

TF FINANCIAL CORP
Form 10-Q
August 11, 2006

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

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

For the period ended June 30, 2006

- 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: 0-24168

TF FINANCIAL CORPORATION
(Exact Name of Registrant as Specified in Its Charter)

Delaware
(State or Other Jurisdiction of Incorporation
or Organization)

74-2705050
(I.R.S. Employer Identification No.)

3 Penns Trail, Newtown, Pennsylvania
(Address of Principal Executive Offices)

18940
(Zip Code)

Registrant's telephone number, including area code: **(215) 579-4000**

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

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

Common Stock, par value \$.10 per share
(Title of Class)

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

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

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Large accelerated filer

Accelerated filer

Non-accelerated filer

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

Indicate the number of shares outstanding of each of the issuer's classes of common stock as of the latest practicable date: August 7, 2006

Class	Outstanding
\$.10 par value common stock	2,870,485 shares

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Exhibits

- 31. Certifications pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
- 32. Certification pursuant of Section 906 of the Sarbanes-Oxley Act of 2002

TF Financial Corporation and Subsidiaries

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	Unaudited June 30, 2006 (in thousands)	Audited December 31, 2005
ASSETS		
Cash and cash equivalents	\$ 6,013	\$ 3,821
Certificates of deposit in other financial institutions	40	40
Investment securities available for sale at fair value	31,885	30,401
Investment securities held to maturity (fair value of \$2,018 and \$4,707 respectively)	2,017	4,690
Mortgage-backed securities available for sale at fair value	69,019	83,511
Mortgage-backed securities held to maturity (fair value of \$8,581 and \$10,385, respectively)	8,591	10,177
Loans receivable, net (including loans held for sale of \$16,763 and \$68, respectively)	517,866	490,959
Federal Home Loan Bank stock at cost	8,170	7,432
Accrued interest receivable	2,837	3,048
Premises and equipment, net	6,558	6,289
Core deposit intangible asset, net of accumulated amortization of \$2,797 and \$2,741, respectively	27	83
Goodwill	4,324	4,324
Other assets	16,787	16,064
TOTAL ASSETS	\$ 674,134	\$ 660,839
LIABILITIES AND STOCKHOLDERS EQUITY		
Liabilities		
Deposits	\$ 479,729	\$ 470,521
Advances from the Federal Home Loan Bank	123,013	121,260
Advances from borrowers for taxes and insurance	2,271	1,915
Accrued interest payable	3,021	2,052
Other liabilities	3,227	2,443
Total liabilities	611,261	598,191
Stockholders equity		
Preferred stock, no par value; 2,000,000 shares authorized at June 30, 2006 and December 31, 2005, none issued		
Common stock, \$0.10 par value; 10,000,000 shares authorized, 5,290,000 shares issued, 2,695,199 and 2,714,173 shares outstanding at June 30, 2006 and December 31, 2005, respectively, net of shares in treasury 2,419,515 and 2,390,943 respectively	529	529
Retained earnings	63,232	61,610
Additional paid-in capital	52,422	53,048
Unearned restricted stock		(1,080)
Unearned ESOP shares	(1,753)	(1,849)
Treasury stock at cost	(48,941)	(47,920)
Accumulated other comprehensive loss	(2,616)	(1,690)
Total stockholders equity	62,873	62,648
TOTAL LIABILITIES AND STOCKHOLDERS EQUITY	\$ 674,134	\$ 660,839

The accompanying notes are an integral part of these statements

TF Financial Corporation and Subsidiaries

**CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)**

	For the three months ended June 30, 2006		For the six months ended June 30, 2006	
	2005	2005	2005	2005
	(in thousands, except per share data)			
Interest income				
Loans, including fees	\$ 8,167	\$ 6,703	\$ 15,838	\$ 13,174
Mortgage-backed securities	957	1,292	1,969	2,595
Investment securities	489	364	901	677
Interest-bearing deposits and other	14	12	22	22
TOTAL INTEREST INCOME	9,627	8,371	18,730	16,468
Interest expense				
Deposits				