



Beneficial Mutual Bancorp, Inc. Announces Second Quarter Earnings

PHILADELPHIA, PENNSYLVANIA, August 6, 2007 - Beneficial Mutual Bancorp, Inc. (the "Company") (NASDAQGS: BNCL) today announced net income of \$1.9 million for the second quarter of 2007, compared to net income of \$2.4 million for the second quarter of 2006. The Company reported earnings for the six months ended June 30, 2007 of \$3.7 million, compared to net income of \$5.2 million for the comparable period in 2006.

Beneficial Mutual Bancorp, Inc. is the mid-tier holding company of Beneficial Bank (the "Bank"). The Bank is a Pennsylvania chartered savings bank originally founded in 1853. The Company completed its initial public minority stock offering and acquisition of FMS Financial Corporation ("FMS") of Burlington, New Jersey on July 13, 2007, after the close of the quarter ended June 30, 2007. Therefore, the information herein does not contain any per share information, or otherwise reflect the completion of the stock offering or the merger.

The merger solidifies Beneficial's position as the largest Philadelphia-based bank with more than \$3.5 billion in assets, \$2.5 billion in deposits and a network of over 70 neighborhood banking offices throughout the Delaware Valley. The Company offers a full array of financial products including commercial, consumer and real estate lending, insurance and brokerage operations. For more information about Beneficial Bank and Beneficial Mutual Bancorp, Inc., visit www.thebeneficial.com.

Highlights for the quarter included:

- The Bank's net interest margin increased 15 basis points during the three months ended June 30, 2007 to 3.02% compared to 2.87% during the same period in 2006. This increase resulted primarily from the earnings on available funds related to the Company's minority stock offering. The net interest margin improvement also reflects the change in the Bank's mix of assets, particularly the increase in higher yielding business loans, which increased by \$87.4 million, or 18.7%, to \$554.9 million during the past twelve months.
- Non-interest income from nontraditional lines of business continued to grow, as insurance commissions generated by the Company's wholly-owned subsidiary, Beneficial Insurance Services, LLC, increased by \$126,000, or 15.5%, in the quarter ended June 30, 2007 compared to the same period in 2006. The Company continues to emphasize both insurance and wealth management services as key to building stronger relationships with businesses and consumers.

Balance Sheet

Assets increased \$280.0 million, or 12.2%, to \$2.58 billion at June 30, 2007, compared to \$2.3 billion at December 31, 2006. The increase in assets was primarily due to an increase in cash and investment securities, resulting largely from the investment of funds received with subscription orders in connection with the Company's minority stock offering. This increase was partially offset by a decrease of \$56.0 million in loans outstanding, due primarily to reduced demand for personal and residential real estate loans. This decrease was partially offset by an increase in business loans.

Deposits decreased \$65.4 million, or 3.9%, to \$1.61 billion at June 30, 2007 compared to \$1.68 billion at December 31, 2006. The reduction in deposits was primarily due to reductions in time deposits, including brokered time deposits, which were partially offset by increases in checking, savings and money market account balances.

Retained earnings increased \$2.0 million, or 0.7%, to \$282.4 million at June 30, 2007, compared to \$280.4 million at December 31, 2006. The ratio of the Company's retained earnings to total assets equaled 10.95% at June 30, 2007, compared to 12.19% at December 31, 2006.

Asset Quality

Net charge-offs during the three month period ended June 30, 2007 declined to \$224,000, or 0.01% of average loans outstanding, compared to \$377,000, or 0.02% of average loans outstanding for the same three month period in 2006. For the six month period ended June 30, 2007, net charge-offs declined to \$430,000, or 0.03%, compared to \$825,000, or 0.05% in the same six month period in 2006.

Nonperforming assets totaled \$14.9 million, or 0.58% of total assets, at June 30, 2007 compared to \$11.0 million, or 0.48% of total assets, at December 31, 2006. Total nonperforming assets at both dates include real estate owned of approximately \$2.8 million, including 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 in 2007. The \$3.9 million increase in nonperforming assets during the six months ended June 30,

2007 was the result of two loans to affiliates of a Philadelphia-based company that filed for bankruptcy under Chapter 11 in June 2007.

The Bank had no provision for loan losses during the three months ended June 30, 2007 compared to \$600,000 for the same three month period in 2006. The Bank recorded a provision for loan losses of \$300,000 for the six months ended June 30, 2007 compared to \$1.2 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 and a decrease in average loans outstanding. The allowance for loan losses at June 30, 2007 totaled \$17.2 million, or 1.06% of total loans outstanding, compared to \$17.4 million, or 1.03% of total loans outstanding, at December 31, 2006.

Net Interest Income

The Company's net interest income increased \$449,000, or 2.8%, to \$16.5 million for the three months ended June 30, 2007 from the comparable period in 2006. This increase was primarily the result of the investment of available funds received with subscription orders in connection with the Company's minority stock offering. For the six month period ended June 30, 2007, net interest income decreased \$237,000 or 0.7%, to \$31.9 million from the comparable period in 2006, as an increase in the Bank's net interest margin was offset by a reduction in average interest earning assets.

Non-interest Income

Non-interest income increased by \$248,000, or 10.2%, for the three months ended June 30, 2007, to \$2.7 million, as compared to the same three month period in 2006. This change was primarily due to increases in insurance commissions and profits on the sale of available-for-sale securities, partially offset by an increase in losses on other operating assets, including operating losses on limited partnerships established to support low to moderate income housing. Noninterest income was relatively flat for the six months ended June 30, 2007 from the comparable period in 2006.

Non-interest Expense

Non-interest expense increased by \$2.2 million, or 14.6%, and \$3.3 million, or 11.1%, during the three and six months ended June 30, 2007, respectively, compared to the same periods in 2006. The increases in non-interest expense were primarily due to increases in salaries, employee benefits and advertising expenses in anticipation of additional opportunities to promote products and services in a larger market area, and professional fees incurred during the course of the Company's minority stock offering and planned integration of Farmers & Mechanics Bank.

Gerard P. Cuddy, President and Chief Executive Officer of the Company, said "In the face of a challenging market environment characterized by a flat yield curve, we are encouraged by the maintenance of our net interest margin as we continue to change the mix of our assets and liabilities. We also anticipate continued growth in revenue from our insurance and wealth management lines of business. Most importantly," Cuddy continued, "we are emboldened by the outstanding support of our depositors, evidenced by their participation in our recent minority stock offering, and look forward to uniting the significant financial and human resources of both Beneficial and FMS for the benefit of our shareholders, customers and the communities we serve."

This news release contains forward-looking statements within the meaning of the federal securities laws. Forward-looking statements can generally be identified by the fact that they do not relate strictly to historical or current facts. They often include words like "believe," "expect," "anticipate," "estimate" and "intend" or future or conditional verbs such as "will," "would," "should," "could" or "may." Statements in this release that are not strictly historical are forward-looking and are based upon current expectations that may differ materially from actual results. These forward-looking statements involve risks and uncertainties that could cause actual results to differ materially from those anticipated by the statements made herein. These risks and uncertainties involve general economic trends, changes in interest rates, loss of deposits and loan demand to other financial institutions, substantial changes in financial markets; changes in real estate value and the real estate market, regulatory changes, possibility of unforeseen events affecting the industry generally, the uncertainties associated with newly developed or acquired operations, the outcome of pending litigation, and market disruptions and other effects of terrorist activities. The Company undertakes no obligation to update these forward-looking statements to reflect events or circumstances after the date hereof or to reflect the occurrence of unforeseen events, except as required under the rules and regulations of the Securities and Exchange Commission.

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

	<u>June 30, 2007</u>	<u>December 31, 2006</u>
ASSETS:		
Cash and Cash Equivalents:		
Cash and due from banks	\$ 20,348	\$ 20,320
Interest-bearing deposits	3,518	2,325
Federal funds sold	71,512	502
Total cash and cash equivalents	<u>95,378</u>	<u>23,147</u>
Investment Securities:		
Available for sale (amortized cost of \$592,508 and \$335,265 at June 30, 2007 and December 31, 2006, respectively)	585,297	330,867
Held to maturity (estimated fair value of \$117,043 and \$127,233 at June 30, 2007 and December 31, 2006, respectively)	120,710	130,357
Federal Home Loan Bank stock, at cost	13,717	15,544
Total investment securities	<u>719,724</u>	<u>476,768</u>
Loans:		
Allowance for loan losses	1,632,639	1,688,825
Net loans	<u>(17,238)</u>	<u>(17,368)</u>
	1,615,401	1,671,457
Accrued Interest Receivable	11,526	11,565
Bank Premises and Equipment, net	35,500	33,168
Other Assets:		
Bank owned life insurance	28,698	28,003
Goodwill and other intangibles	8,464	8,635
Other assets	65,574	47,476
Total other assets	<u>102,736</u>	<u>84,114</u>
Total Assets	<u>\$ 2,580,265</u>	<u>\$ 2,300,219</u>
LIABILITIES AND RETAINED EARNINGS:		
Liabilities:		
Deposits:		
Non-interest bearing deposits	\$ 89,689	\$ 90,040
Interest bearing deposits	1,522,997	1,588,014
Total deposits	<u>1,612,686</u>	<u>1,678,054</u>
Borrowed funds	232,746	294,896
Stock subscription proceeds	394,104	0
Other liabilities	58,319	46,854
Total liabilities	<u>2,297,855</u>	<u>2,019,804</u>
Commitments and Contingencies		
Retained Earnings:		
Common Stock - \$1 par value 100,000 shares authorized; 100 shares issued and outstanding	296,567	293,157
Retained earnings (partially restricted)	(14,157)	(12,742)
Accumulated other comprehensive loss	282,410	280,415
Total retained earnings	<u>282,410</u>	<u>280,415</u>
Total liabilities and retained earnings	<u>\$ 2,580,265</u>	<u>\$ 2,300,219</u>

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2007	2006	2007	2006
INTEREST INCOME:				
Interest and fees on loans:	\$ 25,875	\$ 25,649	\$ 51,641	\$ 50,435
Interest on federal funds sold	280	7	292	53
Interest and dividends on investment securities:				
Taxable	5,805	5,428	11,161	10,873
Tax-exempt	248	239	495	453
Total interest income	<u>32,208</u>	<u>31,323</u>	<u>63,589</u>	<u>61,814</u>
INTEREST EXPENSE:				
Interest on deposits:				
Interest bearing checking accounts	478	456	901	884
Money market and savings deposits	2,904	2,081	5,573	4,109
Time deposits	8,888	8,120	18,083	15,548
Total	<u>12,270</u>	<u>10,657</u>	<u>24,557</u>	<u>20,541</u>
Interest on borrowed funds	3,412	4,590	7,119	9,123
Total interest expense	<u>15,682</u>	<u>15,247</u>	<u>31,676</u>	<u>29,664</u>
Net interest income	16,526	16,076	31,913	32,150
Provision for loan losses	0	600	300	1,200
Net Interest Income After Provision for Loan Losses	<u>16,526</u>	<u>15,476</u>	<u>31,613</u>	<u>30,950</u>
Other Income:				
Insurance commission income	938	813	2,134	1,968
Service charges and other income	1,385	1,472	2,721	2,768
Gains on sale of investment securities available for sale	367	157	679	774
Total other income	<u>2,690</u>	<u>2,442</u>	<u>5,534</u>	<u>5,510</u>
Operating Expenses:				
Salaries and employee benefits	9,267	8,436	18,390	17,053
Occupancy	2,034	1,848	3,994	3,750
Depreciation, amortization and maintenance	1,406	1,352	2,754	2,674
Advertising	1,041	727	1,727	1,168
Amortization of Intangible	84	106	172	213
Other	3,247	2,435	6,024	4,891
Total operating expense	<u>17,079</u>	<u>14,904</u>	<u>33,061</u>	<u>29,749</u>
Income before income taxes	<u>2,137</u>	<u>3,014</u>	<u>4,086</u>	<u>6,711</u>
Income tax expense	<u>225</u>	<u>576</u>	<u>425</u>	<u>1,503</u>
Net income	<u><u>\$ 1,912</u></u>	<u><u>\$ 2,438</u></u>	<u><u>\$ 3,661</u></u>	<u><u>\$ 5,208</u></u>

SELECTED CONSOLIDATED FINANCIAL AND OTHER DATA OF THE COMPANY (UNAUDITED)
(Dollars in Thousands, Except Per Share Data)

	<u>June 30, 2007</u>	<u>March 31, 2007</u>	<u>December 31, 2006</u>
ASSET QUALITY INDICATORS:			
Nonperforming assets:			
Nonaccruing loans	\$ 7,203	\$ 3,244	\$ 534
Accruing loans past due 90 days or more	4,911	5,174	7,617
Total nonperforming loans	12,114	8,418	8,151
Real estate owned	2,773	2,876	2,809
Total nonperforming assets	14,887	11,294	10,960
Ratio of nonperforming loans to total loans	0.74%	0.51%	0.48%
Ratio of nonperforming loans to total assets	0.47%	0.37%	0.35%
Total nonperforming assets to total assets	0.58%	0.50%	0.48%

	For the three months ended		For the six months ended	
	<u>June 30, 2007</u>	<u>June 30, 2006</u>	<u>June 30, 2007</u>	<u>June 30, 2006</u>
PERFORMANCE RATIOS:				
Return on average assets (1)	0.36%	0.41%	0.32%	0.42%
Return on average equity (1)	2.72%	3.40%	2.62%	3.65%
Net interest margin (1)	3.02%	2.87%	2.94%	2.95%

(1) Annualized

	<u>June 30, 2007</u>	<u>June 30, 2006</u>
OTHER:		
Employees (full-time equivalents)	563	544

CONTACT: Joseph F. Conners
Executive Vice President and Chief Financial Officer
PHONE: (215) 864-6000
FAX: (215) 864-1770