

ROMA FINANCIAL CORP  
Form 10-K  
February 27, 2013

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

FORM 10-K

(Mark One)

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15 (d) OF THE SECURITIES EXCHANGE ACT OF 1934  
For the Fiscal Year Ended December 31, 2012

- 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 No.)

2300 Route 33, Robbinsville, New Jersey  
(Address of Principal Executive Offices)

08691  
(Zip Code)

Registrant's telephone number, including area code: (609) 223-8300

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	Name of Each Exchange on Which Registered
Common Stock, \$0.10 par value	The NASDAQ Stock Market LLC

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.  
 YES  NO

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act.  
 YES  NO

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 during the preceding 12 months (or such shorter period that the registrant was required to submit and post such files).

YES  NO

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

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 definition 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

(Do not check if a smaller reporting company)

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act).  YES  NO

The aggregate market value of the voting and non-voting equity held by non-affiliates of the Registrant on June 29, 2012 (the last business day of the Registrant's most recently completed second fiscal quarter) was \$84.2 million.

As of February 25, 2013 there were 30,116,769 shares of common stock outstanding.

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## PART I

### Forward-Looking Statements

Roma Financial Corporation (the “Company” or “Registrant”) may from time to time make written or oral “forward-looking statements,” including statements contained in the Company’s filings with the Securities and Exchange Commission (including this Annual Report on Form 10-K and the exhibits thereto), in its reports to stockholders and in other communications by the Company, which are made in good faith by the Company pursuant to the “safe harbor” provisions of the Private Securities Litigation Reform Act of 1995.

These forward-looking statements involve risks and uncertainties, such as statements of the Company’s plans, objectives, expectations, estimates and intentions that are subject to change based on various important factors (some of which are beyond the Company’s control). In addition to the Risk Factors described in Item 1A, the following factors, among others, could cause the Company’s financial performance to differ materially from the plans, objectives, expectations, estimates and intentions expressed in such forward-looking statements: The strength of the United States economy in general and the strength of the local economies in which the Company conducts operations; the effects of, and changes in, trade, monetary and fiscal policies and laws, including interest rate policies of the Board of Governors of the Federal Reserve System, inflation, interest rate, market and monetary fluctuations; market volatility; the timely development of and acceptance of new products and services of the Company and the perceived overall value of these products and services by users, including the features, pricing and quality compared to competitors’ products and services; the willingness of users to substitute competitors’ products and services for the Company’s products and services; the success of the Company in gaining regulatory approval of its products and services, when required; the impact of changes in financial services’ laws and regulations (including laws concerning taxes, banking, securities and insurance); technological changes, acquisitions; changes in consumer spending and saving habits; and the success of the Company at managing the risks involved in the foregoing.

The Company cautions that the foregoing list of important factors is not exclusive. The Company does not undertake to update any forward-looking statement, whether written or oral, that may be made from time to time by or on behalf of the Company.

### Item 1. Business

#### General

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 (the “MHC”) is a federally-chartered mutual holding company that was formed in January 2005 in connection with the mutual holding company reorganization. The 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 the Company. The MHC and the Company are now regulated as savings and loan holding companies by the Board of Governors of the Federal Reserve System (“Federal Reserve”) as successors to the Office of Thrift Supervision (“OTS”) under the Dodd-Frank Wall Street Reform and Consumer Protection Act (the “Dodd-Frank Act”).



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 ("FDIC"). Roma Bank is regulated by the Office of the Controller of the Currency ("OCC") as successor to the OTS.

RomAsia Bank is a federally-chartered stock savings bank. It received all regulatory approvals and began operation on June 23, 2008. RomAsia Bank is regulated by the OCC as successor to the OTS. Roma Bank and RomAsia Bank are collectively referred to herein as (the "Banks").

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 branches located in Monmouth Junction and Edison, New Jersey. As of December 31, 2012, the Banks, and their subsidiaries, had 314 full-time employees and 62 part-time employees. Roma Bank maintains a website at [www.romabank.com](http://www.romabank.com). RomAsia Bank maintains a website at [www.romasiabank.com](http://www.romasiabank.com). Information on our websites should not be treated as part of this Annual Report on Form 10-K. The Company makes copies of its SEC filings available on the Investor Relations page of the Roma Bank website free of charge as soon as reasonably practicable after they are filed with the SEC.

The Company conducted a minority stock offering during 2006 in which 30% of its outstanding stock was sold to the public in a subscription offering. The offering closed July 11, 2006 and the net proceeds from the offering were approximately \$96.1 million (gross proceeds of \$98.2 million for the issuance of 9,819,562 shares, less offering costs of approximately \$2.1 million). The Company also issued 22,584,995 shares to the MHC and 327,318 shares to the Roma Bank Community Foundation, Inc., resulting in a total of 32,731,875 shares issued and outstanding after the completion of the offering. A portion of the proceeds were loaned to the Roma Bank Employee Stock Ownership Plan (ESOP) to purchase 811,750 shares of the Company's stock at a cost of \$8.1 million.

On July 16, 2010, the Company completed its acquisition of Sterling Banks, Inc., the holding company for Sterling Bank. The consideration paid in the transaction to stockholders of Sterling Banks, Inc. consisted of \$2.52 per share or \$14,725,000 in cash. We refer to this transaction as the "Sterling Merger".

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

#### Merger Agreement

On December 19, 2012, Roma Financial Corporation, Roma Bank and Roma Financial Corporation, MHC entered into an Agreement and Plan of Merger (the "Merger Agreement") with Investors Bancorp, Inc. ("Investors Bancorp"), Investors Bank ("Investors Bank") and Investors Bancorp, MHC ("Investors MHC"). Under the terms of the Merger Agreement, Roma MHC will merge into Investors MHC, with Investors MHC surviving, to be followed by the merger of Roma Financial Corporation into Investors Bancorp, with Investors Bancorp surviving, and the merger of Roma Bank into Investors Bank, with Investors Bank surviving. Depositors of Roma Bank will become depositors of Investors Bank, and will have the same rights and privileges in Investors MHC as if their accounts had been established in Investors Bank on the date established at Roma Bank. The merger has been approved by each company's board of directors and is subject to the approval of Investors Bancorp's and the Company's shareholders, the MHC members, regulatory approvals and other customary closing



conditions. In addition, on January 17, 2013, RomAsia Bank entered into an Agreement and Plan of Merger with Investors Bank that provides for the merger of RomAsia Bank with and into Investors Bank. All of the transactions are expected to close in the second quarter of 2013 assuming all required approvals have been obtained.

### Competition

We operate in a market area with a high concentration of banking and financial institutions, and we face substantial competition in attracting deposits and in originating loans. A number of our competitors are significantly larger institutions with greater financial and managerial resources and lending limits. Our ability to compete successfully is a significant factor affecting our growth potential and profitability.

Our competition for deposits and loans historically has come from other insured financial institutions such as local and regional commercial banks, savings institutions, de novo banks, and credit unions located in our primary market area. We also compete with mortgage banking and finance companies for real estate loans and with commercial banks and savings institutions for consumer and commercial loans, and we face competition for funds from investment products such as mutual funds, short-term money funds and corporate and government securities. There are large competitors operating throughout our total market area, and we also face strong competition from other community-based financial institutions. Approximately ten other institutions operate in the Banks' market area, with asset sizes ranging from \$150 million to \$50+ billion. As of June 30, 2012, Roma Bank was fifth in market share in Mercer County and sixth in Burlington County according to FDIC data.

### Lending Activities

Analysis of Loan Portfolio. We have traditionally focused on the origination of one- to four-family loans, which comprised approximately 42.4% of the total loan portfolio at the end of 2012. We also provide financing for commercial real estate, including multi-family dwellings, service/retail and mixed-use properties, churches and non-profit properties, and other commercial real estate. After real estate mortgage lending, consumer lending is our next largest category of lending and is primarily composed of home equity loans and lines of credit. We also originate construction loans for individual single-family residences and commercial loans to businesses and non-profit organizations, generally secured by real estate.

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Loan Portfolio Composition. The following table analyzes the composition of our loan portfolio by loan category at the dates indicated. Except as set forth below, there were no concentrations of loans exceeding 10% of total loans.

Type of Loans:	At December 31, 2012		2011		2010		2009		2008	
	Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent
(Dollars in Thousands)										
Real estate mortgage - one to four family	\$452,537	42.41 %	\$394,206	40.24 %	\$358,503	39.41 %	\$251,937	42.21 %	\$230,956	43.63 %
Real estate mortgage - multi-family and commercial	321,586	30.14	292,646	29.87	273,177	30.03	172,334	28.87	128,990	24.37
Commercial business	49,169	4.60	39,184	4.00	36,125	3.97	12,302	2.06	5,762	1.09
Consumer:										
Home equity and second mortgage	216,383	20.28	217,472	22.20	202,926	22.31	133,199	22.32	133,855	25.28
Other	1,354	0.13	1,381	0.14	1,760	0.19	1,024	0.16	943	0.17
Total consumer loans	217,737	20.41	218,853	22.33	204,686	22.50	134,223	22.48	134,798	25.45
Construction	26,016	2.44	34,851	3.56	37,197	4.09	26,162	4.38	28,899	5.46
Total loans	1,067,045	100.00 %	979,740	100.00 %	909,688	100.00 %	596,958	100.00 %	529,405	100.00 %
Less:										
Construction loans in process	19,503									