



OUR DIFFERENCE IS YOUR ADVANTAGE

# PENTEGRA SUCCESS STORY

## Prudential Savings Bank, Philadelphia, Pennsylvania

Prudential Savings Bank, a 122 year old community bank with roots deep in the Philadelphia area had been a Pentegra client for many years when they decided that part of their mutual holding company reorganization would include adding employer securities as an investment option to their retirement program.

The offering of stock of Prudential Bancorp, Inc., the Bank's holding company, to the Bank's depositors enabled the Bank to raise significant capital to foster its growth and allow its depositors, employees and directors to share in the Bank's continued success. The mutual holding company reorganization also enabled the Bank to remain independent, by maintaining control through its mutual holding company.

### THE CHALLENGE

The Bank wanted their employees to be able to have the opportunity to purchase stock in the initial public offering through the Bank's 401(k) plan to enable employees to have the opportunity to take advantage of ownership of the restructured organization. Management also felt that adding employer stock to the Bank's retirement program would make their employees even more incentive-driven. The challenge for many retirement providers is in the ability to administer company stock in a daily valuation trading environment. Many providers lack familiarity with the complex requirements surrounding an IPO and the addition of company stock to a retirement program.

### PRUDENTIAL SAVINGS BANK OBJECTIVES

- Add employer stock to retirement program
- Maximize opportunity for employees to purchase stock in the IPO
- Ensure stock traded in a daily valuation environment
- Work with a provider with a high level of familiarity with bank IPOs, market makers and transfer agents
- Communicate plan changes to employees with ease

## THE PENTEGRA SOLUTION

As a bank retirement plan expert, Pentegra offered Prudential Savings Bank the right combination of knowledge and IPO expertise to help the Bank maximize its initial public offering. To start, Pentegra recommended broadening the Bank's existing 401(k) plan investment selection with the addition of an employer stock fund. The new 401(k) investment platform also enabled employees to purchase company stock through the plan with their own 401(k) deferrals.

Pentegra worked directly with the Bank's legal counsel, market maker and transfer agent to facilitate the purchase of stock in the IPO, and provided the Bank with a full spectrum of services related to the stock—from the establishment of a trustee/custodial relationship and the review of SEC filings for plan provisions to the development of employee communications regarding the stock offering and the establishment of proxy requirements.

In addition, the Bank established an Employee Stock Ownership Plan ("ESOP"), through which participants would receive an annual allocation of company stock. Working with the Bank's market maker, Pentegra presented hands-on education meetings to all employees highlighting the value of the new programs. The end result—the Bank garnered the benefit of increased employee loyalty through the addition of the stock funds to the employee retirement plans.

## THE PENTEGRA ADVANTAGE

- Deliver a full spectrum of employer stock services
- Provide 24/7 account access and fund performance information
- Provide the Bank with one point of contact for both programs
- Educate employees about the advantages of the new program

Established as a not-for-profit cooperative in 1943 to provide retirement benefits to employees of the Federal Home Loan Bank System, today Pentegra has grown to manage more than 1,000 retirement programs for financial institutions nationwide and over \$6.5 billion in retirement plan assets. For more information, please contact us at 800.872.3473, or visit us at [www.pentegra.com](http://www.pentegra.com).