

PRUDENTIAL BANCORP, INC.

Form S-1

June 14, 2013

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As filed with the Securities and Exchange Commission on June 14, 2013

Registration No. 333-_____

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

FORM S-1
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

Prudential Bancorp, Inc.
and Prudential Savings Bank
Employees' Savings and Profit Sharing Plan
(Exact name of registrant as specified in its articles of incorporation)

Pennsylvania

6036

46-2935427

(State or other jurisdiction of
incorporation or organization)

(Primary Standard
Industrial Classification Code
Number)

(I.R.S. Employer
Identification No.)

1834 West Oregon Avenue
Philadelphia, Pennsylvania 19145
(215) 755-1500

(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

Thomas A. Vento
Chairman, President and Chief Executive Officer

Prudential Bancorp, Inc.
1834 West Oregon Avenue
Philadelphia, Pennsylvania 19145
(215) 755-1500

(Name, address, including zip code, and telephone number, including area code, of agent for service)

Copies to:

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734 15th Street, N.W., 11th Floor
Washington, D.C. 20005
202-347-0300

Approximate date of commencement of proposed sale to the public: As soon as practicable after this Registration Statement becomes effective.

If any of the securities being registered on this form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, check the following box.

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same

offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier registration statement for the same offering.

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 “accelerated filer,” “large accelerated filer” and “smaller reporting company” in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer		Accelerated filer
Non-accelerated filer	(Do not check if a smaller reporting company)	Smaller reporting company

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Amount to be Registered	Proposed Maximum Offering Price Per Unit	Proposed Maximum Aggregate Offering Price	Amount of Registration Fee
Common Stock, \$.01 par value per share	9,027,500 shares(1)	\$ 10.00	\$90,275,000 (2)	\$ 12,314
Participation interests	415,661 interests(2)			— (2)

(1)

- Estimated solely for the purpose of calculating the registration fee pursuant to Regulation 457(o) under the Securities Act.

(2)

- The securities of Prudential Bancorp, Inc. to be purchased by the Prudential Savings Bank Employees’ Savings and Profit Sharing Plan are included in the common stock being registered. Pursuant to Rule 457(h)(2) of the Securities Act of 1933, as amended, no separate fee is required for the participation interests.

The Registrant hereby amends this Registration Statement on such date as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that the Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the Registration Statement shall become effective on such date as the Commission acting pursuant to said Section 8(a) may determine.

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SUBSCRIPTION AND COMMUNITY
OFFERING PROSPECTUS

(Proposed Holding Company for Prudential Savings Bank)

Up to 6,756,210 Shares of Common Stock

Prudential Bancorp, Inc., a newly formed Pennsylvania corporation (which we refer to as “Prudential Bancorp–New”), is offering up to 6,756,210 shares of its common stock to the public in connection with the “second step” conversion of Prudential Mutual Holding Company from the mutual to the stock form of organization. All shares of common stock being offered for sale will be sold at a price of \$10.00 per share. The shares being offered represent Prudential Mutual Holding Company’s current 74.8% ownership interest, after adjustment for the assets of Prudential Mutual Holding Company, in the existing mid-tier holding company for Prudential Savings Bank, a Pennsylvania-chartered corporation known as Prudential Bancorp, Inc., of Pennsylvania (which we refer to as “existing Prudential Bancorp”). The remaining 25.2% ownership interest, after adjustment for the assets of Prudential Mutual Holding Company, in existing Prudential Bancorp is now owned by public shareholders and will be exchanged for shares of common stock of Prudential Bancorp–New. The common stock of existing Prudential Bancorp is currently listed on the Nasdaq Global Market under the symbol “PBIP.” After the completion of the conversion and offering, the common stock of Prudential Bancorp–New will be listed on the Nasdaq Global Market under the symbol “PBIP.”

The minimum order is 25 shares. The offering will end at 4:00 p.m., Eastern Time, on _____, 2013. We may extend the offering without notice to you until _____, 2013. The offering may be extended, further, subject to the receipt of any necessary approvals or non-objections from the Board of Governors of the Federal Reserve System. No single extension may exceed 90 days, and the offering must be completed by _____, 2015. Once submitted, orders are irrevocable unless the offering is terminated or is extended beyond _____, 2013, or the number of shares of common stock to be sold is increased to more than 6,756,210 shares or decreased to less than 4,993,786 shares. If we extend the offering beyond 2013, all subscribers will be notified and given the opportunity to confirm, change or cancel their orders. If you do not respond to this notice, we will promptly return your funds, with interest calculated at Prudential Savings Bank’s passbook savings rate or cancel your deposit account withdrawal authorization. If we intend to sell fewer than 4,993,786 shares or more than 6,756,210 shares, we will promptly return all funds, with interest, and set a new offering range. All subscribers will be notified and given the opportunity to place a new order. Funds received prior to the completion of the offering will be held in a segregated account at Prudential Savings Bank and will earn interest calculated at Prudential Savings Bank’s passbook savings rate, which is currently ___% per annum.

The shares of common stock are first being offered in a subscription offering to eligible depositors and the tax-qualified employee stock ownership plan of Prudential Savings Bank as described in this prospectus. Eligible depositors and the employee stock ownership plan have priority rights to buy all of the shares offered. Shares not purchased in the subscription offering will simultaneously be offered for sale to the general public in a community offering, with a preference given to residents of Delaware County and Philadelphia County, Pennsylvania, and shareholders of existing Prudential Bancorp. We also may offer for sale shares of common stock not purchased in the subscription offering or community offering in a separate public offering through a syndicate of selected broker-dealers, with Sandler O’Neill & Partners, L.P. serving as a sole book-running manager, referred to in this prospectus as the syndicated community offering, or in our discretion after consultation with Sandler O’Neill & Partners, L.P., in a separate firm commitment underwritten offering. Sandler O’Neill & Partners, L.P. is not obligated to purchase any shares of common stock that are being offered for sale in the subscription offering, community offering or any syndicated community offering. We must sell a minimum of 4,993,786 shares in the offering in order to complete the offering and the conversion.

In addition to the shares we are selling in the offering, the remaining interest in existing Prudential Bancorp currently

held by the public will be exchanged for shares of common stock of Prudential Bancorp–New based on an exchange ratio that will result in existing public shareholders of existing Prudential Bancorp owning approximately the same percentage of Prudential Bancorp–New common stock as they owned in existing Prudential Bancorp immediately before the completion of the conversion. We will issue between 0.6595 and 0.8923 shares of common stock in the exchange for each share of existing Prudential Bancorp common stock.

Sandler O’Neill & Partners, L.P. will assist us in selling the shares on a best efforts basis in the subscription and community offerings. Sandler O’Neill & Partners, L.P. is not required to purchase any shares of common stock that are sold in the subscription or community offerings.

This investment involves a degree of risk, including the possible loss of principal.

Please read “Risk Factors” beginning on page ___.

OFFERING SUMMARY

Price Per Share: \$10.00

	Minimum	Midpoint	Maximum
Number of shares	4,993,786	5,874,998	6,756,210
Gross offering proceeds	\$49,937,860	\$58,749,980	\$67,562,100
Estimated offering expenses, excluding selling agent fees(1)	\$1,150,000	\$1,150,000	\$1,150,000
Estimated selling agent fees(2)(3)	\$955,000	\$1,124,000	\$1,293,000
Estimated net proceeds	\$47,832,860	\$56,475,980	\$65,119,100
Estimated net proceeds per share	\$9.58	\$9.61	\$9.64

(1)

- Includes an aggregate of \$150,000 payable to Sandler O’Neill & Partners, L.P. for records management and expenses of the offering.

(2)

- Includes: selling commissions payable by us to Sandler O’Neill & Partners, L.P. in connection with the subscription and community offerings equal to 1.0% of the aggregate amount of common stock sold in the subscription offering (net of insider purchases and shares purchased by our employee stock ownership plan) and 3.0% of the aggregate amount of common stock sold in the community offering (net of insider purchases) or an aggregate of approximately \$1.3 million, at the maximum of the offering range, assuming that 50% of the offering is sold in the subscription offering and 50% of the offering is sold in the community offering. See “Pro Forma Data” on page __ and “The Conversion and the Offering — Plan of Distribution, Selling Agent and Underwriter Compensation” on page ___.

(3)

- In the event that a syndicated community offering or a firm commitment underwritten offering is conducted, Sandler O’Neill & Partners, L.P. will receive selling agent commissions (or discounts in the case of an underwritten public offering) equal to 5.5% of the aggregate amount of common stock sold in the syndicated community offering or underwritten public offering (net of insider purchases and any shares purchased by our employee stock ownership plan). If all shares of common stock are sold in the syndicated community offering or firm commitment underwritten offering, the maximum selling agent commissions (or discounts in the case of an underwritten public offering) and expenses would be \$2,946,582 at the minimum, \$3,431,248 at the midpoint, and \$3,915,916 at the maximum.

These securities are not deposits or savings accounts and are not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency.

Neither the Securities and Exchange Commission, the Board of Governors of the Federal Reserve System nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is

accurate or complete. Any representation to the contrary is a criminal offense.

The date of this prospectus is _____, 2013

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MAP OF OUR MARKET AREA

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SUMMARY

This summary highlights material information from this prospectus and may not contain all the information that is important to you. To understand the stock offering fully, you should read this entire prospectus carefully, including the consolidated financial statements and the notes to the consolidated financial statements of existing Prudential Bancorp and the section entitled “Risk Factors.”

Prudential Bancorp–New

Prudential Bancorp–New is a newly formed Pennsylvania corporation. Prudential Bancorp–New is conducting this offering in connection with the conversion of Prudential Mutual Holding Company from the mutual to the stock form of organization. The shares of common stock of Prudential Bancorp–New to be sold represent the 74.8% ownership interest, after adjustment for the assets of Prudential Mutual Holding Company, in existing Prudential Bancorp currently owned by Prudential Mutual Holding Company. The remaining 25.2% ownership interest, after adjustment for the assets of Prudential Mutual Holding Company, in existing Prudential Bancorp is currently owned by other shareholders (who are sometimes referred to as the “public shareholders”) and will be exchanged for shares of common stock of Prudential Bancorp–New based on an exchange ratio which will range from 0.6595 shares at the minimum of the offering range to 0.8923 shares at the maximum of the offering range. The actual exchange ratio will be determined at the closing of the offering and will depend on the number of shares of common stock sold in the stock offering. The executive offices of Prudential Bancorp–New are located at 1834 West Oregon Avenue, Philadelphia, Pennsylvania 19145, and its telephone number is (215) 755-1500.

Prudential Savings Bank

Prudential Savings Bank is a Pennsylvania-chartered stock savings bank operating out of its headquarters and main office in South Philadelphia, Pennsylvania and six other full-service banking offices in Philadelphia and Delaware Counties, Pennsylvania. Our business primarily consists of attracting deposits from the general public and using those funds to originate loans and invest in securities. Prudential Savings Bank is a community oriented savings bank with a history of operations in South Philadelphia dating back to 1886. Our primary market area is Philadelphia, in particular South Philadelphia and Center City, as well as Delaware County, Pennsylvania. We also conduct business in Bucks, Chester and Montgomery Counties, Pennsylvania which, along with Delaware County, comprise the Pennsylvania suburbs of Philadelphia. We also make loans in contiguous counties in southern New Jersey. At March 31, 2013, Prudential Savings Bank’s single-family residential mortgage loans amounted to \$242.0 million or 86.1% of its total loan in portfolio. Prudential Savings Bank is subject to regulation and examination by the Pennsylvania Department of Banking and Securities, which we refer to as the Pennsylvania Department of Banking and by the Federal Deposit Insurance Corporation. Prudential Savings Bank’s headquarters and main office is located at 1834 West Oregon Avenue, Philadelphia, Pennsylvania and its telephone number is (215) 755-1500.

Prudential Mutual Holding Company

Prudential Mutual Holding Company is a Pennsylvania-chartered mutual holding company which currently is the parent of existing Prudential Bancorp. As a mutual holding company, Prudential Mutual Holding Company does not have shareholders. The principal business purpose of Prudential Mutual Holding Company is owning a majority of the outstanding shares of common stock of existing Prudential Bancorp. Prudential Mutual Holding Company currently owns 7,478,062 shares of common stock of existing Prudential Bancorp, which is 74.6% of the shares outstanding. Prudential Mutual Holding Company will no longer exist upon completion of the conversion and offering, and the shares of existing Prudential Bancorp common stock that it holds will be canceled.

Existing Prudential Bancorp

Existing Prudential Bancorp is a Pennsylvania-chartered corporation and currently is the mid-tier stock holding company for Prudential Savings Bank. Existing Prudential Bancorp was formed by Prudential Savings Bank in connection with the bank’s reorganization into the mutual holding company form of organization in 2005. At March 31, 2013, an aggregate of 2,545,433 shares of common stock, or

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25.4% of the outstanding shares, of existing Prudential Bancorp were owned by the public shareholders. The common stock of existing Prudential Bancorp is registered under the Securities Exchange Act of 1934, as amended, and is publicly traded on the Nasdaq Global Market. At the conclusion of the offering and the conversion of Prudential Mutual Holding Company, existing Prudential Bancorp will no longer exist. The public shareholders of existing Prudential Bancorp will have their shares converted into shares of Prudential Bancorp–New common stock based on the exchange ratio, which will range from 0.6595 shares at the minimum of the offering range to 0.8923 shares at the maximum of the offering range. The shares of common stock being offered by Prudential Bancorp–New represent Prudential Mutual Holding Company’s current ownership interest in existing Prudential Bancorp after adjustment for the assets of Prudential Mutual Holding Company. As of March 31, 2013, existing Prudential Bancorp had \$479.1 million in total assets, \$416.1 million in total deposits and \$60.2 million in stockholders’ equity. The executive offices of existing Prudential Bancorp are located at 1834 West Oregon Avenue, Philadelphia, Pennsylvania 19145, its telephone number is (215) 755-1500, and its website is www.prudentialsavingsbank.com. Information on our website should not be treated as part of this prospectus.

Our Current and Proposed Organizational Structure

We have been organized in the mutual holding company form since March 2005 when we completed our reorganization into the current two-tier mutual holding company structure.

The following chart shows our current ownership structure which is commonly referred to as the “two-tier” mutual holding company structure:

Pursuant to the terms of our plan of conversion and reorganization, we are now converting from the partially public mutual holding company structure to the fully public stock holding company form of organization, in what is known as a “second step” conversion transaction. As part of the conversion, we are offering for sale the majority ownership interest in existing Prudential Bancorp that is currently owned by Prudential Mutual Holding Company. Upon completion of the conversion and offering, Prudential Mutual Holding Company and existing Prudential Bancorp will cease to exist, we will be fully owned by public shareholders and there will be no continuing interest in Prudential Savings Bank by a mutual holding company. Upon completion of the conversion, public shareholders of existing Prudential Bancorp will receive shares of common stock of Prudential Bancorp–New in exchange for their shares of existing Prudential Bancorp.

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Following the conversion and offering, we will be organized as a fully public holding company and our ownership structure will be as follows:

Our Business Strategy

Our mission is to operate as a profitable, independent community-oriented financial institution serving primarily retail customers and small businesses in our market area. We are focused on prudently increasing profitability and enhancing shareholder value. The following are key elements of our current business strategy:

- - **Improving Asset Quality.** We are continuing our efforts to improve asset quality. At March 31, 2013, our total non-performing assets amounted to \$7.4 million, or 1.6% of total assets, reflecting an \$8.6 million, or 53.5%, reduction compared to \$16.0 million of total non-performing assets at September 30, 2012 (when total non-performing assets amounted to 3.3% of total assets). During fiscal years ended September 30, 2012 and 2011, the relatively high levels of non-performing assets and other problem assets, primarily related to construction and land development projects, significantly impacted our results of operations as the high levels of provisions for loan losses and charge-offs and other expenses related to other real estate owned was a significant contributor to the reduced level of net income, in particular in fiscal 2011 in which we established \$4.6 million in provisions for loan losses. Given the decline in real estate values and the difficulties we were experiencing in our construction and land development and commercial real estate portfolios, we substantially reduced our origination of these types of loans beginning in the latter part of 2010 in fiscal 2011. In our efforts to reduce the levels of our non-performing and other problem assets in recent periods, we adopted and implemented a completely revised and enhanced loan policy. We also hired recently a credit officer with more than 25 years of experience in loan underwriting and credit analysis including underwriting and analyzing commercial real estate and commercial business credits and a loan compliance officer with more than 14 years of experience, including significant regulatory compliance capabilities.
- - **Growing and Diversifying Our Loan Portfolio.** As part of our efforts to improve earnings, we plan to expand, on a relatively modest basis, and subject to favorable market conditions, our origination of construction and land development loans as well as commercial real estate and commercial business loans within our market area. Such loans will be underwritten in accordance with our revised loan underwriting standards and our enhanced credit review and administration procedures. We believe that we can be a successful niche lender to small- and mid-sized commercial borrowers and developers in our market area. We also plan to modestly grow our loan portfolio while diversifying it. Such diversification may include becoming involved to a limited degree in Small Business Administration (“SBA”) lending and commercial lease lending. We believe that an

expansion of our involvement in construction and land development lending as

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well as commercial real estate and commercial business lending in a planned, deliberative fashion with the loan underwriting and administration changes that we have implemented in recent periods, together with modest loan growth, should increase our interest income and our returns in future periods.

-
- Improving our Funding Mix by Attracting Lower Cost Core Retail Deposits. Core deposits include all deposit account types except certificates of deposit. Core deposits are our least costly source of funds and improve our interest rate spread. We believe that core deposits represent our best opportunity to develop customer relationships that enable us to cross-sell our full complement of products and services. Core deposits also contribute non-interest income from account-related fees and services and are generally less sensitive to withdrawal when interest rates fluctuate. At March 31, 2013, core deposits represented 43.2% of our total deposits compared to 41.9% of total deposits at September 30, 2012 and 41.2% of total deposits at September 30, 2011. We are planning to continue our efforts to further increase core deposits. In addition, we will seek to develop commercial checking accounts as we increase commercial lending and we plan to enhance our cross-marketing as part of our efforts to gain additional deposit relationships with our loan customers.
-
- Continuing our Community-Oriented Focus. As a community-oriented financial institution, we emphasize providing exceptional customer service as a means to attract and retain customers. We deliver personalized service and respond with flexibility to customer needs. We believe that our community orientation is attractive to our customers and distinguishes us from the large banks that operate in our market area. Our management team has strong ties to, and deep roots in, the community. We believe that we know our customers' banking needs and can respond quickly to address them.

Reasons for the Conversion and Offering

We are pursuing the conversion and offering for the following reasons:

-
- Conversion to the fully public form of ownership will remove the uncertainties associated with the mutual holding company structure. We believe that the conversion and offering will result in a more familiar and flexible form of corporate organization and will better position us to continue to meet all current and future regulatory requirements, including regulatory capital requirements which may be imposed on bank holding companies such as Prudential Bancorp–New, and, in light of the portion of the net proceeds of the offering to be retained by the new stock-form holding company, will facilitate the ability of Prudential Bancorp–New to serve as a source of strength for Prudential Savings Bank.
-
- The number of our outstanding shares after the conversion and offering will be greater than the number of shares currently held by public shareholders, so we expect our stock to have greater liquidity.
-
- The additional funds resulting from the offering will increase our capital (although Prudential Savings Bank is deemed to be “well-capitalized”) and support continued growth, as well as provide increased lending capability.

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Use of Proceeds from the Sale of Our Common Stock

We expect to use the proceeds from the offering as follows:

Use of Proceeds	Amount, at the minimum	Amount, at the maximum	Percentage of net offering proceeds at the maximum	
(Dollars in Thousands)				
Loan to our employee stock ownership plan	\$1,998	\$2,702	4.15	%
Repurchase of shares for our new recognition and retention plan	1,998	2,702	4.15	
Investment in Prudential Savings Bank	23,917	32,560	50.00	
General corporate purposes – dividend payments, possible acquisitions and stock repurchases	19,920	27,155	41.70	
Total	\$47,883	\$65,119	100.0	%

We may use the portion of the proceeds that we retain to, among other things, invest in securities, pay dividends to shareholders (subject to compliance with regulatory policies), repurchase shares of common stock (subject to regulatory restrictions), or for general corporate purposes.

The proceeds to be contributed to Prudential Savings Bank will be available for general corporate purposes, including supporting the expansion and diversification of our lending activities. The proceeds to be contributed to Prudential Savings Bank will also support the future growth of the bank, which could include the relocation of existing offices or the establishment of new banking offices.

The Offering and Persons Who Can Purchase in the Offering

We are offering common stock which represents the 74.8% ownership interest, after adjustment for the assets of Prudential Mutual Holding Company, in existing Prudential Bancorp now owned by Prudential Mutual Holding Company. We are offering between 4,993,786 and 6,756,210 shares of common stock, at a price of \$10.00 per share.

The actual number of shares we sell will depend on an independent appraisal performed by FinPro, Inc., an independent appraisal firm. We are also exchanging shares of existing Prudential Bancorp, other than those held by Prudential Mutual Holding Company, for shares of Prudential Bancorp–New based on an exchange ratio which will range from 0.6595 shares at the minimum of the offering range to 0.8923 shares at the maximum of the offering range. See “The Conversion and Offering — How We Determined the Price Per Share, the Offering Range and the Exchange Ratio” at page _____. Shares are being offered in a subscription offering in the following order of priority.

- FIRST:** Eligible Account Holders (depositors at Prudential Savings Bank with \$50 or more on deposit as of December 31, 2011).
- SECOND:** Prudential Savings Bank’s employee stock ownership plan;
- THIRD:** Supplemental Eligible Account Holders (depositors at Prudential Savings Bank with \$50 or more on deposit as of _____, 2013).
- FOURTH:** Other Depositors (depositors at Prudential Savings Bank as of _____, 2013 and who do not qualify as Eligible Account Holders or Supplemental Eligible Account Holders).

The offering will terminate at 4:00 p.m., Eastern Time, on _____, 2013. We may extend this expiration date without notice to you for up to 45 days, until _____, 2013. Once submitted, your order is irrevocable unless the offering is terminated or extended beyond _____, 2013. We may extend the offering beyond _____, 2013, but any such further extension requires the approval or non-objection of the Board of Governors of the Federal Reserve System (which we also refer to as the “Federal Reserve Board” or the “FRB”). In no event may the offering be extended beyond _____, 2015. If the offering is extended beyond _____, 2013, we will be required to notify each subscriber and give each subscriber the opportunity to confirm, change or cancel their order.

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Concurrently with the subscription offering, we may also offer shares of common stock to the public in a community offering. In the community offering, natural persons (and trusts of natural persons) who reside in Philadelphia and Delaware Counties, Pennsylvania, will have a first preference, and public shareholders of existing Prudential Bancorp as of _____, 2013 will have a second preference in the community offering after persons residing in Philadelphia and Delaware Counties. The community offering, if commenced, is expected to terminate at 4:00 p.m., Eastern Time, on _____, 2013, but may be extended without notice until _____, 2013.

Shares not sold in the subscription and community offering may be offered for sale in a syndicated community offering, which would be an offering to the general public on a best efforts basis by a syndicate of selected broker-dealers. Instead of a syndicated community offering, shares not sold in the subscription and community offerings may be sold in an underwritten public offering managed by Sandler O'Neill & Partners, L.P.

We may begin the syndicated community offering at any time following the commencement of the subscription offering. Sandler O'Neill & Partners, L.P. will act as sole book-running manager in any syndicated community offering, which will be conducted on a best efforts basis.

We have the right to reject any orders of stock in the community offering and syndicated community offering either in whole or in part. If you submit an order which we reject in part, you cannot cancel the remainder of your order. If we receive subscriptions for more shares than are to be sold in this offering, we may be unable to fill or may only partially fill your order. Shares will be allocated in order of the priorities described in the plan of conversion and reorganization. See "The Conversion and Offering" for a detailed description of the subscription, community and syndicated community offerings or public underwritten offering.

The purchase price is \$10.00 per share. All investors will pay the same purchase price per share. Investors will not be charged a commission to purchase shares of common stock in the offering. Sandler O'Neill & Partners, L.P. our conversion advisor and marketing agent in the offering, will use its best efforts to assist us in selling shares of our common stock. Sandler O'Neill & Partners, L.P. is not obligated to purchase any shares of common stock in the subscription offering, community offering and any syndicated community offering. If an underwritten public offering is conducted, the shares sold in such offering will be purchased by Sandler O'Neill & Partners, L.P. and any other underwriters participating in such offering.

You cannot transfer your rights to purchase shares in the subscription offering. If you attempt to transfer your rights, you may lose the right to purchase shares and may be subject to criminal prosecution and/or other sanctions.

How We Determined the Price Per Share, the Offering Range and the Exchange Ratio

The offering range and the exchange ratio are based on an independent appraisal by FinPro, Inc., an appraisal firm experienced in appraisals of savings institutions. The pro forma market value is the estimated market value of our common stock assuming the sale of shares in the conversion and related offering. FinPro has indicated that in its opinion as of June 6, 2013, the estimated pro forma market value of our common stock was \$78.5 million at the midpoint. In the offering, we are selling the number of shares representing the proportionate number of shares currently owned by Prudential Mutual Holding Company as adjusted for the assets held by Prudential Mutual Holding Company, which results in an offering range between \$49.9 million and \$67.6 million, with a midpoint of \$58.7 million. The appraisal was based in part upon existing Prudential Bancorp's financial condition and operations and the effect of the additional capital we will raise from the sale of common stock in this offering.

Accordingly, at the minimum of the offering range, given the purchase price per share of \$10.00, we are offering 4,993,786 shares, and at the maximum of the offering range we are offering 6,756,210 shares in the offering. The appraisal will be updated before the conversion is completed. If, pursuant to FinPro Inc.'s appraisal update, the pro forma market value of the common stock at that time is either below \$49.9 million or above \$67.6 million, we will notify subscribers, return their funds, with interest, or cancel their deposit account withdrawal authorizations. If we decide to set a new offering range, subscribers will have the opportunity to place a new order. See "The Conversion and Offering — How We Determined the Price Per Share, the Offering Range and the Exchange Ratio" for a description of the factors and assumptions used in determining the stock price and offering range.

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The appraisal was based in part upon existing Prudential Bancorp's financial condition and results of operations, the effect of the additional capital we will raise from the sale of common stock in this offering, and an analysis of a peer group of ten publicly traded savings and loan holding companies that FinPro considered comparable to us. The appraisal peer group consists of the companies listed below. Total assets are as of March 31, 2013.

Company Name and Ticker Symbol	Exchange	Headquarters	Total Assets (in Thousands)
Alliance Bancorp, Inc. of Pennsylvania (ALLB)	NASDAQ	Broomall, PA	\$457,401
Cape Bancorp, Inc. (CBNJ)	NASDAQ	Cape May Court House, NJ	1,033,221
Colonial Financial Services, Inc. (COBK)	NASDAQ	Vineland, NJ	633,217
FedFirst Financial Corporation (FFCO)	NASDAQ	Monessen, PA	