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ROMA FINANCIAL CORP
Form 10-Q
November 05, 2007

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)

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

For the quarterly period ended September 30, 2007

OR

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

For the transition period from _____ to _____

Commission File Number 000-52000

ROMA FINANCIAL CORPORATION

(Exact name of registrant as specified in its charter)

UNITED STATES

51-0533946

(State or other jurisdiction of
Incorporation or organization)

(I.R.S. Employer
Identification Number)

2300 Route 33, Robbinsville, New Jersey

08691

(Address of principal executive offices)

(Zip Code)

Registrant's telephone number,
including area code:

(609) 223-8300

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

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of "accelerated filer" and "large accelerated filer" in Rule 12b-2 of the Exchange Act (Check one):

Large accelerated filer [] Accelerated filer [X] Non-accelerated filer []

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Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes [] No [X]

The number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date, October 29, 2007:

\$0.10 par value common stock - 31,749,919 shares outstanding

ROMA FINANCIAL CORPORATION AND SUBSIDIARIES

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ROMA FINANCIAL CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION

(Unaudited)

September 30, Dec

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| | 2007 | 2007 |
|---|--|-------|
| | ----- | ----- |
| | (In thousands, except share and per share amounts) | |
| ASSETS | | |
| Cash and amounts due from depository institutions | \$ 6,733 | \$ |
| Interest-bearing deposits in other banks | 25,680 | |
| Money market funds | 13,995 | |
| | ----- | ----- |
| Cash and Cash Equivalents | 46,408 | |
| Securities available for sale | 19,103 | |
| Investment securities held to maturity | 163,450 | 1 |
| Mortgage-backed securities held to maturity | 135,266 | 1 |
| Loans receivable, net of allowance for loan losses \$1,492 and \$1,169, respectively | 450,087 | 4 |
| Premises and equipment | 32,148 | |
| Federal Home Loan Bank of New York stock | 1,440 | |
| Interest receivable | 5,171 | |
| Bank owned life insurance | 18,630 | |
| Other assets | 5,182 | |
| | ----- | ----- |
| Total Assets | \$ 876,885 | \$ 8 |
| | ===== | ===== |
| LIABILITIES AND STOCKHOLDERS' EQUITY | | |
| LIABILITIES | | |
| Deposits: | | |
| Non-interest bearing | \$ 23,988 | \$ |
| Interest bearing | 612,665 | 6 |
| | ----- | ----- |
| Total deposits | 636,653 | 6 |
| Federal Home Loan Bank of New York advances | 6,429 | |
| Advance payments by borrowers for taxes and insurance | 2,537 | |
| Other liabilities | 8,696 | |
| | ----- | ----- |
| Total Liabilities | 654,315 | 6 |
| | ----- | ----- |
| STOCKHOLDERS' EQUITY | | |
| Common stock, \$0.10 par value; 45,000,000 authorized; 32,731,875 issued; 31,749,919 and 32,731,875, respectively, outstanding | 3,274 | |
| Paid-in capital | 97,313 | |
| Retained earnings | 147,030 | 1 |
| Unearned shares held by Employee Stock Ownership Plan | (7,441) | |
| Treasury stock, 981,956 shares at September 30, 2007 | (16,700) | |
| Accumulated other comprehensive (loss) | (906) | |
| | ----- | ----- |
| Total Stockholders' Equity | 222,570 | 2 |
| | ----- | ----- |
| Total Liabilities and Stockholders' Equity | \$ 876,885 | \$ 8 |
| | ===== | ===== |

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See notes to consolidated financial statements.

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ROMA FINANCIAL CORPORATION AND SUBSIDIARIES CONSOLIDATED STATEMENTS OF INCOME

(Unaudited)

| | Three Months Ended September 30, | | |
|---|-------------------------------------|----------|-------|
| | 2007 | 2006 | ----- |
| | (In thousands, except for share | | |
| INTEREST INCOME | | | |
| Loans | \$ 7,094 | \$ 6,372 | \$ |
| Mortgage-backed securities held to maturity | 1,731 | 1,829 | |
| Investment securities held to maturity | 2,106 | 1,671 | |
| Securities available for sale | 202 | 156 | |
| Other interest-earning assets | 481 | 646 | |
| | ----- | ----- | ----- |
| Total Interest Income | 11,614 | 10,674 | |
| | ----- | ----- | ----- |
| INTEREST EXPENSE | | | |
| Deposits | 4,378 | 3,682 | |
| Borrowings | 74 | 97 | |
| | ----- | ----- | ----- |
| Total Interest Expense | 4,452 | 3,779 | |
| | ----- | ----- | ----- |
| Net Interest Income | 7,162 | 6,895 | |
| PROVISION FOR LOAN LOSSES | | | |
| | 141 | 97 | |
| | ----- | ----- | ----- |
| Net Interest Income after Provision for Loan Losses | 7,021 | 6,798 | |
| | ----- | ----- | ----- |
| NON-INTEREST INCOME | | | |
| Commissions on sales of title policies | 336 | 372 | |
| Fees and service charges on deposits | 161 | 205 | |
| Fees and service charges on loans | 34 | 79 | |
| Income from bank owned life insurance | 204 | 175 | |
| Other | 197 | 186 | |
| | ----- | ----- | ----- |
| Total Non-Interest Income | 932 | 1,017 | |
| | ----- | ----- | ----- |
| NON-INTEREST EXPENSE | | | |
| Salaries and employee benefits | 3,015 | 2,624 | |
| Net occupancy expense | 446 | 404 | |
| Equipment | 446 | 342 | |

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| | | | |
|---|------------|------------|-------|
| Data processing fees | 351 | 282 | |
| Advertising | 182 | 193 | |
| Federal insurance premium | 18 | 20 | |
| Contributions | 6 | 3,451 | |
| Other | 480 | 531 | |
| | ----- | ----- | ----- |
| Total Non-Interest Expense | 4,944 | 7,847 | |
| | ----- | ----- | ----- |
| Income Before Income Taxes | 3,009 | (32) | |
| INCOME TAXES | 1,125 | (133) | |
| | ----- | ----- | ----- |
| Net Income | \$ 1,884 | \$ 101 | \$ |
| | ===== | ===== | ===== |
| Net income per common share | | | |
| Basic | \$.06 | \$.00 | \$ |
| | ----- | ----- | ----- |
| Diluted | \$.06 | \$.00 | \$ |
| | ===== | ===== | ===== |
| WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING | | | |
| Basic | 31,490,916 | 22,584,994 | 31 |
| | ===== | ===== | ===== |
| Diluted | 31,490,916 | 22,584,994 | 31 |
| | ===== | ===== | ===== |
| Dividends declared per common share | \$.06 | N/A | \$ |
| | ===== | ===== | ===== |

See notes to consolidated financial statements.

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ROMA FINANCIAL CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY

(Unaudited, in thousands)

| | Common Stock | Paid - In Capital | Retained Earnings Substantially Restricted | Unearned ESOP Shares | Treasur Stock |
|---|-----------------|----------------------|---|----------------------------|------------------|
| | ----- | ----- | ----- | ----- | ----- |
| Balance December 31, 2005 | \$ 1 | \$ 799 | \$ 137,820 | \$ - | \$ |
| Net income for the nine months ended September 30, 2006 | | | 3,050 | | |
| Other comprehensive income, unrealized gain on available for sale securities, net of taxes of \$98 | | | | | |

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| | | | | | |
|--|----------|-----------|------------|------------|---------|
| Total comprehensive income | | | | | |
| Issuance of common stock, net of expenses | 3,272 | 96,141 | | | |
| ESOP shares earned | | 69 | | 135 | |
| Common stock acquired by ESOP | | | | (8,117) | |
| ----- | | | | | |
| Balance September 30, 2006 | \$ 3,273 | \$ 97,009 | \$ 140,870 | \$ (7,982) | \$ |
| ===== | | | | | |
| Balance December 31, 2006 | \$ 3,274 | \$ 97,069 | \$ 143,068 | \$ (7,847) | \$ |
| Net income for the nine months ended September 30, 2007 | | | 5,632 | | |
| Other comprehensive income, net of taxes: | | | | | |
| Unrealized gain on available for sale securities, net of taxes of \$37 | | | | | |
| Pension cost | | | | | |
| Total comprehensive income | | | | | |
| Purchase of treasury shares - 981,956 shares | | | | | (16, |
| ESOP shares earned | | 244 | | 406 | |
| Cash dividends declared | | | (1,670) | | |
| ----- | | | | | |
| Balance September 30, 2007 | \$ 3,274 | \$ 97,313 | \$ 147,030 | \$ (7,441) | \$ (16, |
| ===== | | | | | |

See notes to consolidated financial statements.

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ROMA FINANCIAL CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

(Unaudited)

| | | | |
|--|--|--------------------------|----|
| | | Nine Months September | |
| | | ----- | |
| | | 2007 | |
| | | ----- | |
| | | (In thousand) | |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Net income | | \$ 5,632 | \$ |
| Adjustments to reconcile net income to net cash provided by operating activities: | | | |
| Cash contribution to foundation | | - | |

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| | | |
|--|-----------|-------|
| Depreciation | 933 | |
| Amortization of premiums and accretion of discounts on securities | (102) | |
| Accretion of deferred loan fees and discounts | (63) | |
| Net gain on sale of mortgage loans originated for sale | (1) | |
| Mortgage loans originated for sale | (122) | |
| Proceeds from sales of mortgage loans originated for sale | 123 | |
| Provision for loan losses | 367 | |
| ESOP share earned | 650 | |
| Pension cost | 61 | |
| (Increase) in interest receivable | (573) | |
| (Increase) in cash surrender value of bank owned life insurance | (445) | |
| (Increase) in other assets | (751) | |
| Increase in interest payable | 651 | |
| Increase in other liabilities | 2,178 | |
| | ----- | ----- |
| Net Cash Provided by Operating Activities | 8,538 | |
| | ----- | ----- |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Proceeds from maturities and calls of securities available for sale | 217 | |
| Purchases of securities available for sale | (78) | |
| Proceeds from maturities and calls of investment securities held to maturity | 52,060 | |
| Purchases of investment securities held to maturity | (45,580) | |
| Principal repayments on mortgage-backed securities held to maturity | 22,244 | |
| Purchases of mortgage-backed securities held to maturity | (12,936) | |
| Purchase of bank owned life insurance | (2,000) | |
| Net increase in loans receivable | (30,027) | |
| Additions to premises and equipment | (2,412) | |
| Purchase of Federal Home Loan Bank of New York stock | (8) | |
| | ----- | ----- |
| Net Cash (Used in) Investing Activities | (18,520) | |
| | ----- | ----- |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Net increase (decrease) in deposits | 10,681 | |
| Increase in advance payments by borrowers for taxes and insurance | 262 | |
| Dividends paid and declared to minority stockholders | (1,120) | |
| Repayments of Federal Home Loan Bank of New York advances | (1,434) | |
| Proceeds from issuance of common stock, net of ESOP | - | |
| Purchase of treasury stock | (16,700) | |
| | ----- | ----- |
| Net Cash Provided by (Used in) Financing Activities | (8,311) | |
| | ----- | ----- |
| Net Increase (decrease) in Cash and Cash Equivalents | (18,293) | |
| CASH AND CASH EQUIVALENTS - BEGINNING | 64,701 | |
| | ----- | ----- |
| CASH AND CASH EQUIVALENTS - ENDING | \$ 46,408 | \$ |
| | ===== | ===== |

See notes to consolidated financial statements.

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

(Unaudited)

| | Nine Months Ended September 30, | |
|--|------------------------------------|-----------|
| | 2007 | 2006 |
| SUPPLEMENTARY CASH FLOWS INFORMATION | | |
| Income taxes paid, net | \$ 3,343 | \$ 1,958 |
| Interest paid | \$ 12,276 | \$ 10,831 |
| Loan receivable transferred to Real Estate Owned | \$ 18 | \$ - |
| Contribution of stock to foundation | \$ - | \$ 3,273 |

See notes to consolidated financial statements.

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

NOTE A - ORGANIZATION

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

Roma Financial Corporation, MHC is a federally-chartered mutual holding company that was formed in January 2005 in connection with the mutual holding company reorganization. Roma Financial Corporation, MHC has not engaged in any significant business since its formation. So long as Roma Financial Corporation MHC is in existence, it will at all times own a majority of the outstanding stock of the Company.

Roma Bank is a federally-chartered stock savings bank. It was originally founded in 1920 and received its federal charter in 1991. Roma Bank's deposits are federally insured by the Deposit Insurance Fund as administered by the Federal Deposit Insurance Corporation. Roma Bank is regulated by the Office of Thrift Supervision and the Federal Deposit Insurance Corporation. The Office of Thrift Supervision also regulates Roma Financial Corporation, MHC and the Company as savings and loan holding companies.

Roma Bank offers traditional retail banking services, one-to four-family residential mortgage loans, multi-family and commercial mortgage loans, construction loans, commercial business loans and consumer loans, including home

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equity loans and lines of credit. Roma Bank currently operates from its main office in Robbinsville, New Jersey, and eight branch offices located in Mercer, Burlington and Ocean Counties, New Jersey. Roma Bank maintains a website at www.romabank.com.

A Registration Statement on Form S-1 (File No. 333-132415), as amended, was filed by the Company with the Securities and Exchange Commission pursuant to the Securities Act of 1933, as amended, relating to the offering for sale of up to 8,538,750 shares (subject to increase to 9,819,652 shares) of its common stock. For a further discussion of the stock offering, see the final prospectus as filed on May 23, 2006 with the Securities and Exchange Commission pursuant to Rule 424(b)(3) of the Rules and Regulations of the Securities Act of 1933. The offering closed July 11, 2006 and the net proceeds from the offering were approximately \$96.1 million (gross proceeds of \$98.2 million for the issuance of 9,819,562 shares, less offering costs of approximately \$2.1 million). The Company also issued 22,584,995 shares to Roma Financial Corporation, MHC and 327,318 shares to the Roma Bank Community Foundation, Inc., resulting in a total of 32,731,875 shares issued and outstanding after the completion of the offering. A portion of the proceeds were loaned to the Roma Bank Employee Stock Ownership Plan (ESOP) to purchase 811,750 shares of the Company's stock in the offering at a cost of \$8.1 million on July 11, 2006.

On August 9, 2007, the Company announced a ten percent stock repurchase plan, equivalent to 981,956 shares, in the open market, based on stock availability, price and the Company's financial performance. The repurchase was completed August 27, 2007. A new stock repurchase plan, for five percent of the currently outstanding shares was announced on October 24, 2007 and has commenced repurchasing shares.

NOTE B - BASIS OF PRESENTATION

The consolidated financial statements include the accounts of Roma Financial Corporation (the "Company"), its wholly-owned subsidiary, Roma Bank (the "Bank") and the Bank's wholly-owned subsidiaries, Roma Capital Investment Co. (the "Investment Co.") and General Abstract and Title Agency (the "Title Co."). The consolidation also includes the Company's majority owned investment in RomAsia Bank (in organization). All significant inter-company accounts and transactions have been eliminated in consolidation. These statements were prepared in accordance with instructions for Form 10-Q and Rule 10-01 of Regulation S-X and, therefore, do not include information or footnotes necessary for a complete presentation of financial condition, results of operations, and cash flows in conformity with generally accepted accounting principles in the United States of America.

In the opinion of management, all adjustments, consisting of only normal recurring adjustments or accruals, which are necessary for a fair presentation of the consolidated financial statements have been made at and for the three and nine month periods ended September 30, 2007 and 2006. The results of operations for the three and nine month periods ended September 30, 2007 and 2006 are not necessarily indicative of the results which may be expected for an entire fiscal year or other interim periods.

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The data in the consolidated statements of financial condition for December 31, 2006 was derived from the Company's audited consolidated financial statements for that date. That data, along with the interim financial information presented in the consolidated statements of financial condition, income, changes in stockholders' equity and cash flows should be read in conjunction with the 2006 audited consolidated financial statements for the year ended December 31, 2006, including the notes thereto included in the Company's Annual Report on Form 10-K.

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The Investment Co. was incorporated in the State of New Jersey effective September 4, 2004, and began operations October 1, 2004. The Investment Co. is subject to the investment company provisions of the New Jersey Corporation Business Tax Act. The Title Co. was incorporated in the State of New Jersey effective March 7, 2005 and commenced operations April 1, 2005. RomAsia Bank is in organization and has an application pending with the Office of Thrift Supervision to be a federal savings bank. The Company has advanced \$900,000 as organization capital and intends to maintain a 60% ownership interest in RomAsia Bank upon completion of the organization. As presently contemplated, RomAsia Bank will need to raise \$15.0 million in initial capital including the investment to be made by the Company.

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

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

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

NOTE C - CONTINGENCIES

The Company, from time to time, is a party to routine litigation that arises in the normal course of business. In the opinion of management, the resolution of such litigation, if any, would not have a material adverse effect, as of September 30, 2007, on the Company's consolidated financial position or results of operations.

NOTE D - EARNINGS PER SHARE

Basic earnings per share is based on the weighted average number of common shares actually outstanding adjusted for Employee Stock Ownership Plan ("ESOP") shares not yet committed to be released. Diluted EPS is calculated by adjusting the weighted average number of shares of common stock outstanding to include the effect of contracts or securities exercisable or which could be converted into common stock, if dilutive, using the treasury stock method. During the periods presented, diluted EPS did not differ from basic EPS as there were no existing contracts or securities exercisable or convertible into common stock during these periods. Shares issued and reacquired during any period are weighted for the portion of the period they were outstanding. The 10,000 shares issued to Roma Financial Corporation, MHC in connection with the Company's reorganization in 2005 were "replaced" with 22,584,994 shares representing 69% of the shares issued in the Company's initial public offering. This transaction is analogous to a stock split or significant stock dividend, therefore, net income per common share for those shares has been retroactively restated for all periods

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presented.

NOTE E - STOCK BASED COMPENSATION

The Company had no stock-based compensation as of, or prior to, September 30, 2007, except as described below.

The Company has an Employee Stock Ownership Plan ("ESOP") for the benefit of employees who meet the eligibility requirements defined in the plan. The ESOP trust purchased 811,750 shares of common stock as part of the stock offering using proceeds of a loan from the Company. The total cost of shares purchased by the ESOP trust was \$8.1 million, reflecting a cost of \$10 per share. The Bank will make cash contributions to the ESOP on a quarterly basis

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sufficient to enable the ESOP to make the required loan payments to the Company. The loan bears an interest rate of 8.25% with principal and interest payable in equal quarterly installments over a fifteen year period. The loan is secured by the shares of the stock purchased.

Shares purchased with the loan proceeds were initially pledged as collateral for the loan and are held in a suspense account for future allocation among participants. Contributions to the ESOP and shares released from the suspense account will be allocated among the participants on the basis of compensation, as described by the Plan, in the year of allocation. The Company accounts for its ESOP in accordance with Statement of Position ("SOP") 93-6, "Employer's Accounting for Employee Stock Ownership Plans", issued by the Accounting Standards Division of the American Institute of Certified Public Accountants. As shares are committed to be released from collateral, the Company reports compensation expense equal to the current market price of the shares, and the shares become outstanding for earnings per share computations. The Company made its first loan payment in October 2006. As of September 30, 2007 there were 744,103 unearned shares. The Company's ESOP compensation expense was \$220 thousand and \$650 thousand, respectively, for the three and nine months ended September 30, 2007.

NOTE F - INVESTMENT SECURITIES

The following tables set forth the composition of the securities portfolio as of September 30, 2007 and December 31, 2006 (in thousands):

| | September 30, 2007 | | December 31, 2006 | |
|--|--------------------|---------------|-------------------|---------------|
| | Amortized Cost | Fair Value | Amortized Cost | Fair Value |
| | ----- | ----- | ----- | ----- |
| Available for sale: | | | | |
| Mortgage-backed securities | \$ 1,290 | \$ 1,307 | \$ 1,507 | \$ 1,524 |
| Obligations of state and local political subdivisions | 10,019 | 10,128 | 10,015 | 10,155 |
| US Government Obligations | 2,000 | 1,999 | 2,000 | 1,979 |
| Equity Shares | 3,630 | 3,362 | 3,630 | 3,447 |
| Mutual Fund Shares | 2,447 | 2,307 | 2,368 | 2,226 |
| | ----- | ----- | ----- | ----- |
| Total | \$19,386 | \$19,103 | \$19,520 | \$19,331 |
| | ===== | ===== | ===== | ===== |

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| | September 30, 2007 | | December 31, 2006 | |
|--|--------------------|---------------|-------------------|---------------|
| | Amortized Cost | Fair Value | Amortized Cost | Fair Value |
| Investments securities held to maturity: | | | | |
| US Government Obligations | \$160,735 | \$160,376 | \$168,332 | \$166,303 |
| Obligations of state and local political subdivisions | 2,715 | 2,771 | 1,595 | 1,631 |
| Total | \$163,450 | \$163,147 | \$169,927 | \$167,934 |

| | September 30, 2007 | | December 31, 2006 | |
|--|--------------------|---------------|-------------------|---------------|
| | Amortized Cost | Fair Value | Amortized Cost | Fair Value |
| Mortgage-backed securities held to maturity: | | | | |
| GNMA | \$ 4,507 | \$ 4,540 | \$ 5,630 | \$ 5,610 |
| FHLMC | 78,402 | 77,652 | 79,822 | 78,979 |
| FNMA | 44,263 | 43,910 | 53,880 | 53,190 |
| CMO's | 8,094 | 7,970 | 5,148 | 4,978 |
| Total | \$135,266 | \$134,072 | \$144,480 | \$142,757 |

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Securities held as available for sale have been adjusted to fair value at September 30, 2007 and December 31, 2006. Investment securities held to maturity and mortgage-backed securities held to maturity are recorded at amortized cost. The declines in fair value of these investments are due to interest rate changes, not credit risk. The Company has the ability to, and intends to, hold the investments until maturity. Therefore, no impairment has been recorded.

NOTE G - LOANS RECEIVABLE, NET

Loans receivable, net at September 30, 2007 and December 31, 2006 were comprised of the following (in thousands):

| | September 30, 2007 | December 31, 2006 |
|-----------------------------|-----------------------|----------------------|
| Real estate mortgage loans: | | |
| Conventional 1-4 family | \$219,117 | \$207,755 |
| Commercial and multi-family | 77,795 | 65,848 |
| | 296,912 | 273,603 |

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| | | |
|-----------------------------|-----------|-----------|
| Construction | 29,206 | 23,956 |
| | ----- | ----- |
| Consumer: | | |
| Equity and second mortgages | 130,935 | 127,450 |
| Other | 1,099 | 1,347 |
| | ----- | ----- |
| | 132,034 | 128,797 |
| | ----- | ----- |
| Commercial | 3,604 | 3,724 |
| | ----- | ----- |
| Total loans | 461,756 | 430,380 |
| | ----- | ----- |
| Less: | | |
| Allowance for loan losses | 1,492 | 1,169 |
| Deferred loan fees | 116 | 176 |
| Loans in process | 10,061 | 8,353 |
| | ----- | ----- |
| | 11,669 | 9,698 |
| | ----- | ----- |
| Total loans receivable, net | \$450,087 | \$420,382 |
| | ===== | ===== |

NOTE H - DEPOSITS

A summary of deposits by type of account as of September 30, 2007 and December 31, 2006 is as follows (dollars in thousands):

| | September 30, 2007 | | December 31, 2006 | |
|---------------------------|--------------------|-------------------------------|-------------------|-------------------------------|
| | Amount | Weighted Avg. Int. Rate | Amount | Weighted Avg. Int. Rate |
| | ----- | ----- | ----- | ----- |
| Demand: | | | | |
| Non-interest bearing | | | | |
| checking | \$ 23,988 | 0.00% | \$ 25,109 | 0.00% |
| Interest bearing checking | 93,727 | 0.53% | 98,278 | 0.53% |
| | ----- | ---- | ----- | ---- |
| | 117,715 | 0.42% | 123,387 | 0.42% |
| Savings and club | 177,588 | 0.93% | 185,925 | 0.93% |
| Certificates of deposit | 341,350 | 4.58% | 316,660 | 4.30% |
| | ----- | ---- | ----- | ---- |
| Total | \$636,653 | 2.79% | \$625,972 | 2.53% |
| | ===== | ===== | ===== | ===== |

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At September 30, 2007, the Company had contractual obligations for certificates of deposit maturing as follows (in thousands):

| | |
|--------------------------|------------|
| One year or less | \$ 261,464 |
| After one to three years | 71,496 |
| After three years | 8,390 |

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Total -----
\$ 341,350
=====

NOTE I - PREMISES AND EQUIPMENT

Premises and equipment consisted of the following as of September 30, 2007 and December 31, 2006 (in thousands):

| | Estimated Useful Lives | September 30, 2007 | December 31, 2006 |
|------------------------------|------------------------------|-----------------------|----------------------|
| | ----- | ----- | ----- |
| Land -future development | - | \$ 1,054 | \$ 1,054 |
| Construction in progress | - | 1,554 | 2,598 |
| Land and land improvements | - | 5,428 | 5,428 |
| Buildings and improvements | 20-50 yrs | 25,472 | 22,611 |
| Furnishings and equipment | 3-10 yrs. | 7,531 | 6,936 |
| | | ----- | ----- |
| Total premises and equipment | | 41,039 | 38,627 |
| Accumulated depreciation | | 8,891 | 7,958 |
| | | ----- | ----- |
| Total | | \$ 32,148 | \$ 30,669 |
| | | ===== | ===== |

NOTE J - FEDERAL HOME LOAN BANK ADVANCES

At September 30, 2007 and December 31, 2006, the Company had outstanding Federal Home Bank of New York advances as follows (dollars in thousands):

| | September 30, 2007 | | December 31, 2006 | |
|--------------------|--------------------|------------------|-------------------|------------------|
| | ----- | ----- | ----- | ----- |
| | Amount | Interest Rate | Amount | Interest Rate |
| | ----- | ----- | ----- | ----- |
| Maturing: | | | | |
| September 15, 2010 | \$ 6,429 | 4.49 % | \$ 7,863 | 4.49% |
| | ===== | ===== | ===== | ===== |

A schedule of principal payments is as follows (in thousands):

| | |
|--|----------|
| One year or less | \$ 1,988 |
| More than one year through three years | 4,441 |
| More than three years through five years | 0 |
| | ----- |
| Total | \$ 6,429 |
| | ===== |

NOTE K - RETIREMENT PLANS

Components of net periodic pension cost for the three and nine months ended September 30, 2007 and 2006 were as follows (in thousands):

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| | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|--|-------------------------------------|-------|------------------------------------|--------|
| | 2007 | 2006 | 2007 | 2006 |
| Service cost | \$ 85 | \$ 86 | \$ 255 | \$ 258 |
| Interest cost | 122 | 112 | 366 | 336 |
| Expected return on plan assets | (160) | (149) | (480) | (447) |
| Amortization of unrecognized net loss | 9 | 17 | 27 | 51 |
| Amortization of unrecognized past service liability | 11 | 15 | 33 | 45 |
| Net periodic benefit expense | \$ 67 | \$ 81 | \$ 201 | \$ 162 |

NOTE L - CONTRACTUAL OBLIGATIONS AND OFF-BALANCE SHEET ARRANGEMENTS

In the normal course of business, the Company enters into off-balance sheet arrangements consisting of commitments to fund residential and commercial loans and lines of credit. Outstanding loan commitments at September 30, 2007 were as follows (in thousands):

| | September 30, 2007 |
|---------------------------------------|-----------------------|
| Residential mortgage and equity loans | \$ 4,532 |
| Commercial loans committed not closed | 20,412 |
| Commercial lines of credit | 14,236 |
| Consumer unused lines of credit | 33,296 |
| Commercial letters of credit | 4,317 |
| Total | \$ 76,793 |

NOTE M - ACCUMULATED OTHER COMPREHENSIVE (LOSS)

Components of accumulated other comprehensive (loss) at September 30, 2007 and December 31, 2006 were as follows (in thousands):

| | September 30, 2007 | December 31, 2006 |
|--|-----------------------|----------------------|
| Unrealized loss on securities available for sale | \$ (283) | \$ (189) |
| Pension plan liability | (1,255) | (1,316) |
| Deferred income taxes | 632 | 595 |
| Accumulated other comprehensive (loss) | \$ (906) | \$ (910) |

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NOTE N - SUBSEQUENT EVENT

Roma Financial Corporation, the holding company of Roma Bank, announced on October 24, 2007 that its Board of Directors has authorized a stock repurchase program pursuant to which the Company intends to repurchase up to 5% of its outstanding shares (excluding shares held by Roma Financial Corp. MHC, the Company's mutual holding company), or up to 441,880 shares. The timing of the repurchases will depend on certain factors, including but not limited to, market conditions and prices, the Company's liquidity requirements and alternative uses of capital. Any repurchased shares will be held as treasury stock and will be available for general corporate purposes.

ITEM 2 - Management's Discussion and Analysis of Financial Condition and Results of Operations

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

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

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

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

No forward looking statement can be guaranteed and we specifically disclaim any obligation to update such statements.

Comparison of Financial Condition at September 30, 2007 and December 31, 2006

Total assets increased by \$.8 million to \$876.9 million at September 30, 2007 compared to \$876.1 million at December 31, 2006. Total liabilities increased \$12.9 million to \$654.3 million at September 30, 2007 compared to \$641.4 million at December 31, 2006. Stockholders' equity decreased \$12.1 million during the first nine months of 2007 to \$222.6 million at September 30, 2007 compared to \$234.7 million at December 31, 2006. The decrease in stockholders' equity was primarily due to the repurchase of minority shareholder stock in the amount of \$16.7 million.

Deposits

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Total deposits increased \$10.7 million to \$636.7 million at September 30, 2007 compared to \$626.0 million at December 31, 2006. Non-interest bearing demand deposits decreased \$1.1 million to \$24.0 million at September 30, 2007 compared to \$25.1 million at December 31, 2006. Non-interest bearing demand deposits decreased \$1.1 million during the first quarter of 2007 and recovered \$.8 million of that decrease during the second and third quarters of 2007. Interest bearing demand deposits decreased \$4.6 million to \$93.7 million at September 30, 2007 compared to \$98.3 million at December 31, 2006. Savings and club accounts decreased \$8.3 million to \$177.6 million at September 30, 2007 compared to \$185.9 million at the prior year end. Certificates of deposit increased \$24.7 million to \$341.4 million at September 30, 2007 compared to \$316.7 million at December 31, 2006.

Investments (Including Mortgage-Backed Securities)

The investment portfolio decreased \$15.9 million to \$317.8 million at September 30, 2007 compared to \$333.7 million at December 31, 2006. Securities available for sale decreased \$228 thousand to \$19.1 million at September 30, 2007

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primarily due to repayments of \$217 thousand. Investments held to maturity decreased \$6.4 million to \$163.5 million at September 30, 2007 compared to \$169.9 million at December 31, 2006. The decrease was primarily due to maturities of securities in this category. Mortgage-backed securities decreased \$9.2 million to \$135.3 million at September 30, 2007 compared to \$144.5 million at December 31, 2006, as repayments exceeded purchases.

Loans

Net loans increased by \$29.7 million to \$450.1 million at September 30, 2007 compared to \$420.4 million at December 31, 2006. Net loans during the third quarter of 2007 increased \$8.0 million. Conventional one to four family loans increased \$11.3 million to \$219.1 million at September 30, 2007 compared to \$207.8 million at December 31, 2006. The growth in this category was primarily due to the repeat of the March mortgage promotion program. Residential loan demand overall remained soft. Commercial and multi-family real estate loans increased \$12.0 million to \$77.8 million at September 30, 2007 compared to \$65.8 million at December 31, 2006. Commercial loan demand improved during the second and third quarters of 2007, but it remains highly affected by intense rate competition. Consumer and other loans increased \$3.2 million to \$132.0 million at September 30, 2007 compared to \$128.8 million at December 31, 2006. Construction loans increased \$5.3 million during the first nine months 2007, primarily in commercial construction loans. Commercial loans decreased by \$120 thousand.

Other Assets

All other assets excluding cash and cash equivalents increased \$5.3 million from December 31, 2006 to September 30, 2007. The increase was primarily due to the purchase of \$2.0 million in additional bank owned life insurance and \$2.4 million in premises and equipment purchases.

Borrowed Money

The \$1.4 million decrease in advances from the Federal Home Loan Bank of New York (FHLBNY) at September 30, 2007 as compared to December 31, 2006 was due to scheduled principal payments. At September 30, 2007, the outstanding FHLBNY balance was \$6.4 million.

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Other Liabilities

Other liabilities increased \$3.4 million to \$8.7 million at September 30, 2007. The increase was primarily due to an increase of \$.5 million in dividends payable, recording of amounts received into escrow from the organizers of RomAsia Bank of \$.6 million, increase of \$.2 million for RomAsia Bank liabilities, increase of \$.9 million in interest payable on deposits, increase of \$.5 in accrued expenses, and other minor increases in various accounts aggregating \$.6 million.

Comparison of Operating Results for the Three Months Ended September 30, 2007 and 2006

General

Net income increased \$1.8 million to \$1.9 million for the three months ended September 30, 2007 compared to \$.1 million for the three months ended September 30, 2006. Net income in the third quarter of 2006 was skewed by the contribution of cash and stock to the Roma Bank Community Foundation. Net interest income increased \$.3 million in the third quarter of 2007 compared to the same quarter of 2006. Non-interest expense increased \$.5 million after adjusting 2006 non-interest expense for the \$3.5 million contribution to the Foundation.

Interest Income

Interest income increased by \$.9 million to \$11.6 million for the three months ended September 30, 2007 compared to \$10.7 million for the three months ended September 30, 2006. Interest income from loans increased \$.7 million to \$7.1 million for the three months ended September 30, 2007. Interest income from residential mortgages and equity loans increased \$.1 million each. Interest income from commercial and multi-family loans and commercial loans in the aggregate increased \$.6 million from the third quarter of 2006.

Interest income from mortgage-backed securities decreased \$.1 million for the three months ended September 30, 2007 compared to September 30, 2006. This was primarily due to a decrease of \$11.1 million in the mortgage backed security portfolio from September 30, 2006 to September 30, 2007. Interest income on investment securities held to maturity increased \$.4 million for the comparable three month periods in 2007 and 2006. Although the investments

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held to maturity security portfolio decreased \$8.5 million from September 30, 2006 to September 30, 2007, maturing securities were invested at higher interest rates. Interest income from securities available for sale increased minimally during the period. Interest income from other interest earning assets decreased \$.2 million, primarily due to lower balances in overnight funds during the months of August and September 2007 as funds were deployed into loans and the stock repurchase program.

Interest Expense

Interest expense increased \$.7 million to \$4.5 million for the three month period ended September 30, 2007 compared to \$3.8 million during the three months ended September 30, 2006. The increase was primarily due to a \$.7 million increase in interest paid on deposits. This increase was a result of higher interest rates, an increase in the average balance of deposits, and the growth in certificates as a percentage of total deposits. The weighted average interest rate at September 30, 2007 was 2.79% compared to 2.43% at September 30, 2006.

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Interest expense on borrowed money decreased minimally reflecting a reduction in the average outstanding balance of the FHLBNY borrowings.

Provision for Loan Losses

The loan loss provision for the three months ended September 30, 2007 increased \$44 thousand to \$141 thousand compared to \$97 thousand for the three months ended September 30, 2006, reflecting an increase in the loan portfolio.

Non-Interest Income

Non-interest income decreased minimally by \$85 thousand from period to period. Commissions on sales of title policies and income from bank owned life insurance both increased over the prior year's comparable quarter. The bank owned life insurance income increase was primarily due to the purchase of an additional \$2.0 million of life insurance in early August 2007.

Non-Interest Expense

Non-interest expense decreased \$2.9 million to \$4.9 million for the three months ended September 30, 2007 compared to \$7.8 million for the three months ended September 30, 2006. The decrease was primarily the result of funding the Roma Bank Community Foundation with a contribution of \$3.3 million in Company stock and \$.2 million in cash in the quarter ending September 30, 2006. Salaries and employee benefits increased \$.4 million to \$3.0 million for the three months ended September 30, 2007 compared to \$2.6 million for the same period in 2006. This increase reflects an increase of approximately \$50 thousand to staff the Plumsted Township branch which opened in January of 2007; \$86 thousand in consulting fees for RomAsia Bank; and annual salary adjustments of approximately 4%. In the aggregate, all other non-interest expenses, after adjusting 2006 for the \$3.5 million contribution, increased \$542 thousand. This increase was primarily due to approximately \$146 thousand in organizational costs for RomAsia Bank.

Income Taxes

Income tax expense was \$1.1 million for the three months ended September 30, 2007, compared to a tax benefit of \$133 thousand for the three months ended September 30, 2006. The income tax expense for the third quarter of 2007 represented an effective rate of 37.4%.

Comparison of Operating Results for the Nine Months Ended September 30, 2007 and 2006

General

Net income increased \$2.6 million to \$5.6 million for the nine months ended September 30, 2007 compared to \$3.1 million for the nine months ended September 30, 2006. The increase was primarily due to the effect on net income in the nine months ended September 30, 2006 of the contribution to the Roma Bank Community Foundation. Net interest income increased \$2.5 million for the nine months ended September 30, 2007 as compared to the same period in 2006. Non-interest expense increased \$1.9 million after 2006 non-interest expense for the \$3.5 million contribution to the Foundation.

Interest Income

Interest income increased \$4.3 million to \$34.2 million for the nine months ended September 30, 2007 compared to \$29.9 million for the nine months ended September 30, 2006. Interest income from loans increased \$2.4 million to

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\$20.5 million for the nine months ended September 30, 2007. Interest income from residential mortgages increased \$.6 million and interest income from equity loans increased \$.5 million. The weighted average interest rates for residential mortgage and equity loans at September 30, 2007 were 5.75% and 6.26%, respectively, compared to 5.69% and 6.18%, respectively, at the same period in 2006. Interest income from commercial and multi-family mortgage loans and commercial loans increased in the aggregate \$1.3 million period to period. The weighted average interest rate for commercial and multi-family mortgage loans and commercial loans in the aggregate, were 7.57% at September 30, 2007 and 7.60% at September 30, 2006.

Interest income from mortgage-backed securities held to maturity decreased \$119 thousand for the comparable nine month periods in 2007 and 2006. Interest income from investments held to maturity increased \$1.2 million to \$5.9 million for the nine months ended September 30, 2007 compared to \$4.7 million for the same period in 2006. Interest rates on securities that matured in the mortgage-backed security and investments held to maturity category generally were below prevailing rates, and to the extent that cash flows from maturities were reinvested, they were able to be reinvested at more favorable rates. Interest income on securities available for sale changed minimally from period to period. Interest income on other interest earning assets increased \$.8 million to \$2.1 million for the nine months ended September 30, 2007. This increase was primarily due to a higher level of average overnight and money market funds during the current nine month period compared to the same period in 2006.

Interest Expense

Interest expense increased \$1.8 million to \$12.9 million for the nine months ended September 30, 2007 compared to \$11.1 million for the comparable period in 2006. The increase was primarily due to a \$1.9 million increase in interest paid on deposits, reflecting an increase in the average balance of deposits and higher interest rates. The weighted average interest rate on deposits at September 30, 2007 was 2.79% compared to 2.43% at September 30, 2006. Interest expense on borrowed money decreased \$155 thousand for the nine months ended September 30, 2007 compared to the same period in 2006 reflecting a reduction in the average outstanding balance in the liability to the FHLBNY.

Provisions for Loan Losses

The loan loss provision for the nine months ended September 30, 2007 was \$367 thousand compared to \$233 for the same period in 2006. The increase is reflective of the growth of \$35.8 million in the total loan portfolio between September 30, 2006 and September 30, 2007. The ratio of non-performing loans to total loans increased .32% to 1.17% at September 30, 2007 compared to .85% at September 30, 2006. Commercial real estate loans comprised approximately 93% of the total non-performing loans. Of the \$5.3 million of loans categorized as non-performing at September 30, 2007, \$3.9 million represent commercial construction loans at September 30, 2007 that have matured and have not yet been renewed. The obligor on these loans has commitments from other lending institutions, but as of September 30, 2007 had not yet closed. Non-performing commercial real estate loans also contains a loan for \$.6 million to a non-profit organization, and a loan for \$.4 million on a commercial rental property. The Bank believes it has sufficient collateral securing all of its commercial non-performing loans.

Non-interest Income

Non-interest income increased \$.3 million to \$2.9 million for the nine months ended September 30, 2007 compared to \$2.6 million for the nine months ended September 30, 2006. The increase was chiefly derived from fees and service

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charges on deposits which increased \$.3 million, primarily from fees related to overdraft protection which was instituted in August 2006.

Non-interest Expense

Non-interest expense decreased \$1.6 million to \$15.0 million for the nine months ended September 30, 2007 compared to \$16.6 million for the nine months ended September 30, 2006. If non-interest expense in 2006 was adjusted for the non-recurring \$3.5 million contribution to the Roma Bank Community Foundation, non-interest expense increased \$1.9 million for the comparable period in 2007. Salaries and employee benefits increased \$1.3 million to \$8.8 million for the nine months ended September 30, 2007 compared to the same period in 2006 versus the full period for 2007. This increase represents an increase of \$.4 million in ESOP expense as the plan was only in effect for three of the nine months in 2006; \$.2 million in staffing expense for our Plumsted branch which opened in January of 2007, \$86 thousand in costs for RomAsia Bank; and annual salary adjustments. Net occupancy expense increased \$166 thousand from period to period, with approximately 50% of that increase related to the opening of the Plumsted branch in January 2007. The remaining portion of the increase is primarily due to higher snow and ice removal costs in March 2007 and general increases in overall costs and expenses. In the aggregate all other non-interest expenses increased \$450 thousand for the nine months ended September 30, 2007 compared to the same period in 2006. This increase was

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primarily due to increases in accounting and consulting fees related to compliance with Sarbanes-Oxley, higher insurance premiums, costs for printing and mailing the Company's first annual report and approximately \$146 thousand in organization costs for RomAsia Bank.

Income Taxes

Income tax expense increased \$1.7 million to \$3.1 million for the nine months ended September 30, 2007 compared to \$1.4 million for the nine months ended September 30, 2006. Income tax expense represented 35.7% and 31.8% for the periods ended September 30, 2007 and 2006, respectively. The increase in effective tax rate in the current period is the result of a smaller portion of our income being non-taxable.

Critical Accounting Policies

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

The allowance for loan losses is the amount estimated by management as necessary to cover credit losses in the loan portfolio both probable and reasonably estimable at the balance sheet date. The allowance is established through the provision for loan losses which is charged against income. In determining the allowance for loan losses, management makes significant estimates and has identified this policy as one of our most critical. The methodology for determining the allowance for loan losses is considered a critical accounting policy by management due to the high degree of judgment involved, the subjectivity of the assumptions utilized and the potential for changes in the economic environment that could result in changes to the amount of the recorded allowance for loan losses.

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As a substantial amount of our loan portfolio is collateralized by real estate, appraisals of the underlying value of property securing loans are critical in determining the amount of the allowance required for specific loans. Assumptions for appraisals are instrumental in determining the value of properties. Overly optimistic assumptions or negative changes to assumptions could significantly affect the valuation of a property securing a loan and the related allowance determined. The assumptions supporting such appraisals are carefully reviewed by management to determine that the resulting values reasonably reflect amounts realizable on the related loans.

Management performs a monthly evaluation of the adequacy of the allowance for loan losses. We consider a variety of factors in establishing this estimate including, but not limited to, current economic conditions, delinquency statistics, geographic and industry concentrations, the adequacy of the underlying collateral, the financial strength of the borrower, results of internal loan reviews and other relevant factors. This evaluation is inherently subjective as it requires material estimates by management that may be susceptible to significant change based on changes in economic and real estate market conditions.

The evaluation has a specific and general component. The specific component relates to loans that are delinquent or otherwise identified as problem loans through the application of our loan review process. All such loans are evaluated individually, with principal consideration given to the value of the collateral securing the loan. Specific allowances are established as required by this analysis. The general component is determined by segregating the remaining loans by type of loan. We also analyze historical loss experience, delinquency trends, general economic conditions and geographic and industry concentrations.

Actual loan losses may be significantly more than the allowances we have established which could have a material negative effect on our financial results.

The Company uses the asset and liability method of accounting for deferred income taxes. Under this method, deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax basis. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. If current available information raises doubt as to the realization of the deferred tax assets, a valuation allowance is established. The Company considers the determination of this valuation allowance to be a critical accounting policy because of the need to exercise significant judgment including projections of future taxable income. These judgments and estimates are reviewed on a continual basis as regulatory and business factors change. A valuation allowance for deferred tax assets may be required if the amount of taxes recoverable through loss carry-back declines, or if the Company projects lower levels of future taxable income. Such a valuation allowance would be established through a charge to income tax expense, which would adversely affect the Company's operating results.

New Accounting Pronouncements

In July 2006, the Financial Accounting Standards Board (FASB) issued FASB Interpretation No. 48, "Accounting for Uncertainty in Income Taxes--an interpretation of FASB Statement No. 109" (FIN 48), which clarifies the accounting for uncertainty in tax positions. This Interpretation requires that

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companies recognize in their financial statements the impact of a tax position, if that position is more likely than not of being sustained on audit, based on the technical merits of the position. The provisions of FIN 48 are effective for fiscal years beginning after December 15, 2006, with the cumulative effect of the change in accounting principle recorded as an adjustment to opening retained earnings. The adoption of FIN 48 did not have a material effect on the consolidated financial statements.

In September 2006, the FASB issued Statement No. 157, Fair Value Measurements, which defines fair value, establishes a framework for measuring fair value under GAAP, and expands disclosures about fair value measurements. FASB Statement No. 157 applies to other accounting pronouncements that require or permit fair value measurements. The new guidance is effective for financial statements issued for fiscal years beginning after November 15, 2007, and for interim periods within those fiscal years. We are currently evaluating the potential impact, if any, of the adoption of FASB Statement No. 157 on our consolidated financial position, results of operations and cash flows.

In September of 2006, the FASB issued Statement No. 158, "Employers' Accounting for Defined Benefit Pension and other Postretirement Plans" which required that an employer that sponsors one more single-employer defined benefit plans to recognize the funded status of a benefit plan, measured as the difference between plan assets at fair value and the benefit obligation in the statement of financial position. The statement also required the recognition as a component of other comprehensive income, net of tax, the gains or losses and prior service costs or credits as they arise. The statement is effective for fiscal years ending after December 15, 2006. Accordingly, FASB 158 adjustments are reflected in these consolidated financial statements.

In February of 2007, the FASB issued Statement No. 159, "The Fair Value Option for Financial Assets and Financial Liabilities-Including an amendment of FASB Statement No. 115." Statement No. 159 permits entities to choose to measure many financial instruments and certain other items at fair value. Unrealized gains and losses on items for which the fair value option has been elected will be recognized in earnings at each subsequent reporting date. Statement No. 159 is effective for our Company on January 1, 2008. The Company is evaluating the impact that the adoption of Statement No. 159 will have on our consolidated financial statements.

In March 2007, the FASB ratified EITF Issue No. 06-11, "Accounting for Income Tax Benefits of Dividends on Share-Based Payment Awards." EITF 06-11 requires companies to recognize the income tax benefit realized from dividends or dividend equivalents that are charged to retained earnings and paid to employees for nonvested equity-classified employee share-based payment awards as an increase to additional paid-in capital. EITF 06-11 is effective for fiscal years beginning after September 15, 2007. The Company does not expect EITF 06-11 will have a material impact on its financial position, results of operations or cash flows.

In March 2007, the FASB ratified Emerging Issues Task Force Issue No. 06-10 "Accounting for Collateral Assignment Split-Dollar Life Insurance Agreements" (EITF 06-10). EITF 06-10 provides guidance for determining a liability for the postretirement benefit obligation as well as recognition and measurement of the associated asset on the basis of the terms of the collateral assignment agreement. EITF 06-10 is effective for fiscal years beginning after December 15, 2007. The Company is currently assessing the impact of EITF 06-10 on its consolidated financial position and results of operations.

On September 7, 2006, the Task Force reached a conclusion on EITF Issue No. 06-5, "Accounting for Purchases of Life Insurance - Determining the Amount That Could Be Realized in Accordance with FASB Technical Bulletin No. 85-4, Accounting for Purchases of Life Insurance" ("EITF 06-5"). The scope of EITF

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06-5 consists of six separate issues relating to accounting for life insurance policies purchased by entities protecting against the loss of "key persons." The six issues are clarifications of previously issued guidance on FASB Technical Bulletin No. 85-4. EITF 06-5 is effective for fiscal years beginning after December 15, 2006. The adoption of EITF Issue No. 06-05 did not have a material effect on the consolidated financial statements.

In May 2007, the FASB issued FASB FSP FIN 48-1 "Definition of Settlement in FASB Interpretation No. 48". FSP FIN 48-1 provides guidance on how to determine whether a tax position is effectively settled for the purpose of recognizing previously unrecognized tax benefits. FSP FIN 48-1 is effective retroactive to January 1, 2007. The adoption of FSB FUB 48-1 did not have a material impact on the consolidated financial position, results of operations or cash flows.

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ITEM 3 - Quantitative and Qualitative Disclosures About Market Risk

Asset and Liability Management

The majority of the Company's assets and liabilities are monetary in nature. Consequently, the Company's most significant form of market risk is interest rate risk. The Company's assets, consisting primarily of mortgage loans, have generally longer maturities than the Company's liabilities, consisting primarily of short-term deposits. As a result, a principal part of the Company's business strategy is to manage interest rate risk and reduce the exposure of its net interest income to changes in market interest rates. Management of the Company does not believe that there has been a material adverse change in market risk during the three months ended September 30, 2007.

Net Portfolio Value

The Company's interest rate sensitivity is monitored by management through the use of the OTS model which estimates the change in the Company's net portfolio value ("NPV") over a range of interest rate scenarios. NPV is the present value of expected cash flows from assets, liabilities, and off-balance sheet contracts. The NPV ratio, under any interest rate scenario, is defined as the NPV in the scenario divided by the market value of assets in the same scenario. The OTS produces its analysis based upon data submitted on the Company's quarterly Thrift Financial Reports. The following table sets forth the Company's NPV as of June 30, 2007, the most recent date the NPV was calculated by the OTS (dollars in thousands):

| Change In Interest rates In Basic Points (Rate Shock) | NPV | | | NPV as Percent of Port Value of Assets | |
|--|------------|------------------|-------------------|---|----------------------|
| | Amount | Dollar Change | Percent Change | NPV Ratio | Chang Bas Poin |
| +300bp | \$ 164,265 | \$ (42,956) | -21% | 20.18% | -371 |
| +200bp | 178,887 | (28,334) | -14% | 21.50% | -239 |
| +100bp | 193,357 | (13,864) | -7% | 22.75% | -114 |

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| | | | | | |
|--------|---------|--------|------|--------|------|
| 0bp | 207,221 | - | 0% | 23.89% | - |
| -100bp | 220,135 | 12,914 | +6% | 24.91% | +101 |
| -200bp | 229,358 | 22,137 | +11% | 25.57% | +167 |

Management of the Company believes that there has not been a material adverse change in the market risk during the three months ended September 30, 2007.

ITEM 4 - Controls and Procedures

An evaluation was performed under the supervision, and with the participation of the Company's management, including the Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of the Company's disclosure controls and procedures (as defined in Rule 13a-15(e) promulgated under the Securities Exchange Act of 1934, as amended) as of September 30, 2007. Based on such evaluation, the Company's Chief Executive Officer and Chief Financial Officer have concluded that the Company's disclosure controls and procedures are effective as of September 30, 2007.

No change in the Company's internal controls over financial reporting (as defined in Rule 13a-15(f) promulgated under the Securities Exchange Act of 1934, as amended) occurred during the most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

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PART II - OTHER INFORMATION

ITEM 1 - Legal Proceedings

There were no material pending legal proceedings at September 30, 2007 to which the Company or its subsidiaries is a party other than ordinary routine litigation incidental to their respective businesses.

ITEM 1A - Risk Factors

Management does not believe there were any material changes to the risk factors presented in the Company's Form 10-K for the year ended December 31, 2006 during the most recent quarter.

ITEM 2 - Unregistered Sales of Equity Securities and Use of Proceeds

Issuer Purchases of Equity Securities

The following table reports information regarding repurchases of the Company's common stock during the quarter ended September 30, 2007.

| Period | Total Number of Shares Repurchased | Average Price Paid Per Share | Total Number of Shares Purchased As Part of Publicly Announced Plans | Nu Th Pu |
|--------|---|------------------------------------|--|----------------|
| ----- | ----- | ----- | ----- | --- |

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| | | | |
|----------------------|---------|---------|---------|
| July 1-31, 2007 | - | - | - |
| August 1-31, 2007 | 981,956 | \$17.01 | 981,956 |
| September 1-30, 2007 | - | - | - |
| | ----- | ----- | ----- |
| Total | 981,956 | \$17.01 | 981,956 |
| | ===== | ===== | ===== |

On August 9, 2007, the Company announced a ten percent stock repurchase plan, equivalent to 981,956 shares, in the open market, based on stock availability, price and the Company's financial performance. The repurchase was completed August 27, 2007. A new stock repurchase plan, for five percent of the currently outstanding shares was announced on October 24, 2007 and has commenced repurchasing.

ITEM 3 - Defaults Upon Senior Securities

None

ITEM 4 - Submission of Matters to a Vote of Security Holders

None

ITEM 5 - Other Information

None

ITEM 6 - Exhibits

- 31 Certifications of the Chief Executive Officer and Chief Financial Officer pursuant to Rule 13a-14(a)
- 32 Certifications of Chief Executive Officer and Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

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SIGNATURES

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

ROMA FINANCIAL CORPORATION
(Registrant)

Date: November 2, 2007

/s/Peter A. Inverso

Peter A. Inverso
President and Chief Executive Officer

Date: November 2, 2007

/s/Sharon L. Lamont

Sharon L. Lamont
Chief Financial Officer