



## Beneficial Mutual Bancorp, Inc. Announces First Quarter 2008 Results

PHILADELPHIA, May 1, 2008 /PRNewswire-FirstCall via COMTEX News Network/ -- Beneficial Mutual Bancorp, Inc. (the "Company") (Nasdaq: BNCL), the parent company of Beneficial Bank (the "Bank"), today announced its financial results for the first quarter of 2008.

Net income for the three months ended March 31, 2008 was \$6.1 million, an increase of \$4.3 million from the \$1.8 million earned in the first quarter of 2007, and an increase of \$6.2 million from the net loss of \$168,000 recorded in the fourth quarter of 2007. Earnings per share for the first quarter of 2008 were \$0.08, compared to earnings per share of \$0.00 for the fourth quarter of 2007.

In July 2007, the Company completed its initial public offering and acquired FMS Financial Corporation ("FMS"), the parent company of Farmers & Mechanics Bank of Burlington, New Jersey, which resulted in significant changes to the Company's balance sheet and income statement from the prior year period. In October 2007, the Bank's wholly owned subsidiary, Beneficial Insurance Services, LLC, acquired the business of the CLA Agency, Inc. ("CLA"), a full service property and casualty, and professional liability insurance agency headquartered in Newtown Square, Pennsylvania. In addition, the fourth quarter of 2007 was impacted by a charge for severance benefits related to a reduction in force, an increased provision for loan losses and an impairment charge on available for sale securities, offset by a significant income tax benefit.

"We are pleased that we are beginning to see the benefit of the significant transformation we began last year," said Gerard Cuddy, the Company's President and CEO. "With the completion of our offering and the acquisitions of FMS and CLA, we have strengthened our capital position, expanded our market area, and doubled our capacity to generate insurance revenue." Cuddy added, "Equally important, we have refocused our entire team on customer service, growth, increased market share and profitability." He continued, "Contributors to our positive results included strong growth in deposits, a stable net interest margin, increased non-interest income and continued strong asset quality."

Highlights for the quarter included:

- Deposits increased by \$89.2 million, or 3.6%, to \$2.6 billion at March 31, 2008, up from \$2.5 billion at December 31, 2007. Total loans outstanding also grew during the first quarter of 2008, to \$2.2 billion, up from \$2.1 billion at the end of 2007.
- Net interest income increased by \$1.0 million, or 3.9%, to \$27.1 million for the quarter ended March 31, 2008, from \$26.1 million in the fourth quarter of 2007. The Company's net interest margin rose to 3.30% for the first quarter of 2008, up from 3.27% for the previous quarter.
- The Company's non-interest income increased \$3.3 million, or 80.8%, to \$7.3 million during the first quarter of 2008, from \$4.1 million during the three months ended December 31, 2007, and included increased insurance commission income of \$1.2 million, primarily related to the acquisition of CLA, and the receipt of \$461,000 on the partial mandatory redemption of the Company's equity interest in Visa, Inc. in connection with Visa's initial public offering in March 2008. During the quarter ended December 31, 2007, the Company recorded an impairment charge of \$1.2 million related to the value of common equity securities deemed to be other-than-temporarily-impaired.

### Balance Sheet

Total assets increased \$140.9 million, or 4.0%, to \$3.7 billion at March 31, 2008, compared to \$3.6 billion at December 31, 2007. The increase in total assets was primarily due to an increase in investment securities of \$98.9 million and an increase in

total loans outstanding of \$35.4 million during the first quarter.

Total deposits increased \$89.2 million, or 3.6%, to \$2.6 billion at March 31, 2008 compared to \$2.5 billion at December 31, 2007. Both interest bearing and non-interest bearing deposits grew during the first quarter.

At March 31, 2008, the Company's stockholders' equity equaled \$613.8 million, or 16.6% of total assets, compared to stockholder's equity of \$619.8 million, or 17.4% of total assets at December 31, 2007. The decline in equity resulted primarily from the impact of the adoption of new accounting guidance on life insurance benefit programs during the quarter ended March 31, 2008.

#### Asset Quality

The Bank does not originate subprime loans, which are defined as mortgage loans advanced to borrowers who do not qualify for market interest rates because of problems with their credit history.

Nonperforming loans totaled \$13.5 million, or 0.36% of total assets, at March 31, 2008, compared to \$16.3 million, or 0.46% of total assets, at December 31, 2007. Net charge-offs during the three month period ended March 31, 2008 were \$3.1 million, compared to \$900,000 for the fourth quarter of 2007. The allowance for loan losses at March 31, 2008 totaled \$20.6 million, or 0.95%, of total loans outstanding, compared to \$23.3 million, or 1.10% of total loans outstanding, at December 31, 2007.

The increase in net charge-offs and the decline in the allowance for loan losses resulted primarily from the charge-off of a single loan to an affiliate of a Philadelphia-based development company that filed for Chapter 11 bankruptcy in June 2007. The full outstanding balance of this loan was reserved for in the fourth quarter of 2007. The Bank recorded a provision for loan losses of \$300,000 during the three months ended March 31, 2008, compared to \$2.2 million for the fourth quarter of 2007.

#### Net Interest Income

The Company's net interest income increased \$11.7 million, or 76.2%, to \$27.1 million for the three months ended March 31, 2008, compared to \$15.4 million for the same period in 2007, and increased by \$1.0 million, or 3.9% from the three months ended December 31, 2007. The net interest margin rose to 3.30% for the three months ended March 31, 2008, an increase of 45 basis points from the same period in 2007, and an increase of 3 basis points from the quarter ended December 31, 2007.

#### Non-interest Income

Non-interest income rose to \$7.3 million for the three months ended March 31, 2008, up \$4.5 million from the \$2.8 million recorded for the first quarter of 2007, and \$3.3 million from the \$4.1 million recorded for the quarter ended December 31, 2007. The increases in non-interest income were primarily due to growth in service charges and other income related to significantly higher levels of transaction accounts resulting from the acquisition of FMS, and increases in insurance commission revenue due to the acquisition of CLA.

#### Non-interest Expense

Non-interest expense was \$25.9 million for the three months ended March 31, 2008, up \$9.9 million, or 62.0%, from \$16.0 million for the comparable period in 2007. Compared to the quarter ended December 31, 2007, which included a charge of approximately \$3.9 million related to the Bank's reduction in force announced in October 2007, and other expenses primarily related to the acquisition of FMS, first quarter non-interest expense was down \$6.7 million, or 20.5%.

#### About Beneficial Mutual Bancorp

The Company 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 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. 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 the Company, please visit <http://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 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](http://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)

	March 31, 2008	December 31, 2007	March 31, 2007
<b>ASSETS:</b>			
Cash and Cash Equivalents:			
Cash and due from banks	\$46,061	\$53,545	\$18,088
Interest-bearing deposits	4,650	4,782	4,333
Federal funds sold	0	0	9,054
Total cash and cash equivalents	50,711	58,327	31,475
Investment Securities:			
Available-for-sale (amortized cost of \$1,053,659, \$938,835 and \$328,983 at March 31, 2008, December 31, 2007 and March 31, 2007, respectively)	1,063,497	949,795	325,265
Held-to-maturity (estimated fair value of \$93,412, \$111,127 and \$122,934 at March 31, 2008, December 31, 2007 and March 31, 2007, respectively)	92,903	111,986	125,428
Federal Home Loan Bank stock, at cost	23,086	18,814	14,108
Total investment securities	1,179,486	1,080,595	464,801
Loans:	2,156,313	2,120,922	1,661,610
Allowance for loan losses	(20,580)	(23,341)	(17,462)
Net loans	2,135,733	2,097,581	1,644,148
Accrued Interest Receivable	17,224	18,089	10,948
Bank Premises and Equipment, net	77,602	79,027	34,356
Other Assets:			
Goodwill	110,214	110,335	6,679
Bank owned life insurance	29,758	29,405	28,348
Other intangibles	27,452	29,199	1,869
Other assets	70,529	55,260	54,700
Total other assets	237,953	224,199	91,596
Total Assets	\$3,698,709	\$3,557,818	\$2,277,324
<b>LIABILITIES AND STOCKHOLDERS' EQUITY:</b>			
Liabilities:			
Deposits:			
Non-interest bearing deposits	\$243,179	\$242,351	\$74,322
Interest bearing deposits	2,311,199	2,222,812	1,559,203
Total deposits	2,554,378	2,465,163	1,633,525
Borrowed funds	461,080	407,122	299,196
Other liabilities	69,454	65,736	61,826

Total liabilities	3,084,912	2,938,021	1,994,547
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Commitments and Contingencies

Stockholders' Equity:

Preferred Stock - \$.01 par value, 100,000,000 shares authorized, none issued or outstanding as of March 31, 2008; none authorized, issued or outstanding as of December 31, 2007	-	-	-
Common Stock - \$.01 par value, 300,000,000 shares authorized, 82,264,457 shares issued and outstanding as of March 31, 2008 and December 31, 2007; \$1.00 par value, 100,000 authorized, 100 shares issued and outstanding as of March 31, 2007	823	823	-
Additional paid-in capital	360,108	360,126	-
Unearned common stock held by employee stock ownership plan	(30,232)	(30,635)	-
Retained earnings (partially restricted)	285,621	291,360	294,907
Accumulated other comprehensive loss, net	(2,523)	(1,877)	(12,130)
Total stockholders' equity	613,797	619,797	282,777

Total Liabilities and Stockholders'

Equity	\$3,698,709	\$3,557,818	\$2,277,324
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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, 2008	December 31, 2007	March 31, 2007
<b>INTEREST INCOME:</b>			
Interest and fees on loans	\$32,495	\$33,105	\$25,766
Interest on federal funds sold	361	336	12
Interest and dividends on investment securities:			
Taxable	15,019	14,042	5,356
Tax-exempt	367	310	247
Total interest income	48,242	47,793	31,381
<b>INTEREST EXPENSE:</b>			
Interest on deposits:			
Interest bearing checking accounts	1,286	1,722	424
Money market and savings deposits	3,758	3,556	2,669
Time deposits	11,146	11,463	9,195
Total	16,190	16,741	12,288
Interest on borrowed funds	4,934	4,963	3,706

Total interest expense	21,124	21,704	15,994
Net interest income	27,118	26,089	15,387
Provision for loan losses	300	2,170	300
Net Interest Income After Provision for Loan Losses	26,818	23,919	15,087
NON-INTEREST INCOME:			
Insurance commission and related income	3,265	2,110	1,195
Service charges and other income	3,942	3,508	1,336
Impairment charge on securities available-for-sale	-	(1,192)	-
Gain (Loss) on sale of investment securities available for sale	128	(368)	313
Total non-interest income	7,335	4,058	2,844
NON-INTEREST EXPENSE:			
Salaries and employee benefits	12,992	18,832	9,123
Occupancy	2,946	2,913	1,960
Depreciation, amortization and maintenance	1,975	2,226	1,348
Advertising	1,111	1,747	686
Amortization of intangible	1,747	1,811	88
Other	5,121	5,031	2,776
Total non-interest expense	25,892	32,560	15,981
Income (Loss) before income taxes	8,261	(4,583)	1,950
Income tax expense (benefit)	2,200	(4,415)	200
NET INCOME (LOSS)	\$6,061	\$(168)	\$1,750
EARNINGS (LOSS) PER SHARE - Basic and Diluted			
	\$0.08	\$(0.00)	\$.04
Average common shares outstanding - Basic and Diluted	79,214,946	79,143,390	45,792,775

Earnings per share information for March 31, 2008 is calculated by giving retroactive application to the weighted average number of mutual holding company shares outstanding (45,792,775) on the July 13, 2007 closing date of the Company's minority stock offering.

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

	March 31, 2008	December 31, 2007	March 31, 2007
ASSET QUALITY INDICATORS:			
Non-performing assets:			
Non-accruing loans	\$2,573	\$7,685	\$3,244
Accruing loans past due 90 days or more	10,918	8,626	5,174

Total non-performing loans	13,491	16,311	8,418
Real estate owned	5,561	4,797	2,876
Total non-performing assets	\$19,052	\$21,108	\$11,294
Ratio of nonperforming loans to total loans	0.63%	0.77%	0.51%
Ratio of nonperforming loans to total assets	0.36%	0.46%	0.37%
Ratio of nonperforming assets to total assets	0.52%	0.59%	0.50%

	March 31, 2008	December 31, 2007	March 31, 2007
PERFORMANCE RATIOS: (annualized)			
Return on average assets	0.66%	(0.00%)	0.31%
Return on average equity	3.90%	(0.02%)	2.49%
Net interest margin	3.30%	3.27%	2.85%

	March 31, 2008	December 31, 2007	March 31, 2007
Other:			
Employees (full-time equivalents)	864	877	545

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