rockville Financial Inc.	CT United Financial Bancorp, Inc.	MA	2,490,737	12.16	10.56	0.37	2.93	0.76	81.88	370.7	18.416	119.66	140.26	48.46	14.88	7.21
05/14/2013	11/15/2013	Independent Bank Corp.	MA Mayflower Bancorp, Inc.	MA	261,344	8.66	8.66	0.58	6.56	0.36	151.76	37.4	17.918	163.48	163.48	25.24	14.29	7.20
05/01/2012	11/09/2012	Independent Bank Corp.	MA Central Bancorp, Inc.	MA	521,350	8.59	8.20	0.21	2.23	2.75	29.08	54.8	32.006	154.47	164.98	NM	10.51	8.43
03/14/2012	07/01/2012	Framingham Co-operative Bank	MA Natick Federal Savings Bank	MA	155,587	9.23	9.23	-0.05	-0.53	1.26	11.04	NA	NA	NA	NA	NA	NA	NA
09/13/2011	02/27/2012	South Adams Savings Bank	MA Adams Co-operative Bank	MA	196,056	9.47	9.47	0.16	1.73	6.05	14.25	NA	NA	NA	NA	NA	NA	NA
09/08/2011	01/03/2012	Haverhill Bank	MA Economy Co-operative Bank	MA	24,145	10.33	10.33	0.13	1.33	0.31	127.03	NA	NA	NA	NA	NA	NA	NA
09/01/2011	02/01/2012	Salem Five Bancorp	MA Stoneham Savings Bank	MA	366,819	6.43	5.58	-1.29	-19.55	4.93	18.98	NA	NA	NA	NA	NA	NA	NA
01/20/2011	06/30/2011	People's United Financial Inc.	CT Danvers Bancorp, Inc.	MA	2,630,968	11.16	10.01	0.65	5.71	0.73	89.87	488.9	22.810	163.16	184.10	28.51	18.58	13.37
01/20/2011	04/01/2011	Hometown Bank A Co-Op Bank	MA Athol-Clinton Co-operative Bank	MA	89,181	9.17	9.17	-1.50	-15.30	13.20	20.47	NA	NA	NA	NA	NA	NA	NA
12/21/2010	07/21/2011	Berkshire Hills Bancorp Inc.	MA Legacy Bancorp, Inc.	MA	972,040	12.08	10.68	-0.76	-5.85	2.26	47.09	112.8	13.073	96.34	110.70	NM	11.61	1.88
07/15/2010	11/30/2010	People's United Financial Inc.	CT LSB Corporation	MA	<u>806,567</u>	<u>7.69</u>	<u>7.69</u>	<u>0.70</u>	<u>8.07</u>	<u>1.36</u>	<u>66.21</u>	95.9	21.000	<u>152.51</u>	<u>152.51</u>	<u>20.79</u>	<u>11.89</u>	<u>8.75</u>
Average:					674,841	9.47	9.05	-0.07	-1.01	2.96	55.00			141.60	152.67	30.75	13.63	7.81
Median:					261,344	9.17	9.17	0.16	1.73	1.47	31.54			153.49	158.00	26.88	13.09	7.82

EXHIBIT IV-5

**Blue Hills Bancorp, Inc.
Director and Senior Management Summary Resumes**

Exhibit IV-5
Blue Hills Bancorp, Inc.
Director and Senior Management Summary Resumes

Directors:

The business experience of each of our directors and executive officers is set forth below. With respect to directors, the biographies also contain information regarding the person's experience, qualifications, attributes or skills that led to the determination that the person should serve as a director. Unless otherwise indicated, directors and executive officers have held their positions for the past five years.

David J. Houston, Jr. is a senior member of J.J. Houston & Co., LLP, an independent insurance agency. He has served on the Blue Hills Bank Board of Directors since 1977 and currently serves as Chairman of the Board of Directors and a member of the Risk Management Committee. Mr. Houston is a graduate of Boston College and a member of the Society of Certified Insurance Counselors, the National Association of Corporate Directors, and the Massachusetts and South Shore Associations of Independent Insurance Agents. Mr. Houston's long affiliation with Blue Hills Bank and his experience operating a local business provide a valuable connection between the Bank and the local community. In addition, his knowledge of risk and the insurance market brings the Board insight into the Bank's business and strategies.

George E. Clancy, Esquire is a partner at Fuller, Rosenberg, Palmer & Beliveau of Worcester, Massachusetts. Mr. Clancy has been a member of the Blue Hills Bank Board of Directors since 1996 and is currently Chairman of the Corporate Governance Committee and a member of the Audit Committee. Mr. Clancy is a member of the Massachusetts Bar Association, the Massachusetts Defense Lawyers Association and the Worcester County Bar Association. Mr. Clancy is a member of the CAP Team and serves as a CCD teacher for St. Anne Parish. Mr. Clancy is a graduate of Bridgewater State College and received his J.D. from the Suffolk University Law School. Mr. Clancy has over 25 years of business experience as a practicing lawyer. Mr. Clancy provides the Board with extensive insight on legal matters, especially issues related to employment; he is a former resident of Hyde Park and founding Director of Hyde Park Main Streets.

Ken D'Amato is managing director of global equity and fixed income, and head of equity trading at Manulife Asset Management of Boston, Massachusetts. Prior to joining Manulife Asset Management in 2010, Mr. D'Amato was chief operating officer at Evergreen Investment Management Company. Mr. D'Amato is a member of the Risk Management Committee. Mr. D'Amato was a volunteer for HESSCO Elder Services of Sharon, Massachusetts and a member of the finance and building committee of The Sage School in Foxboro, Massachusetts. Mr. D'Amato is a graduate of Boston College and earned his MBA from Boston University. Mr. D'Amato provides the Board with extensive financial and business experience as well as valuable insight into managing and overseeing a business.

Brian G. Leary, Esquire is a partner at the law firm of Holland & Knight and is a member of the firm's Business Section. He acts as outside general counsel to several New England companies. He specializes in the defense of government enforcement actions and has also represented several Fortune 500 companies in general commercial litigation matters in Massachusetts and elsewhere in the country. Prior to joining Holland & Knight in 2013, Mr. Leary was a partner at McCarter & English, LLP where he oversaw the firm's strategic planning and was the founder and chief executive officer of Mogall, Inc., an early pioneer of social networking. He also was a nationally recognized reporter and anchor for WCVB-TV, and received the George Foster Peabody Award for investigative reporting in 1997. Mr. Leary has been a member of the Blue Hills Bank Board of Directors since 2012 and is a member of the Audit and Governance Committees. Mr. Leary is an active volunteer and serves on the Board of Directors of the New England Legal Foundation and Catholic Memorial School. He is a graduate of the College of the Holy Cross and received his J.D. from Harvard Law School. Mr. Leary provides the Board with valuable perspective on general business oversight, as well as potential strategic initiatives.

Exhibit IV-5 (continued)
Blue Hills Bancorp, Inc.
Director and Senior Management Summary Resumes

Peter J. Manning is the former Vice Chairman of FleetBoston Financial Corporation, and has been a member of the Blue Hills Bank Board of Directors since 2010. Mr. Manning serves as Chairman of the Audit Committee and also serves on the Risk Management Committee. Mr. Manning began his career at the accounting firm Coopers & Lybrand and later joined BankBoston where he held a number of executive management responsibilities which included Executive Vice President and Chief Financial Officer. In October of 1999, Mr. Manning was named to the Vice Chairman post at FleetBoston Financial. Mr. Manning is a graduate of Boston College and earned his MBA from Babson College. He is currently a board member of Safety Insurance Group, Inc. and Campaign for Catholic Schools. Mr. Manning was previously a board member of Thermo Fisher Scientific Inc., and served 13 years on the Bedford school committee. Mr. Manning's extensive experience with financial institutions and accounting brings the Board valuable insight into the business of the Bank, its strategies and accounting matters.

Thomas M. Menino served as Mayor of Boston for five terms from 1993 to 2014. As Mayor, Mr. Menino focused on improving education, public health and the environment. Mayor Menino, as co-chair of Mayors Against Illegal Guns, also led a national effort for gun reforms and spearheaded a reduction of crime in Boston. Mayor Menino made the diversity of Boston a true strength, welcoming immigrants and demanding equality for all. Prior to becoming Mayor, Mr. Menino served five terms as a City Counselor. Following his final term, Mr. Menino joined Boston University where he serves as co-director for the newly-founded Initiatives on Cities (IoC). At the IoC, Mr. Menino leads an effort to investigate the dynamic nature of our world's cities and bridge the gap between academic research on urban affairs and practical implementation. Mr. Menino is a graduate of the University of Massachusetts Boston with a degree in community planning. Mr. Menino's service as the mayor of Boston provides the board of directors with a unique view of the community that the Bank serves.

Karen O'Connell, Esquire is Director of Economic Development for the Town of Dedham, Massachusetts. Ms. O'Connell has served on the Blue Hills Bank Board of Directors since 2009 and currently serves on the Corporate Governance Committee. Ms. O'Connell is a Member of the Massachusetts Bar Association, and a voting member of the Boston Athletic Association (Boston Marathon). She is currently a Board Member of Massachusetts Economic Development Council and the New England Advisory Board of ACCION East. She has also served on various local boards in the community. Ms. O'Connell is a regularly featured speaker at conferences and seminars on economic development issues with a focus on sustainable development. Ms. O'Connell is a graduate of Ohio Wesleyan University and received her J.D. from the Boston University School of Law. Ms. O'Connell's in-depth knowledge of economic development and the law provide the Board with a unique and valuable perspective into economic development and legal issues.

William M. Parent is President and Chief Executive Officer of Blue Hills Bank and Hyde Park Bancorp, MHC since 2010. Prior to that, Mr. Parent served as a partner and chief investment officer at Grail Partners, a boutique merchant bank. Mr. Parent has 27 years of experience in the financial services industry, including 16 years at Bank of Boston and its successor companies, FleetBoston and Bank of America, where he held senior executive roles in Finance, Mergers & Acquisitions, Bank Management and Private Equity Investing. Mr. Parent is a non-practicing CPA and holds a BS from Bentley University. He has served as a member of the board of directors for over a dozen middle market companies covering the financial services, retail, distribution and manufacturing sectors. Today, he serves on the board of directors for the YMCA of Greater Boston, Wediko Children Services, Thayer Academy and the Savings Banks Employees Retirement Association. He is also a member of the Honor Roll Development Committee for the Campaign for Catholic Schools. Mr. Parent's extensive experience in the financial services industry and his responsibilities for the strategic direction and management of Blue Hills Bank offer the Board an invaluable perspective of the Bank's business and strategic direction.

Exhibit IV-5 (continued)
Blue Hills Bancorp, Inc.
Director and Senior Management Summary Resumes

Ronald K. Perry is the president and head of brokerage at Colliers International. Mr. Perry began his career at Meredith & Grew, which became part of Colliers in 2008, and became the head of the brokerage group in 2007. He was appointed president of the firm in March 2010. Mr. Perry is a licensed real estate broker and a member of the Greater Boston Real Estate Board and Commercial Brokers Association. Mr. Perry has been a member of the Blue Hills Bank Board of Directors since 2012 and is Chairman of the Risk Management committee and serves on the Compensation Committee. A graduate of the College of Holy Cross, he previously served on the board of directors at Catholic Memorial School for 12 years and was a Big East Color Analyst for over 30 years. Mr. Perry's extensive real estate experience and knowledge of the local real estate market as well as his valuable insight into managing and overseeing a business brings valuable expertise to the Board.

David A. Powers is a partner at Charles A. Powers & Sons, LLP of Boston, Massachusetts, an insurance agency, a position he has held for the past 24 years. A graduate of the University of New Hampshire, Mr. Powers is affiliated with the Massachusetts Association of Independent Insurance Agents and the Rotary Club of Hingham and Hull. He has been a member of the Blue Hills Bank Board of Directors since 1998 and currently serves on the Corporate Governance Committee. Mr. Powers' vast management experience and business knowledge provides a valuable resource and perspective to the Board.

Janice L. Shields is co-founder and president of Shields & Company, Inc. located in Waltham, Massachusetts. For over 35 years, Ms. Shields has provided a wide range of corporate advisory services to clients, including in the areas of mergers and acquisitions, valuations and fairness opinions. Ms. Shields has been a member of the Blue Hills Bank Board of Directors since 2010 and is a member of the Compensation and Risk Management Committees. She serves as a director on a number of other local boards and over the years has been active in fundraising activities for local organizations. Ms. Shields is a graduate of Albertus Magnus College and has an MA from Harvard University and an MBA from the Stern School at New York University. With her extensive business and entrepreneurial experience, Ms. Shields brings to the Board a valuable insight on financial analysis and evaluating potential strategic transactions.

Scott Smith is the retired chief executive officer of Family to Family Foundation located in Boston, Massachusetts and serves on the board of directors for the Thomas M. Menino YMCA of Hyde Park, Lt. Governor's Inter-agency Council Advisory and the Mayor's Commission on Homelessness. Mr. Smith has 26 years of experience in the non-profit sector. He has served on the Blue Hills Bank Board of Directors since 1998 and currently serves as Chairman of the Compensation Committee and is a member of the Audit Committee. Mr. Smith is a graduate of Salisbury University. Mr. Smith provides the Board with a unique insight into the non-profit sector and has substantial ties to the communities served by Blue Hills Bank.

Executive Officers Who Are Not Also Directors:

Jim Kivlehan is Executive Vice President and Chief Financial Officer for Blue Hills Bank since joining the bank in September of 2013. Prior to that, Mr. Kivlehan was an Executive Vice President, with more than a decade of service, at Citizens Bank, a subsidiary of RBS Citizens Financial Group, Inc. At Citizens he held multiple executive leadership roles spanning Strategy, Business Analytics, M&A and Finance. Mr. Kivlehan is an experienced banking executive with an extensive background in all areas of finance. A graduate of Babson College, he is a non-practicing CPA, a member of Financial Executives International, and a trustee and past president of the Treasurer's Club of Boston.

Carol J. Dubé is Senior Vice President, Chief Information Officer for Blue Hills Bank. Ms. Dubé joined Blue Hills Bank in 2011, and has over 25 years of experience in all aspects of banking operations and technology services. Prior to her most recent position with FIS (Metavante) Corporation, she served as Chief Information Officer for both Cape Cod Five Cents Savings Bank and Plymouth Savings Bank. These positions followed ten years of service with Hudson River Bank & Trust Co. in Albany, New York, where Ms. Dubé held top positions in banking operations and information technology. Ms. Dubé attended Albany Business College.

Exhibit IV-5 (continued)
Blue Hills Bancorp, Inc.
Director and Senior Management Summary Resumes

Robert Driscoll is Senior Vice President of Residential Lending. Mr. Driscoll has been with Blue Hills Bank since 1996 and oversees all residential lending department functions including originations, sales and servicing activities at the Bank. He serves on the Board of Directors for the Massachusetts Community & Banking Council and is a member of the MBA Real Estate Finance Committee. Mr. Driscoll is a graduate of Northeastern University.

Karen Marryat is Senior Vice President, Chief Marketing Officer at Blue Hills Bank since 2010. She is responsible for branding, marketing, and ecommerce and oversees the Bank's charitable foundation. Ms. Marryat has 25 years of bank marketing experience and was most recently Senior Vice President, Chief Marketing Officer at Cambridge Savings Bank. She is a graduate of the Simmons Graduate School of Management and the University of Rhode Island. She serves on the board of advisors at the Thomas M. Menino YMCA and is a Trustee of Pilgrim Hall Museum.

Lauren Messmore is Senior Vice President, Corporate Strategy for Blue Hills Bank. Ms. Messmore has extensive experience in investment banking, including work at a top-tier global investment bank, Citigroup, as well as co-founding and managing an investment banking boutique. She has a proven track record in strategy development and transaction execution across a wide range of industries. A graduate of Harvard College, Ms. Messmore joined Blue Hills Bank in 2012. She sits on the Advisory Board of the Wellesley Free Library Foundation.

Thomas E. O'Leary has been Executive Vice President of Commercial Banking at Blue Hills Bank since 2011. Mr. O'Leary is responsible for the commercial banking functional departments and their operations. He has 39 years of banking experience split between credit and lending functions. Prior to joining Blue Hills Bank, Mr. O'Leary was Executive Vice President and Group Executive, Specialized Banking from 2002 to 2011 with Citizens Bank, a subsidiary of RBS Citizens Financial Group, Inc. Mr. O'Leary serves on the Board of Trustees of Catholic Charities of the Archdiocese of Boston. Mr. O'Leary is a graduate of Boston College and attended the Stonier Graduate School of Banking at Rutgers University.

Thomas R. Sommerfield is Senior Vice President, Chief Risk Officer at Blue Hills Bank since 2011. Mr. Sommerfield is responsible for the overall risk management of the bank, including credit, compliance, enterprise risk and administratively internal audit. Mr. Sommerfield has more than 35 years of experience in the financial services industry, was previously a Director at Spring Street Capital and has held numerous senior lending, credit and risk management roles at CIT, GE Capital, FleetBoston and predecessors, and HSBC. Mr. Sommerfield is a graduate of Columbia College. He is the leader of the Bank's Pan-Mass Challenge team and has served on advisory boards of educational institutions and outreach programs and is currently on the board of VETRN, a charity that funds education and provides mentoring for military veterans who are starting new local businesses.

Scott Thimann is the Executive Vice President, Chief Retail Officer at Blue Hills Bank since 2011. He is responsible for overseeing all consumer and business banking. Mr. Thimann brings more than 30 years of experience in the banking industry. Prior to joining the Bank, Mr. Thimann worked for Sovereign/Santander Bank from 2000 to 2011, including service as Senior District Executive for branch banking, and Regional and Market Executive for business banking. Mr. Thimann has served as a board trustee of the Arthritis Foundation, Massachusetts Chapter, and as a board director for the Boys & Girls Club of Brockton, Massachusetts. Mr. Thimann is a graduate of San Jose State University.

Source: Blue Hills Bancorp's prospectus.

EXHIBIT IV-6

**Blue Hills Bancorp, Inc.
Pro Forma Regulatory Capital Ratios**

Exhibit IV-6
Blue Hills Bancorp, Inc.
Pro Forma Regulatory Capital Ratios

	Blue Hills Bank Historical at December 31, 2013		Pro Forma with Nantucket Bank December 31, 2013		Pro Forma at December 31, 2013, Based Upon the Sale in the Offering of (1)							
	Amount	Percent of Assets (3)	Amount	Percent of Assets (2)	Minimum 17,850,000 Shares		Midpoint 21,000,000 Shares		Maximum 24,150,000 Shares		Maximum as adjusted 27,772,500 Shares (2)	
					Amount	Percent of Assets	Amount	Percent of Assets	Amount	Percent of Assets	Amount	Percent of Assets
(Dollars in thousands)												
Equity.....	\$142,319	10.91%	\$142,319	9.97%	\$208,089	13.73%	\$219,842	14.36%	\$ 231,594	14.97%	\$245,109	15.66%
Tier 1 leverage (4)(5)	137,099	11.11	122,182	9.10	187,952	13.14	199,705	13.81	211,457	14.47	\$224,972	15.20
Tier 1 leverage requirement.....	<u>49,370</u>	<u>4.00</u>	<u>53,712</u>	<u>4.00</u>	<u>57,221</u>	<u>4.00</u>	<u>57,846</u>	<u>4.00</u>	<u>58,471</u>	<u>4.00</u>	<u>59,190</u>	<u>4.00</u>
Excess	<u>\$ 87,729</u>	<u>7.11%</u>	<u>\$ 68,470</u>	<u>5.10%</u>	<u>\$130,731</u>	<u>9.14%</u>	<u>\$141,859</u>	<u>9.81%</u>	<u>\$ 152,986</u>	<u>10.47%</u>	<u>\$165,782</u>	<u>11.20%</u>
Tier 1 risk-based capital (6).....	\$137,099	15.26%	\$122,182	12.14%	\$187,952	18.35%	\$199,705	19.44%	\$211,457	20.52%	\$224,972	21.75%
Risk-based requirement.....	<u>35,932</u>	<u>4.00</u>	<u>40,274</u>	<u>4.00%</u>	<u>40,976</u>	<u>4.00</u>	<u>41,101</u>	<u>4.00</u>	<u>41,226</u>	<u>4.00</u>	<u>41,370</u>	<u>4.00</u>
Excess	<u>\$101,167</u>	<u>11.26%</u>	<u>\$ 81,908</u>	<u>8.14%</u>	<u>\$146,976</u>	<u>14.35%</u>	<u>\$158,604</u>	<u>15.44%</u>	<u>\$170,231</u>	<u>16.52%</u>	<u>\$183,602</u>	<u>17.75%</u>
Total risk-based capital (4)(6).....	\$148,872	16.57%	\$133,955	13.30%	\$199,725	19.50%	\$211,478	20.58%	\$223,230	21.66%	\$236,745	22.89%
Risk-based requirement.....	<u>71,864</u>	<u>8.00</u>	<u>80,548</u>	<u>8.00%</u>	<u>81,952</u>	<u>8.00</u>	<u>82,202</u>	<u>8.00</u>	<u>82,452</u>	<u>8.00</u>	<u>82,740</u>	<u>8.00</u>
Excess	<u>\$ 77,008</u>	<u>8.57%</u>	<u>\$ 53,407</u>	<u>5.30%</u>	<u>\$117,773</u>	<u>11.50%</u>	<u>\$129,276</u>	<u>12.58%</u>	<u>\$ 140,778</u>	<u>13.66%</u>	<u>\$154,005</u>	<u>14.89%</u>
Reconciliation of capital infused into Blue Hills Bank:												
Net proceeds.....					\$ 87,726		\$103,353		\$118,980		\$136,951	
Less: Common stock acquired by employee stock ownership plan.....					(14,637)		(17,220)		(19,803)		(22,774)	
Less: Common stock awarded under stock-based benefit plans.....					<u>(7,319)</u>		<u>(8,610)</u>		<u>(9,902)</u>		<u>(11,387)</u>	
Pro forma increase.....					<u>\$ 65,770</u>		<u>\$ 77,523</u>		<u>\$ 89,275</u>		<u>\$102,790</u>	

Source: Blue Hills Bancorp's prospectus.

EXHIBIT IV-7

**Blue Hills Bancorp, Inc.
Pro Forma Analysis Sheet**

Exhibit IV-7
PRO FORMA ANALYSIS SHEET
Blue Hills Bancorp, Inc.
Prices as of February 14, 2014

Price Multiple	Symbol	Subject (1)	Peer Group		Massachusetts Companies		All Publicly-Traded	
			Average	Median	Average	Median	Average	Median
Price-earnings ratio (x)	P/E	85.39 x	18.23x	17.76x	21.21x	20.61x	17.42x	16.28x
Price-core earnings ratio (x)	P/Core	NM x	19.84x	15.28x	22.77x	21.98x	18.14x	17.20x
Price-book ratio (%)	= P/B	64.31%	103.80%	99.68%	107.74%	102.38%	104.92%	96.11%
Price-tangible book ratio (%)	= P/TB	67.29%	108.65%	109.18%	114.57%	106.55%	113.87%	102.39%
Price-assets ratio (%)	= P/A	13.29%	12.26%	11.78%	13.07%	12.09%	13.36%	12.34%

Valuation Parameters

Pre-Conversion Earnings (Y)	\$2,663,000	ESOP Stock Purchases (E)	8.00% (7)
Pre-Conversion Earnings (CY)	(\$639,000)	Cost of ESOP Borrowings (S)	0.00% (6)
Pre-Conversion Book Value (B)	\$152,810,000	ESOP Amortization (T)	30.00 years
Pre-Conv. Tang. Book Val. (2)(TB)	\$137,893,000	RRP Amount (M)	4.00%
Pre-Conversion Assets (3)(A)	\$1,437,754,000	RRP Vesting (N)	5.00 years (7)
Reinvestment Rate (4)(R)	2.35%	Foundation (F)	3.33%
Est. Conversion Expenses (5)(X)	1.57%	Tax Benefit (Z)	2,800,000
Tax Rate (TAX)	40.00%	Percentage Sold (PCT)	100.00%
Shares Tax	\$0	Option (O1)	10.00% (8)
		Estimated Option Value (O2)	33.30% (8)
		Option vesting (O3)	5.00 (8)
		Option pct taxable (O4)	25.00% (8)

Calculation of Pro Forma Value After Conversion

1. $V = \frac{P/E * (Y)}{1 - P/E * PCT * ((1-X-E-M-F)*R*(1-TAX) - (1-TAX)*E/T - (1-TAX)*M/N) - (1-(TAX*O4))*(O1*O2)/O3}$	V=	\$215,250,000
2. $V = \frac{P/Core * (Y)}{1 - P/core * PCT * ((1-X-E-M-F)*R*(1-TAX) - (1-TAX)*E/T - (1-TAX)*M/N) - (1-(TAX*O4))*(O1*O2)/O3}$	V=	NM
3. $V = \frac{P/B * (B+Z)}{1 - P/B * PCT * (1-X-E-M-F)}$	V=	\$215,250,000
4. $V = \frac{P/TB * (TB+Z)}{1 - P/TB * PCT * (1-X-E-M-F)}$	V=	\$215,250,000
5. $V = \frac{P/A * (A+Z)}{1 - P/A * PCT * (1-X-E-M-F)}$	V=	\$215,250,000

Conclusion	Shares Issued	Price Per	Gross Offering	Shares	Total Shares	Aggregate
	To the Public	Share	Proceeds	Issued To Foundation	Issued	Market Value of Shares Issued
Supermaximum	27,772,500	10.00	\$ 277,725,000	694,313	28,466,813	\$ 284,668,130
Maximum	24,150,000	10.00	241,500,000	603,750	24,753,750	247,537,500
Midpoint	21,000,000	10.00	210,000,000	525,000	21,525,000	215,250,000
Minimum	17,850,000	10.00	178,500,000	446,250	18,296,250	182,962,500

(1) Pricing ratios shown reflect the midpoint value.

(2) Reflects impact of goodwill/intangibles resulting from Nantucket Bank acquisition.

(3) Reflects pro forma impact of Nantucket Bank acquisition.

(4) Net return reflects a reinvestment rate of 2.35 percent and a tax rate of 40.0 percent.

(5) Offering expenses shown at estimated midpoint value.

(6) No cost is applicable since holding company will fund the ESOP loan.

(7) ESOP and MRP amortize over 30 years and 5 years, respectively; amortization expenses tax effected at 40.0 percent.

(8) 10 percent option plan with an estimated Black-Scholes valuation of 33.30 percent of the exercise price, including a 5 year vesting with 25 percent of the options (granted to directors) tax effected at 40.0 percent.

EXHIBIT IV-8

**Blue Hills Bancorp, Inc.
Pro Forma Effect of Conversion Proceeds**

Exhibit IV-8
PRO FORMA EFFECT OF CONVERSION PROCEEDS
Blue Hills Bancorp, Inc.
At the Minimum

1. Pro Forma Market Capitalization	\$182,962,500
Less: Foundation Shares	4,462,500
2. Offering Proceeds	\$178,500,000
Less: Estimated Offering Expenses	3,046,022
Net Conversion Proceeds	\$175,453,978

3. Estimated Additional Income from Conversion Proceeds

Net Conversion Proceeds	\$175,453,978
Less: Cash Contribution to Foundation	2,537,500
Less: Non-Cash Stock Purchases (1)	21,955,500
Net Proceeds Reinvested	\$150,960,978
Estimated net incremental rate of return	1.41%
Reinvestment Income	\$2,128,550
Less: Shares Tax	0
Less: Estimated cost of ESOP borrowings (2)	0
Less: Amortization of ESOP borrowings (3)	292,740
Less: Amortization of Options (4)	1,096,677
Less: Recognition Plan Vesting (5)	878,220
Net Earnings Impact	(\$139,087)

	<u>Before Conversion</u>	<u>Net Cash Proceeds</u>	<u>Net Earnings Increase</u>	<u>After Conversion</u>
4. Pro Forma Earnings				
12 Months ended December 31, 2013 (reported)	\$2,663,000		(\$139,087)	\$2,523,913
12 Months ended December 31, 2013 (core)	(\$639,000)		(\$139,087)	(\$778,087)
5. Pro Forma Net Worth	<u>Before Conversion</u>	<u>Net Cash Proceeds</u>	<u>Tax Benefit Of Contribution</u>	<u>After Conversion</u>
December 31, 2013	\$152,810,000	\$150,960,978	\$2,800,000	\$306,570,978
December 31, 2011(3)(Tangible)	\$137,893,000	\$150,960,978	\$2,800,000	\$291,653,978
6. Pro Forma Assets	<u>Before Conversion</u>	<u>Net Cash Proceeds</u>	<u>Tax Benefit Of Contribution</u>	<u>After Conversion</u>
December 31, 2013	\$1,437,754,000	\$150,960,978	\$2,800,000	\$1,591,514,978

(1) Includes ESOP and RRP stock purchases equal to 8.0 and 4.0 percent of total shares issued, respectively.

(2) ESOP stock purchases are internally financed by a loan from the holding company.

(3) ESOP borrowings are amortized over 30 years, amortization expense is tax-effected at a 40.0 percent rate.

(4) Option valuation based on Black-Scholes model, 5 year vesting, and assumes 25 percent is taxable.

(5) RRP is amortized over 5 years, and amortization expense is tax effected at 40.0 percent.

Exhibit IV-8
PRO FORMA EFFECT OF CONVERSION PROCEEDS
Blue Hills Bancorp, Inc.
At the Midpoint

1. Pro Forma Market Capitalization		\$215,250,000
Less: Foundation Shares		5,250,000
2. Offering Proceeds		\$210,000,000
Less: Estimated Offering Expenses		3,291,496
Net Conversion Proceeds		\$206,708,504

3. Estimated Additional Income from Conversion Proceeds

Net Conversion Proceeds	\$206,708,504
Less: Cash Contribution to Foundation	1,750,000
Less: Non-Cash Stock Purchases (1)	25,830,000
Net Proceeds Reinvested	\$179,128,504
Estimated net incremental rate of return	1.41%
Reinvestment Income	\$2,525,712
Less: Shares Tax	0
Less: Estimated cost of ESOP borrowings (2)	0
Less: Amortization of ESOP borrowings (3)	344,400
Less: Amortization of Options (4)	1,290,209
Less: Recognition Plan Vesting (5)	1,033,200
Net Earnings Impact	(\$142,097)

	<u>Before Conversion</u>	<u>Net Cash Proceeds</u>	<u>Net Earnings Increase</u>	<u>After Conversion</u>
4. Pro Forma Earnings				
12 Months ended December 31, 2013 (reported)	\$2,663,000		(\$142,097)	\$2,520,903
12 Months ended December 31, 2013 (core)	(\$639,000)		(\$142,097)	(\$781,097)
5. Pro Forma Net Worth	<u>Before Conversion</u>	<u>Net Cash Proceeds</u>	<u>Tax Benefit Of Contribution</u>	<u>After Conversion</u>
December 31, 2013	\$152,810,000	\$179,128,504	\$2,800,000	\$334,738,504
December 31, 20113(Tangible)	\$137,893,000	\$179,128,504	\$2,800,000	\$319,821,504
6. Pro Forma Assets	<u>Before Conversion</u>	<u>Net Cash Proceeds</u>	<u>Tax Benefit Of Contribution</u>	<u>After Conversion</u>
December 31, 2013	\$1,437,754,000	\$179,128,504	\$2,800,000	\$1,619,682,504

- (1) Includes ESOP and RRP stock purchases equal to 8.0 and 4.0 percent of total shares issued, respectively.
(2) ESOP stock purchases are internally financed by a loan from the holding company.
(3) ESOP borrowings are amortized over 30 years, amortization expense is tax-effected at a 40.0 percent rate.
(4) Option valuation based on Black-Scholes model, 5 year vesting, and assumes 25 percent is taxable.
(5) RRP is amortized over 5 years, and amortization expense is tax effected at 40.0 percent.

Exhibit IV-8
PRO FORMA EFFECT OF CONVERSION PROCEEDS
Blue Hills Bancorp, Inc.
At the Maximum Value

1. Pro Forma Market Capitalization		\$247,537,500
Less: Foundation Shares		<u>6,037,500</u>
2. Offering Proceeds		\$241,500,000
Less: Estimated Offering Expenses		<u>3,536,969</u>
Net Conversion Proceeds		\$237,963,031
3. Estimated Additional Income from Conversion Proceeds		
Net Conversion Proceeds		\$237,963,031
Less: Cash Contribution to Foundation		962,500
Less: Non-Cash Stock Purchases (1)		<u>29,704,500</u>
Net Proceeds Reinvested		\$207,296,031
Estimated net incremental rate of return		<u>1.41%</u>
Reinvestment Income		\$2,922,874
Less: Shares Tax		0
Less: Estimated cost of ESOP borrowings (2)		0
Less: Amortization of ESOP borrowings (3)		396,060
Less: Amortization of Options (4)		1,483,740
Less: Recognition Plan Vesting (5)		<u>1,188,180</u>
Net Earnings Impact		(\$145,106)

	<u>Before Conversion</u>	<u>Net Cash Proceeds</u>	<u>Net Earnings Increase</u>	<u>After Conversion</u>
4. Pro Forma Earnings				
12 Months ended December 31, 2013 (reported)	\$2,663,000		(\$145,106)	\$2,517,894
12 Months ended December 31, 2013 (core)	(\$639,000)		(\$145,106)	(\$784,106)
5. Pro Forma Net Worth	<u>Before Conversion</u>	<u>Net Cash Proceeds</u>	<u>Tax Benefit Of Contribution</u>	<u>After Conversion</u>
December 31, 2013	\$152,810,000	\$207,296,031	\$2,800,000	\$362,906,031
December 31, 20113(Tangible)	\$137,893,000	\$207,296,031	\$2,800,000	\$347,989,031
6. Pro Forma Assets	<u>Before Conversion</u>	<u>Net Cash Proceeds</u>	<u>Tax Benefit Of Contribution</u>	<u>After Conversion</u>
December 31, 2013	\$1,437,754,000	\$207,296,031	\$2,800,000	\$1,647,850,031

- (1) Includes ESOP and RRP stock purchases equal to 8.0 and 4.0 percent of total shares issued, respectively.
(2) ESOP stock purchases are internally financed by a loan from the holding company.
(3) ESOP borrowings are amortized over 30 years, amortization expense is tax-effected at a 40.0 percent rate.
(4) Option valuation based on Black-Scholes model, 5 year vesting, and assumes 25 percent is taxable.
(5) RRP is amortized over 5 years, and amortization expense is tax effected at 40.0 percent.

Exhibit IV-8
PRO FORMA EFFECT OF CONVERSION PROCEEDS
Blue Hills Bancorp, Inc.
At the Super Maximum Value

1. Pro Forma Market Capitalization		\$284,668,130
Less: Foundation Shares		6,943,130
2. Offering Proceeds		\$277,725,000
Less: Estimated Offering Expenses		3,819,263
Net Conversion Proceeds		\$273,905,737
3. Estimated Additional Income from Conversion Proceeds		
Net Conversion Proceeds		\$273,905,737
Less: Cash Contribution to Foundation		56,870
Less: Non-Cash Stock Purchases (1)		34,160,176
Net Proceeds Reinvested		\$239,688,691
Estimated net incremental rate of return		1.41%
Reinvestment Income		\$3,379,611
Less: Shares Tax		0
Less: Estimated cost of ESOP borrowings (2)		0
Less: Amortization of ESOP borrowings (3)		455,469
Less: Amortization of Options (4)		1,706,301
Less: Recognition Plan Vesting (5)		1,366,407
Net Earnings Impact		(\$148,566)

	<u>Before Conversion</u>	<u>Net Cash Proceeds</u>	<u>Net Earnings Increase</u>	<u>After Conversion</u>
4. Pro Forma Earnings				
12 Months ended December 31, 2013 (reported)	\$2,663,000		(\$148,566)	\$2,514,434
12 Months ended December 31, 2013 (core)	(\$639,000)		(\$148,566)	(\$787,566)
5. Pro Forma Net Worth	<u>Before Conversion</u>	<u>Net Cash Proceeds</u>	<u>Tax Benefit Of Contribution</u>	<u>After Conversion</u>
December 31, 2013	\$152,810,000	\$239,688,691	\$2,800,000	\$395,298,691
December 31, 2011(Tangible)	\$137,893,000	\$239,688,691	\$2,800,000	\$380,381,691
6. Pro Forma Assets	<u>Before Conversion</u>	<u>Net Cash Proceeds</u>	<u>Tax Benefit Of Contribution</u>	<u>After Conversion</u>
December 31, 2013	\$1,437,754,000	\$239,688,691	\$2,800,000	\$1,680,242,691

(1) Includes ESOP and RRP stock purchases equal to 8.0 and 4.0 percent of total shares issued, respectively.

(2) ESOP stock purchases are internally financed by a loan from the holding company.

(3) ESOP borrowings are amortized over 30 years, amortization expense is tax-effected at a 40.0 percent rate.

(4) Option valuation based on Black-Scholes model, 5 year vesting, and assumes 25 percent is taxable.

(5) RRP is amortized over 5 years, and amortization expense is tax effected at 40.0 percent.

EXHIBIT V-1

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

FIRM QUALIFICATION STATEMENT

RP* Financial, L.C. ("RP Financial") provides financial and management consulting, merger advisory and valuation services to the financial services companies, including banks, thrifts, credit unions, insurance companies, mortgage companies and others. We offer a broad array of services, high quality and prompt service, hands-on involvement by our senior staff, careful structuring of strategic initiatives and sophisticated valuation and other analyses consistent with industry practices and regulatory requirements. Our staff has extensive consulting, valuation, financial advisory and industry backgrounds.

STRATEGIC PLANNING SERVICES

RP Financial's strategic planning services, for established or de novo banking companies, provide effective feasible plans with quantifiable results to enhance shareholder value, achieve regulatory approval or realize other objectives. We conduct situation analyses; establish mission/vision statements, develop strategic goals and objectives; and identify strategies to enhance value, address capital, increase earnings, manage risk and tackle operational or organizational matters. Our proprietary financial simulation models facilitate the evaluation of the feasibility, impact and merit of alternative financial strategies.

MERGER ADVISORY SERVICES

RP Financial's merger advisory services include targeting buyers and sellers, assessing acquisition merit, conducting due diligence, negotiating and structuring deal terms, preparing merger business plans and financial simulations, rendering fairness opinions, preparing fair valuation analyses and supporting post-merger strategies. RP Financial is also expert in de novo charters, shelf charters and failed bank deals with loss sharing or other assistance. Through financial simulations, valuation proficiency and regulatory familiarity, RP Financial's merger advisory services center on enhancing shareholder returns.

VALUATION SERVICES

RP Financial's extensive valuation practice includes mergers, thrift stock conversions, insurance company demutualizations, merger valuation and goodwill impairment, ESOPs, going private, secondary offerings and other purposes. We are highly experienced in performing appraisals conforming with regulatory guidelines and appraisal standards. RP Financial is the nation's leading valuation firm for thrift stock conversions, with offerings ranging up to \$4 billion.

MANAGEMENT STUDIES

RP Financial provides effective organizational planning, and we are often engaged to prepare independent management studies required for regulatory enforcement actions. We evaluate Board, management and staffing needs, assess existing talent and capabilities and make strategic recommendations for new positions, replacement, succession and other organizational matters.

ENTERPRISE RISK ASSESSMENT SERVICES

RP Financial provides effective enterprise risk assessment consulting services to assist our clients in evaluating the degree to which they have properly identified, understood, measured, monitored and controlled enterprise risk as part of a deliberate risk/reward strategy and to help them implement strategies to mitigate risk, enhance performance, ensure effective reporting and compliance with laws and regulations and avoid potential future damage to their reputation and associated consequences and to mitigate residual risk and unanticipated losses.

OTHER CONSULTING SERVICES

RP Financial provides other consulting services including evaluating regulatory changes, development diversification and branching strategies, conducting feasibility studies and other research, and preparing management studies in response to regulatory enforcement actions. We assist clients with CRA plans and revising policies and procedures. Our other consulting services are aided by proprietary valuation and financial simulation models.

KEY PERSONNEL (Years of Relevant Experience & Contact Information)

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