

MEMORANDUM

To: Doug Faucette
From: William E. Pommerening
Date: January 4, 2012
Re: Estimated Solicitation Fees v. Estimated Waived Dividends

Per your request, we have extracted information regarding dividend payments by mutual holding company institutions (MHCs), calculated the estimated amount of dividends that a MHC could potentially waive in a quarter, and calculated an estimated cost of soliciting depositor/members for approval to waive dividends

Institution Data. Columns (1) through (8) on the attached table reflect institution-specific data for the public MHCs for which information is disclosed.

MHC Dividends. Shown in column (9), this amount reflects the quarterly dividend to which the MHC is entitled, equal to the product of shares held by the MHC (6) and the most recent quarterly dividend (8). This is the amount of dividends that the MHC would be seeking to waive.

Solicitation Costs. Shown in the two columns under heading (10), the "factor" represents the estimated cost to solicit deposits as a percent of deposits as calculated by Phoenix Advisory Group. The "amount" figure represents the cost factor applied to the MHC's total deposits (4). The solicitation cost figure omits legal and accounting expenses, which would increase the costs above those shown. The cost factors reflect the four hypothetical institutions for which Phoenix Advisory Group estimated solicitation costs.

Hypoth	<u>Inst.</u>	<u>Deposits</u>	<u>Cost</u>	<u>Cost factor</u>	<u>Applied to MHC with deposits in the range of...</u>
#1		\$250 MM	\$72 K	0.0288%	Up to \$499 MM
#2		\$500 MM	\$111 K	0.0222%	\$500 MM - \$999 MM
#3		\$1 B	\$172 K	0.0172%	\$1B - \$1.99 B
#4		\$2 B	\$223 K	0.0111%	\$2B and above

Conclusion. For dividend paying MHCs, the estimated costs of soliciting depositor/members for approval can be significant. For example, because of its high MHC ownership percentage, KRNY (Kearny Financial Corp – line 24) would be faced with the choice of either incurring an estimated \$238K of solicitation costs (plus attorney and accounting costs) or not waiving a dividend of \$2.5 million. For several institutions, the estimated cost of solicitation is excessive relative to the amount of potential waived dividends.

Washington Headquarters

Three Ballston Plaza
1100 North Glebe Road, Suite 600
Arlington, VA 22201
E-Mail: wpommerening@rpfinancial.com

Direct: (703) 647-6546
Telephone: (703) 528-1700
Fax No.: (703) 528-1788
Toll-Free No.: (866) 723-0594

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	
Ticker	Institution Name	Assets	Deposits	Total Shares	MHC Shares	Public Percent	Most Recent Qly Dividend	MHC Dividends 1 Quarter	Solicitation Costs (1) Amount	Factor (% of Deposits)
1	AJSB AJS Bancorp, Inc. (MHC)	241,839	181,740	2,022,833	1,227,544	39.3%	0.1100 \$	135,030 \$	52,341	0.0288%
2	ALMG Alamogordo Financial Corp. (MHC)	182,119	137,406	1,318,533	918,000	30.4%	0.3000 \$	275,400 \$	39,573	0.0288%
3	ABBB Auburn Bancorp, Inc. (MHC)	78,537	53,481	503,284	276,806	45.0%	0.0000 \$	- \$	15,403	0.0288%
4	BFFI Ben Franklin Financial, Inc. (MHC)	106,683	95,609	1,949,043	1,091,062	44.0%	0.0000 \$	- \$	27,535	0.0288%
5	BNCL Beneficial Mutual Bancorp, Inc. (MHC)	4,632,608	3,601,697	80,399,507	45,792,775	43.0%	0.0000 \$	- \$	399,788	0.0111%
6	BFSB Brooklyn Federal Bancorp, Inc. (MHC)	459,149	400,902	12,871,385	9,257,500	28.1%	0.0000 \$	- \$	115,460	0.0288%
7	BVFL BV Financial, Inc. (MHC)	143,409	125,654	2,407,631	1,454,750	39.6%	0.0000 \$	- \$	36,188	0.0288%
8	CHFN Charter Financial Corporation (MHC)	1,171,710	911,094	18,603,889	11,457,924	38.4%	0.0500 \$	572,896 \$	202,263	0.0222%
9	CHEV Cheviot Financial Corp. (MHC)	600,516	480,390	8,864,908	5,455,313	38.5%	0.1200 \$	654,638 \$	138,352	0.0288%
10	CSBK Clifton Savings Bancorp, Inc. (MHC)	1,123,674	839,414	26,138,138	16,791,758	35.8%	0.0000 \$	- \$	186,350	0.0222%
11	CULL Cullman Bancorp, Inc. (MHC)	233,562	143,619	2,561,996	1,382,012	46.1%	0.0800 \$	110,561 \$	41,362	0.0288%
12	DLNO Delanco Bancorp, Inc. (MHC)	136,878	120,850	1,634,725	899,099	45.0%	0.0000 \$	- \$	34,805	0.0288%
13	EQFC Equitable Financial Corp. (MHC)	166,774	125,158	3,183,004	1,813,630	43.0%	0.0000 \$	- \$	36,046	0.0288%
14	FSGB First Federal of South Carolina, FSB (MHC)	109,238	99,012	1,012,755	853,964	15.7%	0.0000 \$	- \$	28,515	0.0288%
15	FLTB Flatbush Federal Bancorp, Inc. (MHC)	144,102	114,009	2,736,907	1,484,208	45.8%	0.0000 \$	- \$	32,835	0.0288%
16	FSBC FSB Community Bankshares, Inc. (MHC)	212,563	164,478	1,785,000	946,050	47.0%	0.0000 \$	- \$	47,370	0.0288%
17	GTWN Georgetown Bancorp, Inc. (MHC)	195,590	147,999	2,643,903	1,527,487	42.2%	0.0000 \$	- \$	42,624	0.0288%
18	GOVB Gouverneur Bancorp, Inc. (MHC)	149,800	91,600	2,240,464	1,311,222	41.5%	0.1700 \$	222,908 \$	26,381	0.0288%
19	GCBG Greene County Bancorp, Inc. (MHC)	556,385	491,994	4,145,828	2,304,632	44.4%	0.1750 \$	403,311 \$	141,694	0.0288%
20	GVFF Greenville Federal Financial Corporation (MHC)	132,352	103,508	2,096,196	1,264,126	39.7%	0.0700 \$	88,489 \$	29,810	0.0288%
21	GFCJ Guaranty Financial Corp. (MHC)	1,205,322	1,101,228	1,867,431	982,961	47.4%	0.0000 \$	- \$	189,411	0.0172%
22	HTWC Hometown Bancorp, Inc. (MHC)	169,740	145,022	2,326,939	1,309,275	43.7%	0.0200 \$	26,186 \$	41,766	0.0288%
23	ISBC Investors Bancorp, Inc. (MHC)	10,511,363	7,213,512	111,474,526	64,844,373	41.8%	0.0000 \$	- \$	800,700	0.0111%
24	KRNY Kearny Financial Corp. (MHC)	2,910,037	2,148,606	67,560,871	50,916,250	24.6%	0.0500 \$	2,545,813 \$	238,495	0.0111%
25	KFFB Kentucky First Federal Bancorp (MHC)	227,545	140,759	7,784,689	4,727,938	39.3%	0.1000 \$	472,794 \$	40,539	0.0288%
26	LSBK Lake Shore Bancorp, Inc. (MHC)	493,836	383,783	5,939,132	3,636,875	38.8%	0.0700 \$	254,581 \$	110,530	0.0288%
27	LPSB LaPorte Bancorp, Inc. (MHC)	485,456	335,513	4,572,233	2,522,013	44.8%	0.0000 \$	- \$	96,628	0.0288%
28	LSFG LifeStore Financial Group (MHC)	287,468	214,006	1,019,091	538,221	47.2%	0.0000 \$	- \$	61,634	0.0288%
29	LPBC Lincoln Park Bancorp (MHC)	181,200	97,500	1,803,245	999,810	44.6%	0.0000 \$	- \$	28,080	0.0288%
30	MGYR Magyar Bancorp, Inc. (MHC)	524,037	424,943	5,801,631	3,200,450	44.8%	0.0000 \$	- \$	122,384	0.0288%
31	MLVF Malvern Federal Bancorp, Inc. (MHC)	666,568	554,455	6,102,500	3,383,875	44.5%	0.0000 \$	- \$	123,089	0.0222%
32	EBSB Meridian Interstate Bancorp, Inc. (MHC)	1,944,631	1,566,173	22,128,686	13,164,109	40.5%	0.0000 \$	- \$	269,382	0.0172%
33	MSVB Mid-Southern Savings Bank, FSB (MHC)	214,533	192,891	1,467,560	1,040,750	29.1%	0.1313 \$	136,598 \$	55,553	0.0288%
34	MSBF MSB Financial Corp. (MHC)	354,072	287,730	5,164,804	3,091,344	40.1%	0.0300 \$	92,740 \$	82,866	0.0288%
35	MFDB Mutual Federal Bancorp, Inc. (MHC)	84,801	70,003	3,334,273	2,545,813	23.6%	0.0000 \$	- \$	20,161	0.0288%
36	NECB Northeast Community Bancorp, Inc. (MHC)	463,610	329,278	12,644,752	7,273,750	42.5%	0.0300 \$	218,213 \$	94,832	0.0288%
37	NFBK Northfield Bancorp, Inc. (MHC)	2,331,113	1,454,827	41,220,491	24,641,684	40.2%	0.0600 \$	1,478,501 \$	250,230	0.0172%
38	OFED Oconee Federal Financial Corp. (MHC)	375,114	291,771	6,348,000	4,127,470	35.0%	0.0000 \$	- \$	84,030	0.0288%
39	OTTW Ottawa Savings Bancorp, Inc. (MHC)	183,031	160,352	2,119,673	1,223,701	42.3%	0.0000 \$	- \$	46,181	0.0288%
40	PBHC Pathfinder Bancorp, Inc. (MHC)	420,446	343,054	2,617,682	1,583,239	39.5%	0.0300 \$	47,497 \$	98,800	0.0288%
41	PBCP Polonia Bancorp (MHC)	279,525	217,035	3,157,096	1,818,437	42.4%	0.0000 \$	- \$	62,506	0.0288%
42	PBIP Prudential Bancorp, Inc. of Pennsylvania (MHC)	499,537	436,014	10,023,495	7,478,062	25.4%	0.0000 \$	- \$	125,572	0.0288%
43	PSBH PSB Holdings, Inc. (MHC)	470,141	331,248	6,528,863	3,729,846	42.9%	0.0000 \$	- \$	95,399	0.0288%
44	ROMA Roma Financial Corporation (MHC)	1,926,513	1,599,253	30,320,927	22,584,995	25.5%	0.0800 \$	1,806,800 \$	275,072	0.0172%
45	SCAY Seneca-Cayuga Bancorp, Inc. (MHC)	244,639	186,954	2,325,300	1,309,275	43.7%	0.0000 \$	- \$	53,843	0.0288%
46	SFBI SFSB, Inc. (MHC)	193,236	147,126	NA	1,636,594	NM	0.0000 \$	- \$	42,372	0.0288%
47	SNFL Sound Financial, Inc. (MHC)	339,623	299,846	2,954,295	1,621,435	45.1%	0.0000 \$	- \$	86,356	0.0288%
48	SUGR Sugar Creek Financial Corp. (MHC)	93,711	72,559	899,009	498,784	44.5%	0.0000 \$	- \$	20,897	0.0288%
49	TFSL TFS Financial Corporation (MHC)	10,892,948	8,715,910	308,915,893	227,119,132	26.5%	0.0000 \$	- \$	967,466	0.0111%
50	UCBA United Community Bancorp (MHC)	475,698	415,344	7,840,382	4,655,200	40.6%	0.1100 \$	512,072 \$	119,619	0.0288%
51	WAKE Wake Forest Bancshares, Inc. (MHC)	116,509	94,382	1,155,210	635,000	45.0%	0.0500 \$	31,750 \$	27,182	0.0288%
52	WSBF Waterstone Financial, Inc. (MHC)	1,742,268	1,074,600	31,250,097	23,050,183	26.2%	0.0000 \$	- \$	184,831	0.0172%
53	WAWL Wawel Bank (MHC)	97,093	77,309	2,144,701	1,304,153	39.2%	0.0000 \$	- \$	22,265	0.0288%
54	WCFB Webster City Federal Bancorp (MHC)	93,682	73,840	3,071,330	2,300,000	25.1%	0.1000 \$	230,000 \$	21,266	0.0288%
55	WMPN William Penn Bancorp, Inc. (MHC)	320,758	182,422	3,641,018	2,548,713	30.0%	0.1500 \$	382,307 \$	52,538	0.0288%

(1) Based on factors indicated by Phoenix study. Does not reflect legal and accounting costs.