

ROMA FINANCIAL CORP
Form 10-Q/A
October 08, 2013

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

FORM 10-Q/A
(Amendment No. 1)

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934

For the quarterly period ended

June 30, 2013

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934

For the transition period from

To

Commission File Number 000-52000

ROMA FINANCIAL CORPORATION
(Exact name of registrant as specified in its charter)

UNITED STATES
(State or other jurisdiction of
Incorporation or organization)

51-0533946
(I.R.S. Employer
Identification Number)

2300 Route 33, Robbinsville, New Jersey
(Address of principal executive offices)

08691
(Zip Code)

Registrant's telephone
number, including area
code:

(609) 223-8300

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes [] No []

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding twelve months (or for such shorter period that the registrant

was required to submit and post such files).

Yes No

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

Non-accelerated filer

Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes No

The number of shares outstanding of each of the issuer’s classes of common stock, as of the latest practicable date, August 08, 2013:

\$0.10 par value common stock - 30,166,769 shares outstanding

EXPLANATORY NOTE

Roma Financial Corporation (the “Company”) is filing this Amendment No. 1 to its Quarterly Report on Form 10-Q for the quarter ended June 30, 2013 as filed with the Securities and Exchange Commission on August 9, 2013 to correct several typographical errors in Items 1, 2 and 3 of the filed version. In accordance with Rule 12b-15, the complete text of these items, as corrected, is included in this Form 10-Q/A. This Form 10-Q/A does not otherwise, update, amend or change the Form 10-Q and should be read as though filed as of the original filing date of the Form 10-Q.

ROMA FINANCIAL CORPORATION AND SUBSIDIARIES

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ROMA FINANCIAL CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION
(Unaudited)

| | June 30, 2013 | December 31, 2012 |
|---|------------------|----------------------|
| (In thousands, except per share data) | | |
| Assets | | |
| Cash and amounts due from depository institutions | \$ 21,960 | \$ 18,523 |
| Interest-bearing deposits in other banks | 132,790 | 93,073 |
| Money market funds | 1,012 | 32,855 |
| Cash and Cash Equivalents | 155,762 | 144,451 |
| Investment securities available for sale (“AFS”) at fair value | 26,170 | 28,921 |
| Investment securities held to maturity (“HTM”) at amortized cost (fair value of \$95,632 and \$129,488, respectively) | 96,920 | 127,916 |
| Mortgage-backed securities held to maturity at amortized cost (fair value of \$307,126 and \$363,918, respectively) | 299,426 | 343,318 |
| Loans receivable, net of allowance for loan losses of \$8,916 and \$8,669, respectively | 1,024,177 | 1,037,404 |
| Real estate and other repossessed assets owned | 6,062 | 8,340 |
| Real estate held for sale | 138 | 1,627 |
| Real estate owned via equity investment | 3,731 | 3,783 |
| Premises and equipment, net | 47,566 | 46,982 |
| Federal Home Loan Bank of New York and ACBB stock | 9,159 | 9,002 |
| Accrued interest receivable | 4,801 | 5,474 |
| Bank owned life insurance | 35,134 | 34,587 |
| Goodwill | 1,826 | 1,826 |
| Deferred tax asset | 13,545 | 14,229 |
| Other assets | 7,243 | 6,280 |
| Total Assets | \$ 1,731,660 | \$ 1,814,140 |
| Liabilities and Stockholders' Equity | | |
| Liabilities | | |
| Deposits: | | |
| Non-interest bearing | \$ 78,905 | \$ 71,287 |
| Interest bearing | 1,328,948 | 1,413,282 |
| Total deposits | 1,407,853 | 1,484,569 |
| Federal Home Loan Bank of New York advances | 47,323 | 52,385 |
| Securities sold under agreements to repurchase | 40,000 | 40,000 |
| Advance payments by borrowers for taxes and insurance | 3,784 | 3,433 |
| Accrued interest payable and other liabilities | 15,503 | 18,144 |
| Total Liabilities | 1,514,463 | 1,598,531 |
| Stockholders' Equity | | |

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Common stock, \$0.10 par value, 45,000,000 shares authorized,
32,731,875 shares issued;

| | | | |
|--|--------------|---|--------------|
| 30,166,769 and 30,116,769 shares outstanding at June 30, 2013 and December 31, 2012, respectively | 3,274 | | 3,274 |
| Paid-in capital | 101,240 | | 101,002 |
| Retained earnings | 157,640 | | 156,618 |
| Unearned shares held by Employee Stock Ownership Plan | (4,329 |) | (4,599 |
| Treasury stock, 2,565,106 and 2,615,106 shares, respectively | (36,555 |) | (37,098 |
| Accumulated other comprehensive loss | (6,094 |) | (5,598 |
| Total Roma Financial Corporation stockholders' equity | 215,176 | | 213,599 |
| Noncontrolling interest | 2,021 | | 2,010 |
| Total Stockholders' Equity | 217,197 | | 215,609 |
| Total Liabilities and Stockholders' Equity | \$ 1,731,660 | | \$ 1,814,140 |

See notes to consolidated financial statements.

ROMA FINANCIAL CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME
(Unaudited)

| | Three Months Ended June 30, | | Six Months Ended June 30, | |
|--|--|---------------|---|---------------|
| | 2013 | 2012 | 2013 | 2012 |
| | (In thousands, except per share data) | | (In thousands, except per share ata) | |
| Interest Income | | | | |
| Loans, including fees | \$11,612 | \$11,854 | \$23,597 | \$23,880 |
| Mortgage-backed securities held to maturity | 2,618 | 3,862 | 5,400 | 7,916 |
| Investment securities held to maturity | 419 | 954 | 933 | 2,204 |
| Securities available for sale | 88 | 9 | 209 | 235 |
| Other interest-earning assets | 140 | 136 | 298 | 250 |
| Total Interest Income | 14,877 | 16,815 | 30,437 | 34,485 |
| Interest Expense | | | | |
| Deposits | 2,221 | 3,233 | 4,626 | 6,896 |
| Borrowings | 652 | 947 | 1,322 | 1,633 |
| Total Interest Expense | 2,873 | 4,180 | 5,948 | 8,529 |
| Net Interest Income | 12,004 | 12,635 | 24,489 | 25,956 |
| Provision for loan losses | 344 | 1,389 | 202 | 2,652 |
| Net Interest Income after Provision for Loan Losses | 11,660 | 11,246 | 24,287 | 23,304 |
| Non-Interest Income | | | | |
| Commissions on sales of title policies | 251 | 275 | 492 | 516 |
| Fees and service charges on deposits and loans | 315 | 463 | 574 | 859 |
| Income from bank owned life insurance | 346 | 357 | 687 | 709 |
| Net gain from sale of mortgage loans originated for sale | 228 | 485 | 484 | 798 |
| Net gain from sale of available for sale securities | - | 13 | 1 | 13 |
| Realized gain (loss) on real estate held for sale | - | - | 581 | (3) |
| Realized (loss) on real estate owned | (96) | (4) | (508) | (4) |
| Other | 379 | 489 | 773 | 909 |
| Total Non-Interest Income | 1,423 | 2,078 | 3,084 | 3,797 |
| Non-Interest Expense | | | | |
| Salaries and employee benefits | 6,139 | 6,375 | 12,710 | 12,740 |
| Net occupancy expense of premises | 1,102 | 1,147 | 2,230 | 2,262 |
| Equipment | 891 | 884 | 1,834 | 1,786 |
| Data processing fees | 611 | 585 | 1,102 | 1,122 |
| Federal Deposit Insurance Premium | 553 | 538 | 1,269 | 958 |
| Commercial and residential loan expense | 707 | 575 | 926 | 1,460 |
| Merger expense | 672 | - | 953 | - |
| Loss on returned items | 1,802 | - | 1,802 | - |
| Other | 1,326 | 1,970 | 3,012 | 3,426 |

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| | | | | |
|--|------------|------------|------------|------------|
| Total Non-Interest Expense | 13,803 | 12,074 | 25,838 | 23,754 |
| (Loss) Income Before Income Taxes | (720) | 1,250 | 1,533 | 3,347 |
| Income Tax (BENEFIT) EXPENSE | (393) | 334 | 470 | 961 |
| Net income | (327) | 916 | 1,063 | 2,386 |
| Plus: net gain attributable to the noncontrolling interest | (28) | (20) | (41) | (74) |
| Net Income attributable to Roma Financial Corporation | \$(355) | \$896 | \$1,022 | \$2,312 |
| Net income attributable to Roma Financial Corporation per common share | | | | |
| Basic and Diluted | \$(0.01) | \$0.03 | \$0.03 | \$0.08 |
| Dividends Declared Per Share | \$0.00 | \$0.04 | \$0.00 | \$0.12 |
| Weighted Average Number of Common Shares Outstanding | | | | |
| Basic | 29,679,769 | 29,801,882 | 29,670,649 | 29,806,678 |
| Diluted | 29,679,769 | 29,801,882 | 29,802,355 | 29,806,678 |

See notes to consolidated financial statements.

ROMA FINANCIAL CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
(Unaudited)

| | Three Months Ended June 30, | | Six Months Ended June 30, | |
|--|--------------------------------|------------|------------------------------|----------|
| | 2013 | 2012 | 2013 | 2012 |
| | (In thousands) | | (In thousands) | |
| Net Income (loss) | \$(327 |) \$ 916 | \$1,063 | \$ 2,386 |
| Other comprehensive income (loss): | | | | |
| Unrealized holding gains on available for sale securities: | | | | |
| Unrealized holding (losses) gains arising during the period | (793 |) 259 | (910 |) 294 |
| Less: reclassification adjustment for (gains) included in net income | - | (13 |) (1 |) (13 |
| Net realized (loss) gain on securities available for sale | (793 |) 246 | (911 |) 281 |
| Tax effect | 335 | (105 |) 385 | (120 |
| | |) | |) |
| Other comprehensive (loss) income, net of tax | (458 |) 141 | (526 |) 161 |
| Comprehensive (loss) income | \$(785 |) \$ 1,057 | \$ 537 | \$ 2,547 |
| Comprehensive income attributable to the noncontrolling interest | (2 |) (27 |) (11 |) (106 |
| | |) | |) |
| Comprehensive (loss) income attributable to Roma Financial Corporation | \$(787 |) \$ 1,030 | \$526 | \$ 2,441 |

See notes to consolidated financial statements.

ROMA FINANCIAL CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
(Unaudited)
(In thousands)

| | Common Stock | | Paid-In Capital | Retained Earnings | Unearned Shares | | Accumulated Other Comprehensive (Loss) | Treasury Stock | Noncontrolling Interest | Total |
|--|--------------|----------|--------------------|----------------------|--------------------|------------|---|-------------------|----------------------------|-------|
| | Shares | Amount | | | Held By ESOP | | | | | |
| Balance December 31, 2011 | 30,321 | \$ 3,274 | \$ 100,310 | \$ 157,669 | \$ (5,141) | \$ (4,637) | \$ (35,335) | \$ 1,855 | \$ 217,995 | |
| Net income for the six months ended June 30, 2012 | - | - | - | 2,312 | - | - | - | 74 | 2,386 | |
| Other comprehensive income, net | - | - | - | - | - | 129 | - | 32 | 161 | |
| Vesting of restricted stock | 49 | - | (521) | - | - | - | 521 | - | - | |
| Dividends declared and paid | - | - | - | (1,706) | - | - | - | - | (1,706) | |
| Treasury shares repurchased | (74) | - | - | - | - | - | (644) | - | (644) | |
| Stock-based compensation | - | - | 642 | - | - | - | - | - | 642 | |
| ESOP shares earned | - | - | (13) | - | 270 | - | - | - | 257 | |
| Balance June 30, 2012 | 30,296 | \$ 3,274 | \$ 100,418 | \$ 158,275 | \$ (4,871) | \$ (4,508) | \$ (35,458) | \$ 1,961 | \$ 219,091 | |
| Balance December 31, 2012 | 30,116 | \$ 3,274 | \$ 101,002 | \$ 156,618 | \$ (4,599) | \$ (5,598) | \$ (37,098) | \$ 2,010 | \$ 215,609 | |
| Net income for the six months ended June 30, 2012 | - | - | - | 1,022 | - | - | - | 41 | 1,063 | |
| Other comprehensive loss, net | - | - | - | - | - | (496) | - | (30) | (526) | |
| Vesting of restricted stock | 50 | - | (543) | - | - | - | 543 | - | - | |
| | - | - | 612 | - | - | - | - | - | 612 | |

| | | | | | | | | | |
|--|--------|----------|------------|------------|------------|-------------|-------------|----------|------------|
| Stock-based compensation ESOP shares earned | - | - | 169 | - | 270 | - | - | - | 439 |
| Balance June 30, 2013 | 30,166 | \$ 3,274 | \$ 101,240 | \$ 157,640 | \$ (4,329) | \$ (6,094) | \$ (36,555) | \$ 2,021 | \$ 217,197 |

See notes to consolidated financial statements

ROMA FINANCIAL CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

| | Six Months Ended | |
|--|------------------|--------------|
| | June 30, | |
| | 2013 | 2012 |
| | (In thousands) | |
| Cash Flows from Operating Activities | | |
| Net income | \$1,063 | \$2,386 |
| Adjustments to reconcile net income to net cash provided by operating activities: | | |
| Depreciation and amortization | 1,217 | 1,116 |
| Amortization of premiums and accretion of discounts on securities | 412 | 354 |
| Accretion of deferred loan fees and discounts | (356) | (167) |
| Amortization of net premiums on loans | 244 | 256 |
| Amortization of premiums on deposits | (9) | (11) |
| Amortization of premiums on subordinated debt | - | 271 |
| Gain on sale of securities available for sale | (1) | (13) |
| Net gain on sale of mortgage loans originated for sale | (484) | (798) |
| Mortgage loans originated for sale | (19,288) | (22,293) |
| Proceeds from sales of mortgage loans originated for sale | 19,772 | 23,091 |
| Net realized loss from sales of real estate owned | 508 | 4 |
| Loss on impairment of real estate owned | 49 | - |
| Proceeds from sale of real estate held for sale | 2,070 | 327 |
| Realized (gain) loss on sale of real estate held for sale | (581) | 3 |
| Provision for loan losses | 202 | 2,652 |
| Stock-based compensation, including warrants | 612 | 642 |
| ESOP shares earned | 439 | 257 |
| Decrease in accrued interest receivable | 673 | 762 |
| Increase in cash surrender value of bank owned life insurance | (548) | (590) |
| (Increase) decrease in other assets | (960) | 1,109 |
| Decrease in accrued interest payable | (61) | (164) |
| Decrease in deferred income taxes | 1,069 | 159 |
| (Decrease) increase in other liabilities | (2,580) | (957) |
| Net Cash Provided by Operating Activities | 3,462 | 8,396 |
| Cash Flows from Investing Activities | | |
| Proceeds from maturities, calls and principal repayments of securities available for sale | 2,284 | 7,034 |
| Proceeds from sale of securities available for sale | 500 | 1,036 |
| Purchases of securities available for sale | (1,054) | (4,587) |
| Proceeds from maturities, calls and principal repayments of investment securities held to maturity | 31,000 | 163,843 |
| Purchases of investment securities held to maturity | - | (45,257) |
| Principal repayments on mortgage-backed securities held to maturity | 59,068 | 61,735 |
| Purchases of mortgage-backed securities held to maturity | (15,482) | (18,789) |
| Net decrease (increase) in loans receivable | 10,020 | (31,788) |
| Purchase of bank owned life insurance | - | (4,550) |
| Additions to premises and equipment and real estate owned via equity investment | (1,750) | (1,633) |

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| | | |
|---|------------|------------|
| Proceeds from sale of real estate owned | 4,838 | 370 |
| Purchases of Federal Home Loan Bank of New York stock | (157) | (1,965) |
| Net Cash Provided by (Used in) Provided by Investing Activities | 89,267 | 125,449 |
| Cash Flows from Financing Activities | | |
| Net (decrease) increase in deposits | (76,707) | (62,335) |
| Increase in advance payments by borrowers for taxes and insurance | 351 | 565 |
| Purchase of treasury stock | - | (644) |
| Dividends paid to minority stockholders of Roma Financial Corp. | - | (1,112) |
| Repayment of Federal Home Loan Bank of New York advances | (5,062) | (5,358) |
| Proceeds from Federal Home Loan Bank of New York advances | - | 24,808 |
| Repayment of subordinated debentures | - | (2,186) |
| Net Cash (Used in) Provided by Financing Activities | (81,418) | (46,262) |
| Net Increase in Cash and Cash Equivalents | 11,311 | 87,583 |
| Cash and Cash Equivalents – Beginning | 144,451 | 84,659 |
| Cash and Cash Equivalents – Ending | \$ 155,762 | \$ 172,242 |

ROMA FINANCIAL CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS (Cont'd)
(Unaudited)

| | Six Months Ended June 30, | |
|---|------------------------------|---------|
| | 2013 | 2012 |
| | (In thousands) | |
| Supplementary Cash Flows Information | | |
| Income taxes paid, net | \$430 | \$50 |
| Interest paid | \$5,887 | \$8,693 |
| Securities purchased and not settled | \$- | \$8,000 |
| Loans receivable transferred to real estate owned | \$3,117 | \$4,290 |

See notes to consolidated financial statements.

ROMA FINANCIAL CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)

NOTE A – ORGANIZATION

Roma Financial Corporation (the “Company”) is a federally-chartered corporation organized in January 2005 for the purpose of acquiring all of the capital stock that Roma Bank issued in its mutual holding company reorganization. Roma Financial Corporation’s principal executive offices are located at 2300 Route 33, Robbinsville, New Jersey 08691 and its telephone number at that address is (609) 223-8300.

Roma Financial Corporation, MHC is a federally-chartered mutual holding company that was formed in January 2005 in connection with the mutual holding company reorganization. Roma Financial Corporation, MHC has not engaged in any significant business since its formation. So long as Roma Financial Corporation MHC is in existence, it will at all times own a majority of the outstanding stock of Roma Financial Corporation. Roma Financial Corporation, MHC, whose activity is not included in these consolidated financial statements, held 22,584,995 shares or 74.5% of the Company’s outstanding common stock at June 30, 2013.

Roma Bank is a federally-chartered stock savings bank. It was originally founded in 1920 and received its federal charter in 1991. Roma Bank’s deposits are federally insured by the Deposit Insurance Fund as administered by the Federal Deposit Insurance Corporation.

RomAsia Bank is a federally-chartered stock savings bank. RomAsia Bank received all regulatory approvals on June 23, 2008 to be a federal savings bank and began operations on that date. The Company originally invested \$13.4 million in RomAsia Bank and in 2011 invested an additional \$2.5 million. The Company currently holds a 91.22% ownership interest.

Roma Bank and RomAsia Bank are collectively referred to as (the “Banks”). Pursuant to the provisions of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the “Dodd-Frank Act”), as of July 21, 2011, Roma Financial Corporation, MHC and the Company are regulated by the Federal Reserve Bank of Philadelphia and Roma Bank and RomAsia Bank by the Office of the Comptroller of the Currency.

The Banks offer traditional retail banking services, one-to four-family residential mortgage loans, multi-family and commercial mortgage loans, construction loans, commercial business loans and consumer loans, including home equity loans and lines of credit. Roma Bank operates from its main office in Robbinsville, New Jersey, and twenty-three branch offices located in Mercer, Burlington, Camden and Ocean Counties, New Jersey. RomAsia Bank operates from two locations in Monmouth Junction and Edison, New Jersey. As of September 30, 2012, the Banks had 270 full-time employees and 22 part-time employees. Roma Bank maintains a website at www.romabank.com. RomAsia Bank maintains a website at www.Romasiabank.com.

Throughout this document, references to “we,” “us,” or “our” refer to the Banks or the Company, or both, as the context indicates.

NOTE B - BASIS OF PRESENTATION

The consolidated financial statements include the accounts of the Company, its wholly-owned subsidiary, Roma Bank and Roma Bank’s wholly-owned subsidiaries, Roma Capital Investment Corp. (the “Investment Co.”) and General Abstract and Title Agency (the “Title Co.”), and the Company’s majority owned investment of 91.22% in RomAsia Bank. The consolidated statements also include the Company’s 50% interest in 84 Hopewell, LLC (the “LLC”), a real

estate investment which is consolidated according to the requirements of Accounting Standards Codification Topic 810, Variable Interest Entities. All significant inter-company accounts and transactions have been eliminated in consolidation. These statements were prepared in accordance with instructions for Form 10-Q and Rule 10-01 of Regulation S-X and, therefore, do not include all information or footnotes necessary for a complete presentation of financial condition, results of operations, and cash flows in conformity with generally accepted accounting principles in the United States of America ("GAAP").

In the opinion of management, all adjustments which are necessary for a fair presentation of the consolidated financial statements have been made at and for the three and six months ended June 30, 2013 and 2012. The results of operations for the three and six months ended June 30, 2013 are not necessarily indicative of the results which may be expected for the entire fiscal year or other interim periods.

The December 31, 2012 data in the consolidated statements of financial condition was derived from the Company's audited consolidated financial statements for that date. That data, along with the interim financial information presented in the consolidated statements of financial condition, income, comprehensive income, changes in stockholders' equity and cash flows should be read in conjunction with the 2012 audited consolidated financial statements for the year ended December 31, 2012, including the notes thereto included in the Company's Annual Report on Form 10-K.

The Investment Co. was incorporated in the State of New Jersey effective September 4, 2004, and began operations October 1, 2004. The Investment Co. is subject to the investment company provisions of the New Jersey Corporation Business Tax Act. The Title Co. was incorporated in the State of New Jersey effective March 7, 2005 and commenced operations April 1, 2005. The Company, together with

NOTE B - BASIS OF PRESENTATION (Continued)

two individuals, formed a limited liability company, 84 Hopewell, LLC. The LLC was formed to build a commercial office building in which is located the Company's Hopewell branch, corporate offices for the other LLC members construction company and tenant space. The Company invested \$360,000 in the LLC and provided a loan in the amount of \$3.6 million to the LLC. The Company and the other 50% owner's construction company both have signed lease commitments to the LLC.

The consolidated financial statements have been prepared in conformity with GAAP. In preparing the consolidated financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities as of the date of the consolidated statements of financial condition and revenues and expenses for the periods then ended. Actual results could differ significantly from those estimates.

A material estimate that is particularly susceptible to significant change relates to the determination of the allowance for loan losses. The allowance for loan losses represents management's best estimate of losses known and inherent in the portfolio that are both probable and reasonable to estimate. While management uses the most current information available to estimate losses on loans, actual losses are dependent on future events and, as such, increases in the allowance for loan losses may be necessary.

In addition, various regulatory agencies, as an integral part of their examination process, periodically review the Banks' allowance for loan losses. Such agencies may require the Banks to recognize additions to the allowance based on their judgments about information available to them at the time of their examinations.

In accordance with Accounting Standards Codification ("FASB ASC") Topic 855, Subsequent Events, management has evaluated subsequent events until the date of issuance of this report, and concluded that no events occurred that were of a material nature.

NOTE C - CONTINGENCIES

The Company, from time to time, is a party to routine litigation that arises in the normal course of business. In the opinion of management, the resolution of such litigation, if any, would not have a material adverse effect, as of June 30, 2013, on the Company's consolidated financial position or results of operations.

NOTE D – EARNINGS PER SHARE

Basic earnings per share is based on the weighted average number of common shares actually outstanding adjusted for Employee Stock Ownership Plan ("ESOP") shares not yet committed to be released. Diluted EPS is calculated by adjusting the weighted average number of shares of common stock outstanding to include the effect of outstanding stock options and unvested stock awards, if dilutive, using the treasury stock method. Shares issued and reacquired during any period are weighted for the portion of the period they were outstanding.

The following table sets forth the composition of the weighted average common shares (denominator) used in the basic and diluted earnings per share computation.

| | For the Three Months Ended June 30, 2013 | For the Six Months Ended June 30, 2013 |
|--|--|--|
| (Loss) income attributable to Roma Financial Corporation | \$ (355,513) | \$ 1,021,507 |

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| | | |
|--|------------|------------|
| Weighted average common shares outstanding-basic | 29,679,769 | 29,670,649 |
| Effect of dilutive stock options outstanding | - | 131,706 |
| Weighted average common shares outstanding-diluted | 29,679,769 | 29,802,355 |
| Earnings per share-basic | \$ (0.01) | \$ 0.03 |
| Earnings per share-diluted | \$ (0.01) | \$ 0.03 |

All stock options outstanding for the three months ended June 30, 2013 were anti-dilutive due to a loss in the period. All unvested restricted stock grants for the three and six months ended June 30, 2013 were anti-dilutive. All stock options outstanding and restricted stock grants for both the three and six months ended June 30, 2012 were anti-dilutive.

NOTE E – STOCK BASED COMPENSATION

Equity Incentive Plan

At the Annual Meeting held on April 23, 2008, stockholders of the Company approved the Roma Financial Corporation 2008 Equity Incentive Plan. The 2008 Plan enables the Board of Directors to grant stock options to executives, other key employees and nonemployee directors. The options granted under the Plan may be either incentive stock options or non-qualified stock options. The Company has reserved 1,292,909 shares of common stock for issuance upon the exercise of options granted under the 2008 Plan and 517,164 shares for grants of restricted stock. The Plan will terminate in ten years from the grant date. Options will be granted with an exercise price not less than the Fair Market Value of a share of Common Stock on the date of the grant. Options may not be granted for a term greater than ten years. Stock options granted under the Incentive Plan are subject to limitations under Section 422 of the Internal Revenue Code. The number of shares available under the 2008 Plan, the number of shares subject to outstanding options and the exercise price of outstanding options will be adjusted to reflect any stock dividend, stock split, merger, reorganization or other event generally affecting the number of Company's outstanding shares.

At June 30, 2013, there were 526,909 shares available for option grants under the 2008 Plan and 226,499 shares available for grants of restricted stock.

The Company accounts for stock based compensation under FASB ASC Topic 718, Compensation-Stock Compensation. ASC Topic 718 covers a wide range of share-based compensation arrangements including share options, restricted share plans, performance-based awards, share appreciation rights, and employee share purchase plans. ASC Topic 718 requires that compensation cost relating to share-based payment transactions be recognized in the financial statements. The cost is measured based on the fair value of the equity or liability instruments issued.

ASC Topic 718 also requires the Company to realize as a financing cash flow rather than an operating cash flow, as previously required, the benefits of realized tax deductions in excess of previously recognized tax benefits on compensation expense. In accordance with SEC Staff Accounting Bulletin ("SAB") No. 107, the Company classified share-based compensation for employees and outside directors within "salaries and employee benefits" in the consolidated statement of income to correspond with the same line item as the cash compensation paid.

The stock options will vest over a five year service period and are exercisable within ten years. Compensation expense for all option grants is recognized over the awards' respective requisite service period.

Restricted shares vest over a five year service period. Management recognizes compensation expense for the fair value of restricted shares on a straight-line basis over the requisite service period of the awards of five years. The number of shares granted and the grant date market price of the Company's common stock determines the fair value of the restricted shares under the Company's restricted stock plan.

The following is a summary of the status of the Company's stock option activity and related information for the year ended December 31, 2012 and for the six months ended June 30, 2013:

| | Number of Stock Options | Weighted Avg. Exercise Price | Weighted Avg. Remaining Contractual Life | Aggregate Intrinsic Value (In thousands) |
|------------------------------|----------------------------|------------------------------------|--|---|
| Balance at December 31, 2010 | 797,200 | \$ 13.67 | | |

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| | | | | | |
|------------------------------|---------|----|-------|------------|----------|
| Granted | 32,000 | | 13.67 | | |
| Forfeited | (8,000 |) | 13.67 | | |
| Balance at December 31, 2011 | 821,200 | \$ | 13.67 | | |
| Forfeited | (17,200 |) | 13.67 | | |
| Balance at December 31, 2012 | 804,000 | \$ | 13.67 | | |
| Forfeited | (38,000 |) | 13.67 | | |
| Balance at June 30, 2013 | 766,000 | \$ | 13.67 | 5.11 years | \$ 3,439 |
| Exercisable at June 30, 2013 | 746,800 | \$ | 13.67 | 5.02 years | \$ 3,353 |

NOTE E – STOCK BASED COMPENSATION (Continued)

The key valuation assumptions and fair value of stock options granted June 15, 2011 were:

| | |
|----------------|-----------|
| Expected life | 6.5 years |
| Risk-free rate | 2.26% |
| Volatility | 35.42% |
| Dividend yield | 3.32% |
| Fair value | \$1.70 |

The following is a summary of the status of the Company's restricted shares as of June 30, 2013 and changes during the year ended December 31, 2012 and for the six months ended June 30, 2013:

| | Number of Restricted Shares | Weighted Average Grant Date Fair Value |
|---|--------------------------------|--|
| Non-vested restricted shares at December 31, 2011 | 153,350 | \$ 11.70 |
| Vested | (52,542) | 12.59 |
| Forfeited | (4,685) | 13.67 |
| Non-vested restricted shares at December 31, 2012 | 96,123 | \$ 11.08 |
| Vested | (50,000) | 12.89 |
| Granted | 6,000 | 16.74 |
| Non-vested restricted shares at June 30, 2013 | 52,123 | \$ 10.04 |

Stock option and stock award expenses included in compensation expense were \$266,000 and \$581,000, respectively, for the three and six months ended June 30, 2013 with respective tax benefits of \$106,000 and \$232,000; and \$302,000 and \$615,000 for the three and six months ended June 30, 2012, with respective tax benefits of \$121,000 and \$246,000. At June 30, 2013, there was approximately \$551,000 thousand of unrecognized cost, related to outstanding stock options and restricted shares, which will be recognized over a period of approximately 2.3 years and 3.32 years, respectively.

Equity Incentive Plan – RomAsia Bank

The stockholders of RomAsia Bank approved an equity incentive plan in 2009. On January 6, 2010, directors, senior officers and certain employees of the RomAsia Bank were granted, in the aggregate, options to purchase 75,500 shares of RomAsia common stock.

The Plan enables the Board of Directors of RomAsia Bank to grant stock options to executives, other key employees and nonemployee directors. The options granted under the Plan may be either incentive stock options or non-qualified stock options. RomAsia has reserved 225,000 shares of its common stock for issuance upon the exercise of options granted under the Plan. The Plan will terminate in ten years from the grant date. Options will be granted with an exercise price not less than the Fair Market Value of a share of RomAsia's Common Stock on the date of the grant. Options may not be granted for a term greater than ten years. The stock options vest over a five year service period and are exercisable within ten years. Stock options granted under the Incentive Plan are subject to limitations under Section 422 of the Internal Revenue Code. The number of shares available under the Plan, the number of shares

subject to outstanding options and the exercise price of outstanding options will be adjusted to reflect any stock dividend, stock split, merger, reorganization or other event generally affecting the number of Company's outstanding shares. At June 30, 2013, there were 114,500 shares available for option grants under the Plan. On March 1, 2012 RomAsia Bank granted 46,500 options. The key valuation assumptions and fair value of stock options granted in March 2012 were:

| | |
|----------------|-----------|
| Expected life | 6.5 years |
| Risk-free rate | 1.33% |
| Volatility | 28.30% |
| Fair value | \$2.76 |

NOTE E – STOCK BASED COMPENSATION (Continued)

The following is a summary of the status of the RomAsia’s stock option activity and related information for the year ended December 31, 2012 and for the six months ended June 30, 2013:

| | Number of Stock Options | Weighted Avg. Exercise Price | Weighted Avg. Remaining Contractual Life | Aggregate Intrinsic Value (In thousands) |
|---|----------------------------|------------------------------------|--|---|
| Balance at December 31, 2010 | 75,500 | \$ 8.47 | | |
| Forfeited | (9,500) | 8.47 | | |
| Balance at December 31, 2011 | 66,000 | 8.47 | | |
| Forfeited | (7,000) | 8.47 | | |
| Granted | 46,500 | 8.81 | | |
| Balance at December 31, 2012 and June 30, 2013 | 105,500 | \$ 8.60 | 7.42 years | \$ 280 |
| Exercisable at June 30, 2013 | 46,700 | \$ 8.47 | 8.42 years | \$ 130 |

Stock option expense, related to the RomAsia plan included with compensation expense was \$16,000 and \$31,000, respectively, for the three and six months ended June 30, 2013 with respective tax benefits of \$7,000 and \$13,000; and \$15,000 and \$27,000, respectively, for the three months and six months ended June 30, 2012, with respective tax benefits of \$7,000 and \$12,000. At June 30, 2013, approximately \$144,000 of unrecognized cost, related to outstanding stock options, which will be recognized over a period of approximately 2.42 years.

Employee Stock Ownership Plan

Roma Bank has an Employee Stock Ownership Plan (“ESOP”) for the benefit of employees who meet the eligibility requirements defined in the plan. The ESOP trust purchased 811,750 shares of common stock as part of the stock offering using proceeds from a loan from the Company. The total cost of the shares purchased by the ESOP trust was \$8.1 million, reflecting a cost of \$10 per share. Roma Bank makes cash contributions to the ESOP on a quarterly basis sufficient to enable the ESOP to make the required loan payments to the Company. The loan bears an interest rate of 8.25% with principal and interest payable in equal quarterly installments over a fifteen year period. The loan is secured by the shares of the stock purchased.

Shares purchased with the loan proceeds were initially pledged as collateral for the term loan and are held in a suspense account for future allocation among participants. Contributions to the ESOP and shares released from the suspense account will be allocated among the participants on the basis of compensation, as described by the Plan, in the year of allocation. As shares are committed to be released from collateral, the Company reports compensation expense equal to the current market price of the shares, and the shares become outstanding for earnings per share computations. Roma Bank made its first loan payment in October 2006. As of June 30, 2013, there were 432,938 unearned shares. The Company’s ESOP compensation expense was \$230 thousand and \$439 thousand, respectively, for the three and six months ended June 30, 2013; and \$119 thousand and \$257 thousand, respectively, for the three and six months ended June 30, 2012.

NOTE F – STOCK WARRANTS

RomAsia Bank issued warrants to purchase 150,500 shares of RomAsia Common Stock (the "Warrants"), bearing an exercise price of \$10.00 per share, to the Founding Stockholders who subscribed initially for 150,500 shares of RomAsia Common Stock and provided \$1,505,000 to pay RomAsia's organizational expenses. The warrants were issued on June 23, 2008.

The warrants will become exercisable in three equal installments on the first, second and third anniversaries after their respective dates of issuance. Warrants will be convertible into one share of RomAsia Common Stock and will be transferable only in compliance with the Securities Act of 1933, as amended, and applicable state securities laws. RomAsia may redeem the Warrants at a price of \$1.00 per Warrant at any time after January 1, 2012 upon 60 days prior written notice to the holders thereof.

The Warrants provide that, in the event that RomAsia's capital falls below certain minimum requirements, the FDIC or the OCC may require RomAsia to notify the holders of the Warrants that such holders must exercise the Warrants within 30 days of such notice, or such longer period as the FDIC or OCC may prescribe, or forfeit all rights to purchase shares of RomAsia Common Stock under the Warrants after the expiration of such period.

The Warrants expire ten years after being issued. In the event a holder fails to exercise the Warrants prior to their expiration, the Warrants will expire and the holder thereof will have no further rights with respect to the Warrants.

NOTE F – STOCK WARRANTS (Continued)

The Warrant expense for minority shareholders, (8.78% ownership), for the three and six months ended June 30, 2013 and 2012 was \$0 for both periods, and respective tax benefits of \$0, for both periods. The warrant expense for the majority shareholder, Roma Financial Corporation, was eliminated in consolidation. The warrants were 100% vested at June 30, 2013.

NOTE G - REAL ESTATE OWNED VIA EQUITY INVESTMENTS

In 2008, Roma Bank, together with two individuals, formed 84 Hopewell, LLC. The LLC was formed to build a commercial office building which includes Roma Bank's Hopewell branch, corporate offices for the other 50% owners' construction company and tenant space. Roma Bank made a cash investment of approximately \$360,000 in the LLC and provided a loan to the LLC in the amount of \$3.6 million. Roma Bank and the construction company both have signed lease commitments to the LLC. With the adoption of guidance in regards to variable interest entities now codified in FASB ASC Topic 810, Consolidation, the Company is required to perform an analysis to determine whether such an investment meets the criteria for consolidation into the Company's financial statements. As of June 30, 2013 and December 31, 2012, this variable interest entity met the requirements of ASC Topic 810 for consolidation based on Roma Bank being the primary financial beneficiary. This was determined based on the amount invested by the Bank compared to the other partners to the LLC and the lack of personal guarantees. As of June 30, 2013, the LLC had \$3.7 million in fixed assets and a loan from Roma Bank for \$3.2 million, which was eliminated in consolidation. The LLC had accrued interest payable to the Bank of \$10 thousand at June 30, 2013 and during the six months then ended the Bank paid \$65 thousand in rent to the LLC. Both of these amounts were eliminated in consolidation. Roma Bank's 50% share of the LLC's net income for the three and six months ended June 30, 2013 was \$22 thousand and \$18 thousand, respectively.

NOTE H – INVESTMENT AND MORTGAGE-BACKED SECURITIES

The following summarizes the amortized cost and estimated fair value of securities available for sale at June 30, 2013 and December 31, 2012 with gross unrealized gains and losses therein:

| | Amortized Cost | June 30, 2013 | | Fair Value |
|--|-------------------|------------------------------|-------------------------------|------------|
| | | Gross Unrealized Gains | Gross Unrealized Losses | |
| Available for sale: | | | | |
| Mortgage-backed securities-U.S. Government Sponsored Enterprises (GSEs) | \$10,285 | \$127 | \$296 | \$10,116 |
| Obligations of state and political subdivisions: | | | | |
| After five through ten years | 2,500 | 81 | 35 | 2,546 |
| After ten years | 1,075 | 86 | - | 1,161 |
| | 3,575 | 167 | 35 | 3,707 |
| U.S. Government (including agencies) | | | | |
| One through five years | 5,235 | 229 | 19 | 5,445 |
| After five through ten years | 1,000 | - | 21 | 979 |
| After ten years | 1,484 | - | 68 | 1,416 |

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| | | | | |
|-------------------|----------|-------|-------|----------|
| | 7,719 | 229 | 108 | 7,840 |
| Corporate bond | 500 | - | - | 500 |
| Equity securities | 50 | 6 | - | 56 |
| Mutual funds | 4,189 | - | 238 | 3,951 |
| | \$26,318 | \$529 | \$677 | \$26,170 |

NOTE H – INVESTMENT AND MORTGAGE-BACKED SECURITIES (Continued)

| | Amortized Cost | December 31, 2012 Gross Unrealized Gains | Gross Unrealized Losses | Fair Value |
|--|-------------------|---|-------------------------------|------------|
| | | (In Thousands) | | |
| Available for sale: | | | | |
| Mortgage-backed securities-U.S. Government Sponsored Enterprises (GSEs) | \$12,115 | \$327 | \$163 | \$12,279 |
| Obligations of state and political subdivisions: | | | | |
| After five through ten years | 1,994 | 127 | 2 | 2,119 |
| After ten years | 1,583 | 198 | - | 1,781 |
| | 3,577 | 325 | 2 | 3,900 |
| U.S. Government (including agencies): | | | | |
| One through five years | 3,102 | 116 | - | 3,218 |
| After five through ten years | 3,664 | 229 | - | 3,893 |
| After ten years | 1,516 | 21 | - | 1,537 |
| | 8,282 | 366 | - | 8,648 |
| Corporate bond | 1,000 | 9 | 18 | 991 |
| Equity securities | 50 | 6 | - | 56 |
| Mutual funds | 3,134 | - | 87 | 3,047 |
| | \$28,158 | \$1,033 | \$270 | \$28,921 |

NOTE H – INVESTMENT AND MORTGAGE-BACKED SECURITIES (Continued)

The unrealized losses, categorized by the length of time of continuous loss position, and the fair value of related securities available for sale at June 30, 2013 and December 31, 2012 are as follows:

| | Less than 12 Months | | More than 12 Months | | Total | |
|---|---------------------|-------------------|---------------------|-------------------|------------|-------------------|
| | Fair Value | Unrealized Losses | Fair Value | Unrealized Losses | Fair Value | Unrealized Losses |
| | (In Thousands) | | | | | |
| June 30, 2013: | | | | | | |
| Mortgage-backed securities-GSEs | \$ 3,532 | \$ 92 | \$ 2,146 | \$ 204 | \$ 5,678 | \$ 295 |
| U.S. Government securities | 3,376 | 108 | - | - | 3,376 | 108 |
| Obligations of state and political subdivisions | 463 | 35 | - | - | 463 | 35 |
| Mutual funds | 973 | 37 | 2,977 | 201 | 3,950 | 238 |
| | \$ 8,344 | \$ 272 | \$ 5,123 | \$ 405 | \$ 13,467 | \$ 677 |
| December 31, 2012: | | | | | | |
| Mortgage-backed securities-GSEs | \$ 72 | \$ 2 | \$ 2,645 | \$ 161 | \$ 2,717 | \$ 163 |
| Obligation of state and political subdivisions | 496 | 2 | - | - | 496 | 2 |
| Corporate bond | - | - | 482 | 18 | 482 | 18 |
| Mutual funds | - | - | 3,048 | 87 | 3,048 | 87 |
| | \$ 568 | \$ 4 | \$ 6,175 | \$ 266 | \$ 6,743 | \$ 270 |

Management evaluates securities for other-than-temporary-impairment (“OTTI”) at least on a quarterly basis, and more frequently when economic or market conditions warrant such an evaluation.

In determining OTTI under the ASC Topic 320, management considers many factors, including: (1) the length of time and the extent to which the fair value has been less than amortized cost; (2) the financial condition and near term prospects of the issuer; (3) whether the market decline was affected by macroeconomic conditions, and (4) whether the entity has the intent to sell the debt security or more likely than not will be required to sell the debt security before its anticipated recovery. The assessment of whether an other-than-temporary-impairment decline exists involves a high degree of subjectivity and judgment and is based on information available to management at a point in time. An OTTI is deemed to have occurred if there has been an adverse change in the remaining expected future cash flows.

When OTTI for debt securities, occurs under the model, the amount of the OTTI recognized in earnings depends on whether an entity intends to sell the security or more likely than not will be required to sell the security before recovery of its amortized cost basis. If an entity intends to sell or more likely than not will be required to sell the security before recovery of its amortized cost basis, the OTTI shall be recognized in earnings equal to the entire difference between the investment’s amortized cost basis and its fair value at the balance sheet date. If any entity does

not intend to sell the security and it is not more likely than not that the entity will be required to sell the security before recovery of its amortized cost basis, the OTTI shall be separated into the amount representing the credit loss and the amount related to all other factors. The amount of the total OTTI related to the credit loss is determined based on the present value of cash flows expected to be collected and is recognized in earnings. The amount of the total OTTI related to other factors shall be recognized in other comprehensive income, net of applicable tax benefit. The previous amortized cost basis less the OTTI recognized in earnings shall become the new amortized cost basis of the investment.

NOTE H – INVESTMENT AND MORTGAGE-BACKED SECURITIES (Continued)

As of June 30, 2013, the Company's available for sale portfolio in an unrealized loss position consisted of thirty-six securities. There was one mutual fund, and twenty-one mortgage-backed securities in an unrealized loss position for more than twelve months at June 30, 2013. As of June 30, 2013, there was one mutual fund, one municipal, three government agencies, and nine mortgage backed securities in an unrealized loss position for less than twelve months. As of December 31, 2012, the Company's available for sale portfolio in an unrealized loss position consisted of twenty-nine securities. There was one mutual fund, one corporate bond, and nineteen mortgage backed securities in an unrealized loss position for more than twelve months at December 31, 2012. There were three mortgage-backed securities, one corporate bond and four government agencies in a loss position for less than twelve months at December 31, 2012.

The available for sale mutual funds are CRA investments that had an unrealized loss for more than twelve months of approximately \$201 thousand and \$87 thousand at June 30, 2013 and December 31, 2012, respectively. They have been in a loss position for the last two years with the greatest unrealized loss being approximately \$201 thousand. Management does not believe the mutual fund securities available for sale are other-than-temporarily impaired due to reasons of credit quality. Unrealized losses in the mortgage-backed securities and corporate bond categories are due to the current interest rate environment and not due to credit concerns. The Company does not intend to sell these securities and it is not more likely than not that we will be required to sell these securities. As of June 30, 2013, management believes the impairments are temporary and no impairment loss has been realized in the Company's consolidated income statement for the six months ended June 30, 2013.

Proceeds from the sale of securities were \$500 thousand with a \$1 thousand gain for sale during the six months ended June 30, 2013. Proceeds from the sale of securities available for sale amounted to \$1.0 for both the three and six months ended June 30, 2012, with gross realized gains of \$13 thousand, and gross realized losses of \$0- thousand.

The amortized cost and estimated fair value of securities available for sale at June 30, 2013 by contractual maturity are shown below. Expected maturities will differ from contractual maturities as borrowers may have the right to call or prepay obligations with or without call or prepayment penalties:

| | Amortized Cost | Fair Value |
|--|----------------|------------|
| | (in Thousands) | |
| U.S. Government, Obligations of Political Subdivisions and Corporate bond: | | |
| After one to five years | \$ 5,235 | \$ 5,445 |
| After five to ten years | 4,000 | 4,025 |
| After ten years | 2,559 | 2,577 |
| Total | 11,794 | 12,047 |
| Mortgage-backed securities | 10,285 | 10,116 |
| Equity securities | 50 | 56 |
| Mutual funds | 4,189 | 3,951 |
| Total | \$ 26,318 | \$ 26,170 |

NOTE H – INVESTMENT AND MORTGAGE-BACKED SECURITIES (Continued)

The following summarizes the amortized cost and estimated fair value of securities held to maturity at June 30, 2013 and December 31, 2012 with gross unrealized gains and losses therein:

| | | June 30, 2013 | | |
|--|-----------|----------------|------------|------------|
| | Amortized | Gross | Gross | Fair Value |
| | Cost | Unrealized | Unrealized | |
| | | Gains | Losses | |
| | | (In Thousands) | | |
| Held to maturity: | | | | |
| U.S. Government (including agencies): | | | | |
| After one through five years | \$61,216 | \$- | \$1,363 | \$59,853 |
| After five through ten years | 16,991 | - | 645 | 16,346 |
| After ten years | 1,000 | - | 27 | 973 |
| | 79,207 | - | 2,035 | 77,172 |
| Obligations of state and political subdivisions: | | | | |
| Less than one year | 60 | 1 | - | 61 |
| After one through five years | 3,683 | 199 | - | 3,882 |
| After five through ten years | 6,177 | 379 | 36 | 6,520 |
| After ten years | 6,201 | 195 | - | 6,396 |
| | 16,121 | 774 | 36 | 16,859 |
| Corporate and other | 1,592 | 9 | - | 1,600 |
| | \$96,920 | \$783 | \$2,071 | \$95,632 |

NOTE H – INVESTMENT AND MORTGAGE-BACKED SECURITIES (Continued)

| | Amortized Cost | December 31, 2012 | | Fair Value |
|--|-------------------|------------------------------|-------------------------------|------------|
| | | Gross Unrealized Gains | Gross Unrealized Losses | |
| | (In Thousands) | | | |
| Held to maturity: | | | | |
| U.S. Government (including agencies): | | | | |
| After one through five years | \$27,999 | \$66 | \$- | \$28,065 |
| After five through ten years | 81,203 | 192 | 65 | 81,330 |
| After ten years | 1,000 | 1 | - | 1,001 |
| | 110,202 | 259 | 65 | 110,396 |
| Obligations of state and political subdivisions: | | | | |
| After one through five years | 2,671 | 202 | - | 2,873 |
| After five through ten years | 4,830 | 514 | - | 5,344 |
| After ten years | 8,621 | 648 | - | 9,269 |
| | 16,122 | 1,364 | - | 17,486 |
| Corporate and other: | | | | |
| After one through five years | 1,490 | 14 | - | 1,504 |
| After ten years | 102 | - | - | 102 |
| | 1,592 | 14 | - | 1,606 |
| | \$127,916 | \$1,637 | \$65 | \$129,488 |

The unrealized losses, categorized by the length of time of continuous loss position, and the fair value of related securities held to maturity are as follows:

| | Less than 12 Months | | More than 12 Months | | Total | |
|--|---------------------|----------------------|---------------------|----------------------|---------------|----------------------|
| | Fair Value | Unrealized Losses | Fair Value | Unrealized Losses | Fair Value | Unrealized Losses |
| | (In Thousands) | | | | | |
| June 30, 2013 | | | | | | |
| U.S. Government (including agencies) | \$ 75,171 | \$ 2,035 | \$ - | \$ - | \$ 75,171 | \$ 2,035 |
| Obligations of state and Political subdivisions | 669 | 36 | - | - | 669 | 36 |
| | \$ 75,840 | \$ 2,071 | \$ - | \$ - | \$ 75,840 | \$ 2,071 |
| December 31, 2012 | | | | | | |
| U.S. Government (including agencies) | \$ 15,933 | \$ 65 | \$ - | \$ - | \$ 15,933 | \$ 65 |
| | \$ 15,933 | \$ 65 | \$ - | \$ - | \$ 15,933 | \$ 65 |

NOTE H – INVESTMENT AND MORTGAGE-BACKED SECURITIES (Continued)

At June 30, 2013, the Company's held to maturity debt securities portfolio consisted of approximately sixty-four securities, of which thirty-five were in an unrealized loss position for less than twelve months and none were in a loss position for more than twelve months. No OTTI charges were recorded for the three or six months ended June 30, 2013. The Company does not intend to sell these securities and it is not more likely than not that we will be required to sell these securities. Unrealized losses primarily relate to interest rate fluctuations and not credit concerns.

The amortized cost and estimated fair value of securities held to maturity at June 30, 2013 by contractual maturity are shown below. Expected maturities will differ from contractual maturities as borrowers may have the right to call or prepay obligations with or without call or prepayment penalties:

| | Amortized Cost (In Thousands) | Fair Value |
|-------------------------|----------------------------------|------------|
| One year or less | \$ 60 | \$ 61 |
| After one to five years | 66,491 | 65,336 |
| After five to ten years | 23,168 | 22,866 |
| After ten years | 7,201 | 7,369 |
| Total | \$ 96,920 | \$ 95,632 |

Approximately \$106.4 million of securities held to maturity are pledged as collateral for Federal Home Loan Bank of New York ("FHLB NY") advances, borrowings, and deposits at June 30, 2013.

The following tables set forth the composition of our mortgage-backed securities portfolio as of June 30, 2013 and December 31, 2012:

| | June 30, 2013 | | | |
|--|-------------------------------------|------------------------------|-------------------------------|------------|
| | Amortized Cost (In Thousands) | Gross Unrealized Gains | Gross Unrealized Losses | Fair Value |
| Government National Mortgage Association | \$5,613 | \$194 | \$219 | \$5,588 |
| Federal Home Loan Mortgage Corporation | 104,211 | 3,182 | 870 | 106,523 |
| Federal National Mortgage Association | 186,923 | 6,789 | 1,467 | 192,245 |
| Collateralized mortgage obligations-GSEs | 2,679 | 91 | - | 2,770 |
| | \$299,426 | \$10,256 | \$2,556 | \$307,126 |
| | December 31, 2012 | | | |
| | Amortized Cost (In Thousands) | Gross Unrealized Gains | Gross Unrealized Losses | Fair Value |
| Government National Mortgage Association | \$6,254 | \$243 | \$194 | \$6,303 |

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| | | | | |
|--|-----------|----------|-------|-----------|
| Federal Home Loan Mortgage Corporation | 124,408 | 5,863 | 556 | 129,715 |
| Federal National Mortgage Association | 209,157 | 15,096 | 1 | 224,252 |
| Collateralized mortgage obligations-GSEs | 3,499 | 149 | - | 3,648 |
| | \$343,318 | \$21,351 | \$751 | \$363,918 |

NOTE H – INVESTMENT AND MORTGAGE-BACKED SECURITIES (Continued)

The unrealized losses, categorized by the length of time of continuous loss position, and the fair value of related mortgage-backed securities held to maturity are as follows:

| | Less than 12 Months | | More than 12 Months | | Total | Unrealized |
|--|---------------------|-------------------|---------------------|-------------------|------------|------------|
| | Fair Value | Unrealized Losses | Fair Value | Unrealized Losses | Fair Value | Losses |
| | (In Thousands) | | | | | |
| June 30, 2013 | | | | | | |
| Government National Mortgage Association | \$ - | \$ - | \$ 628 | \$ 219 | \$ 628 | \$ 219 |
| Federal Home Loan Mortgage Corporation | 15,420 | 465 | 7,724 | 405 | 23,144 | 870 |
| Federal National Mortgage Association | 54,217 | 1,460 | 741 | 7 | 54,957 | 1,467 |
| | \$ 71,103 | \$ 1,925 | \$ 9,093 | \$ 630 | \$ 78,729 | \$ 2,556 |
| | Less than 12 Months | | More than 12 Months | | Total | Unrealized |
| | Fair Value | Unrealized Losses | Fair Value | Unrealized Losses | Fair Value | Losses |
| | (In Thousands) | | | | | |
| December 31, 2012 | | | | | | |
| Government National Mortgage Association | \$ - | \$ - | \$ 859 | \$ 194 | \$ 859 | \$ 194 |
| Federal Home Loan Mortgage Corporation | 5,616 | 218 | 12,090 | 338 | 17,706 | 556 |
| Federal National Mortgage Association | 164 | 1 | - | - | 164 | 1 |
| | \$ 5,780 | \$ 219 | \$ 12,949 | \$ 532 | \$ 18,729 | \$ 751 |

As of June 30, 2013, there were three Government National Mortgage Association securities, twenty-six Federal Home Loan Mortgage Corporation securities, thirty-nine Federal National Mortgage Association, and no collateralized mortgage obligation securities in unrealized loss positions. Management does not believe that any of the individual unrealized losses represent an OTTI. The unrealized losses on mortgage-backed securities relate primarily to fixed interest rate and, to a lesser extent, adjustable interest rate securities. Such losses are the result of changes in interest rates and not credit concerns. Roma Bank, the Investment Co. and RomAsia Bank do not intend to sell these securities and it is not more likely than not that they will be required to sell these securities, therefore, no OTTI charge is required.

NOTE H – INVESTMENT AND MORTGAGE-BACKED SECURITIES (Continued)

The amortized cost and estimated fair value of mortgage backed securities held to maturity at June 30, 2013 by contractual maturity are shown below. Expected maturities will differ from contractual maturities as borrowers may have the right to call or prepay obligations with or without call or prepayment penalties:

| | Amortized Cost (In Thousands) | Fair Value |
|-------------------------|----------------------------------|------------|
| One year or less | \$ 11 | \$ 11 |
| After one to five years | 6,718 | 7,064 |
| After five to ten years | 94,154 | 96,427 |
| After ten years | 198,543 | 203,624 |
| Total | \$ 299,426 | \$ 307,126 |

NOTE I - LOANS RECEIVABLE, NET

Loans receivable, net, at June 30, 2013 and December 31, 2012 were comprised of the following (in thousands):

| | June 30, 2013 | December 31, 2012 |
|-----------------------------|------------------|----------------------|
| Real estate mortgage loans: | | |
| Residential mortgage | \$ 466,265 | \$ 452,537 |
| Commercial real estate | 309,598 | 321,586 |
| | 775,863 | 774,123 |
| Construction: | | |
| Commercial real estate | 18,662 | 18,139 |
| Residential | 8,536 | 7,877 |
| | 27,198 | 26,016 |
| Consumer: | | |
| Home equity | 205,056 | 216,383 |
| Other | 1,091 | 1,354 |
| | 206,147 | 217,737 |
| Commercial | 41,015 | 49,169 |
| Total loans | 1,050,223 | 1,067,045 |
| Less: | | |
| Allowance for loan losses | 8,916 | 8,669 |
| Deferred loan fees | 1,273 | 1,469 |
| Loans in process | 15,857 | 19,503 |
| | 26,046 | 29,641 |
| Total loans receivable, net | \$ 1,024,177 | \$ 1,037,404 |

NOTE I - LOANS RECEIVABLE, NET (Continued)

The following table presents nonaccrual loans by classes of the loan portfolio as of June 30, 2013 and December 31, 2012:

| | June 30, 2013 | December 31, 2012 |
|---------------------------------------|------------------|----------------------|
| | (In thousands) | |
| Commercial | \$ 1,017 | \$ 994 |
| Commercial real estate | 23,998 | 24,550 |
| Commercial real estate – construction | 3,069 | 3,158 |
| Residential mortgage | 7,781 | 10,400 |
| Residential construction | 4,137 | 5,256 |
| Home equity and other consumer | 2,437 | 2,955 |
| Total | \$ 42,439 | \$ 47,313 |

A loan is considered impaired when based on current information and events; it is probable that the Company will be unable to collect all amounts due from the borrower in accordance with the contractual terms of the loan. Impaired loans include nonperforming commercial loans but also include loans modified in troubled debt restructurings where concessions have been granted to borrowers experiencing financial difficulties. These concessions could include a reduction in the interest rate on the loans, payment extensions, forgiveness of principal, forbearance or other actions intended to maximize collection.

The following table summarizes information in regards to impaired loans by loan portfolio as of June 30, 2013 and the six months then ended:

| | Recorded Investment | Unpaid Principal Balance | Related Allowance |
|---------------------------------------|------------------------|--------------------------------|----------------------|
| | (In Thousands) | | |
| With no related allowance recorded: | | | |
| Commercial | \$ 2,455 | \$ 3,148 | \$ - |
| Commercial real estate | 41,770 | 44,116 | - |
| Commercial real estate - construction | 3,069 | 3,069 | - |
| Residential mortgage | 15,071 | 16,251 | - |
| Residential construction | 4,440 | 5,180 | - |
| Home equity and other consumer | 4,422 | 4,676 | - |
| | \$ 71,227 | \$ 76,440 | \$ - |

| Three Months Ended June 30, 2013 | | Six Months Ended June 30, 2013 | |
|-------------------------------------|----------------------------------|-----------------------------------|----------------------------------|
| Average Recorded Investment | Interest Income Recognized | Average Recorded Investment | Interest Income Recognized |
| (In Thousands) | | | |

With no related allowance recorded:

| | | | | |
|---------------------------------------|-----------|--------|-----------|--------|
| Commercial | \$ 1,821 | \$ 30 | \$ 2,021 | \$ 51 |
| Commercial real estate | 37,170 | 72 | 38,713 | 201 |
| Commercial real estate - construction | 3,136 | - | 3,114 | - |
| Residential mortgage | 15,662 | 70 | 15,517 | 159 |
| Residential construction | 5,041 | - | 4,995 | - |
| Home equity and other consumer | 4,497 | 30 | 4,455 | 62 |
| | \$ 67,327 | \$ 202 | \$ 68,815 | \$ 473 |

NOTE I - LOANS RECEIVABLE, NET (Continued)

The following table summarizes information in regards to impaired loans by loan portfolio class segregated by those for which a related allowance was required and those for which a related allowance was not necessary, as of December 31, 2012 and the year then ended:

| | Recorded Investment (In Thousands) | Unpaid Principal Balance | Related Allowance | Average Recorded Investment | Interest Income Recognized |
|-------------------------------------|--|--------------------------------|----------------------|-----------------------------------|----------------------------------|
| With no related allowance recorded: | | | | | |
| Commercial | \$1,920 | \$3,929 | \$- | \$1,761 | \$102 |
| Commercial real estate | 34,570 | 37,267 | - | 35,671 | 667 |
| Commercial real estate | 3,158 | 3,158 | - | 5,224 | 2 |
| Residential mortgage | 16,176 | 17,835 | - | 17,671 | 399 |
| Residential construction | 5,550 | 6,560 | - | 7,307 | 17 |
| Home equity and other consumer | 4,491 | 4,784 | - | 4,090 | 128 |
| | \$65,865 | \$73,533 | \$- | \$71,724 | \$1,315 |
| Total: | | | | | |
| Commercial | \$1,920 | \$3,929 | \$- | \$1,761 | \$102 |
| Commercial real estate | 34,570 | 37,267 | - | 35,671 | 667 |
| Commercial real estate-construction | 3,158 | 3,158 | - | 5,224 | 2 |
| Residential mortgage | 16,176 | 17,835 | - | 17,671 | 399 |
| Residential construction | 5,550 | 6,560 | - | 7,307 | 17 |
| Home equity and other consumer | 4,491 | 4,784 | - | 4,090 | 128 |
| | \$65,865 | \$73,533 | \$- | \$71,724 | \$1,315 |

At June 30, 2013, impaired loans included \$32.4 million of loans, net of credit marks of \$5.2 million, which were acquired in the Company's acquisition of Sterling Banks Inc. in July 2010. Loans totaling \$8.2 million which are performing are also included in this total and classified as impaired because they are troubled debt restructurings.

At December 31, 2012, impaired loans included \$32.4 million of loans, net of credit marks of \$7.7 million, which were acquired in the Sterling acquisition. Loans totaling \$8.7 million which are performing, are also included in this total and classified as impaired because they are troubled debt restructurings.

NOTE I - LOANS RECEIVABLE, NET (Continued)

The performance and credit quality of the loan portfolio is also monitored by analyzing the age of loans receivable by the length of time a recorded payment is past due. The following table presents the classes of the loan portfolio summarized by the past due status as of June 30, 2013 (In thousands):

| | 30-59 Days Past Due | 60-89 Days Past Due | Greater than 90 days | Total Past Due | Current | Total Loans Receivable | Loans Receivable >90 Days and Accruing |
|-------------------------------------|------------------------------|------------------------------|----------------------------|----------------------|--------------|---------------------------|---|
| Commercial | \$ 58 | \$ - | \$ 994 | \$ 1,052 | \$ 39,963 | \$ 41,015 | \$ - |
| Commercial real estate | 2,883 | 656 | 16,104 | 19,643 | 289,955 | 309,598 | - |
| Commercial real estate – constr. | - | - | - | - | 18,662 | 18,662 | - |
| Residential mortgage | 2,788 | 3,376 | 10,842 | 17,006 | 449,259 | 466,265 | 244 |
| Residential construction | - | - | 4,323 | 4,323 | 4,214 | 8,537 | - |
| Home equity and other consumer | 431 | 795 | 2,581 | 3,807 | 202,339 | 206,146 | - |
| Total | \$ 6,160 | \$ 4,827 | \$ 34,844 | \$ 45,831 | \$ 1,004,392 | \$ 1,050,223 | \$ 244 |

The following table presents the classes of the loan portfolio summarized by the past due status as of December 31, 2012 (In thousands):

| | 30-59 Days Past Due | 60-89 Days Past Due | Greater than 90 days | Total Past Due | Current | Total Loans Receivable | Loans Receivable >90 Days and Accruing |
|-------------------------------------|------------------------------|------------------------------|----------------------------|----------------------|--------------|---------------------------|---|
| Commercial | \$ 180 | \$ - | \$ 994 | \$ 1,174 | \$ 47,995 | \$ 49,169 | \$ - |
| Commercial real estate | 1,857 | 2,479 | 16,014 | 20,350 | 301,236 | 321,586 | - |
| Commercial real estate – constr. | - | - | - | - | 18,139 | 18,139 | - |
| Residential mortgage | 5,790 | 3,373 | 10,400 | 19,563 | 432,974 | 452,537 | 250 |
| Residential construction | - | 306 | 5,256 | 5,562 | 2,315 | 7,877 | - |
| Home equity and other consumer | 748 | 1,089 | 2,955 | 4,792 | 212,945 | 217,737 | - |
| Total | \$ 8,575 | \$ 7,247 | \$ 35,619 | \$ 51,441 | \$ 1,015,604 | \$ 1,067,045 | \$ 250 |

NOTE I - LOANS RECEIVABLE, NET (Continued)

The following table presents the classes of the loan portfolio summarized by the aggregate pass rating and the classified ratings of special mention, substandard and doubtful in accordance with the Company's internal risk rating system as of June 30, 2013 (In thousands):

| | Pass | Special Mention | Substandard | Doubtful | Total |
|-------------------------------------|-----------|--------------------|-------------|----------|-------------|
| Commercial | \$38,878 | \$865 | \$1,272 | \$- | \$41,015 |
| Commercial real estate | 259,226 | 10,571 | 39,801 | - | 309,598 |
| Commercial real estate-construction | 15,593 | - | 3,069 | - | 18,662 |
| Residential mortgage | 452,150 | 1,583 | 12,532 | - | 466,265 |
| Residential construct. | 4,096 | - | 4,441 | - | 8,537 |
| Home equity and other consumer | 202,378 | 390 | 3,378 | - | 206,146 |
| Total | \$972,321 | \$13,409 | \$64,493 | \$- | \$1,050,223 |

The following table presents the classes of the loan portfolio summarized by the aggregate pass rating and the classified ratings of special mention, substandard and doubtful in accordance with the Company's internal risk rating system as of December 31, 2012: (In thousands)

| | Pass | Special Mention | Substandard | Doubtful | Total |
|---------------------------------------|-----------|--------------------|-------------|----------|-------------|
| Commercial | \$46,749 | \$207 | \$2,213 | \$- | \$49,169 |
| Commercial real estate | 263,422 | 25,136 | 33,028 | - | 321,586 |
| Commercial real estate (construction) | 14,981 | - | 3,158 | - | 18,139 |
| Residential mortgage | 436,964 | 1,737 | 13,836 | - | 452,537 |
| Residential construct. | 2,327 | - | 5,550 | - | 7,877 |
| Home equity and other consumer | 213,664 | 634 | 3,439 | - | 217,737 |
| Total | \$978,107 | \$27,714 | \$61,224 | \$- | \$1,067,045 |

NOTE I - LOANS RECEIVABLE, NET (Continued)

Allowance for Credit Losses

At and For the Three Months and Six months Ended June 30, 2013 and 2012

| | Commercial Real Estate | Commercial Real Estate- Construction | Residential Mortgage | Residential Construction | Home Equity and Other Consumer | Total | |
|---|------------------------------|---|-------------------------|-----------------------------|--|--------|----------|
| Allowance for credit losses: | | | | | | | |
| Three months ended 06/30/12 | | | | | | | |
| Beginning balance | \$ 786 | \$ 3,390 | \$ 784 | \$ 944 | \$ - | \$ 405 | \$ 6,309 |
| Charge-offs | - | (828) | - | - | - | (13) | (841) |
| Recoveries | - | - | - | 9 | - | 3 | 12 |
| Provisions | 298 | 1,125 | (183) | 106 | - | 43 | 1,389 |
| Ending Balance | \$ 1,084 | \$ 3,687 | \$ 601 | \$ 1,059 | \$ - | \$ 438 | \$ 6,869 |
| Three months ended 06/30/13 | | | | | | | |
| Beginning balance | \$ 1,256 | \$ 4,382 | \$ 904 | \$ 1,533 | \$ - | \$ 469 | \$ 8,544 |
| Charge-offs | - | - | - | - | - | (8) | (8) |
| Recoveries | - | 36 | - | - | - | 1 | 37 |
| Provisions | (197) | 444 | (36) | 44 | - | 88 | 343 |
| Ending Balance | \$ 1,059 | \$ 4,862 | \$ 868 | \$ 1,577 | \$ - | \$ 550 | \$ 8,916 |
| Six months ended 06/30/12 | | | | | | | |
| Beginning balance | \$ 199 | \$ 2,181 | \$ 668 | \$ 1,705 | \$ - | \$ 663 | \$ 5,416 |
| Charge-offs | (112) | (918) | (162) | - | - | (24) | (1,216) |
| Recoveries | - | - | - | 9 | - | 8 | 17 |
| Provisions | 997 | 2,424 | 95 | (655) | - | (209) | 2,652 |
| Ending Balance | \$ 1,084 | \$ 3,687 | \$ 601 | \$ 1,059 | \$ - | \$ 438 | \$ 6,869 |
| Six months ended 06/30/13 | | | | | | | |
| Beginning balance | \$ 1,465 | \$ 4,455 | \$ 803 | \$ 1,410 | \$ - | \$ 536 | \$ 8,669 |
| Charge-offs | - | (8) | - | - | - | (16) | (24) |
| Recoveries | - | 65 | - | - | - | 4 | 69 |
| Provisions | (406) | 350 | 65 | 167 | - | 26 | 202 |
| Ending Balance | \$ 1,059 | \$ 4,862 | \$ 868 | \$ 1,577 | \$ - | \$ 550 | \$ 8,916 |
| Ending Balances: | | | | | | | |
| individually evaluated for impairment | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| collectively evaluated for impairment | \$ 1,059 | \$ 4,862 | \$ 868 | \$ 1,577 | \$ - | \$ 550 | \$ 8,916 |
| loans acquired with deteriorated credit | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |

quality*

*The Company has taken no subsequent impaired provisions on loans acquired.

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NOTE I - LOANS RECEIVABLE, NET (Continued)

Recorded Investment in Financing Receivables
At June 30, 2013

| Loans Receivable: | Commercial | | Commercial | Residential | Residential | Home | Total |
|--|----------------|-------------|---------------------------------|-------------|--------------|---------------------------------|--------------|
| | Commercial | Real Estate | Estate- Real Construction | Mortgage | Construction | Equity and Other Consumer | |
| | (In thousands) | | | | | | |
| Ending balance | \$ 41,015 | \$ 309,598 | \$ 18,662 | \$ 466,265 | \$ 8,537 | \$ 206,146 | \$ 1,050,223 |
| Ending balance: individually evaluated for impairment | 1,127 | 31,767 | 3,069 | 6,636 | - | 2,694 | 45,293 |
| Ending balance: legacy Roma collectively evaluated for impairment | 34,257 | 224,277 | 15,593 | 417,330 | 3,933 | 171,633 | 867,023 |
| Ending balance: acquired loans collectively evaluated for impairment | 4,303 | 43,551 | - | 33,865 | 163 | 30,091 | 111,973 |
| Ending balance: loans acquired with deteriorated credit quality | \$ 1,328 | \$ 10,003 | \$ - | \$ 8,434 | \$ 4,441 | \$ 1,728 | \$ 25,934 |

NOTE I - LOANS RECEIVABLE, NET (Continued)

Allowance for Credit Losses
At December 31, 2012

| | Commercial | Commercial Estate Real | Commercial Real Estate- Construction | Residential Mortgage | Residential Construction | Home Equity and Other Consumer | Total |
|--|----------------|------------------------------|---|-------------------------|-----------------------------|--|----------|
| | (In thousands) | | | | | | |
| Allowance for credit losses: | | | | | | | |
| Ending Balance | \$ 1,465 | \$ 4,455 | \$ 803 | \$ 1,410 | \$ - | \$ 536 | \$ 8,669 |
| Ending Balance: individually evaluated for impairment | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Ending Balance: collectively evaluated for impairment | \$ 1,465 | \$ 4,455 | \$ 803 | \$ 1,410 | \$ - | \$ 536 | \$ 8,669 |
| Ending Balance: * loans acquired with deteriorated credit quality | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |

*The Company has taken no subsequent impaired provisions on loans acquired.

NOTE I - LOANS RECEIVABLE, NET (Continued)

Recorded Investment in Financing Receivables
At December 31, 2012

| | Commercial | | Commercial | Residential | Residential | Home | Total |
|--|----------------|-------------|-------------------------|-------------|--------------|------------------------------------|--------------|
| | Commercial | Real Estate | Estate- Construction | Mortgage | Construction | Equity and Other Consumer | |
| | (In thousands) | | | | | | |
| Loans Receivable: | | | | | | | |
| Ending balance | \$ 49,169 | \$ 321,586 | \$ 18,139 | \$ 452,537 | \$ 7,877 | \$ 217,737 | \$ 1,067,045 |
| Ending balance: individually evaluated for impairment | 1,388 | 25,150 | 3,158 | 5,154 | - | 2,882 | 37,732 |
| Ending balance: legacy Roma collectively evaluated for impairment | 39,874 | 238,287 | 14,981 | 399,018 | 2,327 | 176,562 | 871,049 |
| Ending balance: acquired loans collectively evaluated for impairment | 7,375 | 48,729 | - | 37,343 | - | 36,684 | 130,131 |
| Ending balance: loans acquired with deteriorated credit quality | \$ 532 | \$ 9,420 | \$ - | \$ 11,022 | \$ 5,550 | \$ 1,609 | \$ 28,133 |

NOTE I - LOANS RECEIVABLE, NET (Continued)

The following table summarizes information regarding troubled debt restructuring as of June 30, 2013 (\$ in thousands):

| | Number of Contracts | Pre-Modification Outstanding Recorded Investments | Post-Modification Outstanding Recorded Investments |
|---------------------------------------|------------------------|--|---|
| Troubled Debt Restructurings | | | |
| Commercial Real Estate - Roma Bank | 5 | \$ 7,051 | \$ 7,496 |
| Commercial Real Estate - RomAsia | 1 | \$721 | \$710 |

There have been no modifications that were considered troubled debt restructuring during the three and six month periods ended June 30, 2013 and 2012.

There were no troubled debt restructurings that subsequently defaulted since their restructure.

As indicated in the table above, the Company modified five commercial real estate loans during the year ended December 31, 2011. There have been no modifications that should be considered troubled debt restructuring during 2012. The five loans modified were to one borrower and were restructured into one loan. As a result of the modified terms of the new loan, the Company extended the maturity of three of the modified loans and accelerated the term of the remaining two modified loans. The effective interest rate of the modified loans was reduced when compared to the weighted average interest rate of the original terms of the modified loans. The Company compared the fair value of the modified loans to the carrying amount of the original loans and determined that the modified terms did not require recognition of impairment due to the fair value of the modified loans exceeding the carrying amount of the original loans, combined with the fact that the Company received additional collateral under the terms of the modification. The borrower has remained current since the modification.

The second loan detailed above was modified in the fourth quarter of 2011, RomAsia Bank modified a commercial real estate loan (the second loan above) by reducing the interest rate, waiving principal for a period of three months, and advancing additional funds to bring real estate taxes current. At the time of modification an impairment of \$41,000 was recognized. The loan is performing as agreed since the modification.

NOTE J – REAL ESTATE HELD FOR SALE

The Company has a contract for the sale of vacant land at the site of its Center City branch. As of June 30, 2013, the location was classified as held for sale and carried at lower of cost or fair value of \$138,000. This sale is expected to close in the third or fourth quarter of 2013. At December, 31, 2012, the Company had this location and its former loan center classified as held for sale and carried at lower or cost or fair value of \$1,627,000. In January 2013, the loan center location was sold for a gain of \$581,000.

NOTE K - DEPOSITS

A summary of deposits by type of account as of June 30, 2013 and December 31, 2012 is as follows (dollars in thousands):

| | June 30, 2013 | | December 31, 2012 | |
|-------------------------------|---------------|-------------------------|-------------------|-------------------------|
| | Amount | Weighted Avg. Int. Rate | Amount | Weighted Avg. Int. Rate |
| Demand: | | | | |
| Non-interest bearing checking | \$78,905 | 0.00 % | \$71,287 | 0.00 % |
| Interest bearing checking | 238,290 | 0.11 % | 243,379 | 0.11 % |
| | 317,195 | 0.08 % | 314,666 | 0.09 % |
| Savings and club | 507,396 | 0.23 % | 513,696 | 0.26 % |
| Certificates of deposit | 583,262 | 1.22 % | 656,207 | 1.31 % |
| Total | \$1,407,853 | 0.61 % | \$1,484,569 | 0.69 % |

NOTE L – FEDERAL HOME LOAN BANK ADVANCES AND SECURITIES SOLD UNDER AGREEMENTS TO REPURCHASE

At June 30, 2013 and December 31, 2012, Roma Bank and RomAsia Bank had outstanding FHLB NY advances as follows (dollars in thousands):

| | June 30, 2013 | December 31, 2012 | Interest Rate | Maturity Date |
|----|------------------|----------------------|---------------|------------------|
| \$ | 23,000 | \$23,000 | 3.90% | 10/29/2017 |
| | 11,075 | 12,553 | 1.03% | 01/18/2017 |
| | - | 1,500 | 2.09% | 03/19/2013 |
| | 1,360 | 1,430 | 1.53% | 05/31/2022 |
| | 1,310 | 1,414 | 1.05% | 06/03/2019 |
| | 1,404 | 1,403 | 0.80% | 08/22/2016 |
| | 1,119 | 1,146 | 1.12% | 05/15/2017 |
| | 1,074 | 1,074 | 1.21% | 04/12/2017 |
| | - | 1,000 | 0.51% | 03/19/2013 |
| | 1,000 | 1,000 | 0.72% | 03/19/2014 |
| | 1,000 | 1,000 | 0.98% | 03/19/2015 |
| | 870 | 870 | 1.21% | 04/12/2017 |
| | - | 750 | 1.17% | 02/22/2013 |
| | 692 | 692 | 1.00% | 03/14/2016 |
| | 500 | 500 | 1.73% | 02/22/2014 |
| | 500 | 500 | 1.52% | 12/23/2013 |
| | 500 | 500 | 2.08% | 12/22/2014 |
| | 500 | 500 | 2.61% | 12/21/2015 |
| | 500 | 500 | 3.08% | 12/21/2016 |
| | 341 | 376 | 2.11% | 02/01/2016 |

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| | | | |
|----------|----------|-------|------------|
| 578 | 677 | 1.79% | 03/14/2016 |
| \$47,323 | \$52,385 | | |

NOTE L – FEDERAL HOME LOAN BANK ADVANCES AND SECURITIES SOLD UNDER AGREEMENT TO REPURCHASE

Securities sold under agreements to repurchase are treated as financings and are reflected as a liability in the consolidated statements of financial condition. Securities sold under an agreement to repurchase amounted to \$40.0 million at June 30, 2013 and December 31, 2012. The maturities and respective interest rates are as follows: \$10.0 million maturing in 2015, at 3.22%; \$20.0 million maturing in 2018, at 3.51%; and \$10.0 million maturing in 2018, at 3.955%. The repurchase agreement is collateralized by securities described in the underlying agreement which are held in safekeeping by the FHLB NY. At June 30, 2013 the fair value of the mortgage-backed securities used as collateral under the repurchase agreement was approximately \$52.6 million.

On May 1, 2007, Sterling Banks Capital Trust I, a Delaware statutory business trust and a wholly-owned subsidiary of the Company (the “Trust”), issued \$6.2 million of variable rate capital trust pass-through securities (“capital securities”) to investors. The variable interest rate reprices quarterly at the three month LIBOR plus 1.7%. The Trust purchased \$6.2 million of variable rate junior subordinated debentures from Sterling Banks, Inc. The debentures are the sole asset of the Trust. The fair value of the subordinated debentures at acquisition of Sterling Banks, Inc. was \$5.1 million. The terms of the junior subordinated debentures are the same as the terms of the capital securities. The Company has also fully and unconditionally guaranteed the obligations of the Trust under the capital securities. On October 22, 2010, the Company repurchased \$4.0 million of these capital securities (market value of \$3.2 million). The capital securities remaining were redeemable by the Company on or after May 1, 2012 at par. The Company redeemed the balance of the capital securities in June 2012 for \$2.2 million. The carrying value of the debt prior to repayment was \$1.9 million, net of a \$271 thousand discount at acquisition from Sterling.

NOTE M – RETIREMENT PLANS

Components of net periodic pension cost for the three and six months ended June 30, 2013 and 2012 were as follows (in thousands):

| | Three Months Ended | | Six months Ended | |
|---|--------------------|-------|------------------|-------|
| | June 30, | | June 30, | |
| | 2013 | 2012 | 2013 | 2012 |
| Service cost | \$279 | \$179 | \$558 | \$358 |
| Interest cost | 197 | 180 | 394 | 360 |
| Expected return on plan assets | (245) | (204) | (490) | (408) |
| Amortization of unrecognized net loss | 215 | 192 | 430 | 384 |
| Amortization of unrecognized past service liability | - | 3 | - | 6 |
| Net periodic benefit expense | \$446 | \$350 | \$892 | \$700 |

The Company expects to make contributions of approximately \$1,154,000 during 2013 which includes the amounts previously contributed in 2013 year to date.

NOTE N – CONTRACTUAL OBLIGATIONS AND OFF-BALANCE SHEET ARRANGEMENTS

In the normal course of business, the Company enters into off-balance sheet arrangements consisting of commitments to fund residential and commercial loans and lines of credit. Outstanding loan commitments at June 30, 2013 were as follows (in thousands):

| | June 30, 2013 |
|---------------------------------------|------------------|
| Residential mortgage and equity loans | \$ 14,132 |
| Commercial loans committed not closed | 12,473 |
| Commercial lines of credit | 35,067 |
| Consumer unused lines of credit | 65,984 |
| Commercial letters of credit | 2,561 |
| | \$ 130,217 |

In the ordinary course of business to meet the financial needs of the Company's customers, the Company is party to financial instruments with off-balance-sheet risk. These financial instruments include unused lines of credit and involve, to varying degrees, elements of credit risk in excess of the amount recognized in the consolidated financial statements. The contract or notional amounts of these instruments express the extent of involvement the Company has in each category of financial instruments.

NOTE N – CONTRACTUAL OBLIGATIONS AND OFF-BALANCE SHEET ARRANGEMENTS (Continued)

The Company's exposure to credit loss from nonperformance by the other party to the above-mentioned financial instruments is represented by the contractual amount of those instruments. The Company uses the same credit policies in making commitments and conditional obligations as it does for on-balance sheet instruments. The contract or notional amount of financial instruments which represent credit risk at June 30, 2013 and December 31, 2012 is as follows (in thousands):

| | June 30, 2013 | December 31, 2012 |
|--|------------------|-------------------|
| Standby by letters of credit | \$ 2,561 | \$ 2,891 |
| Outstanding loan and credit line commitments | \$ 127,656 | \$ 145,412 |

Standby letters of credit are conditional commitments issued by the Company which guarantee performance by a customer to a third party. The credit risk and underwriting procedures involved in issuing letters of credit are essentially the same as that involved in extending loan facilities to customers. These are irrevocable undertakings by the Company, as guarantor, to make payments in the event a specified third party fails to perform under a non-financial contractual obligation. Most of the Company's performance standby letters of credit arise in connection with lending relationships and have terms of one year or less. The current amount of the liability related to guarantees under standby letters of credit issued is not material as of June 30, 2013.

Outstanding loan commitments represent the unused portion of loan commitments available to individuals and companies as long as there is no violation of any condition established in the contract. Outstanding loan commitments generally have a fixed expiration date of one year or less, except for home equity lines of credit which generally have an expiration date of up to 15 years. The Company evaluates each customer's creditworthiness on a case-by-case basis. The amount of collateral, if any, obtained, upon extension of credit is based upon management's credit evaluation of the customer. While various types of collateral may be held, property is primarily obtained as security. The credit risk involved in these financial instruments is essentially the same as that involved in extending loan facilities to customers.

The Banks have non-cancelable operating leases for branch offices. The following is a schedule by years of future minimum rental payments required under operating leases that have initial or remaining non-cancelable lease terms in excess of one year at June 30, 2013: (In thousands)

Year Ended June 30:

| | |
|---------------------------------|-----------|
| 2014 | \$ 1,154 |
| 2015 | 859 |
| 2016 | 885 |
| 2017 | 896 |
| 2018 | 891 |
| Thereafter | 7,310 |
| Total Minimum Payments Required | \$ 11,995 |

Included in the total required minimum lease payments is \$1,501,597 of payments to the LLC. The Company eliminates these payments in consolidation.

NOTE O – FAIR VALUE MEASUREMENTS AND DISCLOSURES

The Company follows the guidance on fair value measurements now codified as FASB ASC Topic 820, Fair Value Measurements and Disclosures. Fair value measurements are not adjusted for transaction costs. ASC Topic 820 establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value.

Management uses its best judgment in estimating the fair value of the Company's financial instruments; however, there are inherent weaknesses in any estimation technique. Therefore, for substantially all financial instruments, the fair value estimates herein are not necessarily indicative of the amounts the Company could have realized in a sales transaction on the dates indicated. The estimated fair value amounts have been measured as of their respective period end and have not been re-evaluated or updated for purposes of these financial statements subsequent to those respective dates. As such, the estimated fair values of these financial instruments subsequent to the respective reporting dates may be different than the amounts reported at each period-end.

NOTE O – FAIR VALUE MEASUREMENTS AND DISCLOSURES (Continued)

The fair value measurement hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are as follows:

Level 1: Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities.

Level 2: Quoted prices in markets that are not active, or inputs that are observable either directly or indirectly, for substantially the full term of the asset or liability.

Level 3: Prices or valuation techniques that require inputs that are both significant to the fair value measurement and unobservable (i.e., supported with little or no market activity).

An asset's or liability's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement.

For financial assets measured at fair value on a recurring basis, the fair value measurements by level within the fair value hierarchy used at June 30, 2013 were as follows:

| Description | (Level 1) Quoted Prices in Active Markets for Identical Assets | (Level 2) Significant Other Observable Inputs | (Level 3) Significant Unobservable Inputs | Total Fair Value June 30, 2013 |
|---|--|---|--|--------------------------------------|
| | (In Thousands) | | | |
| Mortgage backed securities-U.S. Government Sponsored Enterprises (GSEs) | \$- | \$10,116 | \$ - | \$ 10,116 |
| Obligations of state and political subdivisions | - | 3,707 | - | 3,707 |
| U.S. Government (including agencies) | - | 7,840 | - | 7,840 |
| Corporate bond | - | 500 | - | 500 |
| Equity securities | - | 56 | - | 56 |
| Mutual funds | - | 3,951 | - | 3,951 |
| Securities available for sale | \$- | \$26,170 | \$ - | \$26,170 |

NOTE O – FAIR VALUE MEASUREMENTS AND DISCLOSURES (Continued)

For financial assets measured at fair value on a recurring basis, the fair value measurements by level within the fair value hierarchy, used at December 31, 2012 were as follows:

| Description | (Level 1) Quoted Prices in Active Markets for Identical Assets | (Level 2) Significant Other Observable Inputs | (Level 3) Significant Unobservable Inputs | Total Fair Value December 31, 2012 |
|---|--|---|--|---|
| | (In Thousands) | | | |
| Mortgage backed securities-U.S. Government Sponsored Enterprises (GSEs) | \$- | \$12,279 | \$ - | \$ 12,279 |
| Obligations of state and political subdivisions | - | 3,900 | - | 3,900 |
| U.S. Government (including agencies) | - | 8,648 | - | 8,648 |
| Corporate bond | - | 991 | - | 991 |
| Equity securities | - | 56 | - | 56 |
| Mutual funds | - | 3,047 | - | 3,047 |
| Securities available for sale | \$- | \$28,921 | \$ - | \$28,921 |

For assets measured at fair value on a nonrecurring basis, the fair value measurements by level within the fair value hierarchy used at June 30, 2013, were as follows:

| Description | (Level 1) Quoted Prices in Active Markets for Identical Assets | (Level 2) Significant Other Observable Inputs | (Level 3) Significant Unobservable Inputs | Total Fair Value June 30, 2013 |
|------------------------------------|--|---|--|---|
| | (In Thousands) | | | |
| Impaired loans | \$- | \$- | \$ 17,929 | \$17,929 |
| Real estate and other assets owned | \$- | \$- | \$ 6,062 | \$6,062 |
| Real estate held for sale | \$- | \$- | \$ 138 | \$138 |

NOTE O – FAIR VALUE MEASUREMENTS AND DISCLOSURES (Continued)

Assets measured at fair value on a nonrecurring basis and for which Roma Financial Corporation has utilized level 3 inputs to determine fair value were immaterial at June 30, 2013. The following table presents additional quantitative information about assets measured at fair value on a nonrecurring basis and for which Roma Financial Corporation has utilized level 3 inputs to determine fair value:

Quantitative Information About Level 3 Fair Value Measurements

| Description | Fair Value Estimate | Valuation Techniques (In Thousands) | Unobservable Input | Range |
|------------------------------------|---------------------|--|--------------------------|-------------------|
| Impaired loans | \$ 17,929 | Appraisal of collateral (1) | Liquidation expenses (2) | 5.0% to 20.0% (2) |
| Real estate and other assets owned | \$ 6,062 | Appraisal of collateral (1) | Liquidation expenses (2) | 5.0% to 10.0% (2) |
| Real estate held for sale | \$ 138 | Appraisal of collateral (1) | Liquidation expenses (2) | 5.0% (2) |

(1) Fair value is generally determined through independent appraisals of the underlying collateral, which generally include level 3 inputs which are not identifiable.

(2) Appraisals may be adjusted by management for qualitative factors such as economic conditions and estimated liquidation expenses. The range of liquidation expenses are presented as a percent of the appraisal.

The Company's policy is to recognize transfers between levels as of the actual date of the event or change in circumstances that caused the transfer. There were no transfers between Level 1, 2, and 3 for the six months ended June 30, 2013.

For assets measured at fair value on a nonrecurring basis, the fair value measurements by level within the fair value hierarchy used at December 31, 2012, were as follows:

| Description | (Level 1) Quoted Prices in Active Markets for Identical Assets | (Level 2) Significant Other Observable Inputs | (Level 3) Significant Unobservable Inputs | Total Fair Value December 31, 2012 |
|---------------------------|--|---|--|---|
| | (In Thousands) | | | |
| Impaired loans | \$- | \$- | \$ 17,094 | \$17,094 |
| Real estate owned | \$- | \$- | \$ 8,340 | \$8,340 |
| Real estate held for sale | \$- | \$- | \$ 1,627 | \$1,627 |

NOTE O – FAIR VALUE MEASUREMENTS AND DISCLOSURES (Continued)

The following table presents additional quantitative information about assets measured at fair value on a nonrecurring basis and for which Roma Financial Corporation has utilized level 3 inputs to determine fair value:

Quantitative Information About Level 3 Fair Value Measurements

| Description | Fair Value Estimate | Valuation Techniques (In Thousands) | Unobservable Input | Range |
|------------------------------------|---------------------|--|--------------------------|-------------------|
| Impaired loans | \$ 17,094 | Appraisal of collateral (1) | Liquidation expenses (2) | 5.0% to 20.0% (2) |
| Real estate and other assets owned | \$ 8,340 | Appraisal of collateral (1) | Liquidation expenses (2) | 5.0% to 10.0% (2) |
| Real estate held for sale | \$ 1,627 | Appraisal of collateral (1) | Liquidation expenses (2) | 5.0% (2) |

Cash and Cash Equivalents (Carried at Cost)

The carrying amounts reported in the balance sheet for cash and short-term instruments approximate those assets' fair values.

Securities

The fair value of securities available for sale (carried at fair value) and held to maturity (carried at amortized cost) are determined by matrix pricing (Level 2), which is a mathematical technique used widely in the industry to value debt securities without relying exclusively on quoted market prices for the specific securities but rather by relying on the securities' relationship to other benchmark quoted prices. Level 2 debt securities are valued by a third-party service commonly used in the banking industry. Level 2 fair value measurements consider observable data that may include dealer quotes, market spreads, cash flows, the U.S. treasury yield curve, live trading levels, trade execution date, market consensus, prepayment speeds, credit information and the security's terms and conditions, among other things.

Loans Receivable (Carried at Cost)

The fair values of loans are estimated using discounted cash flow analyses, using market rates at the balance sheet date that reflect the credit and interest rate-risk inherent in the loans. Projected future cash flows are calculated based upon contractual maturity or call dates, projected repayments and prepayments of principal. Generally, for variable rate loans that reprice frequently and with no significant change in credit risk, fair values are based on carrying values. The fair value measurement of loans receivable is Level 3 in the fair value hierarchy.

Impaired Loans (Generally Carried at Fair Value)

Impaired loans carried at fair value are those impaired loans in which the Company has measured impairment generally based on the fair value of the related loan's collateral. Fair value is generally determined based upon independent third-party appraisals of the properties, or discounted cash flows based upon the expected proceeds. These assets are included as Level 3 fair values, based upon the lowest level of input that is significant to the fair value measurements. The fair value at June 30, 2013 consists of the loan balances of \$23.10 million, net of cumulative charge offs of \$5.2 million. The fair value at December 31, 2012 consists of the loan balances of \$22.7 million, net of cumulative charge offs of \$5.6 million. The fair value measurement of impaired loans is Level 3 in the fair value hierarchy.

NOTE O – FAIR VALUE MEASUREMENTS AND DISCLOSURES (Continued)

Real Estate Owned

Real estate owned assets are adjusted to fair value, less estimated selling costs, upon transfer of the loans to real estate owned. Subsequently, real estate owned assets are carried at the lower of carrying value or fair value. Fair value is based upon independent market prices, appraised values of the collateral or management's estimation of the value of the collateral. These assets are included as Level 3 fair values.

Real Estate Held for Sale

Real estate held for sale is adjusted to fair value less estimated selling costs upon transfer of the assets. Subsequently, real estate held for sale assets are carried at the lower of carrying value or fair value. Fair value is based upon independent market prices, appraised values of the collateral or management's estimation of the value of the collateral. These assets are included as Level 3 fair values.

The following is management's estimate of the fair value of all financial instruments whether carried at cost or fair value on the Company's statement of financial condition.

The following information should not be interpreted as an estimate of the fair value of the Company since a fair value calculation is only provided for a limited portion of the Company assets and liabilities. Due to a wide range of valuation techniques and the degree of subjectivity used in making the estimates, comparisons between the Company disclosures and those of other companies may not be meaningful. The following methods and assumptions were used to estimate the fair values of the Company's financial instruments at June 30, 2013 and December 31, 2012

Mortgage Servicing Rights

Fair value is based on a valuation model that calculates the present value of estimated future net servicing income. The fair value measurement of mortgage servicing rights is Level 3 in the fair value hierarchy.

Federal Home Loan Bank Stock and ACBB Stock (Carried at Cost)

The carrying amount of this restricted investment's in bank stock approximates fair value, and considers the limited marketability of such securities.

Accrued Interest Receivable and Payable (Carried at Cost)

The carrying amount of accrued interest receivable and accrued interest payable approximates its fair value.

Deposit Liabilities (Carried at Cost)

The fair values disclosed for demand deposits (e.g., interest and noninterest checking, passbook savings and money market accounts) are, by definition, equal to the amount payable on demand at the reporting date (i.e., their carrying amounts). Fair values for fixed-rate certificates of deposit are estimated using a discounted cash flow calculation that applies interest rates currently being offered in the market on certificates to a schedule of aggregated expected monthly maturities on time deposits. The fair value measurement of deposits is Level 2 in the fair value hierarchy.

Federal Home Loan Bank of New York Advances and Securities Sold Under Agreements to Repurchase (Carried at Cost)

Fair values of FHLB advances are determined by discounting the anticipated future cash payments by using the rates currently available to the Company for debt with similar terms and remaining maturities. Securities sold under agreements to repurchase are estimated using discounted cash flow analysis, based on quoted prices for available borrowings with similar credit risk characteristics, terms and remaining maturity. These prices obtained from this active market represent a market value that is deemed to represent the transfer price if the liability were assumed by a third party. The fair value measurement of FHLBNY Advances and Securities Sold Under Agreement to Repurchase is Level 2 in the fair value hierarchy.

NOTE O – FAIR VALUE MEASUREMENTS AND DISCLOSURES (Continued)

Off-Balance Sheet Financial Instruments (Disclosed at Cost)

Fair values for the Company's off-balance sheet financial instruments (lending commitments and letters of credit) are based on fees currently charged in the market to enter into similar agreements, taking into account, the remaining terms of the agreements and the counterparties' credit standing. The fair value of these off-balance sheet financial instruments was not considered material as of June 30, 2013 and December 31, 2012.

The carrying amounts and estimated fair values of financial instruments as of June 30, 2013 are as follows:

| | Carrying Value | Estimated Fair Value | (Level 1) Quoted Prices in Active Markets for Identical Assets (In Thousands) | (Level 2) Significant Other Observable Inputs | (Level 3) Significant Unobservable Inputs |
|--|----------------|----------------------|--|---|--|
| Financial assets: | | | | | |
| Cash and cash equivalents | \$155,762 | \$155,762 | \$155,762 | \$- | \$- |
| Securities available for sale | 26,170 | 26,170 | - | 26,170 | - |
| Investment securities held to maturity | 96,920 | 95,632 | - | 95,632 | - |
| Mortgage-backed securities held to maturity | 299,426 | 307,126 | - | 307,126 | - |
| Loans receivable | 1,024,177 | 1,042,846 | - | - | 1,042,846 |
| Federal Home Loan Bank of New York and | | | | | |
| ACBB Stock | 9,159 | 9,159 | - | 9,159 | - |
| Accrued interest receivable | 4,801 | 4,801 | 4,801 | - | - |
| Mortgage servicing rights | 708 | 708 | - | - | 708 |
| Financial liabilities: | | | | | |
| Deposits | 1,407,853 | 1,424,887 | - | 1,424,887 | - |
| Federal Home Loan Bank of New York | | | | | |
| Advances | 47,323 | 49,931 | - | 49,931 | - |
| Securities sold under agreements to Repurchase | 40,000 | 44,288 | - | 44,288 | - |
| Accrued interest payable | 389 | 389 | 389 | - | - |

NOTE O – FAIR VALUE MEASUREMENTS AND DISCLOSURES (Continued)

The carrying amounts and estimated fair values of financial instruments as of December 31, 2012 are as follows:

| | Carrying Value | Estimated Fair Value | (Level 1) Quoted Prices in Active Markets for Identical Assets (In Thousands) | (Level 2) Significant Other Observable Inputs | (Level 3) Significant Unobservable Inputs |
|--|----------------|----------------------|--|---|--|
| Financial assets: | | | | | |
| Cash and cash equivalents | \$144,451 | \$144,451 | \$144,451 | \$- | \$ - |
| Securities available for sale | 28,921 | 28,921 | - | 28,921 | - |
| Investment securities held to maturity | 127,916 | 129,488 | - | 129,488 | - |
| Mortgage-backed securities held to maturity | 343,318 | 363,918 | - | 363,918 | - |
| Loans receivable | 1,037,404 | 1,061,434 | - | - | 1,061,434 |
| Federal Home Loan Bank of New York and | | | | | |
| ACBB Stock | 9,002 | 9,002 | - | 9,002 | - |
| Accrued interest receivable | 5,474 | 5,474 | 5,474 | - | - |
| Mortgage servicing rights | 657 | 657 | - | - | 657 |
| Financial liabilities: | | | | | |
| Deposits | 1,484,569 | 1,495,149 | - | 1,495,149 | - |
| Federal Home Loan Bank of New York | | | | | |
| Advances | 52,385 | 56,500 | - | 56,500 | - |
| Securities sold under agreements to Repurchase | 40,000 | 46,142 | - | 46,142 | - |
| Accrued interest payable | 450 | 450 | 450 | - | - |

Limitations

The fair value estimates are made at a discrete point in time based on relevant market information and information about the financial instruments. Fair value estimates are based on judgments regarding future expected loss experience, current economic conditions, risk characteristics of various financial instruments, and other factors.

These estimates are subjective in nature and involve uncertainties and matters of significant judgment and, therefore, cannot be determined with precision. Changes in assumptions could significantly affect the estimates. Further, the foregoing estimates may not reflect the actual amount that could be realized if all or substantially all of the financial instruments were offered for sale. This is due to the fact that no market exists for a sizable portion of the loan, deposit and off balance sheet instruments.

In addition, the fair value estimates are based on existing on-and-off balance sheet financial instruments without attempting to value anticipated future business and the value of assets and liabilities that are not considered financial instruments. Other significant assets that are not considered financial assets include premises and equipment. In

addition, the tax ramifications related to the realization of the unrealized gains and losses can have a significant effect on fair value estimates and have not been considered in any of the estimates.

Finally, reasonable comparability between financial institutions may not be likely due to the wide range of permitted valuation techniques and numerous estimates which must be made given the absence of active secondary markets for many of the financial instruments. This lack of uniform valuation methodologies introduces a greater degree of subjectivity to these estimated fair values.

NOTE P – ACCUMULATED OTHER COMPREHENSIVE LOSS

Components of accumulated other comprehensive loss at June 30, 2013 and December 31, 2012 were as follows (in thousands):

| | June 30, 2013 (In Thousands) | December 31, 2012 |
|--|------------------------------------|----------------------|
| Net unrealized gain (loss) on securities available for sale | \$ (148) | \$ 763 |
| Tax effect | 59 | (326) |
| Net of tax amount | (89) | 437 |
| Minimum pension liability | (10,003) | (10,003) |
| Tax effect | 4,001 | 4,001 |
| Net of tax amount | (6,002) | (6,002) |
| Accumulated other comprehensive loss | (6,091) | (5,565) |
| Accumulated other comprehensive loss attributable to noncontrolling interest | (3) | (33) |
| Accumulated other comprehensive loss | \$ (6,094) | \$ (5,598) |

NOTE Q – REGULATORY AGREEMENT

On September 21, 2012, Roma bank entered into an agreement with the Office of the Comptroller of the Currency (the “OCC Agreement”), Roma Bank’s primary regulator. The OCC Agreement requires Roma Bank to take certain actions, including, but not limited to:

- Establishing a compliance committee to oversee Roma Bank’s obligations under the OCC Agreement and to prepare and submit written progress reports to the OCC on a periodic basis regarding Roma Bank’s compliance with the terms of the Agreement;
- Completing a review of the Board’s processes regarding oversight of management and risk management and adopting and implementing a plan, acceptable to the OCC to strengthen oversight of management and operations;
- Adopting a plan, acceptable to the OCC, to strengthen Roma Bank’s credit risk management practices;
- Adopting and implementing a program, acceptable to the OCC, for the maintenance of an adequate allowance for loan and lease losses;
- Adopting and implementing a program, acceptable to the OCC, to reduce Roma Bank’s interest in criticized or classified assets;
- Adopting and implementing an updated program, acceptable to the OCC, to ensure Roma Bank’s compliance with the Bank Secrecy Act and to ensure implementation of a Bank Secrecy Act/Anti-Money laundering Risk Assessment Process;
- Adopting, implementing and ensuring compliance with an independent internal audit program acceptable to the OCC, and;
- Establishing a committee to ensure oversight of the Bank’s information technology activities.

While we are subject to the OCC Agreement, we expect that our management and board of directors will be required to focus considerable time and attention on taking corrective actions to comply with its terms. There also is no assurance that we will successfully address the OCC's concerns in the OCC Agreement or that we will be able to fully comply with the OCC Agreement. If we do not fully comply with the OCC Agreement, the Bank could be subject to further regulatory actions, including enforcement actions. As of June 30, 2013, Roma Bank has complied with the terms of the OCC Agreement and met all timelines established in the OCC Agreement.

NOTE R- MERGER AGREEMENT

On December 19, 2012, Roma Financial Corporation, Roma Bank and Roma Financial Corporation, MHC entered into an Agreement and Plan of Merger with Investors Bancorp, Inc., Investors Bank, and Investors Bancorp, MHC which contemplates the consummation of a series of related merger transactions (“the Mergers”). Pursuant to the terms of the Agreement and Plan of Merger, each share of Roma Financial common stock issued and outstanding immediately prior to the effective date of the Merger will be converted into the right to receive 0.8653 shares of Investors Bancorp common stock. The Mergers are intended to qualify as a tax-free reorganizations for federal income tax purposes. The Mergers and the Agreement and Plan of Merger were approved by the stockholders of both the Company and Investors in June although the parties are still awaiting final regulatory approval. The Mergers are expected to close during the third quarter of 2013. Merger costs in the amount of \$672,000 and \$953,000 have been expensed for the three and six months ended June 30, 2013.

ITEM 2 – Management’s Discussion and Analysis of Financial Condition and Results of Operations

This Form 10-Q contains forward-looking statements, which can be identified by the use of words such as “believes,” “expects,” “anticipates,” “estimates” or similar expressions. Forward – looking statements include:

- Statements of our goals, intentions and expectations;
- Statements regarding our business plans, prospects, growth and operating strategies;
- Statements regarding the quality of our loan and investment portfolios; and
- Estimates of our risks and future costs and benefits.

These forward-looking statements are subject to significant risks and uncertainties. Actual results may differ materially from those contemplated by the forward-looking statements due to, among others, the following factors:

- General economic conditions, either nationally or in our market area, that are worse than expected;
- Changes in the interest rate environment that reduce our interest margins or reduce the fair value of financial instruments;
- Our ability to enter into new markets and/or expand product offerings successfully and take advantage of growth opportunities;
- Increased competitive pressures among financial services companies;
- Changes in consumer spending, borrowing and savings habits;
- Legislative or regulatory changes that adversely affect our business;
- Adverse changes in the securities markets;
- Our ability to successfully manage our growth; and
- Changes in accounting policies and practices, as may be adopted by the bank regulatory agencies, the Financial Accounting Standards Board or the Public Company Accounting Oversight Board.

Any of the forward-looking statements that we make in this report and in other public statements we make may turn out to be wrong because of inaccurate assumptions we might make, because of the factors illustrated above or because of other factors that we cannot foresee. Consequently, no forward-looking statement can be guaranteed.

Comparison of Financial Condition at June 30, 2013 and December 31, 2012

General

Total assets decreased by \$82.5 million to \$1.71 billion at June 30, 2013 compared to \$1.81 billion at December 31, 2012. Total liabilities decreased \$84.1 million to \$1.51 billion at June 30, 2013 compared to \$1.60 billion at December 31, 2012. Total stockholders' equity increased \$1.6 million to \$217.2 million at June 30, 2013. The decrease in assets was a result of a decrease in the securities portfolio of \$77.6 million, as the proceeds from principal repayments and calls were not reinvested, and the reduction in the deposit portfolio of \$76.7 million.

Deposits

Total deposits decreased \$76.7 million to \$1.41 billion at June 30, 2013, compared to \$1.48 billion at December 31, 2012. Non-interest bearing demand deposits increased \$7.6 million to \$78.9 million at June 30, 2013, and interest bearing demand deposits decreased \$5.1 million to \$238.38 million. Savings and club accounts decreased \$6.3 million to \$507.4 million, and certificates of deposit decreased \$72.9 million to \$583.3 million at June 30, 2013. The Company has continued to lower deposit rates to control interest margin.

Investments (Including Mortgage-Backed Securities)

The investment portfolio decreased \$77.6 million to \$422.5 million at June 30, 2013, compared to \$500.1 million at December 31, 2012. Securities available for sale decreased \$2.7 million to \$26.2 million at June 30, 2013, compared to \$28.9 million at December 31, 2012, primarily due to calls and principal repayments. Investments held to maturity decreased \$31.0 million to \$96.9 million at June 30, 2013, compared to \$127.9 million at December 31, 2012, primarily due to calls. Mortgage-backed securities decreased \$43.9 million to \$299.4 million at June 30, 2013, compared to \$343.3 million at December 31, 2012.

Loans

Net loans decreased by \$13.2 million to \$1.024 billion at June 30, 2013, compared to \$1.037 billion at December 31, 2012. Commercial and multi-family real estate mortgages decreased \$12.0 million to \$309.6 million at June 30, 2013 compared to \$321.6 million at December 31, 2012. The decline in the portfolio was primarily a result of scheduled amortized principal repayments. Gross construction loans increased \$1.2 million to \$27.2 million at June 30, 2013, compared to \$26.0 million at December 31, 2012. Residential and consumer loans increased \$2.1 million from December 31, 2012 to June 30, 2012.

Other Assets

All other asset categories, except cash and cash equivalents, decreased by \$2.9 million from December 31, 2012 to June 30, 2013. This decrease was primarily caused by the reduction in the real estate owned portfolio and a decrease in the deferred tax asset.

Federal Home Loan Bank of New York Advances

The \$5.1 million decrease in FHLB NY advances during the six months ended June 30, 2013 was due to principal repayments. At June 30 2013, outstanding FHLB NY advances were \$47.3 million, compared to \$52.4 million at December 31, 2012.

Other Liabilities

Other liabilities decreased \$2.6 million to \$15.5 million at June 30, 2013. The net decrease was result of many small decreases in various categories.

Stockholders' Equity

Stockholders' equity increased \$1.6 million to \$217.2 million at June 30, 2013 compared to \$215.6 million at December 31, 2012. The net increase was primarily caused by net income of \$1.0 million.

Comparison of Operating Results for the Three Months Ended June 30, 2013 and 2012

General

Net income decreased \$1.3 million to a net loss of \$355 thousand for the quarter ended June 30, 2013, compared to net income of \$896 thousand. The decrease is primarily related to a \$631 thousand decline in net interest income, a \$655 decline in non-interest income, merger expenses of \$672 thousand and a loss on returned checks of \$1.8 million. Offsetting these items were a \$1.0 million decrease in the provision for loan loss, a \$644 thousand decrease in other non-interest expense, and a decrease in income taxes of \$727 thousand.

Interest Income

Interest income decreased by \$1.9 million to \$14.9 million for the three months ended June 30, 2013 compared to \$16.8 million for the prior year period. The decrease was primarily caused by a decrease of \$535 thousand in interest income from investments securities and a decrease of \$1.2 million in interest income from mortgage-backed securities. The Company has experienced significant security calls over the last eighteen months since January 1, 2012. Because the demand for commercial loans continues to be sluggish, and the majority of the thirty year mortgages are being sold, proceeds from called securities are being reinvested in shorter term securities at much lower yields or held in overnight funds. Interest income from loans decreased \$242 thousand to \$11.6 million for the three months ended June 30, 2013. Interest income from residential mortgage loans increased \$801 thousand over the comparable quarter ended June 30, 2012, while interest income from equity loans decreased \$564 thousand. The weighted average interest rates for mortgage and equity loans at June 30, 2013 were 4.24% and 4.40%, respectively, compared to 4.79% and 4.65%, respectively, in the prior year. Interest income from commercial and multifamily mortgage loans and commercial and industrial loans decreased \$974 thousand from period to period. The weighted average interest rate for commercial and multi-family mortgage loans and commercial loans was 5.04% at June 30, 2013, and 5.50% at June 30, 2012. Loan fees increased by \$149 thousand.

Interest Expense

Interest expense decreased \$1.3 million for the three month period ended June 30, 2013 to \$2.9 million compared to \$4.2 million for the three months ended June 30, 2012. The decrease was primarily due to a \$1.0 million decrease in interest paid on deposits. Total deposits have decreased by \$105.4 million over the twelve month period ended June 30, 2013. The Company has continued to lower rates to better manage interest margins since the beginning of 2012; the weighted average interest rate has decreased 19 basis points to 0.61% at June 30, 2013, compared to 0.80% at June 30, 2012. Interest expense on borrowed funds decreased \$295 thousand to \$652 thousand.

Provision for Loan Losses

The loan loss provision for the three months ended June 30, 2013 decreased \$1.0 million to \$344 thousand. The decrease in the provision is primarily related to a decrease in the allowance methodology environmental factor relating to risk rating based on an improvement in the risk rating migration, fewer charge offs, and loan growth.

Total non-performing loans were \$42.4 million and \$47.9 million at June 30, 2013 and December 31, 2012, respectively. The legacy Roma and RomAsia non-performing loans were \$29.3 million and \$22.9 million at June 30, 2013 and December 31, 2012, respectively. The allowance for loan losses to non-performing legacy Roma and RomAsia loans was 31.5% and 27.4% at June 30, 2013 and December 31, 2012, respectively, and allowance for loan loss to total legacy Roma and RomAsia loans represented 0.98% and 0.95%, respectively, for the same periods of time. Total loans are net of \$6.8 million and \$8.9 million of credit marks on the acquired loans at June 30, 2013 and December 31, 2012, respectively. Total allowance for loan loss and credit marks were 1.48% and 1.63% of total gross loans at June 30, 2013 and December 31, 2012.

Management believes that the impaired loans remain sufficiently collateralized and where needed, appropriate charge offs have occurred, or credit marks, have been established. The Company is taking a proactive approach in identifying loans at an early stage that may be experiencing cash flow deterioration or collateral weakening even though the loan remains current. The Company obtains new appraisals at least annually on substandard assets.

Non-Interest Income

Non-interest income decreased \$655 thousand to \$1.4 million for the three months ended June 30, 2013, compared to \$2.1 million for the three months ended June 30, 2012. The net decrease was chiefly due to decreases in: gains on sale of mortgage loans of \$257 thousand; income from bank owned life insurance of \$11 thousand; commissions on the sale of title policies of \$24 thousand; gain on sale of securities of \$13; fees and service charges on loans and deposits of \$144 thousand, realized loss on real estate owned of \$92 thousand and, \$110 thousand in other non-interest income primarily related to mortgage servicing rights income and ATM fees.

Non-Interest Expense

Non-interest expense increased \$1.7 million to \$13.8 million for the three months ended June 30, 2013 compared to \$12.1 million for the three months ended June 30, 2012. The two largest increases were in \$1.8 million loss on returned checks and \$672 thousand of merger costs. Roma Bank was the victim of a check kiting scheme by one of its commercial deposit and loan customers. The loss before tax was approximately \$1.8 million, net of a \$259 thousand insurance recovery. The Bank is aggressively pursuing collection of the loss from the customer and with the appropriate authorities, however, the timing and potential results of these efforts are uncertain. Salaries and employee benefits decreased \$236 thousand to \$6.1 million for the three months ended June 30, 2013, compared to the same period in the prior year. This decrease is reflective of a decline in overall FTEs from June 30, 2012 to June 30, 2013 of 48. Net occupancy of premises expense decreased \$45 thousand for the three month period ended June 30, 2013. Loan expense for commercial and mortgage loans increased \$132 thousand from period to period primarily related to the costs associated with redeeming tax certificates and collection costs on impaired loans. Other non-interest expenses decreased by \$644 thousand to \$1.3 million for the three months ended June 30, 2013, compared to \$2.0 million for the same period in the prior year.

Provision for Income Taxes

Income tax expense decreased by \$727 thousand to a net tax benefit of \$393 thousand for the three months ended June 30, 2013, compared to an expense of \$334 thousand for the three months ended June 30, 2012, due to the net loss in 2013. Income tax expense represented an effective rate of – (54.5)% for the three months ended June 30, 2013, compared to 26.7% in the prior year quarter. The Company pays a state tax rate of 3.6% on the taxable income of the Investment Company and 9.0 % on the taxable income of the other entities.

Comparison of Operating Results for the Six Months Ended June 30, 2013 and 2012

General

Net income declined \$1.3 million to \$1.0 million for the six months ended June 30, 2013, compared to \$2.3 million for the prior year period. The decrease was primarily related to a decline in interest income of \$4.0 million, a decline in non-interest income of \$713 thousand, a loss of \$1.8 million on returned checks and \$953 thousand of merger expenses offset by decreases in interest expense of \$2.6 million, provision for loan losses of \$2.4 million and income taxes of \$491 thousand.

Interest Income

Interest income decreased by \$4.0 million to \$30.4 million for the six months ended June 30, 2013, compared to \$34.5 million for the prior year period. The decrease was primarily caused by a decrease of \$3.8 million in interest income from investments. The Company has experienced significant security calls since January 1, 2012. Because the demand for commercial loans continues to be sluggish, and the majority of the thirty year mortgages are being sold, proceeds from called securities are being reinvested in shorter term securities at much lower yields or in overnight funds. Interest income from loans decreased \$283 thousand to \$23.6 million for the six months ended June 30, 2013. Interest income from residential mortgage loans increased \$555 thousand over the comparable six months ended June 30, 2012, while interest income from equity loans decreased \$517 thousand. The weighted average interest rates for mortgage and equity loans at June 30, 2013 were 4.24% and 4.40%, respectively, compared to 4.79% and 4.65%, respectively, in the prior year. Interest income from commercial and multifamily mortgage loans and commercial and industrial loans decreased \$510 thousand from period to period. The weighted average interest rate for commercial and multi-family mortgage loans and commercial loans was 5.04% at June 30, 2013, and 5.50% at June 30, 2012. Loan fees increase by \$189 thousand.

Interest income from mortgage-backed securities decreased \$2.5 million over the comparable six months in 2012. The decrease was primarily due to a decrease in yields. Interest income from investments held to maturity decreased \$1.3 million for the six months ended June 30, 2013. This decrease was primarily due to a decrease in the portfolio from year to year and the reinvestment of the proceeds of called securities into lower yielding investments. Interest income on securities available for sale decreased \$26 thousand from period to period.

Interest Expense

Interest expense decreased \$2.6 million for the six month period ended June 30, 2013 to \$5.9 million compared to \$8.5 million for the six months ended June 30, 2012. The decrease was primarily due to a \$2.3 million decrease in interest paid on deposits. Total deposits have decreased by \$105.4 million over the twelve month period ended June 30, 2013. The Company has continued to lower rates to better manage interest margins over the last several months; the weighted average interest rate has decreased 19 basis points to 0.61% at June 30, 2013, compared to 0.80% at June 30, 2012.

Provision for Loan Losses

The loan loss provision for the six months ended June 30, 2013 decreased \$2.4 million to \$202 thousand. The decrease in the provision is primarily related to a decrease in the allowance methodology environmental factor relating to risk rating migration, lower charge offs, and loan portfolio growth.

Total non-performing loans were \$42.4 million and \$47.9 million at June 30, 2013 and December 31, 2012, respectively. The legacy Roma and RomAsia non-performing loans were \$29.3 million and \$22.9 million at June 30, 2013 and December 31, 2012, respectively. The allowance for loan losses to non-performing legacy Roma and RomAsia loans was 31.5% and 27.4% at June 30, 2013 and December 31, 2012, respectively, and allowance for loan loss to total legacy Roma and RomAsia loans represented 0.98% and 0.95%, respectively, for the same periods of time. Total loans are net of \$6.8 million and \$8.9 million of credit marks on the acquired loans at June 30, 2013 and December 31, 2012, respectively. Total allowance for loan loss and credit marks were 1.48% and 1.63% of total gross loans at June 30, 2013 and December 31, 2012.

In June 2012 management sold the note related to an impaired loan which resulted in a charge off to the allowance for loan losses of approximately \$840 thousand. Management made the decision to sell the note after evaluating the estimated costs to maintain and operate the property over the next year, which were not significantly different than the loss taken. Prior to the decision to sell the note, current appraisals and a broker's opinion of value were sufficient to cover the note balance.

Management believes that the impaired loans remain sufficiently collateralized and where needed, appropriate charge offs have occurred, or credit marks, have been established. The Company is taking a proactive approach in identifying loans at an early stage that may be experiencing cash flow deterioration or collateral weakening even though the loan remains current. The Company obtains new appraisals at least annually on substandard assets.

Non-Interest Income

Non-interest income decreased \$713 thousand to \$3.1 million for the six months ended June 30, 2013, compared to \$3.8 million for the six months ended June 30, 2012. The net decrease was chiefly due to decreases in: gain on sale of mortgage loans of \$314 thousand; income from bank owned life insurance of \$22 thousand; \$12 thousand in gain on sale of securities; \$285 on fees and charges; \$24 thousand in commissions on sales of title policies; gains on sale of available for sale securities of \$12 thousand, realized losses on real estate owned of \$504 thousand, and, \$136 thousand in other non-interest income primarily related to gains on calls of securities, mortgage servicing rights income and ATM fees, offset by an increase in the gain on sale of real estate held for sale of \$584 thousand.

Non-Interest Expense

Non-interest expense increased \$2.1 million to \$25.8 million for the six months ended June 30, 2013, compared to \$23.8 million for the six months ended June 30, 2012. The most significant changes in non-interest expense for the comparable six month periods were merger expenses of \$953 thousand and a loss on returned checks of \$1.8

million. Roma Bank was the victim of a check kiting scheme by one of its commercial deposit and loan customers. The loss before tax was approximately \$1.8 million, net of a \$250 thousand insurance recovery, and after taxes approximately \$1.1 million. The Bank is aggressively pursuing collection of the loss from the customer and with the appropriate authorities, however, the timing and potential results of these efforts are uncertain.

Salaries and employee benefits, net occupancy expense and equipment expense all changed less than \$50 thousand for the comparable six month periods. Overall FTEs decreased by 48 from year to year. Federal Deposit Insurance Premiums increased \$311 thousand for the six months ended June 30, 2013 compared to the same period in 2012. Commercial and residential loan expense decreased \$534 thousand as costs associated with redeeming tax certificates and collection costs declined. Other non-interest expenses decreased \$414 thousand from year to year.

Provision for Income Taxes

Income tax expense decreased by \$491 thousand to \$470 thousand for the six months ended June 30, 2013 compared to \$961 thousand for the six months ended June 30, 2012 primarily as a result of lower pre-tax income. Income tax expense represented an effective rate of – 30.6% for the six months ended June 30, 2013, compared to 28.7% in the prior year nine months. The Company pays a state tax rate of 3.6% on the taxable income of our investment company and 9.0 % on the taxable income of the other entities.

Agreement with the OCC

On September 21, 2012, Roma Bank entered into an agreement with the Office of the Comptroller of the Currency (the “OCC Agreement”), Roma Bank’s primary regulator. The OCC Agreement requires Roma Bank to take certain actions, including, but not limited to:

- Establishing a compliance committee to oversee Roma Bank’s obligations under the OCC Agreement and to prepare and submit written progress reports to the OCC on a periodic basis regarding Roma Bank’s compliance with the terms of the OCC Agreement;
- Completing a review of the Board’s processes regarding oversight of management and risk management and adopting and implementing a plan, acceptable to the OCC to strengthen oversight of management and operations;
- Adopting a plan, acceptable to the OCC, to strengthen Roma Bank’s credit risk management practices;
- Adopting and implementing a program, acceptable to the OCC, for the maintenance of an adequate allowance for loan and lease losses;
- Adopting and implementing a program, acceptable to the OCC, to reduce Roma Bank’s interest in criticized or classified assets;
- Adopting and implementing an updated program, acceptable to the OCC, to ensure Roma Bank’s compliance with the Bank Secrecy Act and to ensure implementation of a Bank Secrecy Act/Anti-Money laundering Risk Assessment Process;
- Adopting, implementing and ensuring compliance with an independent internal audit program acceptable to the OCC, and;
- Establishing a committee to ensure oversight of the Bank’s information technology activities.

As of June 30, 2013, Roma Bank has complied with the terms of the OCC Agreement and met all timelines established in the OCC Agreement.

Critical Accounting Policies

Critical accounting policies are defined as those that are reflective of significant judgments and uncertainties, and could potentially result in materially different results under different assumptions and conditions. We believe that the most critical accounting policy upon which our financial condition and results of operation depend, and which involves the most complex subjective decisions or assessments, is the allowance for loan losses.

Allowance for Loan Losses

The allowance for loan losses represents our best estimate of losses known and inherent in our loan portfolio that are both probable and reasonable to estimate. In determining the amount of the allowance for loan losses, we consider the losses inherent in our loan portfolio and changes in the nature and volume of our loan activities, along with general economic and real estate market conditions. We utilize a segmented approach which identifies: (1) impaired loans for which specific reserves are established; (2) classified loans for which a higher allowance is established; and (3) performing loans for which a general valuation allowance is established. We maintain a loan review system which

provides for a systematic review of the loan portfolios and the early identification of impaired loans. The review of residential real estate and home equity consumer loans, as well as other more complex loans, is triggered by identified evaluation factors, including delinquency status, size of loan, type of collateral and the financial condition of the borrower. All commercial loans are evaluated individually for impairment. Specific loan loss allowances are established for impaired loans based on a review of such information and/or appraisals of the underlying collateral. General loan loss allowances are based upon a combination of factors including, but not limited to, actual loan loss experience, composition of the loan portfolio, current economic conditions and management's judgment.

Although general loan loss allowances are established in accordance with management's best estimate, actual losses are dependent upon future events, and as such, further provisions for loan losses may be necessary in order to increase the level of the allowance for loan losses. For example, our evaluation of the allowance includes consideration of current economic conditions, and a change in economic conditions could reduce the ability of borrowers to make timely repayments of their loans. This could result in increased delinquencies and increased non-performing loans, and thus a need to make increased provisions to the allowance for loan losses. Any such increase in provisions would result in a reduction to our earnings. A change in economic conditions could also adversely affect the value of properties collateralizing real estate loans, resulting in increased charges against the allowance and reduced recoveries, and require increased provisions to the allowance for loan losses. Furthermore, a change in the composition, or growth, of our loan portfolio could result in the need for additional provisions.

Acquired Loans

Loans that we acquire in acquisitions subsequent to January 1, 2009, are recorded at fair value with no carryover of the related allowance for credit losses. Determining the fair value of the loans involves estimating the amount and timing of principal and interest cash flows expected to be collected on the loans and discounting those cash flows at a market rate of interest.

The excess of cash flows expected at acquisition over the estimated fair value is referred to as the accretable discount or premium and is recognized into interest income over the remaining life of the loan. The difference between the contractually required payments at acquisition and the cash flows expected to be collected at acquisition is referred to as the nonaccretable discount. The nonaccretable discount represents estimated future credit losses expected to be incurred over the life of the loan. Subsequent decreases to the expected cash flows require us to evaluate the need for an allowance for credit losses. Subsequent improvements in expected cash flows result in the reversal of a corresponding amount of the nonaccretable discount which we then reclassify as accretable discount that is recognized into interest income over the remaining life of the loan using the interest method. Our evaluation of the amount of future cash flows that we expect to collect is performed in a similar manner as that used to determine our allowance for credit losses. Charge-offs of the principal amount on acquired loans would be first applied to the nonaccretable discount portion of the fair value adjustment.

New Accounting Pronouncements

In June 2013, the FASB issued ASU No. 2013-08, Financial Services-Investment Companies (Topic 946); Amendments to the Scope, Measurement, and Disclosure Requirements. The amendments in this update modify the guidance for determining whether an entity is an investment company, update the measurement requirements for noncontrolling interests in other investment companies and require additional disclosures for investment companies under US GAAP. The amendments in the update develop a two-tiered approach for the assessment of whether an entity is an investment company which requires an entity to possess certain fundamental characteristics while allowing judgment in assessing other typical characteristics. The amendments in the update also revise the measurement guidance in Topic 946 such that investment companies must measure non controlling ownership interests in other investment companies at fair value, rather than applying the equity method of accounting to such interests. The amendments are effective for an entity's interim and annual reporting periods in fiscal years that begin after December 15, 2013. Earlier adoption is prohibited. The Company does not expect this ASU to have a significant impact on its consolidated financial statements.

In April 2013, the FASB issued ASU No. 2013-07, Presentation of Financial Statements (Topic 205); Liquidation Basis of Accounting. The amendments in this update require an entity to present its financial statements using the liquidation basis of accounting when liquidation is imminent unless the liquidation follows a plan that was specified in the entity's governing documents at the entity's inception. Liquidation is imminent when the likelihood is remoter that the entity will return from liquidation and either (a) a plan for liquidation is approved by the person or persons with authority to make such a plan effective or (b) a plan for liquidation is being imposed by other forces. The amendments require financial statements prepared using the liquidation basis of accounting to present relevant information about an entity's expected resources in liquidation by measuring and presenting assets at the amount of the expected cash proceeds from liquidation. The amendments in this update are effective for entities that determine liquidation is imminent during annual reporting periods beginning after December 15, 2013, and interim reporting periods therein. Entities should apply the requirements prospectively from the day that liquidation becomes imminent. Early adoption is permitted. The Company does not expect this ASU to have a significant impact on its consolidated financial statements.

ITEM 3 – Quantitative and Qualitative Disclosures About Market Risk

Asset and Liability Management

The majority of the Company's assets and liabilities are monetary in nature. Consequently, the Company's most significant form of market risk is interest rate risk. The Company's assets, consisting primarily of mortgage loans, have generally longer maturities than the Company's liabilities, consisting primarily of short-term deposits. As a result, a principal part of the Company's business strategy is to manage interest rate risk and reduce the exposure of its net interest income to changes in market interest rates.

Net Portfolio Value

The following table presents Roma Bank's net portfolio value as of March 31, 2013. The net portfolio values shown in this table were calculated using an independently prepared Asset Liability Management Report, based on information provided by Roma Bank (in thousands):

| | | | | March 31, 2013 | |
|--------------------|------------|-------------|----------|---|-----------------------|
| | | | | Net economic value as % of asset net portfolio | |
| (\$ thousands) | | | | | |
| Changes in Rate | Amount | \$ Change | % change | NEV Ratio | Basis point change |
| +400 bp | \$ 131,147 | \$ (99,145) | (43.05)% | 9.00% | (496) |
| +300 bp | 165,759 | (64,534) | (28.02) | 10.95 | (301) |
| +200 bp | 201,967 | (28,326) | (12.30) | 12.88 | (108) |
| +100 bp | 225,011 | (5,281) | (2.29) | 13.93 | (3) |
| 0 bp | 230,292 | - | - | 13.96 | - |
| -100 bp | 235,930 | 5,637 | 2.45 | 14.12 | 16 |

The following table presents RomAsia Bank's net portfolio value as of March 31, 2013. The net portfolio values shown in this table were calculated using an independently prepared Asset Liability Management Report, based on information provided by RomAsia Bank (in thousands):

| | | | | March 31, 2013 | |
|--------------------|-----------|-------------|----------|---|-----------------------|
| | | | | Net economic value as % of asset net portfolio | |
| (\$ thousands) | | | | | |
| Changes in Rate | Amount | \$ Change | % change | NEV Ratio | Basis point change |
| +400 bp | \$ 10,950 | \$ (10,134) | (48.06)% | 8.33% | (474) |
| +300 bp | 13,878 | (7,206) | (34.18) | 10.16 | (291) |
| +200 bp | 16,841 | (4,243) | (20.12) | 11.86 | (121) |
| +100 bp | 19,355 | (1,729) | (8.20) | 13.18 | 11 |
| 0 bp | 21,091 | - | - | 13.97 | - |
| -100 bp | 21,644 | 560 | 2.66 | 14.15 | 108 |

Management of the Company believes that there has not been a material adverse change in the market risk during the six months ended June 30, 2013.

PART II – OTHER INFORMATION

ITEM 6 – Exhibits

- 31.1 Certification of the Chief Executive Officer pursuant to Rule 13a-14(a)
- 31.2 Certification of the Chief Financial Officer pursuant to Rule 13a-14(a)
- 32 Certifications of Chief Executive Officer and Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
- 101.INS XBRL Instance Document
- 101.SCH XBRL Schema Document
- 101.CAL XBRL Calculation Linkbase Document
- 101.DEF XBRL Definition Linkbase Document
- 101.LAB XBRL Labels Linkbase Document
- 101.PRE XBRL Presentation Linkbase Document

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

ROMA FINANCIAL CORPORATION
(Registrant)

Date: October 8, 2013

/s/ Peter A. Inverso
Peter A. Inverso
President and Chief Executive Officer

Date: October 8, 2013

/s/ Sharon L. Lamont
Sharon L. Lamont
Chief Financial Officer