



Beneficial Mutual Bancorp, Inc. Announces Third Quarter Results

PHILADELPHIA, Nov 02, 2007 /PRNewswire-FirstCall via COMTEX News Network/ -- Beneficial Mutual Bancorp, Inc. (the "Company") (Nasdaq: BNCL) today announced a net loss of \$5.0 million or \$0.07 per share for the third quarter of 2007, compared to net income of \$3.0 million or \$0.07 per share for the third quarter of 2006. For the nine months ended September 30, 2007, the Company reported a net loss of \$1.4 million or \$0.02 per share, compared to net income of \$8.2 million or \$0.18 per share for the comparable period in 2006. The reported net losses resulted primarily from the Company's \$10.0 million contribution, before income taxes, to The Beneficial Foundation (the "Foundation"), which was established to make charitable grants and donations and support projects primarily located within the Company's market area. Net income for the third quarter and nine months ended September 30, 2007, exclusive of the charitable contribution to the Foundation, totaled \$4.0 million, or \$0.05 per share, and \$6.8 million, or \$0.12 per share, respectively.

The Company is a community-based, diversified financial services company providing consumer and commercial banking services, along with insurance and wealth management services. Its principal subsidiary, Beneficial Bank (the "Bank"), has served individuals and businesses in the Delaware Valley area for more than 150 years. The Bank is the oldest and largest bank headquartered in Philadelphia, Pennsylvania with 72 offices in the greater Philadelphia and South Jersey regions. For more information about the Bank and the Company, please visit www.thebeneficial.com.

Highlights for the quarter included:

- The Company completed its initial public minority stock offering, established the Foundation and acquired FMS Financial Corporation ("FMS") of Burlington, New Jersey on July 13, 2007. These events have resulted in significant changes to the Company's balance sheet at September 30, 2007 and the income statement for the three and nine months ended September 30, 2007.
- The Bank's net interest margin increased 57 basis points during the three months ended September 30, 2007 to 3.43% compared to 2.86% during the same period in 2006.
- The Bank's average interest earning assets increased \$803.5 million or 35.8% to \$3.1 billion for the quarter ended September 30, 2007 compared to the same period in 2006. The average rate on interest earning assets increased 32 basis points to 6.08% during this period.
- The Bank's average interest bearing liabilities increased \$495.8 million or 25.3% to \$2.5 billion for the quarter ended September 30, 2007 compared to the same period in 2006. The average cost of funds on interest bearing liabilities decreased 4 basis points to 3.30% during this period.

Balance Sheet

Total assets increased \$1.2 billion, or 53.5%, to \$3.5 billion at September 30, 2007, compared to \$2.3 billion at December 31, 2006. The increase in total assets was primarily due to an increase in investment securities of \$566.9 million, or 118.39%, net loans of \$394.6 million, or 23.61%, cash and cash equivalents of \$76.5 million, or 362.94%, and bank premises and equipment of \$39.8 million, or 120.08%, during this period. In addition, goodwill and other intangibles increased by approximately \$127.0 million as a result of the acquisition of FMS.

Total deposits increased \$783.0 million, or 46.7%, to \$2.5 billion at September 30, 2007 compared to \$1.7 billion at December 31, 2006. Interest bearing deposits increased \$614.5 million, or 38.7%, to \$2.2 billion and non-interest bearing deposits increased \$168.5 million, or 187.13%, to \$258.5 million during this period.

Stockholders' equity increased \$333.1 million, or 118.78%, to \$613.5 million at September 30, 2007 compared to \$280.4 million at December 31, 2006. The proceeds of the Company's minority stock offering and merger increased stockholders' equity \$329.4 million during this period.

Asset Quality

The Bank does not engage in subprime lending. Subprime lending is defined as mortgage loans advanced to borrowers who do not qualify for market interest rates because of problems with their credit history.

Net charge-offs during the three month period ended September 30, 2007 increased to \$153,000, or 0.01% of average loans outstanding, compared to \$112,000, or 0.01% of average loans outstanding for the same three month period in 2006. For the nine month period ended September 30, 2007, net charge-offs declined to \$589,000, or 0.03%, compared to \$938,000, or 0.05% in the same nine month period in 2006.

Nonperforming loans totaled \$16.1 million, or 0.46% of total assets, at September 30, 2007 compared to \$8.2 million, or 0.35% of total assets, at December 31, 2006. The increase in nonperforming loans during the nine months ended September 30, 2007 includes two loans to affiliates of a Philadelphia-based builder and development company that filed for Chapter 11 bankruptcy in June 2007.

Real estate owned increased \$2.3 million to \$5.1 million at September 30, 2007 compared to \$2.8 million at December 31, 2006. Real estate owned at both dates includes a former branch office site with a net book value of \$2.7 million, which is currently under agreement of sale, and is expected to be sold by year end. The remaining increase is primarily the result of real estate owned that was recorded as part of the acquisition of FMS and its wholly owned subsidiary, Farmers & Mechanics Bank, which includes former Farmers & Mechanics Bank branch office locations that were closed by FMS in June 2007 prior to the acquisition.

The allowance for loan losses at September 30, 2007 totaled \$22.1 million, or 1.06%, of total loans outstanding, compared to \$17.4 million, or 1.03%, of total loans outstanding, at December 31, 2006. The Bank recorded no provision for loan losses during the three months ended September 30, 2007 compared to \$375,000 for the same three month period in 2006. The Bank recorded a provision for loan losses of \$300,000 for the nine months ended September 30, 2007 compared to \$1.6 million for the comparable period in 2006. The change in the provision for loan losses in the 2007 periods compared to the same periods in 2006 reflects lower levels of net charge-offs for the nine months ending September 30, 2007.

Net Interest Income

The Company's net interest income increased \$10.1 million, or 63.1%, to \$26.1 million for the three months ended September 30, 2007 from the comparable period in 2006. The net interest margin increased 57 basis points to 3.43% and average interest earning assets increased \$803.5 million, or 35.8%, during this period. For the nine month period ended September 30, 2007, net interest income increased \$9.9 million, or 20.5%, to \$58.0 million from the comparable period in 2006.

Non-interest Income

Non-interest income increased \$1.3 million, or 55.2%, to \$3.8 million and \$1.4 million, or 17.2%, to \$9.3 million for the three and nine months ended September 30, 2007, respectively, compared to the same periods in 2006. The increases in non-interest income were primarily due to increases in service charges and other income during the three and nine months ended September 30, 2007.

Non-interest Expense

Non-interest expense increased by \$20.8 million, or 142.7%, to \$35.4 million and \$24.1 million, or 54.4%, to \$68.5 million during the three and nine months ended September 30, 2007, respectively, compared to the same periods in 2006. The increases in non-interest expense were primarily due a \$10.0 million contribution to The Foundation, as well as increases in salaries, employee benefits, advertising expenses and professional fees incurred as a result of the Company's minority stock offering and integration of Farmers & Mechanics Bank.

This news release may contain forward-looking statements, which can be identified by the use of words such as "believes," "expects," "anticipates," "estimates" or similar expressions. Such forward-looking statements and all other statements that are not historic facts are subject to risks and uncertainties which could cause actual results to differ materially from those currently anticipated due to a number of factors. These factors include, but are not limited to, general economic conditions, changes in the interest rate environment, legislative or regulatory changes that may adversely affect our business, changes in accounting policies and practices, changes in competition and demand for financial services, adverse changes in the securities markets, changes in deposit flows and changes in the quality or composition of the Company's loan or investment portfolios. Additionally, other risks and uncertainties may be described in the Company's annual report on Form 10-K, its quarterly reports on Form 10-Q or its other reports as filed with the Securities and Exchange Commission which are available through the SEC's website at www.sec.gov. Should one or more of these risks materialize, actual results may vary from those anticipated, estimated or projected. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this press release. Except as may be required by applicable law or regulation, the Company assumes no obligation to update any forward-looking statements.

BENEFICIAL MUTUAL BANCORP, INC. AND SUBSIDIARIES
 Unaudited Consolidated Statements of Financial Condition
 (Dollars in thousands, except share amounts)

	September 30, 2007	December 31, 2006
ASSETS:		
Cash and Cash Equivalents:		
Cash and due from banks	\$58,634	\$20,320
Interest-bearing deposits	3,065	252
Federal funds sold	35,861	502
Total cash and cash equivalents	97,560	21,074
Investment Securities:		
Available for sale (amortized cost of \$908,324 and \$337,338 at September 30, 2007 and December 31, 2006, respectively)	911,159	332,940
Held to maturity (estimated fair value of \$113,756 and \$127,233 at September 30, 2007 and December 31, 2006, respectively)	116,027	130,357
Federal Home Loan Bank stock, at cost	18,558	15,544
Total investment securities	1,045,744	478,841
Loans:		
Allowance for loan losses	2,088,141	1,688,825
Net loans	(22,094)	(17,368)
Net loans	2,066,047	1,671,457
Accrued Interest Receivable	18,763	11,565
Bank Premises and Equipment, net	72,996	33,168
Other Assets:		
Goodwill	112,132	6,679
Bank owned life insurance	29,049	28,003
Other intangibles	23,548	1,956
Other assets	65,045	47,476
Total other assets	229,774	84,114
Total Assets	\$3,530,884	\$2,300,219
LIABILITIES AND STOCKHOLDERS' EQUITY:		
Liabilities:		
Deposits:		
Non-interest bearing deposits	\$258,533	\$90,040
Interest bearing deposits	2,202,543	1,588,014
Total deposits	2,461,076	1,678,054
Borrowed funds	363,664	294,896
Other liabilities	92,658	46,854
Total liabilities	2,917,398	2,019,804
Commitments and Contingencies		
Stockholders' Equity:		
Preferred Stock -- \$.01 par value, 100,000,000 shares authorized, none issued or outstanding as of September 30, 2007; none authorized, issued or outstanding as of December 31, 2006	0	0
Common Stock -- \$.01 par value, 300,000,000 shares authorized, 82,264,600 shares issued and outstanding as of September 30, 2007;		

\$1.00 par value 100,000 authorized, 100 shares issued and outstanding as of December 31, 2006	823	0
Additional paid-in capital	360,128	0
Unearned common stock held by employee stock ownership plan	(31,515)	0
Retained earnings (partially restricted)	291,530	293,157
Accumulated other comprehensive loss, net	(7,480)	(12,742)
Total stockholders' equity	613,486	280,415
Total Liabilities and Stockholders' Equity	\$3,530,884	\$2,300,219

BENEFICIAL MUTUAL BANCORP, INC. AND SUBSIDIARIES
Unaudited Consolidated Statements of Income
(Dollars in thousands, except per share amounts)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2007	2006	2007	2006
INTEREST INCOME:				
Interest and fees on loans	\$32,588	\$26,655	\$84,229	\$77,089
Interest on federal funds sold	985	5	1,277	58
Interest and dividends on investment securities:				
Taxable	12,682	5,571	23,843	16,445
Tax-exempt	256	245	752	697
Total interest income	46,511	32,476	110,101	94,289
INTEREST EXPENSE:				
Interest on deposits:				
Interest bearing checking accounts	1,626	437	2,528	1,320
Money market and savings deposits	3,374	2,253	8,947	6,362
Time deposits	10,955	9,034	29,038	24,581
Total	15,955	11,724	40,513	32,263
Interest on borrowed funds	4,438	4,740	11,557	13,863
Total interest expense	20,393	16,464	52,070	46,126
Net interest income	26,118	16,012	58,031	48,163
Provision for loan losses	0	375	300	1,575
Net Interest Income After Provision for Loan Losses	26,118	15,637	57,731	46,588
NON-INTEREST INCOME:				
Insurance commission income	979	1,076	3,113	3,044
Service charges and other income	2,824	1,359	5,545	4,127
(Loss) Gain on sale of investment securities available for sale	(24)	0	656	774
Total non-interest income	3,779	2,435	9,314	7,945

NON-INTEREST EXPENSE:

Salaries and employee benefits	13,896	8,540	32,286	25,593
Contribution to The Beneficial Foundation	9,995	0	9,995	0
Occupancy	2,460	1,785	6,454	5,535
Depreciation, amortization and maintenance	1,989	1,285	4,744	3,959
Advertising	1,033	595	2,760	1,763
Amortization of intangible	1,452	106	1,623	319
Other	4,585	2,277	10,610	7,169
Total non-interest expense	35,410	14,588	68,472	44,338
(Loss) Income before income taxes	(5,513)	3,484	(1,427)	10,195
Income tax (benefit) expense	(475)	502	(50)	2,005
NET (LOSS) INCOME	\$(5,038)	\$2,982	\$(1,377)	\$8,190
(LOSS) EARNINGS PER SHARE				
-- Basic and Diluted	\$(0.07)	\$0.07	\$(0.02)	\$0.18

SELECTED CONSOLIDATED FINANCIAL AND OTHER DATA OF THE COMPANY (UNAUDITED)
(Dollars in thousands, except per share amounts)

	September 30, 2007	December 31, 2006
ASSET QUALITY INDICATORS:		
Non-performing assets:		
Non-accruing loans	\$8,239	\$534
Accruing loans past due 90 days or more	7,837	7,617
Total non-performing loans	16,076	8,151
Real estate owned	5,106	2,809
Total non-performing assets	21,182	10,960
Ratio of nonperforming loans to total loans	0.77%	0.48%
Ratio of nonperforming loans to total assets	0.46%	0.35%
Ratio of nonperforming assets to total assets	0.60%	0.48%

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2007	2006	2007	2006
PERFORMANCE RATIOS: (annualized)				
Return on average assets (0.59%)		0.50%	(0.07%)	0.35%
Return on average equity (3.56%)		4.12%	(0.36%)	2.86%
Net interest margin	3.43%	2.86%	3.13%	2.83%

	September 30, 2007	2006
Other:		
Employees (full-time equivalents)	818	543

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