ROMA FINANCIAL CORP
Form 10-Q
August 10, 2006

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)

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

For the quarterly 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 000-52000

ROMA FINANCIAL CORPORATION
(Exact name of registrant as specified in its charter)

UNITED STATES	51-0533946
(State or other jurisdiction of Incorporation or organization)	(I.R.S. Employer Identification Number)
2300 Route 33, Robbinsville, New Jersey	08691
(Address of principal executive offices)	(Zip Code)

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

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

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

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

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

The number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date, August 1, 2006:

$0.10 par value common stock - 32,731,875 shares outstanding

ROMA FINANCIAL CORPORATION AND SUBSIDIARIES

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ROMA FINANCIAL CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION

(Unaudited)

	June 3 2006 (In T
Assets	
Cash and amounts due from depository institutions	$ 5,0
Interest-bearing deposits in other banks	98,7
Money market funds	40,0
Cash and Cash Equivalents	143,7
Securities available for sale	16,9
Investment securities held to maturity	176,5
Mortgage-backed securities held to maturity	151,4
Loans receivable, net of allowance for loan losses $1,014 and $878, respectively	406,3
Premises and equipment	28,7
Federal Home Loan Bank of New York stock	1,4
Interest receivable	4,5
Bank owned life insurance	15,9
Other assets	2,8
Total Assets	$ 948,6
Liabilities and Stockholder's Equity	
Liabilities	
Deposits	$ 792,6
Federal Home Loan Bank of New York advances	8,7
Advance payments by borrowers for taxes and insurance	2,2
Other liabilities	3,3
Total Liabilities	807,1
Stockholder's Equity	
Common stock,$0.10 par value, 45,000,000 authorized; 10,000 issued and outstanding	
Paid-in capital	7
Retained earnings - substantially restricted	140,7
Accumulated other comprehensive (loss) income - unrealized (loss) gain on securities available for sale, net	(
Total Stockholder's Equity	141,4
Total Liabilities and Stockholder's Equity	$ 948,6

See notes to consolidated financial statements

ROMA FINANCIAL CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME

(Unaudited)

	Three Months Ended June 30,		Six Month June 3
	2006	2005	2006
	(In thousands)		(In thous
Interest Income			
Loans	$ 6,023	$ 4,928	$ 11,707
Mortgage-backed securities held to maturity	1,755	1,810	3,522
Investment securities held to maturity	1,561	1,418	3,078
Securities available for sale	130	125	255
Other interest-earning assets	402	158	620
Total Interest Income	9,871	8,439	19,182
Interest Expense			
Deposits	3,614	2,564	7,059
Borrowings	191	-	297
Total Interest Expense	3,805	2,564	7,356
Net Interest Income	6,066	5,875	11,826
Provision for (recovery of) loan losses	79	(87)	136
Net Interest Income after Provision for (Recovery of) Loan Losses	5,987	5,962	11,690
Non-Interest Income			
Commissions on sales of title policies	415	264	647
Fees and service charges on deposits	99	91	190
Fees and service charges on loans	60	43	107
Net gain from sale of mortgage loans	-	3	1
Other	355	256	612
Total Non-Interest Income	929	657	1,557
Non-Interest Expense			
Salaries and employee benefits	2,494	2,088	4,935
Net occupancy expense	390	231	799
Equipment	403	305	762
Data processing fees	357	322	687
Advertising	217	197	427
Federal insurance premium	20	20	41
Other	588	458	1,092
Total Non-Interest Expense	4,469	3,621	8,743
Income before Income Taxes	2,447	2,998	4,504

Income Taxes	858	996	1,555
Net Income	$ 1,589	$ 2,002	$ 2,949

See notes to consolidated financial statements.

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ROMA FINANCIAL CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

(Unaudited)

	Six Months Ended June 30,	
	2006	2005
	(In thousands)	
Cash Flows from Operating Activities		
Net income	$ 2,949	$ 3,969
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	582	299
Amortization of premiums and accretion of discounts on securities	-	40
Accretion of deferred loan fees and discounts	(39)	(152)
Net gain on sale of mortgage loans originated for sale	(1)	(13)
Mortgage loans originated for sale	(149)	(923)
Proceeds from sales of mortgage loans originated for sale	150	936
Provision for (recovery of) loan losses	136	(103)
(Increase) in interest receivable	(722)	(341)
(Increase) in cash surrender value of bank owned life insurance	(264)	(259)
(Increase) in other assets	(53)	(42)
Increase (decrease) in interest payable	(23)	144
Increase (decrease) in other liabilities	(97)	1,233
Net Cash Provided by Operating Activities	2,469	4,789
Cash Flows from Investing Activities		
Proceeds from maturities and calls of securities available for sale	49	8
Purchases of securities available for sale	(1,708)	(50)
Proceeds from maturities and calls of investment securities held to maturity	5,000	18,060
Purchases of investment securities held to maturity	(8,500)	(28,000)
Principal repayments on mortgage-backed securities held to maturity	12,139	12,812
Purchases of mortgage-backed securities held to maturity	(13,495)	(30,746)
Net increase in loans receivable	(27,729)	(10,333)
Additions to premises and equipment	(678)	(5,223)
Purchase of Federal Home Loan Bank of New York stock	(56)	(182)

Net Cash Used in Investing Activities	(34,978)	(43,654)
Cash Flows from Financing Activities		
Net increase in deposits	148,882	41,443
Increase in advance payments by borrowers for taxes and insurance	230	703
Federal Home Loan Bank of New York advances	158,000	-
Repayments of Federal Home Loan Bank of New York advances	(158,909)	-
Initial capitalization of mutual holding company	-	(200)
Net Cash Provided by Financing Activities	148,203	41,946
Net Increase in Cash and Cash Equivalents	115,694	3,081
Cash and Cash Equivalents - Beginning	28,089	19,944
Cash and Cash Equivalents - Ending	$ 143,783	$ 23,025

See notes to consolidated financial statements.

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

	Six Months Ended June 30,	
	2006	2005
	(In thousands)	
Supplementary Cash Flows Information		
Income taxes paid, net	$ 1,274	$ 2,072
Interest paid	$ 7,379	$ 4,509

See notes to consolidated financial statements.

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

NOTE A - ORGANIZATION

Roma Financial Corporation 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. At June 30, 2006, all of the outstanding stock of Roma Bank was held by Roma Financial Corporation and all of the outstanding stock of Roma Financial Corporation was held by Roma Financial Corporation, MHC.

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 Roma Financial Corporation.

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 Roma Financial Corporation as savings and loan holding companies.

Roma Bank offers traditional retail banking services, one-to four-family residential mortgage loans, multi-family and commercial mortgage loans, construction loans, commercial business loans and consumer loans, including home equity loans and lines of credit. Roma Bank currently operates from its main office in Robbinsville, New Jersey, and seven branch offices located in Mercer and Burlington Counties, New Jersey. Roma Bank maintains a website at www.romabank.com.

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

NOTE B - BASIS OF PRESENTATION

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

In the opinion of management, all adjustments, consisting of only normal recurring adjustments or accruals, which are necessary for a fair presentation of the consolidated financial statements have been made at and for the three and six month periods ended June 30, 2006 and 2005. The results of operations for the three and six month periods ended June 30, 2006 and 2005 are not necessarily indicative of the results which may be expected for an entire fiscal year or other interim periods.

The data in the consolidated statements of condition for December 31, 2005 was derived from the Company's Registration Statement on Form S-1 (File No. 333-132415), as amended, filed with the Securities and Exchange Commission pursuant to the Securities Act of 1933, as amended. That data, along with the interim financial

information presented in the consolidated statements of financial condition, income and cash flows should be read in conjunction with the 2005 consolidated financial statements as presented in the Form S-1.

The Investment Co. was incorporated in the State of New Jersey effective September 4, 2004, and began operations October 1, 2004. The Investment Co. is subject to the investment company provisions of the New Jersey Corporation Business Tax Act. The Title Co. was incorporated in the State of New Jersey effective March 7, 2005 and commenced operations April 1, 2005.

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

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

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

NOTE C - CONTINGENCIES

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

NOTE D - EARNINGS PER SHARE

Earnings per share was not meaningful for any of the periods shown as the Company had no publicly-held shares during the periods.

NOTE E - STOCK BASED COMPENSATION

The Company had no stock-based compensation as of or prior to June 30, 2006.

NOTE F - INVESTMENT SECURITIES

The following tables set forth the composition of our securities portfolio as of June 30, 2006 and December 31, 2005 (in thousands):

	June 30, 2006		December 31, 2005	
	Amortized Cost	Fair Value	Amortized Cost	Fair Value
Available for sale:				
Mortgage-backed securities	$ 1,734	$ 1,730	$ 121	$ 130
Obligations of state and local political subdivisions	10,007	10,122	10,010	10,219
US Government Obligations	2,995	2,949	3,000	2,961
Equity Shares	50	50	50	50
Mutual Fund Shares	2,317	2,132	2,266	2,154
Total	$17,103	$16,983	$15,447	$15,514

	June 30, 2006		December 31, 2005	
	Amortized Cost	Fair Value	Amortized Cost	Fair Value
Investments held to maturity:				
US Government Obligations	$175,272	$170,701	$172,263	$168,647
Obligations of state and local political subdivisions	1,320	1,315	815	837
Total	$176,592	$172,016	$173,078	$169,484

	June 30, 2006		December 31, 2005	
	Amortized Cost	Fair Value	Amortized Cost	Fair Value
Mortgage-backed securities held to maturity:				
GNMA	$ 6,508	$ 6,433	$ 7,454	$ 7,450
FHLMC	80,461	77,414	80,155	78,972
FNMA	58,762	56,846	58,389	57,800

CMO's	5,715	5,470	4,103	3,889
Total	$151,446	$146,163	$150,101	$148,111

Securities held as available for sale have been adjusted to market value at June 30, 2006 and December 31, 2005. Investments held to maturity and mortgage-backed securities are recorded at amortized cost. The decline in market values of these investments is due to interest rate changes, not credit risk. The Company has the ability to, and intends to hold the investments until maturity. Therefore, no impairment has been recorded.

NOTE G - LOANS RECEIVABLE, NET

Loans receivable, net at June 30, 2006 and December 31, 2005 were comprised of the following (in thousands):

	June 30, 2006	December 31, 2005
Real estate mortgage loans:		
Conventional 1-4 family	$213,546	$191,634
Commercial and multi-family	61,503	53,614
	275,049	245,248
Construction	10,390	20,020
Consumer:		
Equity and second mortgages	123,428	118,318
Other	1,096	1,577
	124,524	119,895
Commercial	3,025	2,351
Total loans	412,988	387,514
Less:		
Allowance for loan losses	1,014	878
Deferred loan fees	243	269
Loans in process	5,389	7,659
	6,646	8,806
Total loans receivable, net	$406,342	$378,708

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NOTE H - DEPOSITS

A summary of deposits by type of account are summarized as follows (in thousands):

	June 30, 2006 Amount	June 30, 2006 Weighted Avg. Int. Rate	December 31, 2005 Amount	December 31, 2005 Weighted Avg. Int. Rate
Demand:				
Non-interest bearing checking	$ 25,564	0.00%	$ 20,661	0.00%
Interest bearing checking	100,032	0.53%	100,721	0.54%
	125,596	0.42%	121,382	0.45%
Savings and club	353,035	0.54%	208,109	0.93%
Certificates of deposit	314,063	3.86%	314,322	3.48%
Total	$792,694	1.84%	$643,813	2.08%

At June 30, 2006 the Company has contractual obligations for certificates of deposit that mature as follows (in thousands):

One year or less	$223,102
After one to three years	52,689
After three years	38,272
	$314,063

NOTE I - PREMISES AND EQUIPMENT

Premises and equipment consisted of the following (in thousands):

	Estimated Useful Lives	June 30, 2006	December 31, 2005
Land -future development	-	$ 1,054	$ 1,054
Construction in progress	-	712	569
Land and land improvements	-	5,271	5,271
Buildings and improvements	20-50 yrs	22,381	22,234
Furnishings and equipment	3-10 yrs.	6,719	6,331
Total premises and equipment		36,137	35,459
Accumulated depreciation		7,362	6,780
Total		$28,775	$28,679

NOTE J - FEDERAL HOME LOAN BANK ADVANCES

At June 30, 2006 and December 31, 2005, the Bank had outstanding Federal Home

Bank of New York advances as follows (in thousands):

	June 30, 2006		December 31, 2005	
	Amount	Interest Rate	Amount	Interest Rate
Maturing:				
September 15, 2010	$8,793	4.49%	$9,702	4.49%

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

One year or less	$1,839
More than one year through three years	3,934
More than three years through five years	3,020
	$8,793

NOTE K - RETIREMENT PLANS

Components of net periodic pension cost is as follows (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2006	2005	2006	2005
Service cost	$ 86	$ 70	$ 172	$ 140
Interest cost	112	103	224	206
Expected return on plan assets	(149)	(127)	(298)	(254)
Transition (asset)/obligation	-	6	-	12
Amortization of unrecognized net loss	17	8	34	16
Unrecognized past service liability	15	14	30	28
Net periodic benefit expense	$ 81	$ 74	$ 162	148

NOTE L - CONTRACTUAL OBLIGATIONS AND OFF-BALANCE SHEET ARRANGEMENTS

In the normal course of business, the Company enters into off-balance sheet arrangements consisting of commitments to fund mortgage loans and lines of credit. The outstanding loans commitments at June 30, 2006 were as follows (in thousands):

	June 30, 2006
Mortgage loans	$ 9,970
Commercial lines of credit	6,310
Other unused lines of credit	32,684
Commercial letters of credit	969

$49,933
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ITEM 2 - Management's Discussion and Analysis of Financial Condition and Results of Operations

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

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

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

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

Any of the forward-looking statements that we make in this report and in other public statements we make may turn out to be wrong because of inaccurate assumptions we might make, because of the factors illustrated above or because of other factors that we cannot foresee. Consequently, no forward-looking statement can be guaranteed.

Comparison of Financial Condition at June 30, 2006 and December 31, 2005

Total assets increased by $150.8 million to $948.6 million at June 30, 2006 compared to $797.8 million at December 31, 2005. The increase was primarily caused by an infusion of funds generated by subscriptions to purchase shares of the Company's common stock which increased cash and cash equivalents by $115.7 million. Additionally, net loans increased by $27.6 million, and securities, both available for sale and held to maturity, increased by $6.3 million.

Deposits

Total deposits increased by $148.9 million or 23.1% to $792.7 million at June 30, 2006 compared to $643.8 million at December 31, 2005. The increase was primarily the result of temporary deposits of $146.6 million from subscribers to purchase shares in the Company's stock offering. At the closing of the offering on July 11, 2006 a portion of the subscription funds were moved out of deposits and became part of stockholders' equity, and excess subscriptions received were returned to subscribers. From December 31, 2005 to June 30, 2006, checking accounts increased by $4.2 million to $125.6 million and certificates of deposits and other savings accounts decreased by $1.9 million after adjusting for the $146.6 million in deposits related to the stock offering.

Borrowed Money

The $.9 million reduction in borrowed money during the six months ended June 30, 2006 is due to regularly scheduled principal payments. At June 30, 2006, the Bank's outstanding Federal Home Loan Bank advances totaled $8.8 million compared to $9.7 million at December 31, 2005.

Loans

Net loans increased by $27.6 million or 7.3% to $406.3 million at June 30, 2006 from $378.7 million at December 31, 2005. The increase was primarily in one to four family mortgage loans, which benefited from a special promotion during the month of March 2006. This category increased by $21.9 million to $213.5 million at June 30, 2006 compared to $191.6 million at December 31, 2005. Home equity loans increased by $5.1 million over December 31, 2005 to reach $123.4 million at June 30, 2006. Commercial and multi-family real estate, commercial and construction loans decreased, on a combined basis $.1 million to $74.9 million at June 30, 2006.

Investments (Including Mortgage-Backed Securities)

The investment portfolio increased by $6.3 million to $345.0 million at June 30, 2006 compared to $338.7 million at December 31, 2005. Funds in excess of those needed for loans were principally deployed into short term agency and municipal securities, which increased by $3.5 million to $176.6 million at June 30, 2006 compared to $173.1 million at December 31, 2005. Mortgage-backed securities increased by $1.3 million to $151.4 million at June 30, 2006 compared to $150.1 million at December 31, 2005. Securities classified as available for sale increased by $1.5 million to $17.0 million at June 30, 2006 compared to $15.5 million at December 31, 2005. The continuation of the flat yield curve continued to make short-term investments a more attractive option during the period.

Other Assets

All other categories of assets remained relatively stable with an increase of $1.2 million from December 31, 2005 to June 30, 2006.

Comparison of Operating Results for the Three Months Ended June 30, 2006 and 2005

General

During the current quarter, the flat yield curve continued to negatively impact the Bank's margins, putting a strain on net interest income and contributing to a decline in net income in the second quarter of 2006 compared to the same quarter in 2005. Net income for the quarter ended June 30, 2006 was $1.6 million, representing a 20.6% decrease from net income of $2.0 million for the quarter ended June 30, 2005. During the second quarter of 2005, the yield curve was more positively sloped; providing a more favorable spread between longer term lending and shorter term deposit rates. Additionally, non-interest expense increased $ .8 million due to higher occupancy and staff costs which contributed to the decline in net income between periods.

Interest Income

Interest income increased by $1.4 million to $9.9 million for the three months ended June 30, 2006 compared to $8.4 million for the three months ended June 30, 2005. Interest income from equity loans increased by $.5 million to $1.9 million. The increase was primarily due to growth in the equity loan portfolio; the balance of equity loans as of June 30, 2006 was $22.1 million higher than at June 30, 2005. Interest income from commercial loans increased by $.6 million to $1.3 million. The increase was primarily due to an increase in the commercial loan portfolio of $24.5 million between June 30, 2005 and June 30, 2006. Interest income from mortgage loans remained stable during the comparable period. Interest income from other interest earning assets increased by $.2 million due primarily to the increase in overnight funds related to the stock offering. The average portfolio yields for the three months ended June 30, 2006 on loans and investments were 6.07% and 4.40% respectively, compared to 5.75% and 4.05% for the same period in 2005.

Interest Expense

Interest expense increased by $1.2 million to $3.8 million for the three months ended June 30, 2006 compared to $2.6 million for the three months ended June 30, 2005. This increase is due to a combination of a higher level of deposits and higher prevailing interest rates. Total deposits at June 30, 2005 were $617.8 million as compared to $792.7 million at June 30, 2006. Deposits as of June 30, 2006 included $146.6 million of temporary deposits received for subscription orders in the stock offering. The Bank also borrowed funds from the Federal Home Loan Bank in September of 2005 as a five year fixed rate advance. Additionally, during the current quarter the Company borrowed on various occasions overnight funds from the Federal Home Loan Bank. The increase in borrowings resulted in a $.2 million increase in interest expense on borrowings as compared to second quarter 2005.

Provision for Loan Losses

Loan provisions were nearly $.1 million during the current quarter compared to a negative provision (recovery) of nearly $.1 million in the comparable quarter of 2005. The increase is reflective of the significant growth in the loan portfolio and a 25 basis point increase, effective January 2006, of the provision for secured commercial loan originations. The negative provision for loan losses for the quarter ended June 30, 2005 was due to an improvement in the classification of loans which permitted the partial recovery of previous provisions.

Non-Interest Income

Non-interest income increased by $272 thousand to $929 thousand for the three months ended June 30, 2006 compared to $659 thousand for the three months ended June 30, 2005. The increase was primarily due to an increase in commissions on sales of title insurance policies of $151 thousand to $415 thousand for second quarter 2006 compared to $264 thousand for second quarter 2005.

Non-Interest Expense

Non-interest expense increased by $.8 million to $4.5 million for the three months ended June 30, 2006 compared to $3.6 million for the three months ended June 30, 2005. Salaries and related employee benefits increased by $.4 million to $2.5 million compared to $2.1 million. Net occupancy expense increased $.2 million to $.4 million compared to $.2 million. The increases in compensation and occupancy expense were primarily related to the opening of the Company's eighth branch and corporate headquarters in September of 2005.

Income Taxes

Income tax expense for the three months ended June 30, 2006 was $.9 million compared to $1.0 million for the same period in 2005. Income tax expense for the three months ended June 30, 2006 and June 30, 2005 represented 35.1% and 33.2% of net income before income taxes, respectively.

Comparison of Operating Results for the Six Months Ended June 30, 2006 and 2005

General

During the six months ended June 30, 2006 a flat yield curve continued to negatively impact the Company's margins, putting a strain on net interest income and contributing to a decline in net income compared to the same period in 2005. Net income decreased by $1.1 million to $2.9 million for the six months ended June 30, 2006 from $4.0 million for the same period in 2005. The decrease was primarily the result of an increase of $1.7 million in non-interest expense. Net interest income before the provision for loan losses decreased by $.1 million to $11.8 million from $11.9 million. An increase of $2.6 million in interest income was offset by a $2.7 million increase in interest expense. The year to date interest rate spread decreased 34 basis points between periods.

Interest Income

Interest income increased by $2.6 million to $19.2 million in the current six month period compared to $16.6 million in the same period last year. Interest income from equity loans increased by $1.0 million to $3.6 million compared to $2.5 million. This increase was primarily due to a $22.1 million increase in the balance of equity loans at June 30, 2006 as compared to the balance at June 30, 2005. Interest income from commercial loans increased by $1.0 million to $2.4 million compared to $1.4 million. This increase was primarily due to a $24.5 million increase in the commercial loan portfolio between June 30, 2005 and June 30, 2006. Interest income from investments increased by $.5 million to $6.9 million compared to $6.4 million. This was due to a $5.0 million increase in the balance of the investment portfolio at June 30, 2006 as compared to June 30, 2005 as well as higher interest rates on new securities purchased. The average portfolio yields for the six months ended June 30, 2006 on loans and investments were 6.03% and 4.38% respectively, compared to 5.76% and 4.01% for the same period in 2005. Interest income from other interest earning assets increased by $.3 million primarily due to the increase in overnight funds related to the stock offering.

Interest Expense

Interest expense increased by $2.7 million to $7.4 million for the six months ended June 30, 2006 compared to $4.7 million for the six months ended June 30, 2005. The increase in interest expense was primarily due to a $174.9 million increase in deposits between June 30, 2005 and June 30, 2006. Of this increase $146.6 million was directly related to temporary deposits resulting from the stock offering. In addition, higher interest rates were paid on deposits during the first six months of 2006 as compared to the same period in 2005. Additionally, the Company borrowed funds from the Federal Home Loan Bank in September of 2005 in the form of a five year fixed rate advance, and had other overnight and short-term borrowings from the Federal Home Loan Bank during the first six months of 2006 that were not present in the 2005 period.

Provision for Loan Losses

The provision for loan losses increased by $239 thousand to $136 thousand for the six months ended June 30, 2006 compared to a recovery of $103 thousand during the six months ended June 30, 2005. The increase is reflective of the significant growth in the loan portfolio and a 25 basis points increase, effective January 2006, in the provision for secured commercial loan originations. The ratio of non-performing loans to total loans increased from ..13% at June 30, 2005 to 1.09% at June 30, 2006. The negative provision for loan losses for the six months ended June 30, 2005 was due to an improvement in the classification of loans which permitted the partial recovery of previous provisions.

Non-Interest Income

Non-interest income increased by $.5 million to $1.6 million for the six months ended June 30, 2006 compared to $1.1 million for the six months ended June 30, 2005. Revenues generated by General Abstract & Title Agency which was acquired in March 2005 represented $.4 million of the increase.

Non-Interest Expense

Non-interest expense increased by $1.7 million to $8.8 million for the six months ended June 30, 2006 compared to $7.1 million for the six months ended June 30, 2005. Salaries and employee benefits, occupancy and equipment aggregated represented $1.4 million of the increase. The increase in these categories is primarily related to the opening of an eighth branch office and corporate headquarters in September of 2005 and the acquisition of General Abstract & Title Agency in March of 2005.

Income Taxes

Income tax expense decreased by $.4 million to $1.6 million for the six months ended June 30, 2006 compared to $2.0 million for the six months ended June 30, 2005. Income tax expense at June 30, 2006 and June 30, 2005 represented 34.6% and 34.0% respectively of net income before income taxes.

ITEM 3 - Quantitative and Qualitative Disclosures About Market Risk

Asset and Liability Management

The majority of the Company's assets and liabilities are monetary in nature. Consequently, the Company's most significant form of market risk is interest rate risk. The Company's assets, consisting primarily of mortgage loans, have generally longer maturities than the Company's liabilities, consisting primarily of short-term deposits. As a result, a principal part of the Company's business strategy is to manage interest rate risk and reduce the exposure of its net interest income to changes in market interest rates. Management of the Company does not believe that there has been a material adverse change in market risk during the three months ended June 30, 2006.

Net Portfolio Value

The Company's interest rate sensitivity is monitored by management through the use of the OTS model which estimates the change in the Company's net portfolio value ("NPV") over a range of interest rate scenarios. NPV is the present value of expected cash flows from assets, liabilities, and off-balance sheet contracts. The NPV ratio, under any interest rate scenario, is defined as the NPV in that scenario divided by the market value of assets in the same scenario. The OTS produces its analysis based upon data submitted on the Company's quarterly Thrift Financial Reports. The following table sets forth the Company's NPV as of March 31, 2006, the most recent date the NPV was calculated by the OTS.

Change in Interest Rates in Basis Points (Rate Shock)	NPV			NPV as Percent of Port Value of Assets	
	Amount	Dollar Change	Percent Change	NPV Ratio	Chang Bas Poin
+300bp	126,142	(39,497)	-24%	16.35%	- 38
+200bp	139,300	(26,340)	-16%	17.69%	- 25
+100bp	152,647	(12,992)	-8%	19.00%	- 12
0bp	165,639	-	0%	20.21%	
-100bp	177,482	(11,843)	7%	21.27%	+ 10
-200bp	184,343	(18,704)	11%	21.82%	+ 16

ITEM 4 - Controls and Procedures

An evaluation was performed under the supervision, and with the participation of the Company's management, including the Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of the Company's disclosure controls and procedures (as defined in Rule 13a-15(e) promulgated under the Securities Exchange Act of 1934, as amended) as of June 30, 2006. Based on such evaluation, the Company's Chief Executive Officer and Chief Financial Officer have concluded that the Company's disclosure controls and procedures are effective as of June 30, 2006.

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

PART II - OTHER INFORMATION

ITEM 1 - Legal Proceedings

There were no material pending legal proceedings to which the Company or its subsidiaries is a party other that ordinary routine litigation incidental to their respective businesses.

ITEM 1A - Risk Factors

This item is not yet applicable to the Company because the Company has not yet filed an annual report on Form 10-K.

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

The effective date of the Company's Registration Statement on Form S-1 (File No. 333-132415) was May 15, 2006. The offering commenced on May 22, 2006. All of the securities that were registered were sold in the offering. Sandler O'Neill & Partners, L.P. acted as underwriter. The title of the securities registered is Common stock, par value $.10 per share. A total of 9,819,562 shares were sold for an aggregate offering price of $98,195,620. Offering expenses were approximately $2.1 million, including underwriters fees and expenses of approximately $971,000, and net proceeds were approximately $96.1 million. The Company made a capital contribution to Roma Bank of 50% of the net proceeds and loaned $8,117,500 to the Roma Bank Employee Stock Ownership Plan for the purchase of 811,750 shares in the offering. The balance was retained by the Company as working capital and deposited with Roma Bank.

ITEM 3 - Defaults Upon Senior Securities

None

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

None

ITEM 5 - Other Information

None

ITEM 6 - Exhibits

31 Certifications of the Chief Executive Officer and Chief Financial Officer pursuant to Rule 13a-14(a)

32 Certifications of Chief Executive Officer and Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

SIGNATURES

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

ROMA FINANCIAL CORPORATION
(Registrant)

Date: August 10, 2006

/s/Peter A. Inverso

Peter A. Inverso
President and
Chief Executive Officer

Date: August 10, 2006

/s/Sharon L. Lamont

Sharon L. Lamont
Chief Financial Officer