PRUDENTIAL BANCORP, INC.
Form S-1
June 14, 2013
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As filed with the Securities and Exchange Commission on June 14, 2013
Registration No. 333-______

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

FORM S-1
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933
Prudential Bancorp, Inc.
and Prudential Savings Bank
Employees' Savings and Profit Sharing Plan
(Exact name of registrant as specified in its articles of incorporation)

Pennsylvania	**6036**	**46-2935427**
(State or other jurisdiction of incorporation or organization)	(Primary Standard Industrial Classification Code Number)	(I.R.S. Employer Identification No.)

1834 West Oregon Avenue
Philadelphia, Pennsylvania 19145
(215) 755-1500
(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)
Thomas A. Vento
Chairman, President and Chief Executive Officer
Prudential Bancorp, Inc.
1834 West Oregon Avenue
Philadelphia, Pennsylvania 19145
(215) 755-1500
(Name, address, including zip code, and telephone number, including area code, of agent for service)
Copies to:
Raymond A. Tiernan, Esq.
Philip R. Bevan, Esq.
Elias, Matz, Tiernan & Herrick L.L.P.
734 15th Street, N.W., 11th Floor
Washington, D.C. 20005
202-347-0300
Approximate date of commencement of proposed sale to the public: As soon as practicable after this Registration Statement becomes effective.
If any of the securities being registered on this form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, check the following box.
If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.
If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same

offering.
If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier registration statement for the same offering.

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

Large accelerated filer		Accelerated filer
Non-accelerated filer	(Do not check if a smaller reporting company)	Smaller reporting company

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	**Amount to be Registered**	**Proposed Maximum Offering Price Per Unit**	**Proposed Maximum Aggregate Offering Price**	**Amount of Registration Fee**
Common Stock, $.01 par value per share	9,027,500 shares(1)	$10.00	$90,275,000 (2)	$12,314
Participation interests	415,661 interests(2)			— (2)

(1)

- Estimated solely for the purpose of calculating the registration fee pursuant to Regulation 457(o) under the Securities Act.

(2)

- The securities of Prudential Bancorp, Inc. to be purchased by the Prudential Savings Bank Employees’ Savings and Profit Sharing Plan are included in the common stock being registered. Pursuant to Rule 457(h)(2) of the Securities Act of 1933, as amended, no separate fee is required for the participation interests.

The Registrant hereby amends this Registration Statement on such date as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that the Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the Registration Statement shall become effective on such date as the Commission acting pursuant to said Section 8(a) may determine.

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SUBSCRIPTION AND COMMUNITY
OFFERING PROSPECTUS

(Proposed Holding Company for Prudential Savings Bank)

Up to 6,756,210 Shares of Common Stock

Prudential Bancorp, Inc., a newly formed Pennsylvania corporation (which we refer to as "Prudential Bancorp–New"), is offering up to 6,756,210 shares of its common stock to the public in connection with the "second step" conversion of Prudential Mutual Holding Company from the mutual to the stock form of organization. All shares of common stock being offered for sale will be sold at a price of $10.00 per share. The shares being offered represent Prudential Mutual Holding Company's current 74.8% ownership interest, after adjustment for the assets of Prudential Mutual Holding Company, in the existing mid-tier holding company for Prudential Savings Bank, a Pennsylvania-chartered corporation known as Prudential Bancorp, Inc., of Pennsylvania (which we refer to as "existing Prudential Bancorp"). The remaining 25.2% ownership interest, after adjustment for the assets of Prudential Mutual Holding Company, in existing Prudential Bancorp is now owned by public shareholders and will be exchanged for shares of common stock of Prudential Bancorp–New. The common stock of existing Prudential Bancorp is currently listed on the Nasdaq Global Market under the symbol "PBIP." After the completion of the conversion and offering, the common stock of Prudential Bancorp–New will be listed on the Nasdaq Global Market under the symbol "PBIP."

The minimum order is 25 shares. The offering will end at 4:00 p.m., Eastern Time, on , 2013. We may extend t offering without notice to you until , 2013. The offering may be extended, further, subject to the receipt of any necessary approvals or non-objections from the Board of Governors of the Federal Reserve System. No single extension may exceed 90 days, and the offering must be completed by , 2015. Once submitted, orders are irrevo unless the offering is terminated or is extended beyond , 2013, or the number of shares of common stock to be s increased to more than 6,756,210 shares or decreased to less than 4,993,786 shares. If we extend the offering beyond 2013, all subscribers will be notified and given the opportunity to confirm, change or cancel their orders. If you do not respond to this notice, we will promptly return your funds, with interest calculated at Prudential Savings Bank's passbook savings rate or cancel your deposit account withdrawal authorization. If we intend to sell fewer than 4,993,786 shares or more than 6,756,210 shares, we will promptly return all funds, with interest, and set a new offering range. All subscribers will be notified and given the opportunity to place a new order. Funds received prior to the completion of the offering will be held in a segregated account at Prudential Savings Bank and will earn interest calculated at Prudential Savings Bank's passbook savings rate, which is currently ___% per annum.

The shares of common stock are first being offered in a subscription offering to eligible depositors and the tax-qualified employee stock ownership plan of Prudential Savings Bank as described in this prospectus. Eligible depositors and the employee stock ownership plan have priority rights to buy all of the shares offered. Shares not purchased in the subscription offering will simultaneously be offered for sale to the general public in a community offering, with a preference given to residents of Delaware County and Philadelphia County, Pennsylvania, and shareholders of existing Prudential Bancorp. We also may offer for sale shares of common stock not purchased in the subscription offering or community offering in a separate public offering through a syndicate of selected broker-dealers, with Sandler O'Neill & Partners, L.P. serving as a sole book-running manager, referred to in this prospectus as the syndicated community offering, or in our discretion after consultation with Sandler O'Neill & Partners, L.P., in a separate firm commitment underwritten offering. Sandler O'Neill & Partners, L.P. is not obligated to purchase any shares of common stock that are being offered for sale in the subscription offering, community offering or any syndicated community offering. We must sell a minimum of 4,993,786 shares in the offering in order to complete the offering and the conversion.

In addition to the shares we are selling in the offering, the remaining interest in existing Prudential Bancorp currently

held by the public will be exchanged for shares of common stock of Prudential Bancorp–New based on an exchange ratio that will result in existing public shareholders of existing Prudential Bancorp owning approximately the same percentage of Prudential Bancorp–New common stock as they owned in existing Prudential Bancorp immediately before the completion of the conversion. We will issue between 0.6595 and 0.8923 shares of common stock in the exchange for each share of existing Prudential Bancorp common stock.
Sandler O'Neill & Partners, L.P. will assist us in selling the shares on a best efforts basis in the subscription and community offerings. Sandler O'Neill & Partners, L.P. is not required to purchase any shares of common stock that are sold in the subscription or community offerings.
This investment involves a degree of risk, including the possible loss of principal.
Please read "Risk Factors" beginning on page __.
OFFERING SUMMARY
Price Per Share: $10.00

	Minimum	**Midpoint**	**Maximum**
Number of shares	4,993,786	5,874,998	6,756,210
Gross offering proceeds	$49,937,860	$58,749,980	$67,562,100
Estimated offering expenses, excluding selling agent fees(1)	$1,150,000	$1,150,000	$1,150,000
Estimated selling agent fees(2)(3)	$955,000	$1,124,000	$1,293,000
Estimated net proceeds	$47,832,860	$56,475,980	$65,119,100
Estimated net proceeds per share	$9.58	$9.61	$9.64

(1)

- Includes an aggregate of $150,000 payable to Sandler O'Neill & Partners, L.P. for records management and expenses of the offering.

(2)

- Includes: selling commissions payable by us to Sandler O'Neill & Partners, L.P. in connection with the subscription and community offerings equal to 1.0% of the aggregate amount of common stock sold in the subscription offering (net of insider purchases and shares purchased by our employee stock ownership plan) and 3.0% of the aggregate amount of common stock sold in the community offering (net of insider purchases) or an aggregate of approximately $1.3 million, at the maximum of the offering range, assuming that 50% of the offering is sold in the subscription offering and 50% of the offering is sold in the community offering. See "Pro Forma Data" on page __ and "The Conversion and the Offering — Plan of Distribution, Selling Agent and Underwriter Compensation" on page __.

(3)

- In the event that a syndicated community offering or a firm commitment underwritten offering is conducted, Sandler O'Neill & Partners, L.P. will receive selling agent commissions (or discounts in the case of an underwritten public offering) equal to 5.5% of the aggregate amount of common stock sold in the syndicated community offering or underwritten public offering (net of insider purchases and any shares purchased by our employee stock ownership plan). If all shares of common stock are sold in the syndicated community offering or firm commitment underwritten offering, the maximum selling agent commissions (or discounts in the case of an underwritten public offering) and expenses would be $2,946,582 at the minimum, $3,431,248 at the midpoint, and $3,915,916 at the maximum.

These securities are not deposits or savings accounts and are not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency.
Neither the Securities and Exchange Commission, the Board of Governors of the Federal Reserve System nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is

accurate or complete. Any representation to the contrary is a criminal offense.

The date of this prospectus is , 2013

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MAP OF OUR MARKET AREA

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SUMMARY
This summary highlights material information from this prospectus and may not contain all the information that is important to you. To understand the stock offering fully, you should read this entire prospectus carefully, including the consolidated financial statements and the notes to the consolidated financial statements of existing Prudential Bancorp and the section entitled “Risk Factors.”
Prudential Bancorp–New
Prudential Bancorp–New is a newly formed Pennsylvania corporation. Prudential Bancorp–New is conducting this offering in connection with the conversion of Prudential Mutual Holding Company from the mutual to the stock form of organization. The shares of common stock of Prudential Bancorp–New to be sold represent the 74.8% ownership interest, after adjustment for the assets of Prudential Mutual Holding Company, in existing Prudential Bancorp currently owned by Prudential Mutual Holding Company. The remaining 25.2% ownership interest, after adjustment for the assets of Prudential Mutual Holding Company, in existing Prudential Bancorp is currently owned by other shareholders (who are sometimes referred to as the “public shareholders”) and will be exchanged for shares of common stock of Prudential Bancorp–New based on an exchange ratio which will range from 0.6595 shares at the minimum of the offering range to 0.8923 shares at the maximum of the offering range. The actual exchange ratio will be determined at the closing of the offering and will depend on the number of shares of common stock sold in the stock offering. The executive offices of Prudential Bancorp–New are located at 1834 West Oregon Avenue, Philadelphia, Pennsylvania 19145, and its telephone number is (215) 755-1500.
Prudential Savings Bank
Prudential Savings Bank is a Pennsylvania-chartered stock savings bank operating out of its headquarters and main office in South Philadelphia, Pennsylvania and six other full-service banking offices in Philadelphia and Delaware Counties, Pennsylvania. Our business primarily consists of attracting deposits from the general public and using those funds to originate loans and invest in securities. Prudential Savings Bank is a community oriented savings bank with a history of operations in South Philadelphia dating back to 1886. Our primary market area is Philadelphia, in particular South Philadelphia and Center City, as well as Delaware County, Pennsylvania. We also conduct business in Bucks, Chester and Montgomery Counties, Pennsylvania which, along with Delaware County, comprise the Pennsylvania suburbs of Philadelphia. We also make loans in contiguous counties in southern New Jersey. At March 31, 2013, Prudential Savings Bank’s single-family residential mortgage loans amounted to $242.0 million or 86.1% of its total loan in portfolio. Prudential Savings Bank is subject to regulation and examination by the Pennsylvania Department of Banking and Securities, which we refer to as the Pennsylvania Department of Banking and by the Federal Deposit Insurance Corporation. Prudential Savings Bank’s headquarters and main office is located at 1834 West Oregon Avenue, Philadelphia, Pennsylvania and its telephone number is (215) 755-1500.
Prudential Mutual Holding Company
Prudential Mutual Holding Company is a Pennsylvania-chartered mutual holding company which currently is the parent of existing Prudential Bancorp. As a mutual holding company, Prudential Mutual Holding Company does not have shareholders. The principal business purpose of Prudential Mutual Holding Company is owning a majority of the outstanding shares of common stock of existing Prudential Bancorp. Prudential Mutual Holding Company currently owns 7,478,062 shares of common stock of existing Prudential Bancorp, which is 74.6% of the shares outstanding. Prudential Mutual Holding Company will no longer exist upon completion of the conversion and offering, and the shares of existing Prudential Bancorp common stock that it holds will be canceled.
Existing Prudential Bancorp
Existing Prudential Bancorp is a Pennsylvania-chartered corporation and currently is the mid-tier stock holding company for Prudential Savings Bank. Existing Prudential Bancorp was formed by Prudential Savings Bank in connection with the bank’s reorganization into the mutual holding company form of organization in 2005. At March 31, 2013, an aggregate of 2,545,433 shares of common stock, or

25.4% of the outstanding shares, of existing Prudential Bancorp were owned by the public shareholders. The common stock of existing Prudential Bancorp is registered under the Securities Exchange Act of 1934, as amended, and is publicly traded on the Nasdaq Global Market. At the conclusion of the offering and the conversion of Prudential Mutual Holding Company, existing Prudential Bancorp will no longer exist. The public shareholders of existing Prudential Bancorp will have their shares converted into shares of Prudential Bancorp–New common stock based on the exchange ratio, which will range from 0.6595 shares at the minimum of the offering range to 0.8923 shares at the maximum of the offering range. The shares of common stock being offered by Prudential Bancorp–New represent Prudential Mutual Holding Company's current ownership interest in existing Prudential Bancorp after adjustment for the assets of Prudential Mutual Holding Company. As of March 31, 2013, existing Prudential Bancorp had $479.1 million in total assets, $416.1 million in total deposits and $60.2 million in stockholders' equity. The executive offices of existing Prudential Bancorp are located at 1834 West Oregon Avenue, Philadelphia, Pennsylvania 19145, its telephone number is (215) 755-1500, and its website is www.prudentialsavingsbank.com. Information on our website should not be treated as part of this prospectus.

Our Current and Proposed Organizational Structure

We have been organized in the mutual holding company form since March 2005 when we completed our reorganization into the current two-tier mutual holding company structure.

The following chart shows our current ownership structure which is commonly referred to as the "two-tier" mutual holding company structure:

Pursuant to the terms of our plan of conversion and reorganization, we are now converting from the partially public mutual holding company structure to the fully public stock holding company form of organization, in what is known as a "second step" conversion transaction. As part of the conversion, we are offering for sale the majority ownership interest in existing Prudential Bancorp that is currently owned by Prudential Mutual Holding Company. Upon completion of the conversion and offering, Prudential Mutual Holding Company and existing Prudential Bancorp will cease to exist, we will be fully owned by public shareholders and there will be no continuing interest in Prudential Savings Bank by a mutual holding company. Upon completion of the conversion, public shareholders of existing Prudential Bancorp will receive shares of common stock of Prudential Bancorp–New in exchange for their shares of existing Prudential Bancorp.

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Following the conversion and offering, we will be organized as a fully public holding company and our ownership structure will be as follows:

Our Business Strategy

Our mission is to operate as a profitable, independent community-oriented financial institution serving primarily retail customers and small businesses in our market area. We are focused on prudently increasing profitability and enhancing shareholder value. The following are key elements of our current business strategy:

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- Improving Asset Quality.   We are continuing our efforts to improve asset quality. At March 31, 2013, our total non-performing assets amounted to $7.4 million, or 1.6% of total assets, reflecting an $8.6 million, or 53.5%, reduction compared to $16.0 million of total non-performing assets at September 30, 2012 (when total non-performing assets amounted to 3.3% of total assets). During fiscal years ended September 30, 2012 and 2011, the relatively high levels of non-performing assets and other problem assets, primarily related to construction and land development projects, significantly impacted our results of operations as the high levels of provisions for loan losses and charge-offs and other expenses related to other real estate owned was a significant contributor to the reduced level of net income, in particular in fiscal 2011 in which we established $4.6 million in provisions for loan losses. Given the decline in real estate values and the difficulties we were experiencing in our construction and land development and commercial real estate portfolios, we substantially reduced our origination of these types of loans beginning in the latter part of 2010 in fiscal 2011. In our efforts to reduce the levels of our non-performing and other problem assets in recent periods, we adopted and implemented a completely revised and enhanced loan policy. We also hired recently a credit officer with more than 25 years of experience in loan underwriting and credit analysis including underwriting and analyzing commercial real estate and commercial business credits and a loan compliance officer with more than 14 years of experience, including significant regulatory compliance capabilities.

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- Growing and Diversifying Our Loan Portfolio.   As part of our efforts to improve earnings, we plan to expand, on a relatively modest basis, and subject to favorable market conditions, our origination of construction and land development loans as well as commercial real estate and commercial business loans within our market area. Such loans will be underwritten in accordance with our revised loan underwriting standards and our enhanced credit review and administration procedures. We believe that we can be a successful niche lender to small- and mid-sized commercial borrowers and developers in our market area. We also plan to modestly grow our loan portfolio while diversifying it. Such diversification may include becoming involved to a limited degree in Small Business Administration (“SBA”) lending and commercial lease lending. We believe that an expansion of our involvement in construction and land development lending as

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well as commercial real estate and commercial business lending in a planned, deliberative fashion with the loan underwriting and administration changes that we have implemented in recent periods, together with modest loan growth, should increase our interest income and our returns in future periods.

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- Improving our Funding Mix by Attracting Lower Cost Core Retail Deposits. Core deposits include all deposit account types except certificates of deposit. Core deposits are our least costly source of funds and improve our interest rate spread. We believe that core deposits represent our best opportunity to develop customer relationships that enable us to cross-sell our full complement of products and services. Core deposits also contribute non-interest income from account-related fees and services and are generally less sensitive to withdrawal when interest rates fluctuate. At March 31, 2013, core deposits represented 43.2% of our total deposits compared to 41.9% of total deposits at September 30, 2012 and 41.2% of total deposits at September 30, 2011. We are planning to continue our efforts to further increase core deposits. In addition, we will seek to develop commercial checking accounts as we increase commercial lending and we plan to enhance our cross-marketing as part of our efforts to gain additional deposit relationships with our loan customers.

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- Continuing our Community-Oriented Focus. As a community-oriented financial institution, we emphasize providing exceptional customer service as a means to attract and retain customers. We deliver personalized service and respond with flexibility to customer needs. We believe that our community orientation is attractive to our customers and distinguishes us from the large banks that operate in our market area. Our management team has strong ties to, and deep roots in, the community. We believe that we know our customers' banking needs and can respond quickly to address them.

Reasons for the Conversion and Offering

We are pursuing the conversion and offering for the following reasons:

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- Conversion to the fully public form of ownership will remove the uncertainties associated with the mutual holding company structure. We believe that the conversion and offering will result in a more familiar and flexible form of corporate organization and will better position us to continue to meet all current and future regulatory requirements, including regulatory capital requirements which may be imposed on bank holding companies such as Prudential Bancorp–New, and, in light of the portion of the net proceeds of the offering to be retained by the new stock-form holding company, will facilitate the ability of Prudential Bancorp–New to serve as a source of strength for Prudential Savings Bank.

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- The number of our outstanding shares after the conversion and offering will be greater than the number of shares currently held by public shareholders, so we expect our stock to have greater liquidity.

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- The additional funds resulting from the offering will increase our capital (although Prudential Savings Bank is deemed to be "well-capitalized") and support continued growth, as well as provide increased lending capability.

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Use of Proceeds from the Sale of Our Common Stock

We expect to use the proceeds from the offering as follows:

Use of Proceeds	Amount, at the minimum	Amount, at the maximum	Percentage of net offering proceeds at the maximum	
	(Dollars in Thousands)			
Loan to our employee stock ownership plan	$1,998	$2,702	4.15	%
Repurchase of shares for our new recognition and retention plan	1,998	2,702	4.15	
Investment in Prudential Savings Bank	23,917	32,560	50.00	
General corporate purposes – dividend payments, possible acquisitions and stock repurchases	19,920	27,155	41.70	
Total	$47,883	$65,119	100.0	%

We may use the portion of the proceeds that we retain to, among other things, invest in securities, pay dividends to shareholders (subject to compliance with regulatory policies), repurchase shares of common stock (subject to regulatory restrictions), or for general corporate purposes.

The proceeds to be contributed to Prudential Savings Bank will be available for general corporate purposes, including supporting the expansion and diversification of our lending activities. The proceeds to be contributed to Prudential Savings Bank will also support the future growth of the bank, which could include the relocation of existing offices or the establishment of new banking offices.

The Offering and Persons Who Can Purchase in the Offering

We are offering common stock which represents the 74.8% ownership interest, after adjustment for the assets of Prudential Mutual Holding Company, in existing Prudential Bancorp now owned by Prudential Mutual Holding Company. We are offering between 4,993,786 and 6,756,210 shares of common stock, at a price of $10.00 per share. The actual number of shares we sell will depend on an independent appraisal performed by FinPro, Inc., an independent appraisal firm. We are also exchanging shares of existing Prudential Bancorp, other than those held by Prudential Mutual Holding Company, for shares of Prudential Bancorp–New based on an exchange ratio which will range from 0.6595 shares at the minimum of the offering range to 0.8923 shares at the maximum of the offering range. See “The Conversion and Offering — How We Determined the Price Per Share, the Offering Range and the Exchange Ratio” at page ____. Shares are being offered in a subscription offering in the following order of priority.

FIRST:	Eligible Account Holders (depositors at Prudential Savings Bank with $50 or more on deposit as of December 31, 2011).
SECOND:	Prudential Savings Bank’s employee stock ownership plan;
THIRD:	Supplemental Eligible Account Holders (depositors at Prudential Savings Bank with $50 or more on deposit as of , 2013).
FOURTH:	Other Depositors (depositors at Prudential Savings Bank as of , 2013 and who do not q as Eligible Account Holders or Supplemental Eligible Account Holders).

The offering will terminate at 4:00 p.m., Eastern Time, on , 2013. We may extend this expiration date without n to you for up to 45 days, until , 2013. Once submitted, your order is irrevocable unless the offering is terminated extended beyond , 2013. We may extend the offering beyond , 2013, but any such further extens approval or non-objection of the Board of Governors of the Federal Reserve System (which we also refer to as the “Federal Reserve Board” or the “FRB”). In no event may the offering be extended beyond , 2015. If the offerin extended beyond , 2013, we will be required to notify each subscriber and give each subscriber the opportunity confirm, change or cancel their order.

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Concurrently with the subscription offering, we may also offer shares of common stock to the public in a community offering. In the community offering, natural persons (and trusts of natural persons) who reside in Philadelphia and Delaware Counties, Pennsylvania, will have a first preference, and public shareholders of existing Prudential Bancorp as of , 2013 will have a second preference in the community offering after persons residing in Philadelphia and Delaware Counties. The community offering, if commenced, is expected to terminate at 4:00 p.m., Eastern Time, on 2013, but may be extended without notice until , 2013.

Shares not sold in the subscription and community offering may be offered for sale in a syndicated community offering, which would be an offering to the general public on a best efforts basis by a syndicate of selected broker-dealers. Instead of a syndicated community offering, shares not sold in the subscription and community offerings may be sold in an underwritten public offering managed by Sandler O'Neill & Partners, L.P.

We may begin the syndicated community offering at any time following the commencement of the subscription offering. Sandler O'Neill & Partners, L.P. will act as sole book-running manager in any syndicated community offering, which will be conducted on a best efforts basis.

We have the right to reject any orders of stock in the community offering and syndicated community offering either in whole or in part. If you submit an order which we reject in part, you cannot cancel the remainder of your order.

If we receive subscriptions for more shares than are to be sold in this offering, we may be unable to fill or may only partially fill your order. Shares will be allocated in order of the priorities described in the plan of conversion and reorganization. See "The Conversion and Offering" for a detailed description of the subscription, community and syndicated community offerings or public underwritten offering.

The purchase price is $10.00 per share. All investors will pay the same purchase price per share. Investors will not be charged a commission to purchase shares of common stock in the offering. Sandler O'Neill & Partners, L.P. our conversion advisor and marketing agent in the offering, will use its best efforts to assist us in selling shares of our common stock. Sandler O'Neill & Partners, L.P. is not obligated to purchase any shares of common stock in the subscription offering, community offering and any syndicated community offering. If an underwritten public offering is conducted, the shares sold in such offering will be purchased by Sandler O'Neill & Partners, L.P. and any other underwriters participating in such offering.

You cannot transfer your rights to purchase shares in the subscription offering. If you attempt to transfer your rights, you may lose the right to purchase shares and may be subject to criminal prosecution and/or other sanctions.

How We Determined the Price Per Share, the Offering Range and the Exchange Ratio

The offering range and the exchange ratio are based on an independent appraisal by FinPro, Inc., an appraisal firm experienced in appraisals of savings institutions. The pro forma market value is the estimated market value of our common stock assuming the sale of shares in the conversion and related offering. FinPro has indicated that in its opinion as of June 6, 2013, the estimated pro forma market value of our common stock was $78.5 million at the midpoint. In the offering, we are selling the number of shares representing the proportionate number of shares currently owned by Prudential Mutual Holding Company as adjusted for the assets held by Prudential Mutual Holding Company, which results in an offering range between $49.9 million and $67.6 million, with a midpoint of $58.7 million. The appraisal was based in part upon existing Prudential Bancorp's financial condition and operations and the effect of the additional capital we will raise from the sale of common stock in this offering.

Accordingly, at the minimum of the offering range, given the purchase price per share of $10.00, we are offering 4,993,786 shares, and at the maximum of the offering range we are offering 6,756,210 shares in the offering. The appraisal will be updated before the conversion is completed. If, pursuant to FinPro Inc.'s appraisal update, the pro forma market value of the common stock at that time is either below $49.9 million or above $67.6 million, we will notify subscribers, return their funds, with interest, or cancel their deposit account withdrawal authorizations. If we decide to set a new offering range, subscribers will have the opportunity to place a new order. See "The Conversion and Offering — How We Determined the Price Per Share, the Offering Range and the Exchange Ratio" for a description of the factors and assumptions used in determining the stock price and offering range.

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The appraisal was based in part upon existing Prudential Bancorp's financial condition and results of operations, the effect of the additional capital we will raise from the sale of common stock in this offering, and an analysis of a peer group of ten publicly traded savings and loan holding companies that FinPro considered comparable to us. The appraisal peer group consists of the companies listed below. Total assets are as of March 31, 2013.

Company Name and Ticker Symbol	Exchange	Headquarters	Total Assets (in Thousands)
Alliance Bancorp, Inc. of Pennsylvania (ALLB)	NASDAQ	Broomall, PA	$457,401
Cape Bancorp, Inc. (CBNJ)	NASDAQ	Cape May Court House, NJ	1,033,221
Colonial Financial Services, Inc. (COBK)	NASDAQ	Vineland, NJ	633,217
FedFirst Financial Corporation (FFCO)	NASDAQ	Monessen, PA	313,562
Fox Chase Bancorp, Inc. (FXCB)	NASDAQ	Hatboro, PA	1,085,340
OBA Financial Services, Inc. (OBAF)	NASDAQ	Germantown, MD	386,095
Ocean Shore Holding Co. (OSHC)	NASDAQ	Ocean City, NJ	1,053,872
Oneida Financial Corp. (ONFC)	NASDAQ	Oneida, NY	719,687
Standard Financial Corp. (STND)	NASDAQ	Monroeville, PA	436,302
TF Financial Corporation (THRD)	NASDAQ	Newtown, PA	716,002

In preparing its appraisal, FinPro considered the information in this prospectus, including our financial statements. FinPro also considered the following factors, among others:

- our historical, present and projected operating results including, but not limited to, historical income statement information such as return on assets, return on equity, net interest margin trends, operating expense ratios, levels and sources of non-interest income, and levels of loan loss provisions;

- our historical, present and projected financial condition including, but not limited to, historical balance sheet size, composition and growth trends, loan portfolio composition and trends, liability composition and trends, credit risk measures and trends, and interest rate risk measures and trends;

- the economic, demographic and competitive characteristics of existing Prudential Bancorp's primary market area including, but not limited to, employment by industry type, unemployment trends, size and growth of the population, trends in household and per capita income, deposit market share and largest competitors by deposit market share;

- a comparative evaluation of the operating and financial statistics of existing Prudential Bancorp's with those of other similarly situated, publicly traded companies, which included a comparative analysis of balance sheet composition, income statement ratios, credit risk, interest rate risk and loan portfolio composition;

- the impact of the offering on existing Prudential Bancorp's consolidated shareholders' equity and earnings potential including, but not limited to, the increase in consolidated equity resulting from the offering, the estimated increase in earnings resulting from the reinvestment of the net proceeds of the offering and the effect of higher consolidated shareholders' equity on existing Prudential Bancorp's future operations;

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- the impact of consolidation of Prudential Mutual Holding Company with and into existing Prudential Bancorp, including the impact of consolidation of Prudential Mutual Holding Company's assets and liabilities; and

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- the trading market for securities of comparable institutions and general conditions in the market for such securities.

Two of the measures investors use to analyze whether a stock might be a good investment are the ratio of the offering price to the issuer's "book value" and the ratio of the offering price to the issuer's annual net income. FinPro considered these ratios, among other factors, in preparing its appraisal. Book value is the

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same as total stockholders' equity, and represents the difference between the issuer's assets and liabilities. Tangible book value is equal to total stockholders' equity less intangible assets. FinPro's appraisal also incorporates an analysis of a peer group of publicly traded companies that FinPro considered to be comparable to us.

The following table presents a summary of selected pricing ratios for the peer group companies and for us on a reported basis as utilized by FinPro in its appraisal. These ratios are based on earnings for the 12 months ended March 31, 2013 and book value as of March 31, 2013.

	Price to last 12 months ("LTM") Earnings Multiple	Price to LTM Core Earnings Multiple	Price to Book Value Ratio		Price to Tangible Book Value Ratio	
Prudential Bancorp–New (pro forma)						
Minimum	31.25	100.00	63.69	%	63.69	%
Midpoint	37.04	125.00	69.69		69.69	
Maximum	45.45	166.67	74.85		74.85	
Peer group companies as of June 6, 2013						
Average	22.03	30.58	90.46	%	98.14	%
Median	19.74	26.24	86.36		91.94	

Compared to the median pricing ratios of the peer group at the maximum of the offering range, our stock would be priced at a premium of 130.25% to the peer group on a price-to-earnings basis and a discount of 13.33% to the peer group on a price-to book value basis and 18.59% on a price to tangible book value basis. This means that, at the maximum of the offering range, a share of our common stock would be more expensive than the peer group based on an earnings per share basis and less expensivethan the peer group based on a book value and tangible book value basis. See "Pro Forma Data" for the assumptions used to derive these pricing ratios.

Compared to the median pricing ratios of the peer group, at the minimum of the offering range our common stock would be priced at a premium of 58.31% to the peer group on a price-to-earnings basis, a discount of 26.25% to the peer group on a price-to-book basis, and a discount of 30.73% to the peer group on a price-to-tangible book basis. This means that, at the minimum of the offering range, a share of our common stock would be more expensive than the peer group on an earnings basis and less expensive than the peer group on a book value and tangible book value basis.

Our board of directors reviewed FinPro appraisal report, including the methodology and the assumptions used by FinPro, and determined that the offering range was reasonable and appropriate. Our board of directors has decided to offer the shares for a price of $10.00 per share. The purchase price of $10.00 per share was determined by us, taking into account, among other factors, the market price of our stock prior to adoption of the plan of conversion, the standard that the common stock be offered in a manner that will achieve the widest distribution of the stock, the desired trading liquidity in the common stock after the offering, and the fact that $10.00 per share is the most commonly used price in conversion offerings. Our board of directors also established the formula for determining the exchange ratio. Based upon such formula and the offering range, the exchange ratio ranged from a minimum of 0.6595 to a maximum of 0.8923 shares of Prudential Bancorp–New common stock for each share of existing Prudential Bancorp common stock, with a midpoint of 0.7759.

Because of differences and important factors such as operating characteristics, location, financial performance, asset size, capital structure, and business prospects between us and other fully converted institutions, you should not rely on these comparative valuation ratios as an indication as to whether or not the stock is an appropriate investment for you. The independent valuation is not intended, and must not be construed, as a recommendation of any kind as to the advisability of purchasing the common stock. Because the independent valuation is based on estimates and projections on a number of matters, all of which are subject to change from time to time, no assurance can be given that persons purchasing the common stock in the offering will be able to sell their shares at a price equal to or greater than the $10.00 purchase price. See "Risk Factors — Our Stock Price May Decline When Trading Commences" at page __ and "Pro Forma

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Data" at page __ and "The Conversion and Offering — How We Determined the Price Per Share, The Offering Range and the Exchange Ratio" at page ___.

Possible Change in Offering Range

FinPro will update its appraisal before we complete the conversion and related offering. If the pro forma market value of the common stock at that time is either below $49.9 million or above $67.6 million, then, after consulting with the Federal Reserve Board, we may:

- terminate the offering and promptly return all funds;
- promptly return all funds, set a new offering range and give all subscribers the opportunity to place a new order; or
- take such other actions as may be permitted by the Federal Reserve Board and the Securities and Exchange Commission.

Termination of the Offering

We may terminate the offering at any time prior to the special meetings of depositors of Prudential Savings Bank and shareholders of existing Prudential Bancorp that are being called to vote on the plan of conversion and reorganization, and at any time thereafter with the approval of the Federal Reserve Board, if required. If we terminate the offering, we will promptly return funds received, with interest, and we will cancel deposit account withdrawal authorizations.

Impact of Prudential Mutual Holding Company's Assets on Public Stock Ownership

In the exchange, the public shareholders of existing Prudential Bancorp will receive shares of common stock of Prudential Bancorp–New in exchange for their shares of common stock of existing Prudential Bancorp pursuant to an exchange ratio that ensures, subject to adjustment, that the shareholders will own the same percentage of the common stock of Prudential Bancorp–New after the conversion as they held in existing Prudential Bancorp immediately prior to the conversion, without giving effect to new shares purchased in the offering or cash paid in lieu of any fractional shares. However, consistent with the regulations of the Federal Reserve Board, the exchange ratio must be adjusted downward to reflect the aggregate amount of existing Prudential Bancorp dividends paid to Prudential Mutual Holding Company and the initial capitalization of Prudential Mutual Holding Company. Prudential Mutual Holding Company had net assets of $728,000 as of March 31, 2013, not including existing Prudential Bancorp common stock. The adjustments described above will decrease existing Prudential Bancorp's shareholders' ownership interest in Prudential Bancorp–New from 25.4% to 25.2% at March 31, 2013. If existing Prudential Bancorp declares any further dividends before the completion of the second-step conversion, which is not anticipated, public shareholders' ownership interest in existing Prudential Bancorp would be further diluted.

The Exchange of Existing Prudential Bancorp Common Stock

If you are a shareholder of existing Prudential Bancorp, the existing publicly traded mid-tier holding company, your shares will be cancelled and exchanged for new shares of Prudential Bancorp–New common stock. The number of shares you will receive will be based on an exchange ratio determined as of the closing of the conversion. The actual number of shares you receive will depend upon the number of shares we sell in our offering, which in turn will depend upon the final appraised value of Prudential Bancorp–New. The following table shows how the exchange ratio will adjust, based on the number of shares sold in our offering. The table also shows how many shares a hypothetical owner of existing Prudential Bancorp common stock would receive in the exchange, based on the number of shares sold in the offering.

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	Shares to be sold in the offering		Shares of Prudential Bancorp–New stock to be issued in exchange for Existing Prudential Bancorp common stock		Total shares of Prudential Bancorp–New common stock to be outstanding after the conversion(1)	Exchange ratio	100 shares of Existing Prudential Bancorp common stock would be exchanged for the following number of shares of Prudential Bancorp–New(2)	Equivalent Per Share Value(3)
	Amount	Percent	Amount	Percent				
Minimum	4,993,786	74.84	1,678,714	25.16	6,672,500	0.6595	65	$6.60
Midpoint	5,874,998	74.84	1,975,002	25.16	7,850,000	0.7759	77	7.76
Maximum	6,756,210	74.84	2,271,290	25.16	9,027,500	0.8923	89	8.92

(1)

- Valuation and ownership ratios reflect the dilutive impact of Prudential Mutual Holding Company's assets upon completion of the conversion. See "— Impact of Prudential Mutual Holding Company's Assets on Public Stock Ownership."

(2)

- Cash will be paid instead of issuing any fractional shares.

(3)

- Represents the value of shares of Prudential Bancorp–New common stock to be received by a holder of one share of existing Prudential Bancorp common stock at the exchange ratio, assuming a value of $10.00 per share.

Upon completion of the conversion and offering, if you own shares of existing Prudential Bancorp which are held in "street name," they will be exchanged without any action on your part. If you are the record owner of shares of existing Prudential Bancorp and hold stock certificates you will receive, after the conversion and offering is completed, a transmittal form with instructions to surrender your stock certificates. Certificates for common stock of Prudential Bancorp–New will be mailed within five business days after our exchange agent receives properly executed transmittal forms and certificates.

No fractional shares of Prudential Bancorp–New common stock will be issued to any public shareholder of existing Prudential Bancorp upon consummation of the conversion. For each fractional share that would otherwise be issued, we will pay in cash an amount equal to the product obtained by multiplying the fractional share interest to which the holder would otherwise be entitled by the $10.00 per share stock offering price. For further information, see "The Conversion and Offering — Effect of the Conversion and Offering on Public Shareholders" beginning on page ___.

Conditions to Completion of the Conversion

We cannot complete our conversion and related offering unless:

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- The plan of conversion and reorganization is approved by at least a majority of votes eligible to be cast by the depositors of Prudential Savings Bank;

- The plan of conversion and reorganization is approved by at least:

- two-thirds of the outstanding shares of existing Prudential Bancorp common stock; and

- a majority of the outstanding shares of existing Prudential Bancorp common stock held by the public shareholders;

- We sell at least the minimum number of shares offered; and

- We receive the final approvals of the Federal Reserve Board and the Pennsylvania Department of Banking to complete the conversion and offering and related transactions.

Prudential Mutual Holding Company intends to vote its 74.6 % ownership interest in favor of the conversion. In addition, as of   , 2013, directors and executive officers of existing Prudential Bancorp and their associates owne shares of existing Prudential Bancorp or ___% of the outstanding shares. They intend to vote those shares in favor of the plan of conversion and reorganization.

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Limitations on the Amount of Stock You May Purchase

The minimum purchase is 25 shares. Generally, you may purchase no more than $1.0 million of common stock (100,000 shares) in the offering. The maximum amount of shares that a person together with any associates or group of persons acting in concert with such person may purchase, in all categories of the offering combined is 5.0% of the shares of common stock sold in the offering. Your associates include the following persons:

- persons on joint accounts with you;
- your spouse and other relatives living in your house;
- companies, trusts or other entities in which you have a controlling interest or hold a position as an officer or a similar position; or
- trusts or other estates in which you have a substantial beneficial interest or as to which you serve as trustee or in another fiduciary capacity.

In addition to the above, there is an ownership limitation for existing Prudential Bancorp public shareholders who wish to purchase additional shares in the offering. The number of shares of Prudential Bancorp–New common stock that a public shareholder may purchase in the offering individually, and together with associates or persons acting in concert, plus any shares of Prudential Bancorp–New received by them in exchange for their shares of existing Prudential Bancorp, may not exceed 9.9% of the total shares of Prudential Bancorp–New common stock to be issued and outstanding at the completion of the conversion and offering, provided, however, that no one will be required to divest any shares of Prudential Bancorp–New received in exchange for shares of existing Prudential Bancorp or be limited in the number of exchange shares received.

We have the right to determine, in our sole discretion, whether subscribers are associates or acting in concert. Persons having the same address or with accounts registered to the same address generally will be assumed to be associates or acting in concert.

We may decrease or increase the maximum purchase limitations, with the concurrence or non-objection of the Federal Reserve Board, without notifying you. In the event the maximum purchase limitation(s) is increased, persons who subscribed for the maximum in the subscription offering and who indicated on their stock order forms a desire to be resolicited, will be notified and permitted to increase their subscription. For additional information, see “The Conversion and Offering — Limitations on Common Stock Purchases” at page ___.

How to Purchase Common Stock

In the subscription offering and the community offering, you may pay for your shares by:

1. personal check, bank check or money order made payable directly to “Prudential Bancorp, Inc.” (Prudential Savings Bank lines of credit checks and third-party checks of any type will not be accepted); or
2. authorizing withdrawal from an account at Prudential Savings Bank.

Prudential Savings Bank is not permitted to lend funds (including funds drawn on a Prudential Savings Bank line of credit) to anyone to purchase shares of common stock in the offering. Please do not send cash or pay by wire transfer. You may not designate on your stock order form a direct withdrawal from a retirement account held at Prudential Savings Bank. See the following section for guidance regarding use of retirement account funds. Additionally, you may not designate on your stock order form a direct withdrawal from Prudential Savings Bank accounts with check-writing privileges, instead, a check must be provided. If you request a direct withdrawal, we reserve the right to interpret that as your authorization to treat those funds as if we had received a check for the designated amount and we will immediately withdraw the amount from your checking account.

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Personal checks will be immediately cashed, so the funds must be available within the account when your stock order form is received by us. Subscription funds submitted by check or money order will be held in a segregated account at Prudential Savings Bank. We will pay interest calculated at Prudential Savings Bank’s passbook savings rate from the date those funds are processed until completion or termination of the offering. Withdrawals from certificate of deposit accounts at Prudential Savings Bank to purchase common stock in the offering may be made without incurring an early withdrawal penalty. All funds authorized for withdrawal from deposit accounts with Prudential Savings Bank must be available within the deposit accounts at the time the stock order form is received. A hold will be placed on the amount of funds designated on your stock order form. Those funds will be unavailable to you during the offering: however, the funds will not be withdrawn from the accounts until the offering is completed and will continue to earn interest at the applicable contractual deposit account rate until the completion of the offering.

You may deliver your stock order form in one of three ways: by mail, using the stock order reply envelope provided, by overnight delivery to the Stock information Center at the address indicated on the stock order form or by hand-delivery to Prudential Savings Bank’s main office, located at 1834 West Oregon Avenue, Philadelphia, Pennsylvania. Stock order forms will not be accepted at our other Prudential Savings Bank offices. Please do not mail stock order forms to Prudential Savings Bank. Once submitted, your order is irrevocable. We are not required to accept copies or facsimiles of order forms.

Using IRA Funds to Purchase Shares in the Offering

You may be able to subscribe for shares of common stock using funds in your individual retirement account(s), or IRA. If you wish to use some or all of the funds in your Prudential Savings Bank IRA or other retirement account, the applicable funds must first be transferred to a self-directed retirement account maintained by an unaffiliated institutional trustee or custodian, such as a brokerage firm. An annual fee may be payable to the new trustee. If you do not have such an account, you will need to establish one and transfer your funds before placing your stock order. Our Stock Information Center can give you guidance if you wish to place an order for stock using funds held in a retirement account at Prudential Savings Bank or elsewhere. Because processing retirement account transactions takes additional time, we recommend that you contact our Stock Information Center for guidance promptly, preferably at least two weeks before the , 2013, offering deadline. Whether you may use retirement funds for the purchase of shares in the offering will depend on timing constraints and, possibly, limitations imposed by the institution where the funds are held.

Deadline for Ordering Stock in the Subscription and Community Offerings

The subscription offering will end at 4:00 p.m., Eastern Time, on , 2013. If you wish to purchase shares, a prope completed and signed original stock order form, together with full payment for the shares of common stock, must be received (not postmarked) no later than this time. We expect that the community offering, if held, will terminate at the same time, although it may continue until , 2015, or longer, subject to the concurrence or non-objection of the F Reserve Board to any such later date. No single extension may be for more than 90 days. We are not required to provide notice to you of an extension unless we extend the offering beyond , 2013, in which case all subscribers the subscription and community offerings will be notified and given the opportunity to confirm, change or cancel their orders. If you do not respond to this notice, we will promptly return your funds with interest calculated at Prudential Savings Bank’s passbook savings rate or cancel your deposit account withdrawal authorization. If we intend to sell fewer than _____ shares or more than ______ shares, we will promptly return all funds and set a new offering range. All subscribers will be notified and given the opportunity to place a new order.

Your Subscription Rights are Not Transferable

You may not assign or sell your subscription rights. Any transfer of subscription rights is prohibited by law. If you exercise subscription rights to purchase shares in the subscription offering, you will be required to acknowledge that you are purchasing shares solely for your own account and that you have no agreement or understanding regarding the sale or transfer of shares. We intend to pursue any and all legal and equitable remedies if we learn of the transfer of any subscription rights. We will reject orders that we

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determine to involve the transfer of subscription rights. On the stock order form, you cannot add the names of others for joint stock registration. You may add only those who were eligible to purchase shares of common stock in the subscription offering at your date of eligibility. In addition, the stock order form requires that you list all qualifying deposit or loan accounts, giving all names on each account and the account number at the applicable eligibility date. Failure to provide this information, or providing incomplete or incorrect information, may result in a loss of part or all of your share allocation, in the event of an oversubscription.

Benefits to Management from the Conversion and Offering

Our employees, officers and directors will benefit from the offering due to various stock-based benefit plans.

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- Full-time employees, including officers, are participants in our existing employee stock ownership plan which will purchase additional shares of common stock in the offering;

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- Subsequent to completion of the offering, we intend to implement:

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- a new stock recognition and retention plan; and

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- a new stock option plan;

which will benefit our employees and directors.

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- Employee Stock Ownership Plan.   The employee stock ownership plan provides retirement benefits to all eligible employees of Prudential Savings Bank. The plan will purchase a number of shares of Prudential Bancorp–New common stock equal to 4.0% of the shares sold in the offering. When combined with the shares previously acquired by the employee stock ownership plan, as adjusted for the exchange ratio, the employee stock ownership plan will have acquired an aggregate of approximately 7.5% of the shares of Prudential Bancorp–New to be outstanding after the conversion and offering. Prudential Bancorp–New will make a loan to the employee stock ownership plan to finance its purchase of shares in the offering (in our discretion, the ESOP may purchase such shares in the open market after completion of the conversion and offering). As the loan is repaid and shares are released from collateral, the shares will be allocated to the accounts of participants based on a participant's compensation as a percentage of total plan compensation. Non-employee directors are not eligible to participate in the employee stock ownership plan. We will incur additional compensation expense as a result of this plan. See "Pro Forma Data" for an illustration of the effects of this plan.

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- New Stock Option and Stock Recognition and Retention Plans.   We intend to implement a new stock option plan and a new stock recognition and retention plan after the conversion. Under these plans, we may award stock options and shares of restricted stock to employees and directors. Shares of restricted stock will be awarded and options will be granted at no cost to the recipient. Stock options will be granted at an exercise price equal to 100% of the fair market value of our common stock on the option grant date. We will incur additional compensation expense as a result of both plans. See "Pro Forma Data" for an illustration of the effects of these plans. Under the new stock option plan, we may grant stock options in an amount up to 10.0% of the common stock of Prudential Bancorp–New to be sold in the offering. Under the stock recognition and retention plan, we may award restricted stock in an amount equal to 4.0% of the shares of Prudential Bancorp–New sold in the offering. Federal regulations do not permit us to implement the new stock option and stock recognition and retention plans permit earlier than six months after completion of the conversion. We have not determined whether we would adopt the plans within 12 months following the completion of the conversion or more than 12 months following the completion of the conversion. The total number of shares available under the stock-based benefit plans is subject to adjustment as may be required by federal regulations or policy to reflect shares of common stock or stock options previously granted by existing Prudential Bancorp. For stock-based benefit plans adopted within 12 months following the completion of the conversion, current regulatory policy would require that the total number of shares of restricted stock and the total number of shares available for the exercise of stock options not exceed 4% and 10%,

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respectively, of our total outstanding shares following the conversion. If the stock-based benefit plans are adopted more than 12 months after the completion of the conversion, they would not be subject to the percentage limitations set forth above. We have not yet determined the number of shares that would be reserved for issuance under these plans which will be a function of the timing of adoption of such new stock-based benefit plans.

The following table summarizes, at the minimum and the maximum of the offering range, the total number and value of the shares of common stock that the employee stock ownership plan expects to acquire, the dilution resulting from these stock-based benefit plans and the total value of all restricted stock awards and stock options that are expected to be available under the anticipated new stock recognition and retention plan and stock option plan, respectively, assuming such new stock recognition and retention plan and stock option plan reserve a number of shares equal to 4% and 10%, respectively, of the shares sold in the offering.

	Number of Shares to be Granted or Purchased					Total Estimated Value of Grants	
	At Minimum of Offering Range	At Maximum of Offering Range	As a % of Shares in the Offering	As a % of Common Stock to be Outstanding After the Offering	Dilution Resulting From Issuance of Shares for Stock-Based Benefit Plans(3)	At Minimum of Offering Range	At Maximum of Offering Range
				(Dollars in Thousands)			
Employee stock ownership plan(1)	199,751	270,248	4.0 %	2.99 %	2.91 %	$1,998	$2,702
Recognition and retention plan awards(1)	199,751	270,248	4.0	2.99	2.91	1,998	2,702
Stock options(2)	499,378	675,621	10.0	7.48	6.96	2,417	3,270
Total	898,880	1,216,117	18.0 %	13.47 %	11.87 %	$6,412	$8,675

(1)

- Assumes the value of the common stock of Prudential Bancorp–New is $10.00 per share for purposes of determining the total estimated value of the grants.

(2)

- Assumes the value of a stock option is $4.84, which was determined using the Black-Scholes option-pricing formula. See “Pro Forma Data.”

(3)

- Represents the dilution of stock ownership interest assuming that we use newly issued shares for the proposed recognition and retention plan and new stock option plan, and that shares are sold in the offering at the midpoint of the offering range. No dilution is reflected for the employee stock ownership plan as shares for it are assumed to be purchased in the offering.

The following table presents information regarding our existing employee stock ownership plan, our prior stock option plan and recognition and retention plan, and our proposed new stock option plan and recognition and retention plan. The table below assumes that 9,027,500 shares are outstanding after the offering, which includes the sale of 6,756,210 shares in the offering at the maximum of the offering range and the issuance of 2,271,290 shares in exchange for shares of existing Prudential Bancorp common stock using an exchange ratio of 0.8923. It is also assumed that the value of the stock is $10.00 per share and that the exchange of existing shares is in accordance with the exchange ratio at the maximum of the offering range.

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Existing and New Stock Benefit Plans	Participants	Number of Shares	Estimated Value of Shares	Percentage of Shares Outstanding After the Conversion	
Employee Stock Ownership Plan:	All Employees				
Shares previously purchased(1)		403,583	$4,035,830	4.47	%
Shares to be purchased in this offering		270,248	2,702,480	2.99	
Total employee stock ownership plan		673,831	6,738,310	7.46	
Recognition and Retention Plans:	Directors and Officers				
2008 Recognition and Retention Plan(2)(3)		201,792	2,017,920	2.24	
Proposed New Recognition and Retention Plan(4)		270,248	2,702,480	2.99	
Total employee and retention plans		472,040	4,720,400	5.23	
Stock Option Plans:	Directors and Officers				
2008 Stock Option Plan(2)(6)(7)		504,479	2,441,677	5.59	(5)
Proposed New Stock Option Plan(8)		675,621	3,270,006	7.48	
Total stock option plans		1,180,100	5,711,683	13.07	%
Total stock benefits plans		2,325,971	$17,170,393	25.76	%

(1)

- Shares previously purchased by the employee stock ownership plan prior to the conversion have been adjusted for the 0.8923 exchange ratio at the maximum of the offering range. Approximately 403,583 (452,295 shares prior to adjustment for the exchange ratio) of these shares have been allocated to the accounts of participants.

(2)

- Number of shares has been adjusted for the 0.8923 exchange ratio at the maximum of the offering range.

(3)

- As of March 31, 2013, of these shares, 198,312 (222,248 before adjustment) have been awarded and 3,480 (3,900 before adjustment) remained available for future awards.

(4)

- The actual value of new recognition and retention plan awards will be determined based on their fair value as of the date grants are made. For purposes of this table, fair value is assumed to be the same as the offering price of $10.00 per share.

(5)

- The number of shares of restricted stock and shares reserved for stock options set forth in the table would exceed regulatory limits if a stock-based benefit plan were adopted within one year of the completion of the conversion. Accordingly, the number of new shares of restricted stock and shares reserved for stock options set forth in the table would have to be reduced such that the aggregate amount of stock awards and shares reserved for stock options would be 4% or less and 10% or less, respectively, of our outstanding shares, unless we obtain a waiver from the Federal Reserve Board or we implement the plans more than 12 months after completion of the conversion. We have not determined whether we will implement a new stock-based benefit plan earlier than 12 months after completion of the conversion or more than 12 months after the completion of the conversion.

(6)

- As of March 31, 2013, of these shares, options for 494,866 shares (554,596 shares before adjustment) have been awarded and are outstanding and options for 9,613 shares (10,773 shares before adjustment) remained available for future grants.

(7)

- The fair value of stock options granted and outstanding under the 2008 Stock Option Plan has been estimated using the Black-Scholes option pricing model. Before the adjustment for the exchange ratio, there were 554,596 outstanding options with a weighted average fair value of $4.84 per option. Using this value and adjusting for the exchange ratio at the maximum of the offering range, the fair value of stock options granted or available for grant under the 2008 Stock option Plan has been estimated at $4.84 per option.

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(8)

- The fair value of stock options to be granted under the new stock option plan has been estimated at $4.84 per option using the Black-Scholes option-pricing model with the following assumptions: exercise price, $10.00; trading price on date of grant, $10.00; dividend yield, zero; expected life, 10 years; expected volatility, 36.0%; and risk-free interest of 1.87%.

Market for Common Stock

Existing Prudential Bancorp's common stock is currently listed on the Nasdaq Global Market under the symbol "PBIP." Upon completion of the conversion and offering, Prudential Bancorp–New shares will replace the currently listed shares of existing Prudential Bancorp. We have applied to have the common stock of Prudential Bancorp–New listed for trading on the Nasdaq Global Market. After the completion of the conversion and offering, Prudential Bancorp–New's common stock will trade under the symbol "PBIP."

Our Dividend Policy

Following completion of the conversion and offering, our Board of Directors will have the authority to declare dividends on the common stock, subject to statutory and regulatory requirements, policies and agreements. However, while no decision has been made with respect to the amount, if any, and timing of any dividend payments, we do not expect to declare any dividends prior to the end of fiscal 2014. The payment and amount of any dividend payments will depend upon a number of factors. For further information, see "Our Dividend Policy."

Federal and State Income Tax Consequences

As a general matter, the conversion will not be a taxable transaction for purposes of federal or state income taxes to us or persons who receive or exercise subscription rights. Shareholders of existing Prudential Bancorp who receive cash in lieu of fractional share interests in shares of Prudential Bancorp–New will recognize gain or loss equal to the difference between the cash received and the tax basis of the fractional share. Elias, Matz, Tiernan & Herrick L.L.P. and S.R. Snodgrass, A.C., have issued opinions to this effect, see "The Conversion and Reorganization — Tax Aspects" at page __.

Restrictions on the Acquisition of Prudential Bancorp–New and Prudential Savings Bank

Federal regulation, as well as provisions contained in the articles of incorporation and bylaws of Prudential Bancorp–New, contain certain restrictions on acquisitions of Prudential Bancorp–New or its capital stock. These restrictions include the requirement that a potential acquirer of common stock obtain the prior approval of the Federal Reserve Board before acquiring in excess of 10% of the stock of Prudential Bancorp–New. In addition, under Federal Reserve Board regulations, Federal Reserve Board approval would be required for us to be acquired within three years after the conversion.

In addition, the articles of incorporation and bylaws of Prudential Bancorp–New contain provisions that may discourage takeover attempts. These provisions include:

- prohibitions on the acquisition of more than 10% of our stock;
- limitations on voting rights of shares held in excess of 10% thereafter;
- staggered election of only approximately one-third of our board of directors each year;
- limitations on the ability of shareholders to call special meetings;

- advance notice requirements for shareholder nominations and new business;
- removals of directors only for cause and by a majority vote of all shareholders;
- requirement of a 75% vote of shareholders for certain amendments to the bylaws and certain provisions of the articles of incorporation;
- the right of the board of directors to issue shares of preferred or common stock without shareholder approval; and

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- a 75% vote of shareholders' requirement for the approval of certain business combinations not approved by two-thirds of the board of directors.

For further information, see "Restrictions on Acquisitions of Prudential Bancorp–New and Prudential Savings Bank and Related Anti-Takeover Provisions."

Delivery of Stock Certificates

Certificates representing shares of common stock issued in the subscription and community offerings will be mailed by first-class mail by our transfer agent as soon as practicable following completion of the conversion and offering. Certificates will be mailed to purchasers at the registration address provided by them on the order form. Until certificates for common stock are available and delivered to purchasers, purchasers may not be able to sell their shares, even though trading of the common stock will have commenced. Your ability to sell the shares of common stock prior to your receipt of the stock certificate will depend on arrangements you may make with your brokerage firm.

How You Can Obtain Additional Information — Stock Information Center

Our banking office personnel may not, by law, assist with investment-related questions about the offering. If you have any questions regarding the offering, please call our Stock Information Center. The toll-free telephone number is 1-(___) ___-___. The Stock Information Center is open Monday through Friday, from 10:00 a.m. to 4:00 p.m., Eastern Time. The Stock Information Center will be closed weekends and bank holidays.

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RISK FACTORS

You should consider carefully the following risk factors in deciding how to vote on the conversion and before purchasing Prudential Bancorp–New common stock.

Risks Related to Our Business

Our Non-performing Assets Expose Us To Increased Risk of Loss

At March 31, 2013, we had total non-performing assets of $7.4 million, or 1.6% of total assets. Our non-performing assets adversely affect our net income in various ways. We do not accrue interest income on nonaccrual loans and no interest income is recognized until the loan is performing and the financial condition of the borrower supports recording interest income on a cash basis. We must reserve for probable losses, which are established through a current period charge to income in the provision for loan losses, and from time to time, write down the value of properties in our other real estate owned portfolio to reflect changing market values. Additionally, there are legal fees associated with the resolution of problem assets as well as carrying costs such as taxes, insurance and maintenance related to our other real estate owned. Further, the resolution of non-performing assets requires the active involvement of management, which can distract us from the overall supervision of operations and other income-producing activities of Prudential Savings Bank. Finally, if our estimate of the allowance for loan losses is inaccurate, we will have to increase the allowance accordingly. At March 31, 2013, our allowance for loan losses amounted to $2.5 million, or 0.9% of total loans and 40.7% of non-performing loans, compared to $1.9 million, or 0.7% of total loans and 13.4% of non-performing loans at September 30, 2012.

Higher Loan Losses Could Require Us to Increase Our Allowance For Loan Losses Through a Charge to Earnings

When we loan money we incur the risk that our borrowers will not repay their loans. We reserve for loan losses by establishing an allowance through a charge to earnings. The amount of this allowance is based on our assessment of loan losses inherent in our loan portfolio. The process for determining the amount of the allowance is critical to our financial results and condition. It requires subjective and complex judgments about the future, including forecasts of economic or market conditions that might impair the ability of our borrowers to repay their loans. We might underestimate the loan losses inherent in our loan portfolio and have loan losses in excess of the amount reserved. We might increase the allowance because of changing economic conditions. For example, in a rising interest rate environment, borrowers with adjustable-rate loans could see their payments increase. There may be a significant increase in the number of borrowers who are unable or unwilling to pay their loans, resulting in our charging off more loans and increasing our allowance. In addition, when real estate values decline, the potential severity of loss on a real estate-secured loan can increase significantly, especially in the case of loans with high combined loan-to-value ratios. The decline in the national economy and the loan economies of the areas in which our loans are concentrated could result in an increase in loan delinquencies, foreclosures or repossessions, resulting in the increased charge-off amounts and the need for additional loan loss provisions in the future periods. In addition, our determination as to the amount of our allowance for loan losses is subject to review by our primary regulators, the Pennsylvania Department of Banking and the Federal Deposit Insurance Corporation, as part of their examination process, which may result in the establishment of an additional allowance based upon the judgment of such agencies after a review of the information available at the time of its examination. Our allowance for loan losses amounted to 0.9% of total loans and 40.7% of non-performing loans at March 31, 2013. Our allowance for loan losses at March 31, 2013 may not be sufficient to cover future loan losses. A large loss could deplete the allowance and require an increased provision to replenish the allowance, which would negatively affect earnings.

Higher Interest Rates Would Hurt Our Profitability

Management is unable to predict fluctuations of market interest rates, which are affected by many factors, including inflation, recession, unemployment, monetary policy, domestic and international disorder and instability in domestic and foreign financial markets, and investor and consumer demand.

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Our primary source of income is net interest income, which is the difference between the interest income generated by our interest-earning assets (consisting primarily of single-family residential loans) and the interest expense generated by our interest-bearing liabilities (consisting primarily of deposits). The level of net interest income is primarily a function of the average balance of our interest-earning assets, the average balance of our interest-bearing liabilities, and the spread between the yield on such assets and the cost of such liabilities. These factors are influenced by both the pricing and mix of our interest-earning assets and our interest-bearing liabilities which, in turn, are impacted by such external factors as the local economy, competition for loans and deposits, the monetary policy of the Federal Open Market Committee of the Federal Reserve Board (the "FOMC"), and market interest rates.
A sustained increase in market interest rates could adversely affect our earnings. A significant portion of our loans have fixed interest rates and longer terms than our deposits and borrowings and our net interest income could be adversely affected if the rates we pay on deposits and borrowings increase more rapidly than the rates we earn on loans. As a result of our historical focus on the origination of one-to four-family residential mortgage loans, which focus has been emphasized in recent years due to asset quality issues experienced by our construction and land development lending activities, the majority of our loans have fixed interest rates. In addition, a large percentage of our investment securities and mortgage-backed securities have fixed interest rates and are classified as held to maturity. As is the case with many banks and savings institutions, our emphasis on increasing the development of core deposits, those with no stated maturity date, has resulted in our interest-bearing liabilities having a shorter duration than our assets. As of March 31, 2013, 56.7% of our loan portfolio had maturities of 10 years or more. Furthermore, at such date, only $26.5 million or 10.1% of the loans due after March 31, 2014 bear adjustable interest rates. At March 31, 2013, 42.2% of our deposits had no stated maturity date and 34.0% consisted of certificates of deposit with maturities of one year or less. This imbalance can create significant earnings volatility because interest rates change over time and are currently at historical low levels. In addition, the market value of our fixed-rate assets for example, our investment and mortgage-backed securities portfolios, would decline if interest rates increase. For example, we estimate that as of March 31, 2013, a 200 basis point increase in interest rates would have resulted in our net portfolio value declining by approximately $20.9 million or 26.0%. Net portfolio value is the difference between incoming and outgoing discounted cash flows from assets, liabilities and off-balance sheet contracts. See "Management's Discussion and Analysis of Financial Condition and Results of Operations — Exposure to Changes in Interest Rates."
Government Responses to Economic Conditions May Adversely Affect our Operation, Financial Condition and Earnings
The Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Dodd-Frank Act"), among other things, has changed and will continue to change the bank regulatory framework, created an independent Consumer Financial Protection Bureau that has assumed the consumer protection responsibilities of the various federal banking agencies, and established more stringent capital standards for insured financial institutions and their holding companies. The legislation will also result in new regulations affecting the lending, funding, trading and investment activities of insured financial institutions and their holding companies. The Consumer Financial Protection Bureau has broad rule-making authority for a wide range of consumer protection laws that apply to all insured financial institutions such as Prudential Savings Bank, including the authority to prohibit "unfair, deceptive or abusive" acts and practices. Insured financial institutions with $10.0 billion or less in assets will continue to be examined by their applicable federal regulators. The new legislation also gives state attorneys general the ability to enforce applicable federal consumer protection laws. Financial institution regulatory agencies also have been responding aggressively to concerns and adverse trends identified in examinations. Ongoing uncertainty and adverse developments in the financial services industry and the domestic and international credit markets, and the effect of new legislation and regulatory actions in response to these conditions, may adversely affect our operations by restricting our business activities, including our ability to originate or sell loans, modify loan terms, or foreclose on property securing loans.
In addition, in June 2012, the federal banking regulators issued proposed rules that, if adopted, will significantly increase regulatory capital requirements. Among other things, the proposed rules would introduce a new minimum common equity tier 1 capital ratio of 4.5% of risk-weighted assets and increase the minimum tier 1 capital ratio from 4.0% to 6.0% of risk-weighted assets. There would also be a new

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"capital conservation buffer" that would require an institution to hold additional common equity tier 1 capital to risk-based assets of more than 2.5% in order to avoid restriction on dividends and executive compensation. The proposed rules would also impose stricter capital deduction requirements and revise the current risk-weighting categories.

These measures are likely to increase our costs of doing business and increase our costs related to regulatory compliance, and may have a significant adverse effect on our lending activities, financial performance and operating flexibility. In addition, these risks could affect the performance and value of our loan and investment securities portfolios, which also would negatively affect our financial performance.

Future Legislative or Regulatory Actions Responding to Perceived Financial and Market Problems Could Impair Our Rights Against Borrowers

There have been proposals made by members of Congress and others that would reduce the amount distressed borrowers are otherwise contractually obligated to pay under their mortgage loans and limit an institution's ability to foreclose on mortgage collateral. If proposals such as these, or other proposals limiting our rights as a creditor, are implemented, we could experience increased credit losses or increased expense in pursuing our remedies as a creditor.

The Ability to Realize Our Deferred Tax Asset May Be Reduced, Which May Adversely Impact Results of Operations

Realization of a deferred tax asset requires us to exercise significant judgment and is inherently uncertain because it requires the prediction of future occurrences. Our total deferred tax assets amounted to $5.7 million at March 31, 2013. At such date we had established a $2.3 million valuation allowance against our deferred tax assets, resulting in total deferred tax assets, net of valuation allowance, of $3.5 million at March 31, 2013. In evaluating the need for a valuation allowance, we must estimate our taxable income in future years. Our net deferred tax asset may be reduced in the future if estimates of future income or our tax planning strategies do not support the amount of the net deferred tax asset. If it is determined that an additional valuation allowance with respect to our net deferred tax asset is necessary, we may incur a charge to earnings and a reduction to regulatory capital for the amount included therein.

The Loss of Senior Management Could Hurt Our Operations

We rely heavily on our executive officers, Messrs. Thomas A. Vento, Joseph R. Corrato, Salvatore Fratanduono and Jack E. Rothkopf. The loss of one or more members of senior management could have an adverse effect on us because, as a relatively small community bank, our senior executive officers have more responsibility than would be typical at a larger financial institution with more employees. In addition, we have fewer management-level personnel who are in a position to assume the responsibilities of our senior executive officers.

We Are a Community Bank and Our Ability to Maintain Our Reputation is Critical to the Success of Our Business

We are a community bank, and our reputation is one of the most valuable components of our business. A key component of our business strategy is to rely on our reputation for customer service and knowledge of local markets to expand our presence by capturing new business opportunities from existing and prospective customers in our current market and contiguous areas. As such, we strive to conduct our business in a manner that enhances our reputation. This is done, in part, by recruiting, hiring and retaining employees who share our core values of being an integral part of the communities we serve, delivering superior service to our customers and caring about our customers and associates. If our reputation is negatively affected by the actions of our employees, by our inability to conduct our operations in a manner that is appealing to current or prospective customers, or otherwise, our business and, therefore, our operating results may be materially adversely affected.

Strong Competition Within Our Market Area Could Hurt Our Profits and Slow Growth

We face intense competition in making loans, attracting deposits and hiring and retaining experienced employees. This competition has made it more difficult for us to make new loans and attract deposits. Price competition for loans and deposits sometimes results in us charging lower interest rates on our loans and

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paying higher interest rates on our deposits, which reduces our net interest income. Competition also makes it more difficult and costly to attract and retain qualified employees. Some of the institutions with which we compete have substantially greater resources and lending limits than we have and may offer services that we do not provide. We expect competition to increase in the future as a result of legislative, regulatory and technological changes and the continuing trend of consolidation in the financial services industry. Our profitability depends upon our continued ability to compete successfully in our market area.

We Have a High Concentration of Loans Secured By Real Estate in Our Market Area. Adverse Economic Conditions in Our Market Area Have Adversely Affected, and May Continue to Adversely Affect, Our Financial Condition and Result of Operations

Substantially all of our loans are to individuals, businesses and real estate developers in Philadelphia and Delaware Counties, Pennsylvania and neighboring areas in southern Pennsylvania and southern New Jersey and our business depends significantly on general economic conditions in these market areas. Severe declines in housing prices and property values have been particularly acute in our primary market areas in recent years. A further deterioration in economic conditions or a prolonged delay in economic recovery in our primary market areas could result in the following consequences, any of which could have a material adverse effect on our business:

- Loan delinquencies may increase further;
- Problem assets and foreclosures may increase further;
- Demand for our products and services may decline;
- The carrying value of our other real estate owned may decline further; and
- Collateral for loans made by us, especially real estate, may continue to decline in value, in turn reducing a customer’s borrowing power, and reducing the value of assets and collateral associated with our loans.

The Fair Value of Our Investment Securities Can Fluctuate Due to Market Conditions Outside of Our Control

As of March 31, 2013, the fair value of our investment securities portfolio was approximately $152.9 million. We have historically taken a conservative investment strategy, with concentrations of securities that are backed by government sponsored enterprises. Factors beyond our control can significantly influence the fair value of securities in our portfolio and can cause potential adverse changes to the fair value of these securities. These factors include, but are not limited to, rating agency actions in respect of the securities, defaults by the issuer or with respect to the underlying securities, and changes in market interest rates and continued instability in the capital markets. Any of these factors, among others, could cause other-than-temporary impairments and realized and/or unrealized losses in future periods and declines in other comprehensive income, which could have a material adverse effect on us. The process for determining whether impairment of a security is other-than-temporary usually requires complex, subjective judgments about the future financial performance and liquidity of the issuer and any collateral underlying the security in order to assess the probability of receiving all contractual principal and interest payments on the security.

We Are Dependent on Our Information Technology and Telecommunications Systems and Third-Party Servicers, and Systems Failures, Interruptions or Breaches of Security Could Have a Material Adverse Effect on Us

Our business is highly dependent on the successful and uninterrupted functioning of our information technology and telecommunications systems and third-party servicers. The failure of these systems, or the termination of a third-party software license or service agreement on which any of these systems is based, could interrupt our operations. Because our information technology and telecommunications systems interface with and depend on third-party systems, we could experience service denials if demand for such services exceeds capacity or such third-party systems fail or experience interruptions. If significant, sustained or repeated, a system failure or service denial could compromise our ability to operate effectively, damage our reputation, result in a loss of customer business, and/or subject us to additional regulatory scrutiny and possible financial liability, any of which could have a material adverse effect on us.

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In addition, we provide our customers with the ability to bank remotely, including over the Internet and over the telephone. The secure transmission of confidential information over the Internet and other remote channels is a critical element of remote banking. Our network could be vulnerable to unauthorized access, computer viruses, phishing schemes and other security breaches. We may be required to spend significant capital and other resources to protect against the threat of security breaches and computer viruses, or to alleviate problems caused by security breaches or viruses. To the extent that our activities or the activities of our customers involve the storage and transmission of confidential information, security breaches and viruses could expose us to claims, regulatory scrutiny, litigation and other possible liabilities. Any inability to prevent security breaches or computer viruses could also cause existing customers to lose confidence in our systems and could materially and adversely affect us.

Additionally, financial products and services have become increasingly technology-driven. Our ability to meet the needs of our customers competitively, and in a cost-efficient manner, is dependent on the ability to keep pace with technological advances and to invest in new technology as it becomes available. Many of our competitors have greater resources to invest in technology than we do and may be better equipped to market new technology-driven products and services. The ability to keep pace with technological change is important, and the failure to do so could have a material adverse impact on our business and therefore on our financial condition and results of operations.

Federal Reserve Board Policy Could Limit Our Ability to Pay Dividends to Our Shareholders

The Federal Reserve Board has issued a policy statement regarding the payment of dividends and the repurchase of shares of common stock by bank holding companies. In general, the policy provides that dividends should be paid only out of current earnings and only if the prospective rate of earnings retention by the holding company appears consistent with the organization’s capital needs, asset quality and overall financial condition. These regulatory policies could affect the ability of Prudential Bancorp–New to pay dividends, repurchase shares of common stock or otherwise engage in capital distributions.

Risks Related to this Offering

Our Stock Price May Decline When Trading Commences

We cannot guarantee that if you purchase shares in the offering that you will be able to sell them at or above the $10.00 purchase price. The trading price of the common stock will be determined by the marketplace, and will be influenced by many factors outside of our control, including prevailing interest rates, investor perceptions, securities analyst research reports and general industry, geopolitical and economic conditions. Publicly traded stocks, including stocks of financial institutions, often experience substantial market price volatility. These market fluctuations might not be related to the operating performance of particular companies whose shares are traded.

There May Be a Limited Market For Our Common Stock, Which May Adversely Affect Our Stock Price

Currently, shares of existing Prudential Bancorp common stock are listed on the Nasdaq Global Market. Since existing Prudential Bancorp common stock began trading in 2005, trading in our shares has been relatively limited. There is no guarantee that the offering will improve the liquidity of our stock. If an active trading market for our common stock does not develop, you may not be able to sell all of your shares of common stock in an efficient manner and the sale of a large number of shares at one time could temporarily depress the market price. There also may be a wide spread between the bid and asked price for our common stock. When there is a wide spread between the bid and asked price, the price at which you may be able to sell our common stock may be significantly lower than the price at which you could buy it at that time.

Our Return on Equity May Negatively Impact Our Stock Price

Return on equity, which equals net income (loss) divided by average equity, is a ratio used by many investors to compare the performance of a particular company with other companies. Our return on average equity was 4.43% and 0.20% for the fiscal years ended September 30, 2012 and 2011, respectively, and on an annualized basis, was 1.0% for the six months ended March 31, 2013. These returns are lower

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than returns on equity for many comparable publicly traded financial institutions. Upon completion of the offering, our return on average equity is expected to remain below that of many publicly traded financial institutions, due in part to our increased capital level upon completion of the offering. Consequently, you should not expect a competitive return on equity in the near future. Failure to attain a competitive return on equity ratio may make an investment in our common stock unattractive to some investors which might cause our common stock to trade at lower prices than comparable companies with higher returns on equity. The net proceeds from the stock offering, which may be as much as $65.1 million, will significantly increase our stockholders' equity. On a pro forma basis and based on net income for the six months ended March 31, 2013, our annualized return on equity ratio, assuming shares are sold at the maximum of the offering range, would be approximately 0.05%. Based on trailing 12-month data for the most recent publicly available financial information (as of March 31, 2013), the ten companies comprising our peer group in the independent appraisal prepared by FinPro and all publicly traded mutual holding companies had average ratios of returns on equity of 3.39% and 4.26%, respectively.

We Have Broad Discretion in Allocating the Proceeds of the Offering. Our Failure to Effectively Utilize Such Proceeds Would Reduce Our Profitability

We intend to contribute approximately 50% of the net proceeds of the offering to Prudential Savings Bank. Prudential Bancorp–New may use the portion of the proceeds that it retains to, among other things, invest in securities, pay cash dividends, or repurchase shares of common stock, subject to regulatory restriction. Prudential Savings Bank initially intends to use the net proceeds it retains to purchase investment and mortgage-backed securities. In the future, Prudential Savings Bank may use the portion of the proceeds that it receives to fund new loans, expand and diversify its lending activities and invest in investment and mortgage-backed securities. Prudential Bancorp–New and Prudential Savings Bank may also use the proceeds of the offering to diversify their business activities, although we have no specific plans to do so at this time. We have not allocated specific amounts of proceeds for any of these purposes, and we will have significant flexibility in determining how much of the net proceeds we apply to different uses and the timing of such applications. There is a risk that we may fail to effectively use the net proceeds which could have a negative effect on our future profitability.

Our Stock-Based Benefit Plans Will Increase Our Expenses And Reduce Our Income

We intend to adopt one or more new stock-based benefit plans after the conversion, subject to stockholder approval, which will increase our annual compensation and benefit expenses related to the stock options and stock awards granted to participants under the stock-based benefit plan. The actual amount of these new stock-related compensation and benefit expenses will depend on the number of options and stock awards actually granted under the plan, the fair market value of our stock or options on the date of grant, the vesting period and other factors which we cannot predict at this time. In the event we adopt the plan within 12 months following the conversion, under current regulatory policy the total shares of common stock reserved for issuance pursuant to awards of restricted stock and grants of options under our existing and proposed stock-based benefit plans will be limited to 4% and 10%, respectively, of the total shares of our common stock outstanding. If we award restricted shares of common stock or grant options in excess of these amounts under stock-based benefit plans adopted more than 12 months after the completion of the conversion, our costs would increase further.

In addition, we will recognize expense for our employee stock ownership plan when shares are committed to be released to participants' accounts, and we will recognize expense for restricted stock awards and stock options over the vesting period of awards made to recipients. The expense in the first year following the offering for shares purchased in the offering has been estimated to be approximately $134,000 ($89,000 after tax) at the maximum of the offering range as set forth in the pro forma financial information under "Pro Forma Data," assuming the $10.00 per share purchase price as fair market value. Actual expenses, however, may be higher or lower, depending on the price of our common stock. For further discussion of our proposed stock-based plans, see "Management — New Stock Benefit Plans."

The Implementation of Stock-Based Benefit Plans May Dilute Your Ownership Interest; Historically, Stockholders Have Approved These Stock-Based Benefit Plans

We intend to adopt two new stock-based benefit plans following the stock offering. These plans may be funded either through open market purchases or from the issuance of authorized but unissued shares of common stock. Our ability to repurchase shares of common stock to fund these plans will be subject to many factors, including, but not limited to, applicable regulatory restrictions on stock repurchases, the availability of stock in the market, the trading price of the stock, our capital levels, alternative uses for our capital and our financial performance. While our intention is to fund the new stock-based benefit plan through open market purchases, stockholders would experience a 9.9% dilution in ownership interest at the midpoint of the offering range in the event newly issued shares of our common stock are used to fund stock options and shares of restricted common stock in an amount equal to 10% and 4%, respectively, of the shares sold in the offering. In the event we adopt the plan within 12 months following the conversion, under current regulatory policy the total shares of common stock reserved for issuance pursuant to awards of restricted stock and grants of options under our existing and proposed stock-based benefit plans would be limited to 4% and 10%, respectively, of the total shares of our common stock outstanding. In the event we adopt the plan more than 12 months following the conversion, the plan would not be subject to these limitations and stockholders could experience greater dilution. Although the implementation of the stock-based benefit plan will be subject to stockholder approval, historically, the overwhelming majority of stock-based benefit plans adopted by savings institutions and their holding companies following mutual-to-stock conversions have been approved by stockholders.

We Have Not Determined When We Will Adopt One or More New Stock-Based Benefit Plans; Stock-Based Benefit Plans Adopted More Than 12 Months Following The Completion of the Conversion May Exceed Regulatory Restrictions on the Size Of Stock-Based Benefit Plans Adopted Within 12 Months, Which Would Further Increase Our Costs

If we adopt stock-based benefit plans more than 12 months following the completion of the conversion, then grants of shares of common stock or stock options under our existing and proposed stock-based benefit plans may exceed 4% and 10%, respectively, of our total outstanding shares. Stock-based benefit plans that provide for awards in excess of these amounts would increase our costs beyond the amounts estimated in "— Our stock-based benefit plans will increase our expenses and reduce our income." Stock-based benefit plans that provide for awards in excess of these amounts could also result in dilution to stockholders in excess of that described in "— The implementation of stock-based benefit plans may dilute your ownership interest. Historically, stockholders have approved these stock-based benefit plans." Although the implementation of stock-based benefit plans would be subject to stockholder approval, the determination as to the timing of the implementation of such plans will be at the discretion of our board of directors.

We Intend to Remain Independent Which May Mean You Will Not Receive a Premium for Your Common Stock

We intend to remain independent for the foreseeable future. Because we do not plan on seeking possible acquirors, it is unlikely that we will be acquired in the foreseeable future. Accordingly, you should not purchase our common stock with any expectation that a takeover premium will be paid to you in the near term.

Our Stock Value May Suffer from Anti-Takeover Provisions That May Impede Potential Takeovers That Management Opposes

Provisions in our articles of incorporation and bylaws, as well as certain federal regulations, may make it difficult and expensive to pursue a tender offer, change in control or takeover attempt that our board of directors opposes. As a result, our shareholders may not have an opportunity to participate in such a transaction, and the trading price of our stock may not rise to the level of other institutions that are more vulnerable to hostile takeovers. Anti-takeover provisions contained in our corporate documents include:

- restrictions on acquiring more than 10% of our common stock by any person and limitations on voting rights for positions of more than 10%;
- the election of members of the board of directors to staggered three-year terms;
- the absence of cumulative voting by shareholders in the election of directors;

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- provisions restricting the calling of special meetings of shareholders;

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- advance notice requirements for shareholder nominations and new business;
- removals of directors only for cause and by a majority vote of all shareholders;
- requirement of a 75% vote of shareholders for certain amendments to the bylaws and certain provisions of the articles of incorporation;
- a 75% vote requirement for the approval of certain business combinations not approved by two-thirds of our board of directors; and
- our ability to issue preferred stock and additional shares of common stock without shareholder approval.

See “Restrictions on Acquisitions of Prudential Bancorp–New and Prudential Savings Bank and Related Anti-Takeover Provisions” for a description of anti-takeover provisions in our corporate documents and federal regulations.

Our Stock Value May Suffer From Federal Regulations Restricting Takeovers

Regulations of the Federal Reserve Board prohibit, for a period of three years from the date of conversion, any person from acquiring or offering to acquire more than 10% of the common stock of a stock holding company successor to a converted mutual holding company without the prior written approval of the Federal Reserve Board. We expect this FRB regulation to be applicable to the common stock of Prudential Bancorp–New. Accordingly, the likelihood that shareholders will be able to realize a gain on their investment through an acquisition of Prudential Bancorp–New within the three year period following completion of the conversion is highly unlikely. See “Restrictions on Acquisitions of Prudential Bancorp–New and Prudential Savings Bank and Related Anti-Takeover Provisions — Regulatory Restrictions” for a discussion of applicable Federal Reserve Board regulations regarding acquisitions.

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SELECTED CONSOLIDATED FINANCIAL AND OTHER DATA

The following tables contain certain information concerning the financial position and results of operations of existing Prudential Bancorp. You should read this information in conjunction with the financial statements included in this prospectus. The data presented as of and for the fiscal years ended September 30, 2012 and 2011 has been derived in part from the audited financial statements included in this prospectus. The data presented at March 31, 2013 and for the six month periods ended March 31, 2013 and 2012 are derived from unaudited condensed consolidated financial statements, but in the opinion of management reflect all adjustments necessary to present fairly the results for these interim periods. The adjustments consist only of normal recurring adjustments. The results of operations for the six months ended March 31, 2013 are not necessarily indicative of the results of operations that may be expected for the fiscal year ending September 30, 2013 or for any other period.

	At March 31, 2013	At September 30,				
		2012	2011	2010	2009	2008(1)
	(Dollars in Thousands)					
Selected Financial and Other Data:						
Total assets	$479,103	$490,504	$499,537	$529,080	$514,761	$489,537
Cash and cash equivalents	33,612	81,273	53,829	66,524	13,669	9,454
Investment and mortgage-backed securities:						
Held-to-maturity	87,976	63,110	108,956	112,673	160,126	163,303
Available-for-sale	62,715	65,975	75,370	72,425	62,407	55,106
Loans receivable, net	278,237	260,684	240,511	255,091	256,694	243,969
Deposits	416,097	425,602	436,014	464,455	432,374	376,830
FHLB advances	473	483	570	615	19,659	31,701
Non-performing loans	6,178	14,018	12,631	3,479	1,982	4,036
Non-performing assets	7,436	15,990	14,899	6,676	5,604	5,524
Total stockholders' equity, substantially restricted	60,180	59,831	57,452	56,999	55,857	68,487
Banking offices	7	7	7	7	7	7

	Six Months Ended March 31,		Year Ended September 30,				
	2013	2012	2012	2011	2010	2009	2008(1)
	(Dollars in Thousands)						
Selected Operating Data:							
Total interest income	$8,650	$9,796	$18,979	$21,685	$25,109	$27,386	$26,408
Total interest expense	2,359	3,007	5,779	7,097	9,416	12,942	14,654
Net interest income	6,291	6,789	13,200	14,588	15,693	14,444	11,754
Provision for loan losses	—	250	725	4,630	1,110	1,403	1,084
Net interest income after provision for loan losses	6,291	6,539	12,475	9,958	14,583	13,041	10,670
Total non-interest income (charges)	398	306	3,068	938	387	(2,452)	(5,285)
Total non-interest expense	5,866	5,863	11,668	10,996	10,794	11,065	8,753
Income (loss) before income taxes	823	982	3,875	(100)	4,176	(476)	(3,368)
Income tax expense (benefit)	537	494	1,282	(212)	1,046	350	762

	Six Months Ended March 31,		Year Ended September 30,				
Net income (loss)	$286	$488	$2,593	$112	$3,130	$(826)	$(4,130)
Basic earnings (loss) per share	$0.03	$0.05	$0.27	$0.01	$0.33	$(0.08)	$(0.38)
Diluted earnings (loss) per share	$0.03	$0.05	$0.27	$0.01	$0.32	$(0.08)	$(0.38)
Dividends paid per common share	$0.00	$0.00	$0.00	$0.10	$0.20	$0.20	$0.20
Selected Operating Ratios(2):							