ROMA FINANCIAL CORP
Form 10-K
March 11, 2011

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

FORM 10-K

(Mark One)
[X] ANNUAL REPORT PURSUANT TO SECTION 13 OR 15 (d) OF THE SECURITIES EXCHANGE ACT OF 1934 For the Fiscal Year Ended December 31, 2010

- OR -

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from ______________________________ to ______________________________

Commission File Number: 000-52000

ROMA FINANCIAL CORPORATION
(Exact name of Registrant as specified in its Charter)

United States (State or other Jurisdiction of Incorporation or Organization)	51-0533946 (I.R.S. Employer Identification No.)
2300 Route 33, Robbinsville, New Jersey (Address of Principal Executive Offices)	08691 (Zip Code)

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

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

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

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

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

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

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

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or such shorter period that the registrant was required to submit and post such files). [ ] YES [ ] NO

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

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

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

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

As of March 7, 2011 there were 30,280,927 shares of common stock outstanding.

The aggregate market value of the voting and non-voting equity held by non-affiliates of the Registrant on June 30, 2010 (the last business day of the Registrant's most recently completed second fiscal quarter) was $107.6 million.

DOCUMENTS INCORPORATED BY REFERENCE:

Portions of the Proxy Statement for the 2010 Annual Meeting of Shareholders. (Part III)

PART I

Forward-Looking Statements

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

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

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

Item 1. Business

General

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

Roma Financial Corporation, MHC 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.

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

The Banks offer traditional retail banking services, one-to four-family residential mortgage loans, multi-family and commercial mortgage loans, construction loans, commercial business loans and consumer loans, including home equity loans and lines of credit. Roma Bank operates from its main office in Robbinsville, New Jersey, and twenty-three branch offices located in Mercer, Burlington, Camden and Ocean Counties, New Jersey. RomAsia Bank operates from two branches located in Monmouth Junction and Edison, New Jersey. As of December 31, 2010, the Banks, and their subsidiaries, had 317 full-time employees and 60 part-time employees. Roma Bank maintains a website at www.romabank.com.

Roma Financial Corporation conducted a minority stock offering during 2006 in which 30% of its outstanding stock was sold to the public in a subscription offering. The offering closed July 11, 2006 and the net proceeds from the offering were approximately $96.1 million (gross proceeds of $98.2 million for the issuance of 9,819,562 shares, less offering costs of approximately $2.1 million). The Company also issued 22,584,995 shares to 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 at a cost of $8.1 million.

On July 19, 2010, the Company completed its acquisition of Sterling Banks, Inc., the holding company for Sterling Bank. The final consideration paid in the transaction to stockholders of Sterling Banks, Inc. consisted of $2.52 per share or $14,725,000 in cash.

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

Competition

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

Our competition for deposits and loans historically has come from other insured financial institutions such as local and regional commercial banks, savings institutions, de novo banks, and credit unions located in our primary market area. We also compete with mortgage banking and finance companies for real estate loans and with commercial banks and savings institutions for consumer and commercial loans, and we face competition for funds from investment products such as mutual funds, short-term money funds and corporate and government securities. There are large competitors operating throughout our total market area, and we also face strong competition from other community-based financial institutions. Approximately ten other institutions operate in the Bank's market area, with asset sizes ranging from $150 million to $50+ billion. As of June 30, 2010, Roma was sixth in market share in Mercer and Burlington Counties.

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Lending Activities

Analysis of Loan Portfolio

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

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

	At December 31,									
	2010		2009		2008		2007		2006	
	Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent
	(Dollars in thousands)									
Type of Loans:										
Real estate mortgage - one-to-four family	$ 358,503	39.41%	$ 251,937	42.21%	$ 230,956	43.63%	$ 219,900	46.52%	$ 207,755	48.31%
Real estate mortgage - multi-family and commercial	273,177	30.03	172,334	28.87	128,990	24.37	80,537	17.04	65,848	15.31
Commercial business	36,125	3.97	12,302	2.06	5,762	1.09	3,918	0.83	3,724	0.87
Consumer:										
Home equity and second mortgage	202,926	22.31	133,199	22.32	133,855	25.28	130,085	27.52	127,450	29.63
Other	1,760	.19	1,024	0.16	943	0.17	1,127	0.24	1,347	0.31
Total consumer loans	204,686	22.50	134,223	22.48	134,798	25.45	131,212	27.76	128,797	29.94
Construction	37,197	4.09	26,162	4.38	28,899	5.46	37,119	7.85	23,956	5.57
Total loans	909,688	100.00%	596,958	100.00%	529,405	100.00%	472,686	100.00%	430,080	100.00%
Less:										
Construction loans in process	5,339		5,524		6,543		12,037		8,353	
Allowance for loan losses	9,844		5,243		2,223		1,602		1,169	
Deferred loan (costs) and fees, net	663		432		233		174		176	
	15,846		11,199		8,999		13,813		9,698	
Loans receivable, net	$ 893,842		$ 585,759		$ 520,406		$ 458,873		$ 420,382	

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Loan Maturity Schedule. The following tables set forth the maturity of our loan portfolio at December 31, 2010. Demand loans, loans having no stated maturity, and overdrafts are shown as due in one year or less. Loans are stated in the following tables at contractual maturity and actual maturities could differ due to prepayments.

	Real estate mortgage- One-to-four family	Real estate mortgage - Multi-family and commercial	Commercial Business	Home equity and second mortgage loans	Other	Construction	Total
Amounts Due:							
Within 1 Year	$ 2,377	$ 45,320	$ 14,363	$ 1,080	$ 1,207	$ 36,127	$ 100,474
After 1 year:							
1 to 3 years	10,917	22,097	10,856	2,797	233	271	47,171
3 to 5 years	2,211	23,059	6,599	10,081	292	408	42,650
5 to 10 years	37,156	44,330	2,695	45,774	28	—	129,983
10 to 15 years	48,595	27,559	783	49,690	—	—	126,627
Over 15 years	257,247	110,812	829	93,504	—	391	462,783
Total due after one year	356,126	227,857	21,762	201,846	553	1,070	809,214
Total amount due	$ 358,503	$ 273,177	$ 36,125	$ 202,926	$ 1,760	$ 37,197	$ 909,688

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The following table sets forth the amount of all loans at December 31, 2010 that are due one year or more after December 31, 2010.

	Fixed Rates	Floating or Adjustable Rates	Total
		(In thousands)	
Real estate mortgage - one-to-four family	$ 338,065	$ 18,061	$ 356,126
Real estate mortgage - multi-family and commercial	60,527	167,330	227,857
Commercial business	13,833	7,929	21,762
Construction	1,070	-	1,070
Consumer:			
Home equity and second mortgage loans	155,572	46,274	201,846
Auto	553	-	553
Total	$ 569,620	$ 239,594	$ 809,214

Residential Mortgage Lending. Our primary lending activity consists of the origination of one- to four-family first mortgage loans. Fixed rate, conventional mortgage loans are offered by the Banks with repayments terms ranging from 10 years to 40 years. One, three, five, seven and ten year adjustable rate mortgages, or ARMs, are offered with up to 30 year terms at rates based upon the one year U.S. Treasury Bill rate plus a margin. After the initial one, three, five, seven or ten year term, the Banks' ARMs reset on an annual basis and, with the exception of the seven year ARM, have two percent annual increase caps and six percent lifetime adjustment caps. The seven year product has an initial first adjustment cap of five percent (two percent thereafter) and a lifetime adjustment cap of six percent. There are no floors on the rate adjustments.

The Banks offer applicants the opportunity to "buy-down" mortgage loan interest rates by remitting one to three discount points for conventional loans and one point for ARMs. Borrowers may also accelerate the repayment of their loans by taking advantage of a bi-weekly payment program.

Substantially all residential mortgages include "due on sale" clauses, which are provisions giving the Banks the right to declare a loan immediately payable if the borrower sells or otherwise transfers an interest in the property to a third party. Property appraisals on real estate securing one- to four-family residential loans are made by state certified or licensed independent appraisers and are performed in accordance with applicable regulations and policies. The Banks require title insurance policies on all first mortgage real estate loans originated. Homeowners, liability, fire and, if applicable, flood insurance policies are also required.

One- to four-family first mortgage loans in excess of 80% loan-to-value for single family or detached residences and 75% on condominium units typically require private mortgage insurance. The Banks will originate residential mortgage loans up to a maximum of 95% loan-to-value. Underwriting guidelines prescribe a maximum debt-to-income ratio of forty percent; however the Banks may approve loans with higher debt ratios with the requirement for a risk premium of twenty-five to fifty basis points above the prevailing rate.

All of the Banks' residential mortgage loan products are available to finance any owner occupied, primary or secondary (e.g., vacation homes), one- to four-family residential dwelling. Loans for non-owner occupied one- to four-family residences are originated in accordance with the Banks' commercial real estate lending policies as investment properties and are included under the commercial real estate category in the loan tables set forth herein.

We do not offer interest-only loan products because of our concern about the credit risks associated with these products. The Banks have never been involved in any type of subprime lending.

Consumer Lending. The Banks offer fixed rate home equity loans and variable rate, revolving home equity lines of credit, each with a $10 thousand minimum and a $500 thousand maximum loan amount. Loan requests in excess of $500 thousand are considered on a case-by-case basis. There are no fees, points or closing costs associated with the application or closing of an equity loan or line of credit. All equity financing is secured by owner occupied, primary or secondary, one- to four-family residential property. Underwriting standards establish a maximum loan-to-value ratio of 75% for single family or detached residences and 75% for condominium units. Home equity loan appraisals may be done by automated appraisal valuation models for loans with a 60% or less loan-to-value ratio.

Fixed rate home equity loans. Fixed rate home equity loans are offered with repayment terms up to twenty years and are incrementally priced at thresholds up to 60, 120, 180 and 240 months. Loan rates are reviewed weekly to ensure competitive market pricing. Underwriting guidelines prescribe a maximum debt-to-income ratio of forty percent; however the Banks may approve loans with higher debt ratios with the requirement for a risk premium of twenty-five to fifty basis points above the prevailing rate.

Variable rate, revolving home equity lines of credit. The Banks' home equity lines of credit are generally among the most competitive in the market area. Lines of credit are priced at the highest published Wall Street Journal Prime Interest Rate minus one-half of one percent, adjusted monthly with a rate ceiling of eighteen percent. Repayment terms are based upon a twenty year amortization, requiring monthly payments equivalent to 1/240th of the outstanding principal balance (or $100, whichever is greater) plus accrued interest on the unpaid balance for the billing cycle.

If the account is paid-off and closed via cancellation of the mortgage lien, then an early termination fee of $300 is charged if closed during the first twelve billing cycles, or $200 if closed during the next twelve billing cycles. There is no termination fee after twenty-four billing cycles.

Account loans. The Banks grant loans to bank customers collateralized by deposits in specific types of savings/time deposit accounts. Money market deposit passbook accounts are not eligible for account loans. A ninety percent advance rate is provided at pricing three percent above the interest rate paid on the collateral account.

Consumer lending is generally considered to involve a higher degree of credit risk than residential mortgage lending. All consumer loans are secured with either a first or second lien position on owner occupied real estate. Account loans are fully secured. Consumer loan repayment is dependent on the borrower's continuing financial stability and can be adversely affected by job loss, divorce, illness or personal bankruptcy. The application of various federal laws, including federal and state bankruptcy and insolvency laws, may limit the amount which can be recovered on consumer loans in the event of a default.

Commercial Lending. Though Roma Bank has historically made loans to businesses and not-for-profit organizations, it formalized its commercial lending activities in 2003 with the establishment of a Commercial Loan Department.

The majority of commercial loans approved and funded are commercial real estate loans for acquisition or refinancing of commercial properties. The Banks also offer a full menu of non-mortgage commercial loan products, tailored to serve customer needs, as follows:

- lines of credit to finance short term working capital needs;
- small business revolving lines of credit;
- equipment acquisition lines of credit convertible to term financing;
- short term time notes;
- term financing to finance capital acquisitions; and
- business vehicle financing.

We typically require personal guarantees on all commercial loans. Values are established by conforming real estate appraisals. The Banks' guidelines for commercial real estate collateral are currently as follows:

Collateral	Maximum Loan-to-Value	Maximum Amortization
1-4 family residential (investment)	70%	25 years
Multi-family (5+ units)	70%	25 years
Commercial real estate (owner Occupied)	80%	25 years
Commercial real estate (non-owner Occupied)	70%	25 years

Current advance rates for other forms of collateral include the following:

Collateral	Maximum Loan-to-Value
Commercial equipment	60% - 70% of invoice
Owned equipment	50% - 60% depreciated book value
Accounts receivable	70% of eligible receivables
Inventory (including work-in-process)	50% of cost
Liquid collateral	publicly traded marketable securities, 70% U.S. Government securities, 90%

The pricing for fixed rate commercial real estate mortgage loans provides for rate adjustments after an initial term (generally five years), and at each anniversary thereafter, based on a margin plus the Banks' Reference Rate which is published in the Wall Street Journal as the prime interest rate, the LIBOR rate, the 5 year Federal Home Loan Bank of New York rate or the Federal Reserve 5 year, H-15, constant maturity Treasury rate, as applicable.

The variable rate loans are indexed to various indices including Wall Street Journal Prime, the FHLB rate or LIBOR.

Unlike single-family residential mortgage loans, which generally are made on the basis of the borrower's ability to make repayment from his or her employment and other income, and which are

secured by real property whose value tends to be more easily ascertainable, commercial loans typically are made on the basis of the borrower's ability to make repayment from the cash flow of the borrower's business. As a result, the availability of funds for the repayment of commercial loans may be substantially dependent on the success of the business itself and the general economic environment. Commercial loans, therefore, have greater credit risk than residential mortgage or consumer loans. In addition, commercial loans generally result in larger balances to single borrowers, or related groups of borrowers, than one- to four-family loans. Commercial lending also generally requires substantially greater evaluation and oversight efforts.

Construction Lending. We originate construction loans for residential and commercial land acquisition and development, including loans to builders and developers to construct one- to four-family residences on undeveloped real estate, and retail, office, warehouse and industrial or other commercial space. Disbursements are made in accordance with an inspection report by an architect, or, in the case of construction loans up to $500 thousand, an inspection report by an approved appraiser or Bank personnel. Our construction lending includes loans for construction or major renovations or improvements of borrower-occupied residences, however, the majority of this portfolio is commercial in nature.

The Banks' guidelines for construction lending are currently as follows:

Collateral	Maximum Loan-to-Value	Maximum Amortization
Land	50% - unimproved 60% - with all municipal approvals 60% - improved	1 year, with two 6-month extensions 1 year, with two 6-month extensions 1 year, with two 6 -month extensions
Residential & commercial construction	70% (or 80% of cost)	1 year, with two 6-month extensions

Construction lending is generally considered to involve a higher degree of credit risk than residential mortgage lending. If the estimate of construction cost proves to be inaccurate, we may be compelled to advance additional funds to complete the construction with repayment dependent, in part, on the success of the ultimate project rather than the ability of a borrower or guarantor to repay the loan. If we are forced to foreclose on a project prior to completion, there is no assurance that we will be able to recover all of the unpaid portion of the loan. In addition, we may be required to fund additional amounts to complete a project and may have to hold the property for an indeterminate period of time.

Loans to One Borrower. Under federal law, savings institutions have, subject to certain exemptions, lending limits to one borrower in an amount equal to the greater of $500 thousand or 15% of the institution's unimpaired capital and surplus. Accordingly, as of December 31, 2010, Roma Bank's loans to one borrower legal limit was $24.7 million. However, Roma Bank has set an internal limit of $5.0 million for the origination of loans to one borrower. RomAsia bank's legal limit is $1.8 million with and internal limit of $1.25 million.

Roma Bank's Commercial Loan Policy requires Board approval for loans in excess of $5.0 million. Prior to presentation to the Board, the loan request is underwritten in accordance with policy and presented to the Officers' Commercial Loan Committee for its consideration and recommendation to the Board for approval. The Board's determination to grant a credit in excess of the $5.0 million internal limit is based upon thorough underwriting which must clearly demonstrate repayment ability and collateral adequacy. Additionally, these loans are approved only if the

loan can be originated on terms which suit

the needs of the borrower without exposing the Banks to unacceptable credit risk and interest rate risk.

At December 31, 2010, Roma Bank's largest single borrower had an aggregate loan balance of approximately $8.0 million, secured by commercial real estate. Our second largest single borrower had an aggregate loan balance of approximately $7.4 million, secured by commercial real estate and an equity loan. Our third largest borrower had in aggregate a loan of $7.0 million comprised of commercial real estate loans. At December 31, 2010, the loans of these three borrowers were current and performing in accordance with the terms of their loan agreements.

Loan Originations, Purchases, Sales, Solicitation and Processing. The following table shows total loans originated, purchased, sold and repaid during the periods indicated.

	For the Year Ended December 31,		
	2010	2009	2008
	(In thousands)		
Loan originations and draws:			
Real estate mortgage - one-to-four family	$ 101,590	$ 90,954	$ 34,699
Real estate mortgage - multi-family and commercial	31,962	32,747	58,937
Commercial business	25,279	853	2,911
Construction	5,244	10,445	28,088
Consumer:			
Home equity loans and second mortgage	59,100	29,554	42,066
Passbook or certificate	586	415	494
Other	-	—	—
Total loan originations	223,761	164,968	167,195
Loan purchases, loans acquired in merger	272,313	11,100	—
Loans sold (mortgage loans)	20,343	9,130	4,065
Loan principal repayments	163,021	98,366	100,917
Total loans sold and principal repayments	183,344	107,496	104,982
Increase (decrease) due to other items	—	—	—
Net increase in loan portfolio	$ 312,710	$ 68,572	$ 62,213

Sources of loan applications include repeat customers, referrals from realtors and other professionals, commissioned home mortgage consultants and "walk-in" customers. Our residential loan originations are largely reputational and advertisement driven.

The Banks adhere to the residential mortgage underwriting standards of the Mortgage Partnership Finance Program of the Federal Home Loan Bank of New York, as well the standards of Fannie Mae and Freddie Mac. From time to time, Roma Bank sells thirty year fixed rate mortgages that qualify for sale in the secondary mortgage market in order to lessen its interest rate risk.

In November 2003, Roma Bank entered into an Agreement with the Federal Home Loan Bank of New York to sell residential mortgages as a participating institution in its Mortgage Partnership Finance Program. Roma Bank agreed to deliver loans under a $5.0 million Master Commitment which was subsequently increased in 2006 to $10.0 million and $15.0 million in 2008 and $25 million which was renewed in 2010. Sales commenced in 2004 and, through December 31, 2010, $18.1 million in loans had been delivered to the MPF program. In addition to an origination premium, the Bank also realizes income from these sales from credit enhancement fees and loan servicing income. During 2010, the Roma bank sold $20.3 million of loans. During 2009, Roma Bank also sold $9.1 million of loans to the Federal Home Loan Mortgage Corp.

Aside from participations, RomAsia Bank purchased $.7 million of residential mortgages and $2.4 million of commercial loans during 2010. Roma Bank did not purchase loans from any third parties in the three years ended December 31, 2010. At December 31, 2010, the total outstanding balance of loan participations purchased was $10.6 million, representing participations in commercial construction loans with area banks and thrifts.

Loan Approval Procedures and Authority. Lending policies and loan approval limits are approved and adopted by the Boards of Directors. Loan committees have been established to administer lending activities as prescribed by lending policies. Two committee members may together approve non-commercial loans up to $500 thousand. A majority of members is required to approve non-commercial loans that contain credit policy exceptions, with the condition that either the President, The Chairman, or Executive Vice President is one of the approving members. Non-commercial loans over $500 thousand require the approval of the Boards of Directors.

Commercial lending approval authority is as follows: up to $750 thousand, any two of the following: a commercial loan officer and either the senior vice president of lending, or the president or the executive vice president; over $750 thousand and up to $1.5 million, any two of the following: the Senior Vice President of Lending and the President or the Executive Vice President; over $1.5 million and up to $5.0 million, the loan committee; and over $5.0 million and up to 10% of the total assets of the Banks, the Board of Directors.

Asset Quality

Loan Delinquencies and Collection Procedures. The borrower is notified by both mail and telephone when a loan is thirty days past due. If the delinquency continues, subsequent efforts are made to contact the delinquent borrower and additional collection notices and letters are sent. When a loan is ninety days delinquent, it is our general practice to refer it to an attorney for collection, repossession or foreclosure action. All reasonable attempts are made to collect from borrowers prior to referral to an attorney for collection. In certain instances, we may modify the loan or grant a limited moratorium on loan payments to enable the borrower to reorganize his or her financial affairs, and we attempt to work with the borrower to establish a repayment schedule to cure the delinquency.

As to mortgage loans, if a foreclosure action is taken and the loan is not reinstated, paid in full or refinanced, the property is sold at judicial sale at which we may be the buyer if there are no adequate offers to satisfy the debt. Any property acquired as the result of foreclosure, or by deed in lieu of foreclosure, is classified as real estate owned until it is sold or otherwise disposed of. When real estate owned is acquired, it is recorded at the lower of the unpaid principal balance of the related loan or its fair market value less estimated selling costs. The initial write down of the property is charged to the allowance for loan losses. Adjustments to the carrying value of the property that result from subsequent declines in value are charged to operations in the periods in which the declines occur.

Loans are reviewed on a regular basis and are placed on non-accrual status when they are more than ninety days delinquent, with the exception of a passbook loan, the outstanding balance of which is collected from the related passbook account along with accrued interest and a penalty when the loan is 120 days delinquent. Loans may be placed on a non-accrual status at any time if, in the opinion of management, the collection of additional interest is doubtful. Interest accrued and unpaid at the time a loan is placed on non-accrual status is charged against interest income. Subsequent payments are either applied to the outstanding principal balance or recorded as interest income, depending on the assessment

of the ultimate collectability of the loan. At December 31, 2010, approximately $40.4 million of loans were on a non-accrual basis.

Non-Performing Assets. The following table provides information regarding our non-performing loans. As of December 31, 2010 and 2009, Roma Bank also had non-performing assets in the form of real estate owned of $3.7 million and $1.9 million, respectively. At December 31, 2010, the allowance for loan losses totaled $9.8 million, non-performing loans totaled $40.4 million, and the ratio of allowance for loan losses to non-performing loans was 24.36%. Management believes that the non-performing loans are well secured and that adequate reserves have been established to absorb any losses which may occur upon the ultimate resolution. The legacy Roma loan portfolio includes 54 non-performing loans totaling $22.5 million to 35 borrowers. The portfolio includes $12.5 million in commercial real estate loans, $4.8 million in commercial construction loans, $1.8 million of commercial loans secured by other than real estate, and $3.4 million of residential mortgage and equity loans. The ratio of allowance for loan losses to legacy Roma non-performing loans was 43.8%. Non-performing loans also includes $17.9 million of non-performing loans acquired from Sterling net of $4.7 million of credit marks. The loans primarily consist of $11.7 million of residential construction loans, $4.6 million in commercial real estate loans, and $0.9 million of commercial loans secured by other than real estate.

	At December 31,				
	2010	2009	2008	2007	2006
	(Dollars in thousands)				
Loans accounted for on a non-accrual basis:					
Residential real estate and construction	$ 14,761	$ 1,173	$ 754	$ 406	$ 362
Home equity and second mortgage loans	1,120	629	44	—	1
Commercial, commercial real estate and const.	24,529	12,987	9,510	6,483	—
Total	40,410	14,789	10,308	6,889	363
Total non-performing loans	40,410	14,789	10,308	6,889	363
Real estate owned	3,689	1,928	68	—	—
Total non-performing assets	$ 44,099	$ 16,717	$ 10,376	$ 6,889	$ 363
Total non-performing loans to total loans	4.44%	2.48%	1.98%	1.46%	0.08%
Total non-performing loans to total assets	2.22%	1.13%	0.96%	0.76%	0.04%
Total non-performing assets to total assets	2.42%	1.27%	0.96%	0.76%	0.04%

During the year ended December 31, 2010, gross interest income of $2.0 million would have been recorded on loans accounted for on a non-accrual basis if those loans had been current, and $222 thousand of interest on such loans was included in income for the year ended December 31, 2010.

Classified Assets. Management, in compliance with Office of Thrift Supervision guidelines, has instituted an internal loan review program, whereby non-performing loans are classified as substandard, doubtful or loss. It is our policy to review the loan portfolio, in accordance with regulatory classification

procedures, on at least a quarterly basis. When a loan is classified as substandard or doubtful, management is required to evaluate the loan for impairment. When management classifies a portion of a loan as loss, a reserve equal to 100% of the loss amount is required to be established or the loan is charged-off.

An asset is considered “substandard” if it is inadequately protected by the paying capacity and net worth of the obligor or the collateral pledged, if any. Substandard assets include those characterized by the distinct possibility that the Banks will sustain some loss if the deficiencies are not corrected. Assets classified as “doubtful” have all of the weaknesses inherent in those classified substandard, with the added characteristic that the weaknesses present make collection or liquidation in full highly questionable and improbable, on the basis of currently existing facts, conditions, and values. Assets, or portions thereof, classified as “loss” are considered uncollectible and of so little value that their continuance as assets without the establishment of a specific loss reserve is not warranted. Assets which do not currently expose the Banks to a sufficient degree of risk to warrant classification in one of the aforementioned categories but which have credit deficiencies or potential weaknesses are required to be designated “special mention” by management.

Management’s classification of assets is reviewed by the Boards on a regular basis and by the regulatory agencies as part of their examination process. An independent loan review firm performs periodic reviews of our commercial loan portfolios, including the verification of commercial loan risk ratings. Any disagreements in risk rating assessments require mutual consent as to the final risk rating.

The following table discloses the classification of assets and designation of certain loans as special mention as of the dates indicated. At each date, all of the classified assets and special mention designated assets were loans.

	At December 31,		
	2010	2009	2008
	(In thousands)		
Special Mention	$ 29,803	$ 11,042	$ 661
Substandard	59,933	25,908	12,043
Doubtful	—	—	—
Loss	—	—	—
Total	$ 89,736	$ 36,950	$ 12,704

At December 31, 2010, $401,000 of the loans classified as “special mention” and $39.6 million of the loans classified as “substandard” are also classified as non-performing assets. The special mention and substandard loans not categorized as non-performing are primarily secured by real estate and consist of $24.6 million of commercial loans and $25.1 million of residential and consumer loans. Total classified loans at December 31, 2010 consist of $38.8 million of loans acquired in the Sterling Bank merger.

Allowance for Loan Losses (ALLL). The allowance for loan losses is a valuation account that reflects our estimation of the losses in our loan portfolio to the extent they are both probable and reasonable to estimate. The allowance is established through provisions for loan losses that are charged to income in the period they are established. We charge losses on loans against the allowance for loan losses when we believe the collection of loan principal is unlikely. Recoveries on loans previously charged-off are added back to the allowance.

In order to comprehensively address periodic provisioning and the resultant ALLL, the Banks utilize a multidisciplinary approach which considers each of the following factors: historical realized losses in the credit portfolio; delinquency trends currently experienced in the current portfolio; internal risk rating system that assigns a risk factor, and therefore, a specific reserve to every outstanding credit exposure; external independent assessment of the adequacy of the ALLL and the entire credit management function; and current and anticipated economic conditions that could affect borrowers' ability to continually meet their contractual repayment obligations.

A loan valuated for impairment is deemed to be impaired when, based on current information and events, it is probable that we will be unable to collect all amounts due according to the contractual terms of the loan agreement. All loans identified as impaired are evaluated independently. We do not aggregate such loans for evaluation purposes. Payments received on impaired loans are typically applied first to unpaid interest and then to principal.

We maintain a loan review system which provides for a systematic review of the loan portfolios and the early identification of potential impaired loans. The review of residential real estate and home equity consumer loans, as well as other more complex loans, is triggered by identified evaluation factors, including delinquency status, size of loan, type of collateral and the financial condition of the borrower.

Specific loan loss allowances are established for identified loans based on a review of such information and/or appraisals of the underlying collateral. General loan loss allowances are based upon a combination of factors including, but not limited to, actual loan loss experience, composition of the loan portfolio, current economic conditions and management's judgment. During 2010, we have increased our specific reserves, primarily in the commercial real estate area, as annual updated appraisals, had significant declining values. In recent years, our charge-offs have been low, with no charge offs in 2006, $59 thousand in 2007, $181 thousand in 2008, $278 thousand in 2009, and $2.2 million in 2010. Therefore, our provisions for loan losses have been reflective of other factors, including economic conditions, annual growth of the total loan portfolio of 11%, 10%, 12%, 12.8%, and 6.8% in 2006, 2007, 2008, 2009, and 2010 respectively, exclusive of loans acquired in merger.

The estimation of the allowance for loan losses is inherently subjective as it requires estimates and assumptions that are susceptible to significant revisions as more information becomes available or as future events change. Future additions to the allowance for loan losses may be necessary if economic and other conditions in the future differ substantially from the current operating environment. In addition, the Office of Thrift Supervision, as an integral part of its examination process, periodically reviews our loan and foreclosed real estate portfolios and the related allowance for loan losses and valuation allowance for foreclosed real estate. The Office of Thrift Supervision may require the allowance for loan losses or the valuation allowance for foreclosed real estate to be increased based on its review of information available at the time of the examination, which would negatively affect our earnings.

Loans acquired in the merger are carried at fair value with no carryover of the related allowance for loan losses. Therefore, these acquired loans are not included in the allowance for loan loss calculation. Impaired loans include $38.7 million of loans, net of credit marks of $12.4 million, which were acquired in the merger. Loans totaling $20.7 million, net of credit marks of $7.7 million, which are performing, are also included in this total and are classified as impaired because at the effective time of the merger there was evidence of deterioration of credit quality, since origination, primarily collateral related.

The following table sets forth information with respect to our allowance for loan losses at the dates indicated.

	For the Year Ended December 31,				
	2010	2009	2008	2007	2006
	(Dollars in thousands)				
Allowance balance (at beginning of period)	$ 5,243	$ 2,223	$ 1,602	$ 1,169	$ 878
Provision for loan losses	6,855	3,280	787	492	291
Charge-offs:					
Commercial, multi-family	(2,265)	(214)	—	—	—
Passbook, certificate, overdraft	-	(64)	(181)	(59)	—
Total charge-offs	(2,265)	(278)	(181)	(59)	—
Recoveries	-	18	15	—	—
Net (charge-offs) recoveries	(2,265)	(260)	(166)	(59)	—
Allowance balance (at end of period)	$9,844	$ 5,243	$ 2,223	$ 1,602	$ 1,169
Total loans outstanding	$ 909,688	$ 596,958	$ 529,405	$ 472,686	$ 430,080
Total legacy Roma Bank loans outstanding	$ 620,426	$ 596,958	$ 529,405	$ 472,686	$ 430,080
Average loans outstanding	$ 744,946	$ 555,108	$ 482,557	$ 438,187	$ 400,486
Allowance for loan losses as a percent of total loans outstanding	1.08%	0.88%	0.42%	0.34%	0.27%
Allowance for loan losses as a percent of total legacy Roma loans outstanding	1.59%	0.88%	0.42%	0.34%	0.27%
Net loans charged off as a percent of average loans outstanding	0.03%	0.05%	0.03%	0.01%	—%
Allowance for loan losses to non-performing loans	24.4%	35.4%	21.42%	23.25%	322.04%
Allowance for loan losses to legacy Roma non-performing loans	43.8 %	35.4%	21.42%	23.25%	322.04%

Allocation of Allowance for Loan Losses. The following table sets forth the allocation of our allowance for loan losses by loan category based on the relative composition of loans in the portfolio and the percent of loans in each category to total loans at the dates indicated. The portion of the loan loss allowance allocated to each loan category does not represent the total available for future losses which may occur within the loan category since the entire loan loss allowance is a valuation reserve applicable to the aggregate loan portfolio.

	At December 31,									
	2010		2009		2008		2007		2006	
	Amount	Percent of Loans to Total Loans	Amount	Percent of Loans to Total Loans	Amount	Percent of Loans to Total Loans	Amount	Percent of Loans to Total Loans	Amount	Percent of Loans to Total Loans
	(Dollars in thousands)									
At end of period allocated to:										
Real estate mortgage - One-to-four family.	$ 1,799	39.41%	$ 312	42.21%	$ 209	43.63%	$ 231	46.52%	$ 238	48.31%
Real estate mortgage - Multi-family and commercial	4,922	30.03	3,255	28.87	1,601	24.37	1,089	17.04	746	15.31
Commercial business	654	3.97	1,206	2.06	72	1.09	34	0.83	5	0.87
Consumer:										
Home equity and second mortgage loans	372	22.31	156	22.32	119	25.28	137	27.52	133	29.63
Passbook, certificate, Overdraft	-	.19	7	0.16	14	0.17	6	0.24	32	0.30
Auto	-	-	—	—	—	—	—	—	—	0.01
Other	-	-	—	—	—	—	—	—	—	—
Construction	2,097	4.09	307	4.38	208	5.46	105	7.85	15	5.57
Total allowance	$ 9,844	100.00%	$ 5,243	100.00%	$ 2,223	100.00%	$ 1,602	100.00%	$ 1,169	100.00%

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Securities Portfolio

General. Our deposits have traditionally exceeded our loan originations, and we have invested these excess deposits primarily in mortgage-backed securities and investment securities.

Our investment policy is designed to foster earnings and manage cash flows within prudent interest rate risk and credit risk guidelines. Generally, our investment policy is to invest funds in various categories of securities and maturities based upon our liquidity needs, asset/liability management policies, pledging requirements, investment quality, marketability and performance objectives. The Banks investment policies specify the responsibility for the investment portfolio, asset/liability management and liquidity management and establishes an oversight Investment Committee. The Investment Committee, which is comprised of at least one Board member and the members of management responsible for investment decisions and accountability, meets quarterly to review the portfolio and performance risks and future purchasing strategies. The investment officer is authorized to purchase securities to the limit of $5.0 million per trade per issue with the prior approval of the President, Executive Vice President or Investment Committee.

All of our securities carry market risk insofar as increases in market rates of interest may cause a decrease in their market value. Prior to investing, consideration is given to the interest rate, tax considerations, market volatility, yield, settlement date and maturity of the security, our liquidity position, and anticipated cash needs and sources. The effect that the proposed security would have on our credit and interest rate risk and risk-based capital is also considered.

Federally chartered savings banks have the authority to invest in various types of liquid assets. The investments authorized under the Banks' investment policies include U.S. government and government agency obligations, municipal securities (consisting of bond obligations of state and local governments), mortgage-backed securities, collateralized mortgage obligations and corporate bonds. On a short-term basis, the investment policies authorize investment in federal funds, certificates of deposits and money market investments with insured institutions and with brokerage firms.

FASB ASC Topic 320, "Investments-Debt and Equity Securities", requires that securities be categorized as "held to maturity," "trading securities" or "available-for-sale," based on management's intent as to the ultimate disposition of each security. FASB ASC Topic 320 allows debt securities to be classified as "held to maturity" and reported in financial statements at amortized cost only if the reporting entity has the positive intent and ability to hold these securities to maturity. Securities that might be sold in response to changes in market interest rates, changes in the security's prepayment risk, increases in loan demand, or other similar factors cannot be classified as "held to maturity."

We do not currently use or maintain a trading account. Securities not classified as "held to maturity" are classified as "available-for-sale." These securities are reported at fair value, and unrealized gains and losses on the securities are excluded from earnings and reported, net of deferred taxes, as a separate component of equity.

At December 31, 2010, our securities portfolio did not contain securities of any issuer, other than the U.S. government or its agencies, having an aggregate book value in excess of 10% of our equity. We do not currently participate in hedging programs, interest rate caps, floors or swaps, or other activities involving the use of off-balance sheet derivative financial instruments, however, we may in the future

utilize such instruments if we believe it would be beneficial for managing our interest rate risk. Further, we do not purchase securities which are not rated investment grade.

Actual maturities of the securities held by us may differ from contractual maturities because issuers may have the right to call or prepay obligations with or without prepayment penalties. At December 31, 2010, we had $231.3 million of callable securities, net of premiums and discounts, in our portfolio. Callable securities pose reinvestment risk because we may not be able to reinvest the proceeds from called securities at an equivalent or higher interest rate.

Mortgage-backed Securities and Collateralized Mortgage Obligations. Mortgage-related securities represent a participation interest in a pool of one-to-four-family or multi-family mortgages. We primarily invest in mortgage-backed securities secured by one-to-four-family mortgages. Our mortgage-related securities portfolio includes mortgage-backed securities and collateralized mortgage obligations issued by U.S. government agencies or government-sponsored entities, such as Federal Home Loan Mortgage Corporation, the Government National Mortgage Association, and the Federal National Mortgage Association. We do not currently invest in mortgage-related securities issued by non-government, private corporate issuers.

Mortgage originators use intermediaries (generally government agencies and government-sponsored enterprises, but also a variety of private corporate issuers) to pool and repackage the participation interests in the form of securities, with investors receiving the principal and interest payments on the mortgages. Securities issued or sponsored by U.S. government agencies and government-sponsored entities are guaranteed as to the payment of principal and interest to investors. Privately issued non-government, corporate issuers’ securities typically offer rates above those paid on government agency issued or sponsored securities, but lack the guaranty of those agencies and are generally less liquid investments.

Mortgage-backed securities are pass-through securities typically issued with stated principal amounts, and the securities are backed by pools of mortgages that have loans with interest rates that are within a specific range and have varying maturities. The life of a mortgage-backed security thus approximates the life of the underlying mortgages. Mortgage-backed securities generally yield less than the mortgage loans underlying the securities. The characteristics of the underlying pool of mortgages, i.e., fixed-rate or adjustable-rate, as well as prepayment risk, are passed on to the certificate holder. Mortgage-backed securities are generally referred to as mortgage participation certificates or pass-through certificates.

Collateralized mortgage obligations are mortgage-derivative products that aggregate pools of mortgages and mortgage-backed securities and create different classes of securities with varying maturities and amortization schedules as well as a residual interest with each class having different risk characteristics. The cash flows from the underlying collateral are usually divided into “tranches” or classes which have descending priorities with respect to the distribution of principal and interest repayment of the underlying mortgages and mortgage-backed securities as opposed to pass through mortgage-backed securities where cash flows are distributed pro rata to all security holders. Unlike mortgage-backed securities from which cash flow is received and risk is shared pro rata by all securities holders, cash flows from the mortgages and mortgage-backed securities underlying collateralized mortgage obligations are paid in accordance with a predetermined priority to investors holding various tranches of the securities or obligations. It is our policy to buy mortgage-derivative products that have no

more risk than the underlying mortgages. The Banks have reviewed their portfolio of mortgage-backed securities and believe they do not have any subprime exposure in this area.

The following table sets forth the carrying value of our securities portfolio at the dates indicated.

	At December 31,				
	2010	2009	2008	2007	2006
	(In thousands)				
Securities Available for Sale:					
Mutual fund shares	$ 2,794	$ 2,686	$ 2,449	$ 2,375	$ 2,226
Equity securities	53	1,387	2,881	3,443	3,447
Corporate bond	988	—	955	—	—
Mortgage-backed securities issued by Freddie Mac	23,999	8,308	3,056	1,292	1,524
U.S. government agency obligations	16,019	8,307	2,869	—	1,979
Obligations of state and political subdivisions	8,660	9,456	4,790	10,128	10,155
Total securities available for sale	52,513	30,144	17,000	17,238	19,331
Investment Securities Held to Maturity:					
U.S. government agency obligations	227,522	292,427	67,985	123,283	168,332
Obligations of states and political subdivisions	15,628	11,943	6,130	4,423	1,595
Corporate bond	1,271	979	—	—	—
Total investment securities held to maturity	244,421	305,349	74,115	127,706	169,927
Mortgage-Backed Securities Held to Maturity:					
Ginnie Mae	9,988	7,148	8,888	4,276	5,630
Freddie Mac	172,969	123,244	54,246	84,648	79,822
Fannie Mae	229,951	107,294	124,942	47,387	53,880

Collateralized mortgage obligations		8,206		10,740		13,802		7,788		5,148
Total mortgage-backed securities held to maturity		421,114		248,426		301,878		144,099		144,480
Total	$	718,048	$	583,919	$	392,993	$	289,043	$	333,738

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The following table sets forth certain information regarding the carrying values, weighted average yields and maturities of our securities portfolio at December 31, 2010. This table shows contractual maturities and does not reflect re-pricing or the effect of prepayments. Actual maturities may differ.

	At December 31, 2010										
	One Year or Less		One to Five Years		Five to Ten Years		More than Ten Years		Total Investment Securitie		
	Carrying Value	Average Yield	Carrying Value	Average Yield	Carrying Value	Average Yield	Carrying Value	Average Yield	Carrying Value	Average Yield	Marke Value
	(Dollars in thousands)										
Mutual fund shares	$ 2,794	4.17%	$ —	—	$ —	—	$ —	—	$ 2,794	4.17%	$ 2,7
Equity securities	53	—	—	—	—	—	—	—	53	0.00%	
Corporate bond	—	—	988	1.58%	1,000	4.00%	271	—	2,259	2.43%	2,2
U.S. government obligations	—		7,000	2.00%	75,430	3.15%	156,785	3.50%	243,541	3.35%	238,0
Obligations of states and political subdivisions	—		901	4.08%	11,874	4.53%	15,839	4.33%	24,288	4.41%	24,1
Ginnie Mae	1		4	6.50%	31	4.71%	18,269	4.75%	18,304	4.74%	18,4
Freddie Mac	1		3,444	4.82%	13,412	4.88%	160,718	4.01%	177,575	4.09%	178,9
Fannie Mae	1		15,475	4.82%	27,583	3.97%	195,988	4.17%	239,049	4.19%	241,6
Collateralized Mortgage Obligations	—	—	408	4.90%	6,729	4.80%	3,048	3.65%	10,185	4.49%	10,4
Total	$ 2,849	4.17%	$ 28,220	3.98%	$ 136,059	3.70%	$ 550,918	3.96%	$ 718,048	3.92%	$ 716,7

Sources of Funds

General. Deposits are the Banks' major source of funds for lending and other investment purposes. In addition, we derive funds from loan and mortgage-backed securities principal repayments, and proceeds from the maturity and call of investment securities. Loan and securities payments are a relatively stable source of funds, while deposit inflows are significantly influenced by pricing strategies and money market conditions. If required, borrowings (principally from the Federal Home Loan Bank) may be used to supplement the amount of funds for lending and funding daily operations. Borrowings may also be utilized as part of a leverage strategy in which the borrowings fund securities purchases.

Deposits. Our current deposit products include checking and savings accounts, money market, and certificates of deposit accounts ranging in terms from ninety-one days to seven years, and individual retirement accounts. Deposit account terms vary, primarily as to the required minimum balance amount, the amount of time that the funds must remain on deposit and the applicable interest rate.

Deposits are obtained primarily from within New Jersey. Traditional methods of advertising are used, or may be used, to attract new customers and deposits, including radio, print media, direct mail and inserts included with customer statements. We do not currently utilize the services of deposit brokers. Premiums or incentives for opening accounts are sometimes offered, and we periodically select particular certificate of deposit maturities for promotion. The Banks have a tiered savings product that offers a beneficial interest rate related to predetermined tiered balance requirements. Customers that maintain a minimum balance requirement in the tiered account are not charged a monthly service fee for the savings account or for checking accounts and also receive overdraft protection, Visa check card and coin counting services.

The determination of deposit and certificate interest rates is based upon a number of factors, including: (1) need for funds based on loan demand, current maturities of deposits and other cash flow needs; (2) a current survey of a selected group of competitors' rates for similar products; (3) economic conditions; and (4) business plan projections. Interest rates are reviewed weekly at a meeting of the Asset Liability Committee which consists of senior management.

A large percentage of our deposits are in certificates of deposit, which totaled 55.6% of total average deposits at December 31, 2010. The inflow of certificates of deposit and the retention of such deposits upon maturity are significantly influenced by general interest rates and money market conditions, making certificates of deposit traditionally a more volatile source of funding than core deposits. Our liquidity could be reduced if a significant amount of certificates of deposit maturing within a short period of time were not renewed. To the extent that such deposits do not remain with us, they may need to be replaced with borrowings which could increase our cost of funds and negatively impact our interest rate spread and our financial condition. Historically, a significant portion of the certificates of deposit remain with us after they mature and we believe that this will continue. At December 31, 2010, $233.6 million, or 28.4%, of our certificates of deposit were "jumbo" certificates of $100 thousand or more.

The following tables set forth the distribution of average deposits for the periods indicated and the weighted average nominal interest rates for each period on each category of deposits presented.

	For the Year Ended December 31,								
	2010			2009			2008		
	Average Balance	Percent of Total Deposits	Weighted Average Nominal Rate	Average Balance	Percent of Total Deposits	Weighted Average Nominal Rate	Average Balance	Percent of Total Deposits	Weighted Average Nominal Rate
	(Dollars in thousands)								
Non-interest-bearing demand	$ 49,386	3.93%	0.00%	$ 31,044	3.40%	0.00%	$ 26,050	3.70%	0.00%
Interest-bearing demand	152,418	12.13	0.38	112,193	12.40	0.54	98,985	14.20	0.54
Money market demand	231,704	18.44	1.01	150,223	16.60	1.30	98,619	14.10	1.00
Savings and club	124,788	9.93	0.82	93,644	10.30	0.94	91,022	13.00	0.93
Certificates of deposit	698,246	55.57	1.98	518,886	57.30	3.05	384,526	55.00	4.03
Total deposits	$ 1,256,542	100.00%	1.41%	$ 905,990	100.00%	2.12%	$ 699,202	100.00%	2.59%

The following table sets forth certificates of deposit classified by interest rate as of the dates indicated.

Interest Rate	At December 31, 2010	2009	2008
	(In thousands)		
0.00-1.99%	$ 544,090	$ 228,895	$ 532
2.00-2.99%	204,973	201,953	95,911
3.00-3.99%	62,549	109,989	218,621
4.00-4.99%	5,334	31,633	108,263
5.00% and above	5,482	5,309	9,189
Total	$ 822,428	$ 577,779	$ 432,516

The following table sets forth the amount and maturities of certificates of deposit at December 31, 2010.

Interest Rate	Amount Due 1 year	1-2 years	2-3 years	3-4 years	4-5 years	5 years	Total
	(In thousands)						
0.00-1.99%	$ 415,701	$ 118,960	$ 9,429	$ —	$ —	$ —	$ 544,090
2.00-2.99%	60,601	88,660	35,960	6,569	13,057	126	204,973
3.00-3.99%	23,270	3,991	2,911	10,325	21,614	438	62,549
4.00-4.99%	1,646	1,722	1,695	3	268	—	5,334
5.00-5.99%	5,482	—	—	—	—	—	5,482
Total	$ 506,700	$ 213,333	$ 49,995	$ 16,897	$ 34,939	$ 564	$ 822,428

The following table shows the amount of certificates of deposit of $100 thousand or more by time remaining until maturity as of the dates indicated.

Maturity Period	At December 31, 2010 (In thousands)
Within three months	$ 58,500
Three through six months	32,360
Six through twelve months	53,347
Over twelve months	89,428
	$ 233,635

Borrowings. To supplement deposits as a source of funds for lending or investment, Roma Bank may borrow funds in the form of advances from the Federal Home Loan Bank of New York (FHLBNY). At December 31, 2010, Roma Bank's borrowing limit with the FHLBNY was $200.0 million. At

December 31, 2010 RomAsia Bank had an overnight borrowing capacity of $2.0 million with the Atlantic Central Bankers Bank.

We traditionally have enjoyed cash flows from deposit activities that were sufficient to meet our day-to-day funding obligations and in the past only occasionally used our overnight line of credit or borrowing facility with the FHLBNY. In the fourth quarter of 2005, we took a five year advance from the FHLBNY to meet the strong demand for loans. This advance was paid in full in 2010.

In the fourth quarter of 2007, we took a ten year advance totaling $23.0 million at a fixed rate of 3.90%, callable at three years. Interest is paid quarterly. Approximately $8 million of the proceeds were used for the capital contribution to RomAsia Bank and the other $15 million of proceeds was invested in mortgage-backed securities.

In the third quarter of 2008, we entered into a securities sold under agreement to repurchase with Credit Suisse for $40.0 million, with a blended interest rate of 3.55%. We invested the proceeds into mortgage backed securities with average yields of 5.5%.

RomAsia Bank had $12.0 million of outstanding short term borrowings from the FHLBNY at December 31, 2010.

Short-term FHLBNY advances generally have original maturities of less than one year, and are typically secured by the Federal Home Loan Bank stock and by other assets, mainly securities which are obligations of, or guaranteed by, the U.S. government. Additional information regarding our borrowings is included under Note 16 to the Consolidated Financial Statements included elsewhere in this Form 10-K.

On May 1, 2007, Sterling Banks Capital Trust I, a Delaware statutory business trust and a wholly-owned subsidiary of the Company (the “Trust”), issued $6.2 million of variable rate capital trust pass-through securities (“capital securities”) to investors. The variable interest rate reprices quarterly at the three month LIBOR plus 1.7%. The Trust purchased $6.2 million of variable rate junior subordinated debentures from Sterling Banks, Inc. The debentures are the sole asset of the Trust. The fair value of the subordinated debentures at the acquisition date of July 19, 2010 was $5.1 million. The terms of the junior subordinated debentures are the same as the terms of the capital securities. The Company has also fully and unconditionally guaranteed the obligations of the Trust under the capital securities. The capital securities are redeemable by the Company on or after May 1, 2012 at par, or earlier if the deduction of related interest for federal income taxes is prohibited, classification as Tier I Capital is no longer allowed, or certain other contingencies arise. The capital securities must be redeemed upon final maturity of the subordinated debentures on May 1, 2037. On October 22, 2010, the Company repurchased $4.0 million of these capital securities (with a market value of $3.2 million).

Subsidiary Activity

Roma Financial Corporation has two direct subsidiaries, Roma Bank and RomAsia Bank. RomAsia Bank received all regulatory approvals and opened on June 23, 2008. As of December 31, 2010, the Company had invested $13.4 million in organizational capital out of total capital of $15.0 million, or 89.55% in RomAsia Bank. At December 31, 2010 RomAsia Bank had total assets of $123.8 million.

Roma Bank has two wholly-owned subsidiaries: Roma Capital Investment Corporation, which was incorporated under New Jersey law in 2004 as an investment subsidiary, and General Abstract & Title Agency, a New Jersey corporation.

Roma Capital Investment Corporation is an investment subsidiary and its sole activity is to hold investment securities. Its total assets at December 31, 2010 were $288.5 million. Its net income for 2010 was $7.3 million.

General Abstract & Title Agency sells title insurance, performs title searches and provides real estate settlement and closing services. Its total assets at December 31, 2010 were $416 thousand. Its operating revenue for 2010 consisted of $1.0 million in premiums earned from the placement of title insurance and related title company services. Its net loss for 2010 was $57 thousand.

The Company's consolidated statements also include a 50% interest in 84 Hopewell, LLC, a real estate investment which is consolidated according to the requirements FASB ASC Topic 810. All significant inter-company accounts and transactions have been eliminated in consolidation.

REGULATION AND SUPERVISION

Set forth below is a brief description of certain laws which relate to the regulation of the Company and the Banks. The description does not purport to be complete and is qualified in its entirety by reference to applicable laws and regulations.

Dodd-Frank Wall Street Reform and Consumer Protection Act

On July 21, 2010, the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Dodd-Frank Act") was signed into law. The Dodd-Frank Act is intended to effect a fundamental restructuring of federal banking regulation. Among other things, the Dodd-Frank Act creates a new Financial Stability Oversight Council to identify systemic risks in the financial system and gives federal regulators new authority to take control of and liquidate financial firms. The Dodd-Frank Act eliminates our current primary federal regulator and subjects savings and loan holding companies to greater regulation. The Dodd-Frank Act additionally creates a new independent federal regulator to administer federal consumer protection laws. The Dodd-Frank Act is expected to have a significant impact on our business operations as its provisions take effect. Among the provisions that are likely to affect us are the following:

Elimination of OTS. The Dodd-Frank Act calls for the elimination of the OTS, which is our primary federal regulator and the primary federal regulator of the Bank within 12 to 18 months of enactment. At that time, the primary federal regulator of the Company will become the Board of Governors of the Federal Reserve System (the "Federal Reserve"), and the primary federal regulator for the Banks will become the Office of the Comptroller of the Currency ("OCC") if we retain our federal savings bank charter. The Federal Reserve and OCC will generally have rulemaking, examination, supervision and oversight authority over our operations and the FDIC will retain secondary authority over the Bank. Prior to the elimination of the OTS, the Federal Reserve and OCC will provide a list of the current regulations issued by the OTS that each will continue to apply. OTS guidance, orders, interpretations, policies and similar items under which we and other savings and loan holding companies and federal savings associations operate will continue to remain in effect until they are superseded by new guidance and policies from the OCC or Federal Reserve.

New Limits on MHC Dividend Waivers. Effective as of the date of transfer of OTS's duties, the Dodd-Frank Act will make significant changes in the law governing waivers of dividends by mutual holding companies. After that date, a mutual holding company may only waive the receipt of a dividend from a subsidiary if no insider of the mutual holding company or their associates or tax-qualified or non-tax-qualified employee stock benefit plan holds any shares of the class of stock to which the waiver would apply, the mutual holding company gives written notice of its intent to waive the dividend at least

30 days prior to the proposed payment date and the Federal Reserve does not object. The Federal Reserve will not object to a dividend waiver if it determines that the waiver would not be detrimental to the safe and sound operation of the savings association, the mutual holding company's board determines that the waiver is consistent with its fiduciary duties and the mutual holding company has waived dividends prior to December 1, 2009. In addition, waived dividends must be taken into account in determining the appropriate exchange ratio for a second-step conversion of a mutual holding company unless the mutual holding company has waived dividends prior to December 1, 2009.

Holding Company Capital Requirements. Effective as of the transfer date, the Federal Reserve will be authorized to establish capital requirements for savings and loan holding companies. These capital requirements must be countercyclical so that the required amount of capital increases in times of economic expansion and decreases in times of economic contraction, consistent with safety and soundness. Savings and loan holding companies will also be required to serve as a source of financial strength for their depository institution subsidiaries. Within five years after enactment, the Dodd-Frank Act requires the Federal Reserve to apply consolidated capital requirements that are no less stringent than those currently applied to depository institutions to depository institution holding companies that were not supervised by the Federal Reserve as of May 19, 2009. Under these standards, trust preferred securities will be excluded from Tier 1 capital unless such securities were issued prior to May 19, 2010 by a bank or savings and loan holding company with less than $15 billion in assets.

Federal Preemption. A major benefit of the federal thrift charter has been the strong preemptive effect of the Home Owners' Loan Act ("HOLA"), under which we are chartered. Historically, the courts have interpreted the HOLA to "occupy the field" with respect to the operations of federal thrifts, leaving no room for conflicting state regulation. The Dodd-Frank Act, however, amends the HOLA to specifically provide that it does not occupy the field in any area of state law. Henceforth, any preemption determination must be made in accordance with the standards applicable to national banks, which have themselves been scaled back to require case-by-case determinations of whether state consumer protection laws discriminate against national banks or interfere with the exercise of their powers before these laws may be pre-empted.

Deposit Insurance. The Dodd-Frank Act permanently increases the maximum deposit insurance amount for banks, savings institutions and credit unions to $250,000 per depositor, retroactive to January 1, 2009, and extends unlimited deposit insurance to non-interest bearing transaction accounts through December 31, 2013. The Dodd-Frank Act also broadens the base for FDIC insurance assessments. Assessments will now be based on the average consolidated total assets less tangible equity capital of a financial institution. The Dodd-Frank Act requires the FDIC to increase the reserve ratio of the Deposit Insurance Fund from 1.15% to 1.35% of insured deposits by 2020 and eliminates the requirement that the FDIC pay dividends to insured depository institutions when the reserve ratio exceeds certain thresholds. The Dodd-Frank Act eliminates the federal statutory prohibition against the payment of interest on business checking accounts.

Qualified Thrift Lender Test. Under the Dodd-Frank Act, a savings association that fails the qualified thrift lender test will be prohibited from paying dividends, except for dividends that: (i) would be permissible for a national bank; (ii) are necessary to meet obligations of a company that controls the savings association; and (iii) are specifically approved by the OCC and the Federal Reserve. In addition, a savings association that fails the qualified thrift lender test will be deemed to have violated Section 5 of the Home Owners' Loan Act and may become subject to enforcement actions thereunder.

Corporate Governance. The Dodd-Frank Act will require publicly traded companies to give stockholders a non-binding vote on executive compensation at their first annual meeting taking place six months after the date of enactment and at least every three years thereafter and on so-called "golden

parachute" payments in connection with approvals of mergers and acquisitions. The new legislation also authorizes the SEC to promulgate rules that would allow stockholders to nominate their own candidates using a company's proxy materials. Additionally, the Dodd-Frank Act directs the federal banking regulators to promulgate rules prohibiting excessive compensation paid to executives of depository institutions and their holding companies with assets in excess of $1.0 billion, regardless of whether the company is publicly traded or not. The Dodd-Frank Act gives the SEC authority to prohibit broker discretionary voting on elections of directors and executive compensation matters.

Transactions with Affiliates and Insiders. Effective one year from the date of enactment, the Dodd-Frank Act expands the definition of affiliate for purposes of quantitative and qualitative limitations of Section 23A of the Federal Reserve Act to include mutual funds advised by a depository institution or its affiliates. The Dodd-Frank Act will apply Section 23A and Section 22(h) of the Federal Reserve Act (governing transactions with insiders) to derivative transactions, repurchase agreements and securities lending and borrowing transaction that create credit exposure to an affiliate or an insider. Any such transactions with affiliates must be fully secured. The current exemption from Section 23A for transactions with financial subsidiaries will be eliminated. The Dodd-Frank Act will additionally prohibit an insured depository institution from purchasing an asset from or selling an asset to an insider unless the transaction is on market terms and, if representing more than 10% of capital, is approved in advance by the disinterested directors.

Consumer Financial Protection Bureau. The Dodd-Frank Act creates a new, independent federal agency called the Consumer Financial Protection Bureau ("CFPB"), which is granted broad rulemaking, supervisory and enforcement powers under various federal consumer financial protection laws, including the Equal Credit Opportunity Act, Truth in Lending Act, Real Estate Settlement Procedures Act, Fair Credit Reporting Act, Fair Debt Collection Act, the Consumer Financial Privacy provisions of the Gramm-Leach-Bliley Act and certain other statutes. The CFPB will have examination and primary enforcement authority with respect to depository institutions with $10 billion or more in assets. Smaller institutions will be subject to rules promulgated by the CFPB but will continue to be examined and supervised by federal banking regulators for consumer compliance purposes. The CFPB will have authority to prevent unfair, deceptive or abusive practices in connection with the offering of consumer financial products. The Dodd-Frank Act authorizes the CFPB to establish certain minimum standards for the origination of residential mortgages including a determination of the borrower's ability to repay. In addition, the Dodd-Frank Act will allow borrowers to raise certain defenses to foreclosure if they receive any loan other than a "qualified mortgage" as defined by the CFPB. The Dodd-Frank Act permits states to adopt consumer protection laws and standards that are more stringent than those adopted at the federal level and, in certain circumstances, permits state attorneys general to enforce compliance with both the state and federal laws and regulations. Federal preemption of state consumer protection law requirements, traditionally an attribute of the federal savings association charter, has also been modified by the Dodd-Frank Act and now requires a case-by-case determination of preemption by the OCC and eliminates preemption for subsidiaries of a bank. Depending on the implementation of this revised federal preemption standard, the operations of the Bank could become subject to additional compliance burdens in the states in which it operates.

Holding Company Regulation

General. The Company is a unitary savings and loan holding company, subject to regulation and supervision by the Office of Thrift Supervision. In addition, the OTS has enforcement authority over the Company and any non-savings institution subsidiaries. This permits the OTS to restrict or prohibit activities that it determines to be a serious risk to the Banks. This regulation is intended primarily for the protection of the depositors and not for the benefit of stockholders of the Company.

Activities Restrictions. As a grandfathered unitary savings and loan holding company under the Graham Leach Bliley Act, the Company is generally not subject to any restrictions on its business activities or those of its non-savings institution subsidiaries. However, if the Company were to fail to meet the Qualified Thrift Lender Test, then it would become subject to the activities restrictions of the Home Owners' Loan Act applicable to multiple holding companies. See "Regulation of the Bank -- Qualified Thrift Lender Test."

If the Company were to acquire control of another savings association, it would lose its grandfathered status under the GLB Act and its business activities would be restricted to certain activities specified by OTS regulation, which include performing services and holding properties used by a savings institution subsidiary, certain activities authorized for savings and loan holding companies as of March 5, 1987, and nonbanking activities permissible for bank holding companies pursuant to the Bank Holding Company Act of 1956 (the "BHC Act") or authorized for financial holding companies pursuant to the GLB Act. Furthermore, no company may acquire control of the Company unless the acquiring company was a unitary savings and loan holding company on May 4, 1999 (or became a unitary savings and loan holding company pursuant to an application pending as of that date) or the acquiring company is only engaged in activities that are permitted for multiple savings and loan holding companies or for financial holding companies under the BHC Act as amended by the GLB Act.

Mergers and Acquisitions. The Company must obtain approval from the OTS before acquiring more than 5% of the voting stock of another savings institution or savings and loan holding company or acquiring such an institution or holding company by merger, consolidation or purchase of its assets. In evaluating an application for the Company to acquire control of a savings institution, the OTS would consider the financial and managerial resources and future prospects of the Company and the target institution, the effect of the acquisition on the risk to the insurance funds, the convenience and the needs of the community and competitive factors.

The USA Patriot Act. In response to the events of September 11, 2001, the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001, or the USA Patriot Act, was signed into law on October 26, 2001. The USA Patriot Act gives the federal government new powers to address terrorist threats through enhanced domestic security measures, expanded surveillance powers, increased information sharing and broadened anti-money laundering requirements. By way of amendments to the Bank Secrecy Act, Title III of the USA Patriot Act takes measures intended to encourage information sharing among bank regulatory agencies and law enforcement bodies. Further, certain provisions of Title III impose affirmative obligations on a broad range of financial institutions, including banks, thrifts, brokers, dealers, credit unions, money transfer agents and parties registered under the Commodity Exchange Act.

Among other requirements, Title III of the USA Patriot Act imposes the following requirements with respect to financial institutions:

• Pursuant to Section 352, all financial institutions must establish anti-money laundering programs that include, at minimum: (i) internal policies, procedures, and controls; (ii) specific designation of an anti-money laundering compliance officer; (iii) ongoing employee training programs; and (iv) an independent audit function to test the anti-money laundering program.

• Section 326 authorizes the Secretary of the Department of Treasury, in conjunction with other bank regulators, to issue regulations that provide for minimum standards with respect to customer identification at the time new accounts are opened.

• Section 312 requires financial institutions that establish, maintain, administer or manage

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private banking accounts or correspondence accounts in the United States for non-United States persons or their representatives (including foreign individuals visiting the United States) to establish appropriate, specific, and, where necessary, enhanced due diligence policies, procedures and controls designed to detect and report money laundering.

- Effective December 25, 2001, financial institutions are prohibited from establishing, maintaining, administering or managing correspondent accounts for foreign shell banks (foreign banks that do not have a physical presence in any country), and will be subject to certain record keeping obligations with respect to correspondent accounts of foreign banks.

- Bank regulators are directed to consider a holding company's effectiveness in combating money laundering when ruling on Federal Reserve Act and Bank Merger Act applications.

Sarbanes-Oxley Act of 2002. The Sarbanes-Oxley Act of 2002 (the "Act") implemented legislative reforms intended to address corporate and accounting fraud and improve public company reporting. The Securities and Exchange Commission (the "SEC") has promulgated regulations pursuant to the Act. The passage of the Act by Congress and the implementation of regulations by the SEC subject publicly-traded companies to additional and more cumbersome reporting regulations and disclosure. Compliance with the Act and corresponding regulations may increase the Company's expenses.

U.S. Treasury's Troubled Asset Relief Program Capital Purchase Program. The Emergency Economic Stabilization Act of 2008 provided the Secretary of the Treasury with broad authority to implement certain actions to help restore stability and liquidity to U.S. financial markets. One of the programs established under the legislation is the Troubled Asset Relief Program—Capital Purchase Program ("CPP"), which provided for direct equity investment by the U.S. Treasury Department in perpetual preferred stock or similar securities of qualified financial institutions. CPP participants must comply with a number of restrictions and provisions, including limits on executive compensation, stock redemptions and declaration of dividends. The Company opted not to participate in the CPP.

Regulation of the Banks

General. As federally chartered savings banks with deposits insured by the FDIC, the Banks are subject to extensive regulation by the OTS and FDIC. Lending activities and other investments must comply with federal and state statutory and regulatory requirements. The Banks are also subject to reserve requirements of the Federal Reserve System. Federal regulation and supervision establishes a comprehensive framework of activities in which an institution can engage and is intended primarily for the protection of the Deposit Insurance Fund and depositors. The regulatory structure also gives the regulatory authorities extensive discretion in connection with their supervisory and enforcement activities and examination policies, including policies with respect to the classification of assets and the establishment of adequate loan loss reserves for regulatory purposes.

The OTS regularly examines the Banks and prepares reports for consideration by the Banks Boards of Directors on deficiencies, if any, found in the Banks' operations. The Banks' relationship with its depositors and borrowers is also regulated by federal and state law, especially in such matters as the ownership of savings accounts and the form and content of the Banks' mortgage documents.

The Banks must file reports with the OTS concerning their activities and financial condition, and must obtain regulatory approvals prior to entering into certain transactions such as mergers with or acquisitions of other financial institutions. Any change in such regulations, whether by the OTS, the FDIC or the United States Congress, could have a material adverse impact on the Banks, the Company, and their operations.

Federal Deposit Insurance. The Bank's deposits are insured to applicable limits by the FDIC. Pursuant to the Dodd-Frank Act, the Federal Deposit Insurance Act was amended to increase the maximum deposit insurance amount from $100,000 to $250,000 and extended the unlimited deposit insurance coverage for non interest-bearing transaction accounts until December 31, 2012. Prior to the Dodd-Frank Act, the unlimited coverage for transaction accounts had been provided on a temporary basis pursuant to the FDIC'sTransaction Account Guarantee Program. Institutions that did not opt out of the Transaction Account Guarantee Program paid an additional fee for the coverage.

The FDIC has set a designated reserve ratio of 1.35% ($1.35 for each $100 of insured deposits) for the Deposit Insurance Fund ("DIF"). The Federal Deposit Insurance Act of 2005 ("FDIC Act") provides the FDIC Board of Directors the authority to set the designated reserve ratio between 1.15% and 1.50%. The FDIC must adopt a restoration plan when the reserve ratio falls below 1.15% and begin paying dividends when the reserve ratio exceeds 1.35%. There is no requirement to achieve a specific ratio within a given timeframe. The DIF reserve ratio calculated by the FDIC at September 30, 2010 was a negative .15% and therefore, the FDIC needs to increase premiums charged to banks.

The FDIC has adopted a risk-based premium system that provides for quarterly assessments based on an insured institution's ranking in one of four risk categories based on their examination ratings and capital ratios. Well-capitalized institutions with the CAMELS ratings of 1 or 2 are grouped in Risk Category I and, until 2009, were assessed for deposit insurance at an annual rate of between five and seven basis points with the assessment rate for an individual institution determined according to a formula based on a weighted average of the institution's individual CAMELS component ratings plus either five financial ratios or the average ratings of its long-term debt. In 2010, the annual insurance premiums on bank deposits insured by the DIF varied between $.07 per $100 of deposits for banks classified in the highest capital and supervisory evaluation categories to $.78 per $100 of deposits for banks classified in the lowest capital and supervisory evaluation categories.

On November 12, 2009, the FDIC adopted a final rule requiring depository institutions to prepay their estimated quarterly insurance premium for fourth quarter 2009 and all of 2010, 2011 and 2012. The Bank prepaid $3.7 million of such premium on December 30, 2009 and $2.1 million remained as a prepaid balance at December 31, 2010. The expense related to this prepayment is anticipated to be recognized over the next two years based on actual calculations of quarterly premiums.

The Dodd-Frank Act requires changes to a number of components of the FDIC insurance assessment, with an implementation date of April 1, 2011. The changes amend the current methodology used to determine the assessments paid by institutions with assets greater than $10 billion, including changing the assessment base from deposits to total average assets less tier 1 capital. Additionally, the FDIC has developed a scorecard approach to determine a separate assessment rate for each institution with assets greater than $10 billion.

In addition to risk-based deposit insurance premiums, additional assessments may be imposed by the Financing Corporation, a separate U.S. government agency affiliated with the FDIC, on insured deposits to pay for the interest cost of Financing Corporation bonds. Financing Corporation assessment rates for 2010 ranged from $.0102 to $.0104 for each $100 of deposits.

Under federal law, deposits and certain claims for administrative expenses and employee compensation against an insured depository institution are afforded a priority over other general unsecured claims against such an institution, including federal funds and letters of credit, in the

liquidation or other resolution of such an institution by any receiver appointed by regulatory authorities. Such priority creditors would include the FDIC.

Regulatory Capital Requirements. OTS capital regulations require savings institutions to meet three capital standards: (1) tangible capital equal to 1.5% of adjusted total assets, (2) Tier 1, or “core,” capital equal to at least 4% (3% if the institution has received the highest rating, “composite 1 CAMELS,” on its most recent examination) of adjusted total assets, and (3) risk-based capital equal to 8% of total risk-weighted assets.

Tangible capital is defined as core capital less all intangible assets (including supervisory goodwill), less certain mortgage servicing rights and less certain investments. Core capital is defined as common stockholders’ equity (including retained earnings), noncumulative perpetual preferred stock and minority interests in the equity accounts of consolidated subsidiaries, certain nonwithdrawable accounts and pledged deposits of mutual savings associations and qualifying supervisory goodwill, less nonqualifying intangible assets, certain mortgage servicing rights, certain investments and unrealized gains and losses on certain available-for-sale securities.

The risk-based capital standard for savings institutions requires the maintenance of total risk-based capital (which is defined as core capital plus supplementary capital) of 8% of risk-weighted assets. The components of supplementary capital include, among other items, cumulative perpetual preferred stock, perpetual subordinated debt, mandatory convertible subordinated debt, intermediate-term preferred stock, and the portion of the allowance for loan losses not designated for specific loan losses (up to a maximum of 1.25% of risk-weighted assets) and up to 45% of unrealized gains on equity securities. Overall, supplementary capital is limited to 100% of core capital. A savings association must calculate its risk-weighted assets by multiplying each asset and off-balance sheet item by various risk factors as determined by the OTS, which range from 0% for cash to 100% for delinquent loans, property acquired through foreclosure, commercial loans, and other assets.

Dividend and Other Capital Distribution Limitations. The OTS imposes various restrictions or requirements on the ability of savings institutions to make capital distributions including cash dividends.

A savings association that is a subsidiary of a savings and loan holding company, such as the Banks, must file an application or a notice with the OTS at least 30 days before making a capital distribution. A savings association is not required to file an application for permission to make a capital distribution and need only file a notice if the following conditions are met: (1) it is eligible for expedited treatment under OTS regulations, (2) it would remain adequately capitalized after the distribution, (3) the annual amount of its capital distributions does not exceed net income for that year to date added to retained net income for the two preceding years, and (4) the capital distribution would not violate any agreements between the OTS and the savings association or any OTS regulations. Any other situation would require an application to the OTS.

In addition, the OTS could prohibit a proposed capital distribution if, after making the distribution, which would otherwise be permitted by the regulation, the OTS determines that the distribution would constitute an unsafe or unsound practice.

A federal savings institution is prohibited from making a capital distribution if, after making the distribution, the institution would be unable to meet any one of its minimum regulatory capital requirements. Further, a federal savings institution cannot distribute regulatory capital that is needed for its liquidation account.

Qualified Thrift Lender Test. Savings institutions must meet a qualified thrift lender (“QTL”) test or they become subject to the business activity restrictions and branching rules applicable to national banks. To qualify as a QTL, a savings institution must either (i) be deemed a “domestic building and loan association” under the Internal Revenue Code by maintaining at least 60% of its total assets in specified types of assets, including cash, certain government securities, loans secured by and other assets related to residential real property, educational loans and investments in premises of the institution or (ii) satisfy the statutory QTL test set forth in the Home Owners’ Loan Act by maintaining at least 65% of its “portfolio assets” in certain “Qualified Thrift Investments” (defined to include residential mortgages and related equity investments, certain mortgage-related securities, small business loans, student loans and credit card loans, and 50% of certain community development loans). For purposes of the statutory QTL test, portfolio assets are defined as total assets minus intangible assets, property used by the institution in conducting its business, and liquid assets up to 20% of total assets. A savings institution must maintain its status as a QTL on a monthly basis in at least nine out of every 12 months. As of December 31, 2010, the Banks were in compliance with their QTL requirement.

Federal Home Loan Bank System (FHLBNY). Roma Bank is a member of the FHLBNY, which is one of 12 regional FHLBs that administer the home financing credit function of savings associations. Each FHLB serves as a reserve or central bank for its members within its assigned region. It is funded primarily from proceeds derived from the sale of consolidated obligations of the FHLB System. It makes loans to members (i.e., advances) in accordance with policies and procedures established by the Board of Directors of the FHLB.

As a member, the Bank is required to purchase and maintain stock in the FHLB of New York in an amount equal to the greater of 1% of its aggregate unpaid residential mortgage loans, home purchase contracts or similar obligations at the beginning of each year, or 5% of its outstanding advances.

Federal Reserve System. The Federal Reserve System requires all depository institutions to maintain non-interest bearing reserves at specified levels against their transaction accounts (primarily checking, NOW and Super NOW checking accounts) and non-personal time deposits. The balances maintained to meet the reserve requirements imposed by the Federal Reserve System may be used to satisfy the liquidity requirements that are imposed by the OTS. At December 31, 2010, the Banks were in compliance with these requirements.

Item 1A. Risk Factors

We may not realize the anticipated benefits from our acquisition of Sterling Banks, Inc.

On July 16, 2010, we completed our acquisition of Sterling Banks, Inc. and its wholly owned subsidiary, Sterling Bank. The acquisition of Sterling is anticipated to strengthen our market position. The success of this transaction, however, will depend on, among other things, our ability to realize anticipated cost savings and to combine the businesses of Sterling Bank and Roma Bank in a manner that permits growth opportunities and does not materially disrupt the existing customer relationships of Sterling Bank nor result in decreased revenues resulting from any loss of customers. In addition, as a result of the merger, we acquired $47.4 million in additional criticized and nonperforming loans. While we believe that we appropriately estimated the potential losses in Sterling’s loan portfolio when we priced the transaction, if we underestimated the potential losses, the anticipated benefits of the

merger may not be realized fully or at all or may take longer to realize than expected.

We may be required to record additional impairment charges with respect to our investment securities portfolio.

We review our securities portfolio at the end of each quarter to determine whether the fair value is below the current carrying value. When the fair value of any of our investment securities has declined below its carrying value, we are required to assess whether the impairment is other than temporary. If we conclude that the impairment is other than temporary, we are required to write down the value of that security. The “credit-related” portion of the impairment is recognized through earnings whereas the “noncredit-related” portion is generally recognized through other comprehensive income in the circumstances where the future sale of the security is unlikely. At December 31, 2010, we had investment securities with fair values of approximately $388.5 million of which we had approximately $12.7million in gross unrealized losses. All unrealized losses on investment securities at December 31, 2010 represented temporary impairments of value. However, if changes in the expected cash flows of these securities and/or prolonged price declines result in our concluding in future periods that the impairment of these securities is other than temporary, we will be required to record an impairment charge against income equal to the credit-related impairment.

Recently enacted financial reform legislation could substantially increase our compliance burden and costs and necessitate changes in the conduct of our business.

On July 21, 2010, the Dodd-Frank Wall Street Reform and Consumer Protection Act (the “Dodd-Frank Act”) was signed into law. The Dodd-Frank Act will have a broad impact on the financial services industry, including significant regulatory and compliance changes. Many of the requirements called for in the Dodd-Frank Act will be implemented over time and most will be subject to implementing regulations over the course of several years. Given the uncertainty associated with the manner in which the provisions of the Dodd-Frank Act will be implemented by the various regulatory agencies and through regulations, the full extent of the impact such requirements will have on our operations is unclear. The changes resulting from the Dodd-Frank Act may impact the profitability of our business activities, require changes to certain of our business practices, impose upon us more stringent capital, liquidity and leverage requirements or otherwise adversely affect our business. In particular, the following provisions of the Dodd-Frank Act, among others, are expected to impact our operations and activities, both currently and prospectively:

- Elimination of the OTS as our primary federal regulator, which may require us to adapt to a new regulatory regime;
- New requirements for waivers of dividends by the MHC, which could affect our dividend policies;
- Weakening of federal preemption standards applicable to RomaBank, which could expose us to state regulation;
- Changes in methodologies for calculating deposit insurance premiums and increases in required deposit insurance fund reserve levels, which could increase our deposit insurance expense;
- Application of regulatory capital requirements to the Company; and
- Imposition of comprehensive, new consumer protection requirements, which could substantially increase our compliance burden and potentially expose us to new liabilities.

Further, we may be required to invest significant management attention and resources to evaluate and make any changes necessary to comply with new statutory and regulatory requirements under the Dodd-Frank Act. Failure to comply with the new requirements may negatively impact our results of operations and financial condition. While we cannot predict what effect any presently contemplated or future changes in the laws or regulations or their interpretations would have on us, these changes could be materially adverse to our investors.

If our non-performing assets increase, our earnings will decrease.

At December 31, 2010, our non-performing assets (which consist of non-accrual loans, loans 90 days or more delinquent, and foreclosed real estate assets) totaled $44.1million, which is an increase of $27.4 million, or 163.8%, over non-performing assets at December 31, 2009. Our non-performing assets adversely affect our net income in various ways. We do not record interest income on non-accrual loans or real estate owned. Based on our estimate of the level of allowance for loan losses required, we record a provision for loan losses as a charge to earnings to maintain the allowance for loan losses at an appropriate level. From time to time, we also 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 could detract from the overall supervision of our operations. Finally, if our estimate of the allowance for loan losses is inadequate, we will have to increase the allowance accordingly.

The Dodd-Frank Act may have an adverse effect on our ability to pay dividends, which would adversely affect the value of our common stock.

The value of the Company's common stock is significantly affected by our ability to pay dividends to our public shareholders. The Company's ability to pay dividends to our shareholders is subject to the ability of the Banks to make capital distributions to the Company, and also to the availability of cash at the holding company level in the event earnings are not sufficient to pay dividends. Moreover, our ability to pay dividends and the amount of such dividends is affected by the ability of Roma Financial Corporation, MHC, our mutual holding company, to waive the receipt of dividends declared by the Company. The MHC currently waives its right to receive all of its dividends on its shares of the Company, which means that the Company has more cash resources to pay dividends to our public stockholders than if the MHC accepted such dividends. The MHC is required to obtain Office of Thrift Supervision approval before it may waive its receipt of dividends, and the current dividend waiver approval is effective through December 31, 2010. It is expected that the MHC will continue to waive the receipt of future dividends except to the extent dividends are needed to fund its continuing operations.

Office of Thrift Supervision regulations allow federally chartered mutual holding companies to waive dividends without taking into account the amount of waived dividends in determining an appropriate exchange ratio in the event of a conversion of a mutual holding company to stock form. However, under the recently enacted Dodd-Frank Act, the powers and duties of the Office of Thrift Supervision relating to mutual holding companies will be transferred to the Federal Reserve Board within one year of the enactment of the legislation (subject to an extension of up to six months), and the Office of Thrift Supervision will be eliminated. Accordingly, the Federal Reserve Board will become the new regulator of the Company and the MHC. The Dodd-Frank Act also provides that a mutual holding company will be required to give the Federal Reserve Board notice before waiving the receipt of dividends, and sets forth the standards for granting a waiver, including a requirement that waived

dividends be considered in determining an appropriate exchange ratio in the event of a conversion of the mutual holding company to stock form. The Dodd-Frank Act, however, further provides that the Federal Reserve Board may not consider waived dividends in determining an appropriate exchange ratio in a conversion to stock form by any federal mutual holding company, such as the MHC, that has waived dividends prior to December 1, 2009. The Federal Reserve Board historically has generally not allowed mutual holding companies to waive the receipt of dividends, and there can be no assurance as to the conditions, if any, the Federal Reserve Board will place on future dividend waiver requests by grandfathered mutual holding companies such as the MHC.

Difficult market conditions and economic trends have adversely affected our industry and our business.

We are particularly exposed to downturns in the U. S. housing market. Dramatic declines in the housing market over the past two years, with decreasing home prices and increasing delinquencies and foreclosures, have negatively impacted the credit performance of mortgage and construction loans and resulted in significant write-downs of assets by many financial institutions. In addition, the values of real estate collateral supporting many loans have declined and may continue to decline. General downward economic trends, reduced availability of commercial credit and increasing unemployment have negatively impacted the credit performance of commercial and consumer credit, resulting in additional write-downs. Concerns over the stability of the financial markets and the economy have resulted in decreased lending by financial institutions to their customers and to each other. This market turmoil and tightening of credit has led to increased commercial and consumer deficiencies, lack of customer confidence, increased market volatility and widespread reduction in general business activity. Competition among depository institutions for deposits has increased significantly. The resulting economic pressure on consumers and businesses and the lack of confidence in the financial markets may adversely affect our business, financial condition, results of operations and stock price. We do not expect that the difficult market conditions will improve in the near future. A worsening of these conditions would likely exacerbate the adverse effects of these difficult market conditions on us and others in the industry. In particular, we may face the following risks in connection with these events:

- We expect to face increased regulation of our industry. Compliance with such regulation may increase our costs and limit our ability to pursue business opportunities.
- Our ability to assess the creditworthiness of customers and to estimate the losses inherent in our credit exposure is made more complex by these difficult market and economic conditions.
- Regulatory change may affect our dividend exclusion, MHC structure and Thrift Charter.
- We also may be required to pay even higher Federal Deposit Insurance Corporation premiums than the recently increased level, because financial institution failures resulting from the depressed market conditions have depleted and may continue to deplete the deposit insurance fund and reduce its ratio of reserves to insured deposits.
- Our ability to borrow from other financial institutions or the Federal Home Loan Bank on favorable terms or at all could be adversely affected by further disruptions in the capital markets or other events.
- We may experience a decrease in dividend income from our investment in Federal Home Loan Bank stock.

- We may experience increases in foreclosures, delinquencies and customer bankruptcies, as well as more restricted access to funds.

- We may experience losses as a result of declines in value of our investment portfolio that may be other than temporary.

Recent levels of market volatility are unprecedented.

The capital and credit markets have been experiencing volatility and disruption for more than a year. The volatility and disruption that had reached unprecedented levels, stabilized to some degree in 2010. In some cases, the markets have produced downward pressure on stock prices and credit availability for certain issuers without regard to those issuers' underlying financial strength. If current levels of market disruption and volatility continue or worsen, there can be no assurance that we will not experience an adverse effect, which may be material, on our ability to access capital and on our business, financial condition and results of operations.

We realize income primarily from the difference between interest earned on loans and investments and interest paid on deposits and borrowings, and changes in interest rates may adversely affect our net interest rate spread and net interest margin, which will hurt our earnings.

We derive our income mainly from the difference or "spread" between the interest earned on loans, securities and other interest-earning assets, and interest paid on deposits, borrowings and other interest-bearing liabilities. In general, the larger the spread, the more we earn. When market rates of interest change, the interest we receive on our assets and the interest we pay on our liabilities will fluctuate. This can cause decreases in our spread and can adversely affect our income.

Market interest rates were in recent years at historically low levels. However, beginning in June 2004 through June 2007 the U.S. Federal Reserve increased its target federal funds rate. However, in the last two quarters of 2007 and in all four quarters of 2008 rates were dropped and in 2009 and 2010 remained constant. While the federal funds rate and other short-term market interest rates, which we use as a guide to our deposit pricing, have decreased, the market has not responded correspondingly. The effect is the narrowing of in the interest spread between deposit rates and the rates at which we lend.

Interest rates also affect how much money we can lend. For example, when interest rates rise, the cost of borrowing increases and loan originations tend to decrease. In addition, changes in interest rates can affect the average life of loans and investment securities. A reduction in interest rates generally results in increased prepayments of loans and mortgage-backed securities, as borrowers refinance their debt in order to reduce their borrowing cost. This causes reinvestment risk, because we generally are not able to reinvest prepayments at rates that are comparable to the rates we earned on the prepaid loans or securities. A falling rate environment would result in a decrease in rates we pay on deposits and borrowings, but the decrease in the cost of our funds may not be as great as the decrease in the yields on our loan portfolio and mortgage-backed securities and loan portfolios. This could cause a narrowing of our net interest rate spread and could cause a decrease in our earnings. Changes in market interest rates could also reduce the value of our financial assets. If we are unsuccessful in managing the effects of changes in interest rates, our financial condition and results of operations could suffer.

If we experience loan losses in excess of our allowance, our earnings will be adversely affected.

The risk of credit losses on loans varies with, among other things, general economic conditions, the type of loan being made, the creditworthiness of the borrower over the term of the loan and, in the

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case of a collateralized loan, the value and marketability of the collateral for the loan. Management maintains an allowance for loan losses based upon historical experience, an evaluation of economic conditions and regular reviews of delinquencies and loan portfolio quality. If management's assumptions and judgments about the ultimate collectability of the loan portfolio prove to be incorrect and the allowance for loan losses is inadequate to absorb future losses or if we are required to make material additions to the allowance, our earnings and capital could be significantly and adversely affected. At December 31, 2010, our allowance for loan losses was $9.8 million, representing 1.08% of outstanding loans and 24.30% of non-performing loans.

A portion of our total loan portfolio consists of commercial real estate loans, commercial business loans and construction loans, and we intend to grow this part of the loan portfolio. The repayment risk related to these types of loans is considered to be greater than the risk related to one- to four-family residential loans.

At December 31, 2010, our loan portfolio included $273.2 million of commercial and multi-family real estate loans and $36.1 million of commercial business loans, together amounting to 34.0% of our total loan portfolio, and $37.2 million of construction loans, representing 4.1% of our total loan portfolio. Unlike single family residential mortgage loans, which generally are made on the basis of the borrower's ability to make repayment from his or her employment and other income, and which are secured by real property with values that tend to be more easily ascertainable, commercial loans typically are made on the basis of borrowers' ability to make repayment from the cash flow of the borrowers' business. The repayment of construction loans for residential and commercial land acquisition and development, including loans to builders and developers, is dependent, in part, on the success of the ultimate construction project. In addition, commercial loans and construction loans to builders and developers generally result in larger balances to single borrowers, or related groups of borrowers, than one- to four-family loans.

In addition, the growth of our aggregate commercial and multi-family real estate and commercial business loans and construction loans from $6.9 million at December 31, 2001 to $346.5 million at December 31, 2010, including loans acquired in the merger, means that a large portion of this portfolio is unseasoned. Relatively new loans that are "unseasoned," are considered to pose a potentially greater repayment risk than more mature loans because they generally do not have sufficient repayment history to indicate the likelihood of repayment in accordance with their terms.

Strong competition within our market area may limit our growth and profitability.

Competition in the banking and financial services industry in New Jersey is intense. Many of our competitors have substantially greater resources and lending limits than we do and offer services that we do not or cannot provide. Price competition for loans might result in us originating fewer loans, or earning less on our loans, and price competition for deposits might result in a decrease in our total deposits or higher rates on our deposits. Our deposit market share in Mercer County, New Jersey, where nine of our twenty-six offices are located, was 7.3% at June 30, 2010, the latest date for which market share information is available. In Burlington, New Jersey, where eleven of our twenty-six offices are located, our market share was 4.7% at June 30, 2010, the latest date for which market share was available.

Our business is geographically concentrated in New Jersey, and a downturn in conditions in the state could have an adverse impact on our profitability.

A substantial majority of our loans are to individuals and businesses in New Jersey. Any decline in the economy of the state could have an adverse impact on our earnings. Adverse changes in the economy may also have a negative effect on the ability of our borrowers to make timely repayments of

their loans. Additionally, because we have a significant amount of real estate loans, decreases in local real estate values could adversely affect the value of property used as collateral. If we are required to liquidate a significant amount of collateral during a period of reduced real estate values to satisfy the debt, our earnings and capital could be adversely affected.

We intend to actively consider opportunities for de novo branching. Costs related to expansion plans may negatively impact earnings in future periods.

We opened our new main office in Robbinsville, New Jersey in 2005, a new branch office in Plumsted, New Jersey in the first quarter of 2007, and two new branch offices in January 2008 in Whiting and Bordentown, New Jersey, our Hopewell branch in the spring of 2008 and our Columbus and Lawrenceville branches in the early fall of 2008. We added ten new branches with the acquisition of the former Sterling bank and RomAsia Bank added one branch in 2010. We do not currently have any new branches planned. Expenses related to any future expansion of our operations through de novo branching or the acquisition of branches or other financial institutions could adversely impact earnings in future periods.

We operate in a highly regulated environment and may be adversely affected by changes in laws and regulations.

We are subject to extensive regulation, supervision and examination by the Office of Thrift Supervision, our chartering authority, and by the Federal Deposit Insurance Corporation, as insurer of our deposits. As a federally chartered holding company, the Company is subject to regulation and oversight by the Office of Thrift Supervision. Such regulation and supervision govern the activities in which an institution and its holding companies may engage and are intended primarily for the protection of the insurance fund and depositors. Regulatory authorities have extensive discretion in connection with their supervisory and enforcement activities, including the imposition of restrictions on the operation of an institution, the classification of assets by the institution and the adequacy of an institution’s allowance for loan losses. Any change in such regulation and oversight, whether in the form of regulatory policy, regulations, or legislation, including changes in the regulations governing mutual holding companies, could have a material impact on us and our operations.

Item 1B. Unresolved Staff Comments

Not applicable.

Item 2. Properties

At December 31, 2010, our net investment in property and equipment totaled $47.3 million, including land held for future development and construction in progress.

The following table sets forth the location of our main office and branch offices, the year each office was opened and the net book value of each office.

Office Location	Year Facility Opened	Leased or Owned	Net Book Value at December 31, 2010 (In thousands)
Corporate Headquarters and Robbinsville Town Center Office: 2300 Route 33 Robbinsville, NJ	2005	Owned	$ 12,589
Chambersburg Office: 485 Hamilton Avenue Trenton, NJ	1962	Owned	386
Mercerville Office: 500 Route 33 Hamilton, NJ	1971	Owned	721
Yardville Office: 4500 South Broad Street Hamilton, NJ	1984	Owned	1,248
West Trenton Office: 79 West Upper Ferry Road West Trenton, NJ	1986	Owned	1,146
Hamilton Center City Office: 1155 Whitehorse-Mercerville Road Hamilton, NJ	1991	Owned	4,116
South Trenton Office: 1450 South Broad Street Trenton, NJ	1993	Owned	816
Florence Township Office 2150 Route 130 North Florence Township Burlington, NJ	2003	Owned	2,319
Plumsted Office 400 Route 539 Cream Ridge, NJ	2007	Owned	2,581
Bordentown Office 213 Route 130 Bordentown, NJ 08505	2008	Leased	526
Whiting Office 451 Lacey Road Whiting, NJ 08759	2008	Leased	1,569
Hopewell Office 84 route 31, Suite 101 Hopewell, NJ 08534	2008	Leased	617
Columbus Office 23201 Columbus Road Columbus, NJ 08022	2008	Leased	1,338
Lawrenceville Office 160 Lawrenceville-Pennington Road, Suite 14 Lawrenceville, NJ 08648	2008	Leased	275

RomAsia Bank 2008 Owned* 4287 Rt. 1 South Monmouth Jct., NJ 08852	2008	Owned*	3,208

*Owned by Roma Financial Corporation leased to RomAsia Bank.

	Year Facility Acquired	Leased or Owned	Net Book Value at December 31, 2010 (In thousands)
Larchmont Office: 3100 Route 38 Mount Laurel, NJ 08054	2010	Leased	$ 493
Vincentown Office: 52 Main Street Vincentown, NJ 08088	2010	Owned	213
Marlton Office: 320 Evesboro-Medford Road Marlton, NJ 08053	2010	Leased	48
Medford Office: 415 Stokes Road Medford, NJ 08055	2010	Leased	101
Bordentown (Farnsworth) Office: 789 Farnsworth Avenue Bordentown, NJ 08505	2010	Owned	1,057
Florence (Broad Street) Office: 4 Broad Street Florence, NJ 08518	2010	Owned	192
Maple Shade Office: 124 East Main Street Maple Shade, NJ 08052	2010	Owned	627
Delran Office: 80 Hartford Road Moorestown, NJ 08057	2010	Leased	1,749
Voorhees Office: 1006 Kresson Road Voorhees, NJ 08043	2010	Leased	789
Wexford Office: 1951 Route 70 East Cherry Hill, NJ 08003	2010	Owned	722
Edison Office (RomAsia Bank): 561 US Highway 1 Edison, NJ 08817	2010	Leased	536

Item 3. Legal Proceedings

The Banks, from time to time, are party to routine litigation which arise in the normal course of business, such as claims to enforce liens, condemnation proceedings on properties in which we hold security interests, claims involving the making and servicing of real property loans, and other issues incident to our business. There were no lawsuits pending or known to be contemplated against the Company, the Banks or subsidiaries at December 31, 2010 that would have a material effect on our operations or income.

Item 4.

Reserved.

PART II

Item 5. Market for the Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

Upon completion of the Company's minority stock offering in July 2006, the Company's common stock commenced trading on The NASDAQ Global Select Market under the symbol "ROMA". The table below shows the reported high and low closing prices of common stock and dividends paid during the periods indicated.

Quarters Ended	High	Low	Dividends
March 31, 2009	$ 13.27	$ 9.70	$.08
June 30, 2009	$ 14.05	$ 11.58	$.08
September 30, 2009	$ 13.43	$ 11.69	$.08
December 31, 2009	$ 13.19	$ 11.74	$.08
March 31, 2010	$ 12.79	$ 11.44	$.08
June 30, 2010	$ 12.65	$ 10.86	$.08
September 30, 2010	$ 11.64	$ 10.19	$.08
December 31, 2010	$ 10.65	$ 9.40	$.08

Declarations of dividends by the Board of Directors depend on a number of factors, including investment opportunities, growth objectives, financial condition, profitability, tax considerations, minimum capital requirements, regulatory limitations, stock market characteristics and general economic conditions. The timing, frequency and amount of dividends is determined by the Board.

During the years ended December 31, 2010, 2009 and 2008. Roma Financial Corporation, MHC waived its right, upon non-objection from the Office of Thrift Supervision, to receive cash dividends of $7.2 million, $7.2 million, and $7.2 million, respectively, declared by the Company during the year.

As of March 2, 2011, there were approximately 3,995 shareholders of record of the Company's common stock, including brokerage firms, banks and registered clearing agents acting as nominees for an indeterminate number of beneficial owners.

The Office of Thrift Supervision allows mutual holding companies to waive the receipt of dividends without taking waived dividends into account in determining an appropriate exchange ratio in the event of a conversion of the mutual holding company to stock form. However, the Dodd-Frank Act transfers the authority to review and approve mutual holding company dividend waivers to the Federal Reserve Board and sets forth standards for Federal Reserve Board approval, including that waived dividends will be taken into account in determining an appropriate exchange ratio in a conversion of a mutual holding company to stock form. The Dodd-Frank Act further provides that the Federal Reserve Board may not consider waived dividends in determining an appropriate exchange ratio in the event of a mutual-to-stock conversion of a federal mutual holding company, such as the MHC, that has waived dividends prior to December 1, 2009. The Federal Reserve Board historically has generally not allowed mutual holding companies to waive the receipt of dividends, and there can be no assurance as to the conditions, if any, the Federal Reserve Board will place on future dividend waiver requests by grandfathered mutual holding companies such as the MHC. See "The recently enacted financial reform legislation may have an adverse effect on our ability to pay dividends which would adversely affect the value of our common stock," under "Risk Factors" in Part I, Item 1A of this Annual Report on Form 10-K.

On March 18, 2010, the Company announced a third five percent stock repurchase plan, equivalent to 360,680 shares. The repurchase was completed on September 23, 2010 at a total cost of $4.1 million, or approximately $11.67 per share.

On September 17, 2010, the Company announced a fourth five percent stock repurchase plan equivalent to 342,646 shares. The repurchase was completed on December 3, 2010 at a total cost of $3.4 million, or approximately $9.78 per share. The following table details shares repurchased during the last quarter of 2010.

Period	Total Number of Shares Repurchased	Average Price Paid Per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans	Maximum Number of shares that may Yet Be Purchased Under the Plan
October 1-31, 2010	38,000	$10.25	38,000	304,646
November 1-30, 2010	28,000	$10.09	28,000	276,646
December 1-3, 2010	276,646	$9.69	276,646	-
Total	342,646	$9.78	342,646	-

Set forth below is a stock performance graph comparing the cumulative total shareholder return on the Company's common stock with (a) the cumulative total shareholder return on stocks included in the NASDAQ Composite Index and (b) the cumulative total shareholder return on stocks included in the SNL MHC Index, in each case assuming an investment of $100 as of July 12, 2006 (the date the Company's common stock began trading on the NASDAQ Global Select Market following the closing of the Company's initial public stock offering). The cumulative total returns for the indices and the Company are computed assuming the reinvestment of dividends that were paid during the period. It is assumed that the investment in the Company's common stock was made at the initial public offering price of $10.00 per share.

Roma Financial Corporation

	Period Ending					
Index	07/12/06	12/31/06	12/31/07	12/31/08	12/31/09	12/31/10
Roma Financial Corporation	100.00	117.45	112.46	92.15	92.88	81.91
NASDAQ Composite	100.00	115.55	126.89	75.45	108.56	132.27
SNL Thrift MHCs	100.00	123.34	108.43	113.75	102.42	94.62

The NASDAQ Composite Index measures all domestic and international based common type stocks listed on the NASDAQ Global Select Market. The SNL MHC Index was prepared by SNL Securities, LC, Charlottesville, Virginia and includes all publicly traded mutual holding companies.

There can be no assurance that the Company’s future stock performance will be the same or similar to the historical stock performance shown in the graph above. The Company neither makes nor endorses any predictions as to stock performance.

Item 6. Selected Financial Data

The following financial information and other data in this section is derived from the Company's audited consolidated financial statements and should be read together therewith.

	At December 31,				
	2010	2009	2008	2007	2006
	(In thousands)				
Balance Sheet Data:					
Total assets	$ 1,819,154	$ 1,312,001	$ 1,077,095	$ 907,114	$ 875,533
Loans receivable, net	893,842	585,759	520,406	458,873	420,382
Mortgage backed securities held to maturity	421,114	248,426	301,878	144,099	144,480
Securities available for sale	52,513	30,144	17,000	17,238	19,331
Investment securities held to maturity	244,421	305,349	74,115	127,706	169,927
Cash and cash equivalents	89,587	50,895	80,419	95,302	64,701
Goodwill	1,826	572	572	572	572
Deposits	1,503,560	1,015,755	764,233	651,030	625,972
Federal Home Loan Bank borrowings	35,000	24,826	46,929	28,940	7,863
Securities sold under agreement to repurchase	40,000	40,000	40,000	—	—
Total stockholders' equity	212,476	216,220	213,016	218,303	234,654

	Year Ending December 31,				
	2010	2009	2008	2007	2006
	(In thousands, except share and per share data)				
Summary of Operations:					
Interest income	$ 66,413	$ 54,813	$ 48,095	$ 45,769	$ 40,869
Interest expense	20,276	21,683	19,720	17,783	15,190
Net interest income	46,137	33,130	28,375	27,986	25,679
Provision for loan losses	6,855	3,280	787	492	291
Net interest income after provision for loan losses	39,282	29,850	27,588	27,494	25,388
Non-interest income	7,369	2,804	4,229	4,060	3,460
Non-interest expense	38,477	29,012	25,120	20,327	21,206
Income before income taxes	8,174	3,642	6,697	11,227	7,642
Provisions for income taxes	2,981	1,035	2,190	4,134	2,394
Net income before noncontrolling interests	5,193	2,607	4,507	7,093	5,248
Noncontrolling interests	(87)	8	161	123	—
Net Income	$ 5,106	$ 2,615	$ 4,668	$ 7,216	$ 5,248
Net income per share – basic and diluted	$ 0.17	$ 0.09	$ 0.15	$ 0.23	$ 0.19
Dividends per share	$ 0.32	$ 0.32	$ 0.32	$ 0.24	$ 0.00
Weighted number of common shares outstanding	30,554				