

PRUDENTIAL BANCORP INC OF PENNSYLVANIA  
Form 10-Q  
May 15, 2008

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UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION

Washington, DC 20549

FORM 10-Q

(Mark One)

- QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934  
For the quarterly period ended March 31, 2008
- OR
- TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934  
For the transition period from \_\_\_\_\_ to \_\_\_\_\_  
Commission file number: 000-51214

Prudential Bancorp, Inc. of Pennsylvania  
(Exact Name of Registrant as Specified in Its Charter)

Pennsylvania  
(State or Other Jurisdiction of Incorporation or Organization)

1834 Oregon Avenue  
Philadelphia, Pennsylvania  
(Address of Principal Executive Offices)

68-0593604  
(I.R.S. Employer Identification No.)

19145  
(Zip Code)

(215) 755-1500  
(Registrant's Telephone Number, Including Area Code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definition of "large accelerated filer", "accelerated filer", and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated  Accelerated filer  Non-accelerated filer  Smaller reporting company

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filer

Non-accelerated  (Do not check is smaller reporting Smaller reporting   
filer company) company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).  
Yes  No

Indicate the number of shares outstanding of each of the issuer's classes of common stock as of the latest practical date: as of May 9, 2008, 11,085,076 shares were issued and outstanding

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PRUDENTIAL BANCORP, INC. OF PENNSYLVANIA AND SUBSIDIARIES

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## PRUDENTIAL BANCORP, INC. OF PENNSYLVANIA AND SUBSIDIARIES

## UNAUDITED CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION

	March 31 2008	September 30, 2007
	(Dollars in thousands)	
<b>ASSETS</b>		
Cash and amounts due from depository institutions	\$ 5,328	\$ 4,133
Interest-bearing deposits	14,055	8,136
Total cash and cash equivalents	19,383	12,269
Investment securities held to maturity (estimated fair value—March 31, 2008, \$121,763; September 30, 2007, \$133,693)	120,827	134,782
Investment securities available for sale (amortized cost—March 31, 2008, \$36,516; September 30, 2007, \$38,007)	37,139	38,343
Mortgage-backed securities held to maturity (estimated fair value—March 31, 2008, \$43,393; September 30, 2007, \$44,213)	42,936	45,534
Mortgage-backed securities available for sale (amortized cost—March 31, 2008, \$15,600; September 30, 2007, \$8,492)	15,931	8,549
Loans receivable—net of allowance for loan losses (March 31, 2008, \$658; September 30, 2007, \$1,011)	223,785	219,149
Accrued interest receivable:		
Loans receivable	1,241	1,264
Mortgage-backed securities	253	234
Investment securities	1,591	2,006
Real Estate Owned	1,598	-
Federal Home Loan Bank stock—at cost	2,063	2,397
Office properties and equipment—net	2,244	2,363
Prepaid expenses and other assets	9,053	7,274
Deferred tax asset-net	193	28
<b>TOTAL ASSETS</b>	<b>\$ 478,237</b>	<b>\$ 474,192</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
<b>LIABILITIES:</b>		
<b>Deposits:</b>		
Noninterest-bearing	\$ 4,735	\$ 4,480
Interest-bearing	369,664	349,558
Total deposits	374,399	354,038
Advances from Federal Home Loan Bank	22,722	33,743
Accrued interest payable	1,791	2,868
Advances from borrowers for taxes and insurance	1,249	1,117
Accounts payable and accrued expenses	2,141	913
Accrued dividend payable	509	552
Total liabilities	402,811	393,231

## COMMITMENTS AND CONTINGENCIES (Note 8)

STOCKHOLDERS' EQUITY:

Preferred stock, \$.01 par value, 10,000,000 shares authorized, none issued	-	-
Common stock, \$.01 par value, 40,000,000 shares authorized, issued 12,563,750; outstanding - 11,087,766 at March 31, 2008; 11,478,366 at September 30, 2007	126	126
Additional paid-in capital	54,911	54,880
Unearned ESOP shares	(3,792)	(3,903)
Treasury stock, at cost: 1,475,984 shares at March 31, 2008; 1,085,384 shares at September 30, 2007	(19,265)	(14,372)
Retained earnings	42,817	43,971
Accumulated other comprehensive income	629	259
Total stockholders' equity	75,426	80,961
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 478,237	\$ 474,192

See notes to unaudited consolidated financial statements.

## PRUDENTIAL BANCORP, INC. OF PENNSYLVANIA AND SUBSIDIARIES

## UNAUDITED CONSOLIDATED STATEMENTS OF INCOME

	Three Months Ended March 31, 2008		Six Months Ended March 31, 2008	
	2007	2007	2007	2007
	(Dollars in Thousands Except Per Share Amounts)		(Dollars in Thousands Except Per Share Amounts)	
<b>INTEREST INCOME:</b>				
Interest on loans	\$ 3,589	\$ 3,786	\$ 7,224	\$ 7,611
Interest on mortgage-backed securities	757	702	1,480	1,413
Interest and dividends on investments	2,219	2,204	4,522	4,351
Total interest income	6,565	6,692	13,226	13,375
<b>INTEREST EXPENSE:</b>				
Interest on deposits	3,478	3,250	6,973	6,453
Interest on borrowings	289	324	689	715
Total interest expense	3,767	3,574	7,662	7,168
NET INTEREST INCOME	2,798	3,118	5,564	6,207
PROVISION FOR LOAN LOSSES	75	15	150	75
NET INTEREST INCOME AFTER PROVISION FOR LOAN LOSSES	2,723	3,103	5,414	6,132
<b>NON-INTEREST INCOME:</b>				
Fees and other service charges	133	153	275	298
Impairment charge on investment securities	(1,492)	-	(1,492)	-
Other	80	68	160	233
Total non-interest income (charges)	(1,279)	221	(1,057)	531
<b>NON-INTEREST EXPENSE:</b>				
Salaries and employee benefits	1,158	1,147	2,311	2,263
Data processing	129	134	253	253
Professional services	472	215	557	443
Office occupancy	99	94	185	182
Depreciation	83	56	166	118
Payroll taxes	79	81	146	148
Director compensation	65	67	129	138
Other	424			