

PHILA.-AREA BANK EARNINGS APLENTY: BOYERTOWN, UNIVEST, ETC.

by Jeff Blumenthal Staff Writer

The last 24 hours have been as populated with bank earnings reports as a Lilith Fair stage is with bank earnings reports as a Lilith Fair stage is with female singer-songwriters. Here's what you might have missed on area banks.

Boyertown's National Penn Bancshares reported net income of \$9.8 million or 8 cents per share, compared with a loss of \$9.6 million, or 11 cents a share, a year earlier. The bank topped Wall Street estimates with the help of a 33 percent decline in provision for loan losses and a 12 percent increase in net interest income. Net income included charges related to the pending sale of Christiana Bank & Trust Co. and the redemption of separate account bank-owned life insurance (BOLI) which resulted in a goodwill impairment charge of \$8.3 million and an increase in income tax expense of \$8.1 million, respectively. Including those items, the second quarter resulted in a net loss of \$5.5 million, or 4 cents per share. The \$9.2 billion asset company is among the 10 largest banks in the Philadelphia region by deposits.

Souderton-based Univest Corp. of Pa. reported net income of \$3.7 million or 23 cents per share, compared to \$3 million, or 18 cents per share, in the first quarter and \$2.7 million, or 21 cents per share, for the comparable period in the prior year. Provision for loan losses declined to \$29.5 million from \$34.9 million in the first quarter but were still well above the \$5.8 million record a year prior. The \$2.08 billion asset Univest continues to remain well-capitalized with a total risk-based capital at 15.58 percent.

Hatboro-based Fox Chase Bancorp, which completed a second-step conversion to become wholly public during the quarter and raised nearly \$78 million in the process, reported a net income of \$608,000, compared to net income of \$298,000 a year prior. Provision for loan losses increased by 89.6 percent from a year prior and by 20.7 percent from the first quarter. Nonperforming assets declined to 2.57 percent of total assets, compared to 2.91 percent in the first quarter and 2.87 percent in the fourth quarter. Fox Chase has 11 bank branches and \$1.24 billion in assets.

Lititz-based Susquehanna Bancshares said its loss narrowed to \$140,000, or 1 cent per share, compared to \$11.9 million, or 14 cents per share, in the same period a year ago as the bank experienced improvements throughout its income statement. The quarter included a \$4.8 million charge related to repaying the federal government to exit the TARP program. William J. Reuter, company chairman and CEO, said he sees initial signs of stabilization in credit quality. Total risk-based capital was 15.5 percent and nonperforming assets were 1.8 percent of total assets.

In the below \$1 billion asset class, Newtown's TF Financial Corp., Downingtown's DNB Financial Corp., Quakertown's QNB Corp., and Paoli's Malvern Federal Bancorp all reported positive earnings.