



Beneficial Mutual Bancorp, Inc. Announces First Quarter 2009 Results

PHILADELPHIA, April 29, 2009 /PRNewswire-FirstCall via COMTEX News Network/ -- Beneficial Mutual Bancorp, Inc. (Beneficial) (Nasdaq: BNCL), the parent company of Beneficial Bank, today announced its financial results for the first quarter of 2009.

Net income for the three months ended March 31, 2009 was \$5.1 million, a decrease of \$1.0 million from the \$6.1 million earned in the first quarter of 2008, and an increase of \$8.1 million from the net loss of \$2.9 million recorded in the fourth quarter of 2008. Earnings per share for the first quarter of 2009 were \$0.07, compared to earnings of \$0.08 per share in the quarter ended March 31, 2008, and a loss of \$0.04 per share for the quarter ended December 31, 2008.

"Given the economic crises and challenging operating environment, we are encouraged by our earnings performance and remain committed to continued improvement," said Gerard Cuddy, Beneficial's President and CEO. "For 156 years we've helped our customers do the right thing financially. In the first quarter of 2009, that has resulted in increased core deposits, loan growth, and positive momentum in our insurance and wealth management businesses. We are increasing our customer count because we are actively welcoming customers from distressed and distracted competitors. Our capital position is strong. We did not apply for the government's TARP funding because we didn't need it, and we didn't want it. Finally, our outstanding employees continue to inspire confidence as they remain focused on achieving our strategic goals."

Highlights for the quarter included:

- Deposits increased by \$177.3 million, or 6.5%, to \$2.9 billion at March 31, 2009, up from \$2.7 billion at December 31, 2008.
- Total loans outstanding grew during the quarter ended March 31, 2009, to \$2.5 billion, up from \$2.4 billion at December 31, 2008.
- Non-interest income increased \$4.1 million, or 106.9%, to \$8.0 million during the first quarter of 2009, from \$3.9 million during the three months ended December 31, 2008. This rise included increases in insurance commission income and gains on the sale of available-for-sale investment securities, along with a reduced impairment charge related to the value of common equity securities deemed to be other than temporarily impaired.

Balance Sheet

Total assets increased \$47.4 million, or 1.2% from December 31, 2008, to \$4.0 billion at March 31, 2009. The increase in total assets was primarily due to an increase in cash and cash equivalents of \$28.9 million and an increase in total loans outstanding of \$119.7 million, partially offset by a decrease of \$84.4 million in investment securities during the first quarter of 2009.

Total deposits increased \$177.3 million, or 6.5%, to \$2.9 billion at March 31, 2009 compared to \$2.7 billion at December 31, 2008. The largest contributor to this increase was growth in core deposits of \$200.0 million to \$1.9 billion at March 31, 2009 from \$1.7 billion at December 31, 2008. Both interest bearing and non-interest bearing deposits grew during the first quarter of 2009.

At March 31, 2009, Beneficial's stockholders' equity equaled \$620.3 million, or 15.3% of total assets, compared to stockholders' equity of \$610.5 million, or 15.3% of total assets at December 31, 2008. The increase in stockholders' equity resulted primarily from earnings and a rise in accumulated other comprehensive income of \$4.2 million related to an increase in unrealized gains in available-for-sale securities.

Asset Quality

Nonperforming loans totaled \$38.3 million, or 0.94% of total assets at March 31, 2009, compared to \$38.0 million, or 0.95% of total assets at December 31, 2008. Net charge-offs during the three month period ended March 31, 2009 were \$2.6 million, compared to \$1.4 million during the three months ended December 31, 2008. The allowance for loan losses at March 31, 2009

totaled \$37.3 million, or 1.46%, of total loans outstanding, compared to \$36.9 million, or 1.52% of total loans outstanding, at December 31, 2008.

The increase in net charge-offs resulted primarily from the charge-off of several loans to a single borrower totaling \$1.5 million. The full outstanding balance of these loans was reserved for in the fourth quarter of 2008. The Bank recorded a provision for loan losses of \$3.0 million during the three months ended March 31, 2009, compared to a provision of \$13.1 million for the quarter ended December 31, 2008. The provision for previous quarter included \$5.7 million related to one shared national credit and \$5.4 related to the ongoing evaluation of risk factors applied to the loan portfolio, reflecting the rapid deterioration in the economic environment during the quarter ended December 31, 2008.

Net Interest Income

Beneficial's net interest income increased \$2.4 million, or 8.7%, to \$29.5 million for the three months ended March 31, 2009, compared to \$27.1 million for the same period in 2008, and decreased by \$0.3 million, or 0.9% from the three months ended December 31, 2008. The net interest margin declined to 3.22% for the three months ended March 31, 2009, a decrease of 6 basis points from the same period in 2008, and a decrease of 12 basis points from the quarter ended December 31, 2008. These declines are primarily due to a decline in interest income which exceeded the decline in interest expense.

Non-interest Income

Non-interest income rose to \$8.0 million for the three months ended March 31, 2009, up \$0.7 million from the \$7.3 million recorded for the first quarter of 2008, and \$4.1 million from the \$3.9 million recorded for the quarter ended December 31, 2008. The increase in non-interest income from the fourth quarter of 2008 was primarily due to growth in insurance commission revenue and a gain on the sale of available-for-sale securities of \$2.8 million during the quarter, partially offset by an impairment charge recorded for certain common equity securities of \$1.2 million.

Non-interest Expense

Non-interest expense was \$28.4 million for the three months ended March 31, 2009, up \$2.5 million, or 9.8%, from \$25.9 million for quarter ended March 31, 2008. The increase in non-interest expense resulted primarily from an increase in salaries and employee benefits of \$1.3 million and an increase in expense related to advertising. Compared to the quarter ended December 31, 2008, non-interest expense increased \$1.3 million, or 4.8% during the first quarter of 2009.

About Beneficial Mutual Bancorp

Beneficial is a community-based, diversified financial services company providing consumer and commercial banking services. Its principal subsidiary, Beneficial Bank, has served individuals and businesses in the Delaware Valley area since 1853. The Bank is the oldest and largest bank headquartered in Philadelphia, Pennsylvania, with 72 offices in the greater Philadelphia and South Jersey regions. Insurance services are offered through the Beneficial Insurance Services, LLC and wealth management services are offered through the Beneficial Advisors, LLC, both wholly owned subsidiaries of the Bank. For more information about the Bank and Beneficial, please visit www.thebeneficial.com.

Forward Looking Statements

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 Beneficial's loan or investment portfolios. Additionally, other risks and uncertainties may be described in Beneficial'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, Beneficial assumes no obligation to update any forward-looking statements.

	March 31, 2009	December 31, 2008	March 31, 2008
ASSETS:			
Cash and Cash Equivalents:			
Cash and due from banks	\$72,996	\$44,380	\$46,061
Interest-bearing deposits	250	9	4,650
Federal funds sold	-	-	-
Total cash and cash equivalents	73,246	44,389	50,711
Investment Securities:			
Available-for-sale (amortized cost of \$1,017,591, \$1,095,252 and \$1,053,659 at March 31, 2009, December 31 and March 31, 2008, respectively)	1,041,614	1,114,086	1,062,297
Held-to-maturity (estimated fair value of \$65,872, \$77,369 and \$93,412 at March 31, 2009, December 31 and March 31, 2008, respectively)	64,062	76,014	92,903
Federal Home Loan Bank stock, at cost	28,068	28,068	23,086
Total investment securities	1,133,744	1,218,168	1,178,286
Loans:	2,544,278	2,424,582	2,156,313
Allowance for loan losses	(37,345)	(36,905)	(20,580)
Net loans	2,506,933	2,387,677	2,135,733
Accrued Interest Receivable	18,186	17,543	17,224
Bank Premises and Equipment, net	78,328	78,490	77,602
Other Assets:			
Goodwill	111,462	111,462	110,214
Bank owned life insurance	31,216	30,850	29,758
Other intangibles	23,094	23,985	27,452
Other assets	73,287	89,486	71,729
Total other assets	239,059	255,783	239,153
Total Assets	\$4,049,496	\$4,002,050	\$3,698,709

LIABILITIES AND STOCKHOLDERS' EQUITY:

Liabilities:

Deposits:

Non-interest bearing deposits	\$243,845	\$226,382	\$243,179
Interest bearing deposits	2,675,109	2,515,297	2,311,199
Total deposits	2,918,954	2,741,679	2,554,378
Borrowed funds	443,687	580,054	461,080
Other liabilities	66,544	69,777	69,454
Total liabilities	3,429,185	3,391,510	3,084,912

Commitments and Contingencies

Stockholders' Equity:

Preferred Stock - \$.01 par value, 100,000,000 shares authorized, none issued or outstanding as of March 31, 2009, December 31 and March 31,

2008	-	-	-
Common Stock - \$.01 par value, 300,000,000 shares authorized, 82,264,457 shares issued and outstanding as of March 31, 2009 and December 31 and March 31, 2008	823	823	823
Additional paid-in capital	343,093	342,420	360,108
Unearned common stock held by employee stock ownership plan	(27,609)	(28,510)	(30,232)
Retained earnings (partially restricted)	301,234	296,106	285,621
Accumulated other comprehensive gain (loss), net	4,618	(299)	(2,523)
Treasury stock, at cost, 211,904 shares, at March 31, 2009 and 0 shares at December 31 and March 31, 2008	(1,848)	-	-
Total stockholders' equity	620,311	610,540	613,797
Total Liabilities and Stockholders' Equity	\$4,049,496	\$4,002,050	\$3,698,709

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

	For the Three Months Ended		
	March 31, 2009	December 31, 2008	March 31, 2008
INTEREST INCOME:			
Interest and fees on loans	\$33,357	\$33,890	\$32,495
Interest on federal funds sold	2	1	361
Interest and dividends on investment securities:			
Taxable	13,613	14,303	15,019
Tax-exempt	556	540	367
Total interest income	47,528	48,734	48,242
INTEREST EXPENSE:			
Interest on deposits:			
Interest bearing checking accounts	1,984	1,560	1,286
Money market and savings deposits	3,451	3,772	3,758
Time deposits	7,946	8,627	11,146
Total	13,381	13,959	16,190
Interest on borrowed funds	4,668	5,032	4,934
Total interest expense	18,049	18,991	21,124
Net interest income	29,479	29,743	27,118
Provision for loan losses	3,000	13,110	300
Net Interest Income After Provision for Loan Losses	26,479	16,633	26,818
NON-INTEREST INCOME:			

Insurance commission and related income	2,748	2,212	3,265
Service charges and other income	3,652	3,816	3,942
Impairment charge on securities available for sale	(1,230)	(2,479)	-
Gain on sale of investment securities available for sale	2,848	327	128
Total non-interest income	8,018	3,876	7,335
NON-INTEREST EXPENSE:			
Salaries and employee benefits	14,275	12,601	12,992
Occupancy	3,203	2,866	2,946
Depreciation, amortization and maintenance	2,227	2,107	1,975
Advertising	1,749	2,754	1,111
Amortization of intangible	892	907	1,747
Other	6,092	5,897	5,121
Total non-interest expense	28,438	27,132	25,892
Income (Loss) before income taxes	6,059	(6,623)	8,261
Income tax expense (benefit)	931	(3,685)	2,200
NET INCOME (LOSS)	\$5,128	\$(2,938)	\$6,061
EARNINGS (LOSS) PER SHARE - Basic	\$0.07	\$(0.04)	\$0.08
EARNINGS (LOSS) PER SHARE - Diluted	\$0.07	\$(0.04)	\$0.08
Average common shares outstanding - Basic	77,756,281	77,778,319	79,214,946
Average common shares outstanding - Diluted	77,797,091	77,778,319	79,214,946

BENEFICIAL MUTUAL BANCORP, INC. AND SUBSIDIARIES
Selected Consolidated Financial and Other Data of the Company (Unaudited)
(Dollars in thousands)

	March 31, 2009	December 31, 2008	March 31, 2008
ASSET QUALITY INDICATORS:			
Non-performing assets:			
Non-accruing loans	\$20,706	\$17,163	\$2,573
Accruing loans past due 90 days or more	17,550	20,883	10,918
Total non-performing loans	38,256	38,046	13,491
Troubled debt restructurings	16,467	16,442	-
Real estate owned	6,316	6,297	5,561
Total non-performing assets	\$61,039	\$60,785	\$19,052
Non-performing loans to total loans	1.50%	1.57%	0.63%
Non-performing loans to total assets	0.94%	0.95%	0.36%
Non-performing assets to total assets	1.51%	1.52%	0.52%
Non-performing assets less			

accruing loans			
Past due 90 days or more to			
total assets	1.07%	1.00%	0.22%

	For the Three Months Ended		
	March 31,	December 31,	March 31,
	2009	2008	2008

PERFORMANCE RATIOS:

(annualized)

Return on average assets	0.52%	(0.30%)	0.66%
Return on average equity	3.39%	(1.93%)	3.89%
Net interest margin	3.22%	3.34%	3.28%

CONTACT:

Joseph F. Conners

Executive Vice President and Chief Financial Officer

PHONE: (215) 864-6000

SOURCE Beneficial Mutual Bancorp, Inc.

<http://www.thebeneficial.com>

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