PRUDENTIAL BANCORP, INC.
Form DEFM14A
November 16, 2016

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

SCHEDULE 14A

(Rule 14a-101)

Proxy Statement Pursuant to Section 14(a) of the Securities

Exchange Act of 1934 (Amendment No.)

Filed by the Registrant x

Filed by a Party other than the Registrant ¨

Check the appropriate box:

¨Preliminary Proxy Statement
¨Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
x Definitive Proxy Statement
¨Definitive Additional Materials
¨Soliciting Material Pursuant to §240.14a-12

Prudential Bancorp, Inc.
(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than Registrant)

Payment of Filing Fee (Check the appropriate box):

¨ No fee required.

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(1) Title of each class of securities to which transaction applies: ______________________________

(2) Aggregate number of securities to which transaction applies: ______________________________

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(1) Amount Previously Paid: $1932.00

(2) Form, Schedule or Registration Statement No.: 333-212641

(3) Filing Party: Prudential Bancorp, Inc.

(4) Date Filed: July 22, 2016

MERGER PROPOSED—YOUR VOTE IS VERY IMPORTANT

Dear Shareholder of Prudential Bancorp, Inc.:

On June 2, 2016, Prudential Bancorp, Inc., or Prudential, and Polonia Bancorp, Inc., or Polonia, entered into an Agreement and Plan of Merger, which we refer to as the merger agreement, under which Polonia will merge with and into Prudential. In addition, under the merger agreement, simultaneously with the merger, Polonia Bank, a federally chartered savings bank and the wholly owned subsidiary of Polonia, will be merged with and into Prudential Savings Bank, or Prudential Bank, a Pennsylvania-chartered savings bank and the wholly owned subsidiary of Prudential.

If the merger is completed, Polonia shareholders will be entitled to elect to receive, for each share of Polonia common stock they own, subject to the election and adjustment procedures provided in the merger agreement and described in this proxy statement, 0.7591 of a share of Prudential common stock or $11.28 in cash, in each case subject to possible adjustment as more fully described in this proxy statement. The election of shares of Prudential common stock or cash will be subject to proration such that 50% of the issued and outstanding shares of Polonia common stock will be exchanged for Prudential common stock and 50% of the issued and outstanding shares of Polonia common stock will be exchanged for cash. If more Polonia shareholders make valid elections to receive either shares of Prudential common stock or cash than is available as either stock or cash consideration pursuant to the terms of the merger agreement shareholders electing the over-subscribed form of merger consideration will have the over-subscribed consideration proportionately reduced and substituted with consideration in the other form. Based on closing sales price of Prudential common stock on November 10, 2016, the latest practical trading date prior to this proxy statement, the aggregate value of the merger consideration, before any possible adjustment as provided for under the terms of the merger agreement, is $37.7 million. Based on 3,348,827 shares of Polonia common stock issued and outstanding, Prudential expects to issue approximately 1,271,047 shares of common stock before taking into account any adjustment for the issuance of cash in lieu of fractional shares.

The market value of the shares of Prudential common stock will fluctuate with the market price of Prudential common stock and will not be known at the time Prudential shareholders vote at its special meeting. The cash consideration is a fixed amount and will remain fixed regardless of any changes in the market value of the shares of Prudential common stock. The value of the stock consideration may be more or less than the value of the cash consideration at the time the election is made by Polonia shareholders or at the completion of the merger.

Under the terms of the merger agreement, that the event of the average daily closing sales prices for Prudential common stock for a specified period prior to the closing of the merger is less than $11.89 per share and the decrease in the price of Prudential's common stock is more than 20% greater than the decrease in the Nasdaq Bank Index over the same period, Polonia has the right to terminate the merger agreement; provided, however, Prudential has the option to adjust the exchange ratio to prevent the termination of merger agreement.

Prudential's common stock trades on the Nasdaq Global Market under the symbol "PBIP." The table below presents the closing prices of Prudential common stock on June 1, 2016, the last trading day prior to the public announcement of the merger, and on November 10, 2016, the last practicable trading day before the distribution of this proxy statement. The table also presents the implied value for each share of Polonia common stock converted into shares of Prudential common stock on those dates, as determined by multiplying the closing price of Prudential common stock on those dates by the exchange ratio of 0.7591. This table also presents the implied value for each share of Polonia common stock converted into cash, based on the fixed cash consideration of $11.28 per share.

We urge you to obtain current market quotations for Prudential.

	Prudential Common Stock	Implied Value of One Share of Polonia Common Stock	Value of the Cash Consideration for One Share of Polonia Common Stock
At June 1, 2016	$ 14.91	$ 11.32	$ 11.28
At November 10, 2016	$ 14.77	$ 11.21	$ 11.28

Your vote is important. Approval of the issuance of the shares of Prudential common stock in the merger with Polonia requires the affirmative vote of the holders of a majority of the votes cast by holders of Prudential common stock entitled to vote at the Prudential special meeting of shareholders. If the proposal to issue shares of Prudential common stock to Polonia shareholders in the merger is not approved, a condition to the consummation of the merger cannot be satisfied. Shareholders of Polonia approved the merger agreement at a special meeting of shareholders held on October 25, 2016.

Prudential will hold a special meeting of shareholders at Prudential Bank’s main office located at 1834 West Oregon Avenue, Philadelphia, Pennsylvania, on December 19, 2016 at 11:00 a.m. Eastern time to consider and vote on the proposed issuance of shares of Prudential common stock in connection with the merger.

Prudential’s board of directors unanimously recommends that Prudential shareholders vote “FOR” the proposal to issue shares of Prudential common stock to Polonia shareholders in the merger and “FOR” the approval of the adjournment of the Prudential special meeting, if necessary, to solicit additional proxies in favor of that proposal.

Whether or not you plan to attend Prudential’s special meeting, your board of directors urges you to vote by completing, signing, dating and returning the enclosed proxy card as soon as possible in the enclosed postage-paid envelope, by calling the toll-free telephone number or by using the Internet as described in the instructions included with your proxy card. This will not prevent you from voting in person at Prudential’s special meeting, but will assure that your vote is counted if you are unable to attend. If you are a shareholder whose shares are not registered in your own name, you will need additional documentation from your bank, broker, nominee or other holder of record in order to vote in person at the special meeting.

This proxy statement provides you with detailed information about the merger agreement, the merger and the proposals to be voted on at the Prudential special meeting.

We urge you to read this entire proxy statement, including the Annexes hereto, and the documents incorporated by reference herein, carefully because they contain important information about the merger agreement, the merger and the proposals to be voted on at the Prudential special meeting. In particular, you should read carefully the information under the section entitled “Risk Factors” beginning on page [•]. You can also obtain information about Prudential from documents that Prudential files with the Securities and Exchange Commission, referred to as the SEC in this document.

Sincerely,

Dennis Pollack

President and Chief Executive Officer

Prudential Bancorp, Inc.

The date of this proxy statement is November 10, 2016, and it is first being mailed or otherwise delivered to Prudential shareholders on or about November 16, 2016.

PRUDENTIAL BANCORP, INC.

NOTICE OF SPECIAL MEETING OF SHAREHOLDERS

TO BE HELD ON DECEMBER 19, 2016

To the Shareholders of Prudential Bancorp, Inc.:

NOTICE IS HEREBY GIVEN that a special meeting of shareholders of Prudential Bancorp, Inc., or Prudential, will be held on December 19, 2016 at 11:00 a.m. Eastern time at Prudential Savings Bank's main office located at 1834 West Oregon Avenue, Philadelphia, Pennsylvania, to consider and vote upon the following matters:

1. A proposal to approve the issuance of shares of Prudential common stock to holders of Polonia Bancorp, Inc., or Polonia, in connection with the merger of Polonia with and into Prudential as contemplated by the Agreement and Plan of Merger dated as of June 2, 2016, by and between Prudential and Polonia, as more fully described in the attached proxy statement; and

2. A proposal to authorize the adjournment of the special meeting, if necessary or appropriate, to solicit additional proxies in the event there are not sufficient votes at the time of the special meeting to approve the proposal to issue shares of Prudential common stock to holders of Polonia common stock in the merger, which we refer to as the adjournment proposal.

We have fixed the close of business on November 10 2016 as the record date for determining those Prudential shareholders entitled to notice of, and to vote at, the Prudential special meeting and any adjournments or postponements of the Prudential special meeting. Only Prudential shareholders of record at the close of business on that date are entitled to vote at the Prudential special meeting and any adjournments or postponements of the Prudential special meeting.

Approval of the proposal for the issuance of the shares of Prudential common stock the holders of Polonia common stock in the merger in connection with the merger and the adjournment proposal requires the affirmative vote of a majority of the votes cast by holders of Polonia common stock outstanding and entitled to vote thereon.

Whether or not you intend to attend the Prudential special meeting, please vote as soon as possible by signing and returning the enclosed proxy card in the postage-paid envelope provided, by calling the toll-free telephone number or by using the Internet as described in the instructions included with your proxy card. If your shares are held in "street name" through a bank, broker, nominee or other holder of record, please follow the

instructions on the voting instruction card provided by such person. If you attend the Prudential special meeting, you may vote in person if you wish, even if you have previously returned your proxy card. If you wish to attend the Prudential special meeting and vote in person and your shares are held in "street name" through a bank, broker, nominee or other holder of record, you must bring with you a proxy or letter from the bank, broker, nominee or other holder of record to confirm your beneficial ownership of the shares.

Prudential's board of directors has approved the merger agreement and the issuance of shares of Prudential common stock to holders of Polonia common stock in connection with the merger. Prudential's board of directors recommends that Prudential shareholders vote "FOR" approval of the proposal for the issuance of the shares of Prudential common stock to holders of Polonia common stock in connection with the merger and "FOR" the proposal to authorize the adjournment of the Prudential special meeting, if necessary or appropriate, to solicit additional proxies to approve the proposal to issue shares of Prudential common stock to holders of Polonia common stock in connection with the merger.

The enclosed proxy statement provides a detailed description of the Prudential special meeting, the merger, the merger agreement and other documents related to the merger and other related matters. We urge you to read the proxy statement, including the attached Annexes and any documents incorporated in the proxy statement by reference, carefully and in their entirety.

BY ORDER OF THE BOARD OF DIRECTORS,

Sharon M. Slater, Corporate Secretary

Philadelphia, Pennsylvania
November 10, 2016

ADDITIONAL INFORMATION

This proxy statement incorporates important business and financial information about Prudential that is not included in or delivered with this proxy statement. You can obtain any of the documents filed with or furnished to the U.S. Securities and Exchange Commission, which we refer to as the SEC, pursuant to the Securities Exchange Act of 1934, as amended, which we refer to as the Exchange Act, by Prudential at no cost from the SEC's website at http://www.sec.gov. You may also request copies of these documents, including documents incorporated by reference in this proxy statement, at no cost, by contacting Prudential at the following address:

Prudential Bancorp, Inc.

1834 West Oregon Avenue

Philadelphia, PA 19145

(215) 755-1500

Attention: Corporate Secretary

You will not be charged for any of these documents that you request. If you would like to request documents from Prudential, you must do so no later than five business days before the date of Prudential's special meeting to ensure timely delivery. This means Prudential shareholders requesting documents must do so by December 12, 2016, in order to receive them before Prudential's special meeting.

See "Where You Can Find More Information" on page 118.

ABOUT THIS DOCUMENT

This document, which forms part of a registration statement on Form S-4 filed by Prudential with the SEC (File No. 333-212641) under the Securities Act of 1933, as amended, which we refer to as the Securities Act, constitutes a proxy statement of Prudential in connection with its special meeting of shareholders. This document also provides the notice of the special meeting of Prudential in accordance with state law with respect to its special meeting at which shareholders will consider and vote on the proposals described in the Prudential notice.

You should rely only on the information contained in this document. We have not authorized anyone to provide you with information that is different from that contained in this document. This document is dated November 10, 2016. You should not assume that the information contained in this document is accurate as of any date other than that date. Neither the mailing of this document to Prudential shareholders nor the issuance by Prudential of its shares in connection with the merger will create any implication to the contrary.

This document does not constitute the solicitation of a proxy, in any jurisdiction to or from any person to whom it is unlawful to make any such solicitation in such jurisdiction. Except where the context otherwise indicates, information contained in this document regarding Prudential has been provided by Prudential and information contained in this document regarding Polonia has been provided by Polonia.

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QUESTIONS AND ANSWERS ABOUT THE MERGER AND the SPECIAL MEETING

The following questions and answers briefly address some commonly asked questions about the merger and the Prudential special meeting of shareholders. They may not include all the information that may be important to you. You should read carefully the entire document, including the Annexes, and any additional documents incorporated by reference into this proxy statement to fully understand the merger agreement and the transactions contemplated thereby, including the merger, the issuance of shares of Prudential common stock in connection with the merger, the proposals to be considered and voted on by Prudential shareholders, and the voting procedures for the Prudential special meeting of shareholders.

In this proxy statement, we generally refer to Prudential Bancorp, Inc. as "Prudential," Prudential Savings Bank, a Pennsylvania-chartered savings bank and wholly owned subsidiary of Prudential, as "Prudential Bank," Polonia Bancorp, Inc. as "Polonia" and Polonia Bank, a federally chartered savings bank and wholly owned subsidiary of Polonia, as "Polonia Bank."

Q: What is the merger?

A: On June 2, 2016, Prudential and Polonia entered into an Agreement and Plan of Merger, which we refer to as the merger agreement. Pursuant to the merger agreement, Polonia will merge with and into Prudential, with Prudential surviving the merger. We refer to this transaction as the merger. Also under the merger agreement, substantially simultaneously with the merger, Polonia Bank will be merged with and into Prudential Bank with Prudential Bank being the survivor of the merger, which we refer to as the bank subsidiary merger. A copy of the merger agreement is attached to this proxy statement as Annex A and is incorporated by reference herein.

Q: Why am I receiving this proxy statement?

A: We are delivering this document to you because it is a proxy statement being used by the Prudential board of directors to solicit proxies from its shareholders in connection with approval of the proposals described herein.

In order to consider and approve the proposals, Prudential has called a special meeting of its shareholders, which we refer to as the Prudential special meeting. This document serves as a proxy statement for the Prudential special meeting and describes the proposals to be presented and voted on at the special meeting. The enclosed voting materials allow shareholders to vote their shares without attending the Prudential special meeting in person.

Q: What proposals am I being asked to vote on?

A: Prudential shareholders are being asked to approve the issuance of shares of Prudential common stock to Polonia shareholders in connection with the merger. The approval is required in order to be able to have the shares of Prudential common stock to be issued in the merger to the shareholders of Polonia be listed on the Nasdaq Global Market. The listing requirements of the Nasdaq Stock Market provide that shareholder approval of the issuance of shares by an issuer whose securities are traded on the Nasdaq Stock Market is required when there are common shareholders of both entities involved in the transaction which individually own five percent or more of the common stock of each entity. Unless approval of this proposal is obtained, the listing of the additional shares of Prudential common stock to be issued in the merger will not be approved which would cause a condition to completion of the merger to be unable to be satisfied.

In addition, Prudential shareholders are being asked to approve a proposal to adjourn the Prudential special meeting, if necessary or appropriate, to solicit additional proxies in favor of the issuance of the shares of Prudential common stock in connection with the merger.

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Q: What will Polonia shareholders receive in the merger?

A: If the merger is completed, Polonia shareholders will be entitled to elect to receive, for each share of Polonia common stock they own, subject to the election and adjustment procedures described in greater detail herein, either 0.7591 of a share of Prudential common stock, which we refer to as the stock consideration, or $11.28 in cash, which we refer to as the cash consideration, subject to adjustment in certain situations as described in greater detail in this proxy statement. The election of shares of Prudential common stock or cash will be subject to proration such that 50% of the issued and outstanding shares of Polonia common stock will be exchanged for Prudential common stock and 50% will be exchanged for cash. As a result, if the aggregate number of shares with respect to which a valid stock or cash election has been made exceeds these limits, shareholders who have elected the form of consideration that has been over-subscribed will receive a mixture of both stock and cash consideration in accordance with the proration procedures set forth in the merger agreement. The exchange ratio of 0.7591 of a share of Prudential common stock for a share of Polonia common stock and the cash consideration of $11.28 per share are subject to downward adjustment if the adjusted consolidated stockholders' equity of Polonia, as determined in accordance with the merger agreement, is less than $37,401,000 (the amount of Polonia's consolidated stockholders' equity as of April 30, 2016) as of the end of the month following receipt of all shareholder and regulatory approvals. The exchange ratio and the cash consideration are subject to upward adjustment to reflect recoveries or reversals of liabilities with respect to certain litigation matters and termination of certain benefit arrangements with Polonia's former chief executive officer. See "The Merger Agreement – Consideration to be Received in the Merger" for an explanation of the possible price adjustment.

Q: What will Prudential shareholders receive in the merger?

A: If the merger is completed, Prudential shareholders will not receive any merger consideration and will continue to hold the shares of Prudential common stock that they currently hold.

Q: Will the value of the merger consideration change between the date of this proxy statement and the time the merger is completed?

A: The value of the cash consideration is fixed at $11.28 per share, subject to adjustment in certain situations. However, the value of the stock consideration will fluctuate as the market price of Prudential common stock fluctuates before the completion of the merger. The market price of Prudential common stock at the completion of the merger may be more or less than the current price of Prudential common stock or the price of Prudential common stock at the time of the special meeting, and the value of the stock consideration may be more or less than the value of the cash consideration at the completion of the merger. Based on the average closing stock price of Prudential common stock on the Nasdaq Global Market for the twenty trading days ending on June 1, 2016, the last full trading day before the execution of the merger agreement, of $14.86, the value of the stock consideration was $11.28. Based on the closing stock price of Prudential common stock on the Nasdaq Global Market on June 1, 2016, of $14.91, the value of the stock consideration was $11.32. Based on the closing stock price of Prudential common stock on the Nasdaq Global Market on November 10, 2016, the latest practicable date before the mailing of this proxy statement, of $14.77, the value of the stock consideration was $11.21.

Q: How will the merger affect holders of Polonia restricted stock awards and options to purchase shares of Polonia common stock?

A: If the merger is completed, options to purchase Polonia common stock outstanding at the effective time of the merger will be exchanged for a cash payment equal to the difference between the per share cash consideration payable by Prudential pursuant to the merger agreement and the corresponding exercise price of each such outstanding option, subject to receipt of any required regulatory approval or non-objection. If the merger is completed, each outstanding and unvested restricted stock award previously granted under Polonia's equity plans will become fully vested, subject to the receipt of any required regulatory approval or non-objection, and be converted into the right to receive the merger consideration for the vested shares of Polonia common stock in accordance with the merger agreement.

Q: What are the federal income tax consequences of the merger?

A: The merger has been structured to qualify as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code of 1986, as amended, which we refer to as the Internal Revenue Code. It is a condition to the completion of the merger that each of Prudential and Polonia receive a written opinion from its respective legal counsel to the effect that the merger will be treated as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code. The federal income tax consequences of the merger to shareholders of Polonia will depend primarily on whether they exchange their shares of Polonia common stock solely for shares of Prudential common stock, solely for cash or for a combination of shares of Prudential common stock and cash. It is expected that Polonia shareholders will not recognize gain or loss for U.S. federal income tax purposes upon the exchange of their shares of Polonia common stock for shares of Prudential common stock pursuant to the merger, except with respect to any cash received by a Polonia shareholder in exchange for shares of common stock or in lieu of a fractional share of Prudential common stock. Polonia shareholders who exchange their shares solely for cash should recognize gain or loss on the exchange. Polonia shareholders who exchange their shares for a combination of Prudential common stock and cash should recognize gain, but not any loss, on the exchange. The actual federal income tax consequences to Polonia shareholders of electing to receive cash, shares of Prudential common stock or a combination of cash and stock will not be ascertainable at the time Polonia shareholders make their election because it will not be known at that time how, or to what extent, the allocation and proration procedures will apply, nor will the actual values of the stock consideration and the cash consideration be known at that time.

Please see "Material United States Federal Income Tax Consequences of the Merger" beginning on page 74 for further discussion of the material U.S. federal income tax consequences of the merger.

Q: Does Prudential's board of directors recommend that Prudential shareholders approve the issuance of the shares of Prudential common stock in connection with the merger?

A: Yes. Prudential's board of directors recommends that Prudential's shareholders vote "FOR" approval of the issuance of the shares of Prudential common stock in connection with the merger at the Prudential special meeting. Please see "The Merger – Prudential's Reasons for the Merger; Recommendation of Prudential's Board of Directors" beginning on page 44 for a more detailed discussion regarding the information and factors considered by Prudential's board of directors in making its recommendation.

Q: Did Polonia's board of directors recommend that Polonia shareholders approve and adopt the merger agreement?

A: Yes. Polonia's board of directors approved and determined that the merger agreement, the merger and the other transactions contemplated by the merger agreement are in the best interests of Polonia's shareholders. Polonia's board of directors unanimously recommended that Polonia's shareholders vote "FOR" approval and adoption of the merger agreement at the Polonia special meeting which was held on October 25, 2016. Polonia's shareholders approved the adoption of the merger agreement at Polonia's special meeting held on October 25, 2016.

Q: When and where is the Prudential special meeting?

A: The Prudential special meeting will be held at Prudential Bank's main office located at 1834 West Oregon Avenue, Philadelphia, Pennsylvania on December 19, 2016, at 11:00 a.m. Eastern time.

Q: Who can vote at the Prudential special meeting?

A: Only holders of record of Prudential common stock at the close of business on November 10, 2016, the record date for the Prudential special meeting, will be entitled to vote at the Prudential special meeting.

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Q: What do I need to do now?

A: After you have carefully read this proxy statement, including the Annex hereto and any information or documents incorporated by reference herein, and have decided how you wish to vote your shares, please vote your shares promptly. If you hold common stock in your name as a shareholder of record, please vote by completing, signing, dating and returning the enclosed proxy card as soon as possible in the enclosed postage-paid envelope, by calling the toll-free telephone number or by using the Internet as described in the instructions included with your proxy card. If you hold your stock in "street name" through a bank or broker, you must direct your bank or broker to vote in accordance with the instructions you have received from your bank or broker.

Q: Why is my vote important?

A: The merger cannot be completed unless Prudential's shareholders approve the issuance of shares of Prudential common stock in connection with the merger. The Prudential board unanimously recommends that shareholders vote "**FOR**" the proposal to approve the merger agreement.

Polonia has held a special meeting of shareholders to consider the proposal to adopt the merger agreement, at which meeting its shareholders approved such proposal.

Q: What constitutes a quorum for Prudential special meeting?

A: The presence, in person or by proxy, at the Prudential special meeting of shareholders entitled to cast at least a majority of the votes which all shareholders are entitled to cast on each proposal at the special meeting will constitute a quorum for each respective proposal. Abstentions and broker non-votes are counted as present for the purpose of determining whether a quorum is present.

Q: What is the vote required to approve each proposal at the Prudential special meeting?

A: Approval of the issuance of the shares of Prudential common stock in connection with the merger requires the affirmative vote of the holders of a majority of the votes cast by holders of Prudential common stock entitled to vote at the Prudential special meeting. A failure to vote by a Prudential shareholder entitled to vote, an abstention from voting or a broker non-vote will have no effect on the outcome of the vote to approve the issuance of the shares of Prudential common stock in connection with the merger.

Approval of the Prudential adjournment proposal requires the affirmative vote of a majority of the votes cast by holders of Prudential common stock entitled to vote at the Prudential special meeting. A failure to vote by a Prudential shareholder entitled to vote, an abstention from voting or a broker non-vote will have no effect on the outcome of the vote to approve the adjournment proposal.

Please note that if you make no specification on your proxy card as to how you want your Prudential shares voted before signing and returning it, your proxy will be voted as recommended by the board of directors of Prudential.

Q: What is the difference between holding shares as a shareholder of record and as a beneficial owner?

A:

If your shares of Prudential common stock are registered directly in your name with Prudential's transfer agent, Computershare, Inc., you are considered the shareholder of record with respect to those shares. As the shareholder of record, you have the right to vote, to grant a proxy for your vote directly to Prudential or to a third party to vote at the special meeting.

If your shares are held by a bank, brokerage firm or other nominee, you are considered the beneficial owner of shares held in "street name," and your bank, brokerage firm or other nominee is considered the shareholder of record with respect to those shares. Your bank, brokerage firm or other nominee will send you, as the beneficial owner, a package describing the procedure for voting your shares. You should follow the instructions provided by them to vote your shares. You are invited to attend the special meeting; however, you may not vote these shares in person at the special meeting unless you obtain a “legal proxy” from your bank, brokerage firm or other nominee that holds your shares, giving you the right to vote the shares at the special meeting.

Q: If my shares of common stock are held in “street name” by my broker, bank or other nominee, will my broker, bank or other nominee automatically vote my shares for me?

A: No. If you own your shares in “street name,” your broker, bank or other nominee cannot vote your shares without instructions from you. You should instruct your broker, bank or other nominee as to how to vote your shares, following the directions your broker, bank or other nominee provides to you. Please check the voting form used by your broker, bank or other nominee.

Q: Can I attend the special meeting and vote my shares in person?

A: Yes. All Prudential shareholders who hold shares as of the record date for the Prudential special meeting, including Prudential shareholders of record and Prudential shareholders who hold their shares through banks, brokers, nominees or any other holder of record, may attend the Prudential special meeting. Holders of record of Prudential common stock may attend the special meeting in person and also may cast their votes as the special meeting. If you are not a Prudential shareholder of record, you must obtain a proxy or letter, executed in your favor, from the record holder of your shares of common stock (such as your broker, bank or other nominee), to be able to vote in person at the Prudential special meeting. If you plan to attend the Prudential special meeting, you must hold your shares of common stock in your own name or have a proxy or letter from the record holder of your shares of common stock confirming your ownership.

Q: Can I change my vote?

A: Yes. A Prudential shareholder who has submitted a proxy may revoke it at any time before its exercise at the Prudential special meeting by (i) giving written notice of revocation to Prudential’s Corporate Secretary, (ii) properly submitting to Prudential a duly executed proxy bearing a later date or (iii) attending the Prudential special meeting and voting in person. Any Prudential shareholder entitled to vote in person at the Prudential special meeting may vote in person regardless of whether a proxy has been previously given, and such vote will revoke any previous proxy. Please note, however, that simply attending the Prudential special meeting will not revoke a previously-given proxy – you must cast a new vote at the Prudential special meeting in order to revoke your prior vote.

All written notices of revocation and other communications with respect to revocation of Prudential proxies should be addressed to Prudential as follows: Sharon M. Slater, Corporate Secretary, 1834 West Oregon Avenue, Philadelphia, Pennsylvania 19145.

Q: What should I do if I receive more than one set of voting materials?

A: Shareholders may receive more than one set of voting materials, including multiple copies of this proxy statement and multiple proxy cards or voting instruction cards. For example, if you hold shares in more than one brokerage account, you will receive a separate voting instruction card for each brokerage account in which you hold such shares. If you are a holder of record of shares and your shares are registered in more than one name, you will receive more than one proxy card. Please complete, sign, date and return each proxy card and voting instruction card that you receive or otherwise follow the voting instructions set forth in this proxy statement to ensure that you vote every share of Prudential common stock that you own.

Q: Do I have appraisal or dissenters' rights?

A: No. Prudential shareholders are not entitled to appraisal or dissenters' rights.

Q: When do you expect to complete the merger?

A: Prudential and Polonia expect to complete the merger at end of the fourth quarter of 2016 or early in the first quarter of 2017. However, we cannot assure you when or if the merger will be completed. Among other things, we cannot complete the merger until we obtain the approvals being sought from Prudential shareholders at the Prudential special meeting and until we obtain certain additional approvals.

Q: What happens if the merger is not completed?

A: If the merger is not completed, holders of Polonia common stock will not receive any consideration for their shares in connection with the merger, and Polonia will remain an independent company and will continue to own Polonia Bank.

If the merger is not completed, Prudential will remain an independent public company and its common stock will continue to be listed and traded on the Nasdaq Global Market.

If the merger agreement is terminated in certain circumstances, a termination fee may be required to be paid by Polonia. Please see "The Merger Agreement – Termination Fee" beginning on page 73 for a complete discussion of the circumstances under which a termination fee will be required to be paid.

Q: Are there any risks that I should consider in deciding whether to vote for the approval of the proposal to issue shares of Prudential common stock?

Yes. You should read and carefully consider the risk factors set forth in the section entitled "Risk Factors" beginning on page 27 of this proxy statement. You also should read and carefully consider the risk factors of Prudential contained in the documents that are incorporated by reference into this proxy statement. See the section entitled "Where You Can Find More Information" beginning on page 118 of this proxy statement.

Q: Whom should I call with questions about the special meeting or the proposal to issue shares of Prudential common stock?

A: If you have additional questions about the share issuance proposal, the merger, need assistance in submitting your proxy or voting your shares of Prudential common stock, or need additional copies of this proxy statement or the enclosed proxy card, please contact Sharon M. Slater, Prudential's Corporate Secretary, at 215-755-1500 or sslater@prudentialsavingsbank.com.

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SUMMARY

This summary highlights selected information from this proxy statement. It may not contain all the information that is important to you. You should read carefully the entire document, including the Annexes, and the additional documents we refer you to in order to fully understand the merger agreement and the transactions contemplated thereby, including the merger, the proposals to be considered and voted on by Prudential shareholders, and the voting procedures for the Prudential special meeting of shareholders. See "Where You Can Find More Information" on page 118. Each item included in this summary refers to the page of this proxy statement where that subject is discussed in more detail.

The Parties to the Merger (page 78)

Prudential Bancorp, Inc.
1834 West Oregon Avenue
Philadelphia, PA 19145
(215) 755-1500

Prudential Bancorp, Inc., a Pennsylvania corporation, is a bank holding company whose bank subsidiary, Prudential Savings Bank, or Prudential Bank, is a Pennsylvania-chartered savings bank headquartered in Philadelphia, Pennsylvania with six full-service branch locations. Founded in 1886, Prudential Bank's primary business consists of attracting deposits from the general public and using those funds, together with funds it borrows, to originate loans to its customers and invest in securities such as U.S. government and agency securities and mortgage-backed securities. At June 30, 2016, Prudential had total assets of $556.3 million, total deposits of $386.6 million and stockholders' equity of $113.1 million.

Prudential's common stock trades on the Nasdaq Global Market under the symbol "PBIP."

Polonia Bancorp, Inc.
3993 Huntingdon Pike, 3rd Floor
Huntingdon Valley, PA 19006
(215) 938-8000

Polonia, a Maryland corporation, is a savings and loan holding company. Its primary subsidiary, Polonia Bank, operates as a community-oriented financial institution dedicated to serving the financial services needs of consumers and businesses within its market areas. Polonia Bank is engaged primarily in the business of attracting deposits from the general public and using such funds to originate loans. Polonia Bank also maintains an investment portfolio. At June 30, 2016, Polonia had total assets of $284.3 million, total deposits of $183.3 million and stockholders’ equity of $37.4 million.

The Merger and the Merger Agreement (pages 41 and 60)

On June 2, 2016, Prudential and Polonia entered into an Agreement and Plan of Merger, or the merger agreement, under which Polonia will merge with and into Prudential, with Prudential surviving the merger. Upon completion of the merger, the separate existence of Polonia will terminate and Polonia common stock will no longer be outstanding. Also under the merger agreement, substantially simultaneously with the merger, Polonia Bank will be merged with and into Prudential Bank, with Prudential Bank as the surviving entity in the bank subsidiary merger. Completion of the merger is subject to a variety of conditions, including adoption and approval of the merger agreement by Polonia shareholders, which has been received, and the approval of the Prudential shareholders of the issuance of shares of Prudential common stock. We currently expect to complete these mergers at the end of the fourth quarter of 2016 or early in the first quarter of 2017. The merger agreement is attached to this proxy statement as Annex A and is incorporated by reference herein.

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In the Merger, Polonia Shareholders Will Have a Right to Receive Shares of Prudential Common Stock, Cash or a Combination of Shares of Prudential Common Stock and Cash (page 60)

Under the terms of the merger agreement, Polonia shareholders will be entitled to elect to receive, for each share of Polonia common stock they own, either 0.7591 of a share of Prudential common stock or $11.28 in cash, subject to adjustment in certain situations. The election of shares of Prudential common stock or cash by Polonia shareholders will be subject to proration such that 50% of the issued and outstanding shares of Polonia common stock will be exchanged for Prudential common stock and 50% will be exchanged for cash. If more Polonia shareholders make valid elections to receive either shares of Prudential common stock or cash than is available as either stock or cash consideration pursuant to the terms of the merger agreement, Polonia shareholders electing the over-subscribed form of merger consideration will receive a mixture of both stock and cash consideration in accordance with the proration procedures set forth in the merger agreement.

Prudential will not issue any fractional shares of its common stock in the merger. Polonia shareholders who would otherwise be entitled to a fractional share of Prudential common stock will instead receive an amount in cash (rounded to the nearest cent), determined by multiplying (1) the fraction of a share (after taking into account all shares of Polonia common stock held by such shareholder at the effective time of the merger and rounded to the nearest thousandth when expressed in decimal form) of Prudential common stock to which such holder would otherwise have been entitled to receive, and (2) the quotient obtained by dividing (x) the per share cash consideration by (y) the exchange ratio (subject to adjustment under certain circumstances). For purposes of determining any fractional share interest, all shares of Polonia common stock owned by a Polonia shareholder shall be combined so as to calculate the maximum number of whole shares of Prudential common stock issuable to such Polonia shareholder pursuant to the merger agreement.

The value of the cash consideration is fixed at $11.28 per share, subject to adjustment in certain situations. However, the value of the stock consideration will fluctuate as the market price of Prudential common stock fluctuates before the completion of the merger. The market price of Prudential common stock at the completion of the merger may be more or less than the current price of Prudential common stock or the price of Prudential common stock at the time of the special meeting or at the time an election is made, and the value of the stock consideration may be more or less than the value of the cash consideration at the completion of the merger.

Set forth below is a table showing the value of the cash consideration and the hypothetical implied value of the stock consideration based on a range of market prices for Prudential common stock. The table does not reflect the fact that cash will be paid instead of fractional shares.

Prudential Common Stock	**Polonia Common Stock**			
	Cash Election:		**Stock Election: Stock Consideration Per Share**	
Hypothetical Closing Prices	**Cash Consideration Per Share**	**OR**	**Shares of Prudential Common Stock**	**Hypothetical Implied Value(*)**
$ 12.00	$11.28		0.7591	$ 9.11
12.50	11.28		0.7591	9.49
13.00	11.28		0.7591	9.87
13.50	11.28		0.7591	10.25
14.00	11.28		0.7591	10.63
14.50	11.28		0.7591	11.01
14.86	11.28		0.7591	11.28
15.00	11.28		0.7591	11.39
15.50	11.28		0.7591	11.77
16.00	11.28		0.7591	12.15
16.50	11.28		0.7591	12.53
17.00	11.28		0.7591	12.90

(*) Hypothetical implied value based on hypothetical closing price on the Nasdaq Global Market of Prudential common stock. The price information in bold reflects the average closing stock price of Prudential common stock on the Nasdaq Global Market for the twenty trading days ending on June 1, 2016, the last full trading day before the execution of the merger agreement.

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The examples above are illustrative only. The value of the stock consideration that a Polonia shareholder actually receives will be based on the actual closing price on the Nasdaq Global Market of Prudential common stock upon completion of the merger, which may be outside the range of the amounts set forth above, and as a result, the actual value of the stock consideration per share of Polonia common stock may not be shown in the above table.

What Holders of Polonia Stock Options Will Receive

Under the terms of the merger agreement, upon completion of the merger, the outstanding and unexercised stock options to acquire Polonia common stock, will be exchanged for a cash payment equal to the difference between the per share cash consideration payable by Prudential to Polonia shareholders pursuant to the merger agreement and the corresponding exercise price of each such outstanding option, subject to prior receipt of any required regulatory approval or non-objection.

Treatment of Polonia Restricted Stock Awards in the Merger

Under the terms of the merger agreement, upon completion of the merger, each outstanding and unvested restricted stock award previously granted by Polonia will become fully vested and be converted into the right to receive the merger consideration for the vested shares of Polonia common stock covered by such award, subject to the prior receipt of any required regulatory approval or non-objection.

The Merger Is Intended to Be Tax-Free to Polonia Shareholders as to the Shares of Prudential Common Stock They Receive (page 75)

The merger is intended to be treated as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code of 1986, as amended, which we refer to as the Internal Revenue Code. One of the conditions to the respective obligations of Prudential and Polonia to complete the merger is that each of Prudential and Polonia receives an opinion from its respective legal counsel to that effect.

The federal income tax consequences of the merger to Polonia shareholders will depend on the merger consideration received – cash, shares of Prudential common stock, or a combination thereof. It is expected that Polonia shareholders exchanging shares of Polonia common stock solely for shares of Prudential common stock will not recognize gain or loss for U.S. federal income tax purposes upon the exchange of their shares of Polonia common stock for shares of Prudential common stock pursuant to the merger, except with respect to any cash received by a Polonia shareholder in lieu of fractional shares of Prudential common stock. Polonia shareholders exchanging shares of Polonia common stock solely for cash consideration generally will recognize gain or loss for federal income tax purposes in an amount equal to the difference between the cash received and the particular shareholder's adjusted tax basis in the shares of Polonia common stock. Polonia shareholders exchanging shares of Polonia common stock for a combination of cash and shares of Prudential common stock generally will not recognize loss but will recognize gain, if any, equal to the lesser of (1) the excess, if any, of the sum of the cash received and the fair market value of the Prudential common stock received pursuant to the merger over that shareholder's adjusted tax basis in his or her shares of Polonia common stock surrendered, and (2) the amount of cash consideration received by that shareholder pursuant to the merger. This tax treatment may not apply to all Polonia shareholders.

Comparative Market Prices of Securities (page 115)

Prudential's common stock trades on the Nasdaq Global Market under the symbol "PBIP." Polonia's common stock trades on the OTC Pink Marketplace under the symbol "PBCP." The table below presents the closing prices of Prudential common stock on June 1, 2016, the last trading day prior to the public announcement of the merger, and on November 10, 2016, the last practicable trading day before the distribution of this proxy statement. The table also presents the implied value for each share of Polonia common stock converted into shares of Prudential common stock on those dates, as determined by multiplying the closing price of Prudential common stock on those dates by the exchange ratio of 0.7591. This table also presents the value of the cash consideration proposed for each share of Polonia common stock converted into the cash consideration, which will remain a fixed amount regardless of any change in the market value of the stock consideration.

	Prudential Common Stock	Implied Value of One Share of Polonia Common Stock	**Value of the Cash Consideration for One Share of Polonia Common Stock**
At June 1, 2016	$ 14.91	$ 11.32	$ 11.28
At November 10, 2016	$ 14.77	$ 11.21	$ 11.28

For each share of Polonia common stock converted into the stock consideration, Polonia shareholders will receive 0.7591 of a share of Prudential common stock, subject to adjustment in certain instructions. The market value of Prudential common stock and the market value of Polonia common stock may fluctuate prior to the merger. Polonia shareholders should obtain current market quotations for Prudential common stock. You can get these quotations from the Internet or by calling your broker.

The Merger Will Be Accounted for as a "Business Combination" (page 74)

The merger will be treated as a "business combination" using the acquisition method of accounting with Prudential treated as the acquirer under United States generally accepted accounting principles, or GAAP.

Special Meeting of Prudential Shareholders (page 37)

Prudential plans to hold the Prudential special meeting on December 19, 2016, at 11:00 a.m., Eastern time, at 1834 West Oregon Avenue, Philadelphia, Pennsylvania. At the Prudential special meeting, Prudential shareholders will be asked to approve the issuance of shares of Prudential common stock to Polonia shareholders in connection with the merger and to approve a proposal to allow the Prudential special meeting to be adjourned, if necessary or appropriate, to permit the solicitation of additional proxies in favor of the issuance of the shares of Prudential common stock in connection with the merger.

Prudential shareholders may vote at the Prudential special meeting if they owned Prudential common stock at the close of business on November 10, 2016, which is the record date for the Prudential special meeting. As of that date, there were approximately 8,045,544 shares of Prudential common stock outstanding and entitled to vote. Prudential shareholders are entitled to cast one vote for each share of Prudential common stock owned on the record date.

As of the record date for the Prudential special meeting, Prudential's directors and executive officers and their affiliates held 226,268 shares of Prudential common stock, excluding shares that may be acquired upon the exercise of outstanding stock options.

As of the record date for the Prudential special meeting, Polonia, its subsidiaries, and its directors and officers and their affiliates did not own or hold any shares of Prudential common stock (other than shares held as fiduciary, custodian or agent).

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Prudential's Board of Directors Recommends That Prudential Shareholders Vote "FOR" Approval of the Issuance of Share of Prudential Common Stock in Connection with the Merger (page 44)

Prudential's board of directors has approved the merger agreement and the transactions contemplated thereby, including the merger, and recommends that Prudential shareholders vote "FOR" approval of the issuance of shares of Prudential common stock to holders of Polonia common stock as provided in the merger agreement, and "FOR" the proposal to allow the Prudential special meeting to be adjourned, if necessary or appropriate, to permit the solicitation of additional proxies in favor of the issuance of the shares of Prudential common stock in connection with the merger.

Opinion of Prudential's Financial Advisor (page 45)

Sandler O'Neill & partners, L.P or Sandler O'Neill, Prudential's financial advisor, delivered its opinion, dated June 1, 2016, to Prudential's board of directors to the effect that, as of the date of the opinion and subject to the procedures followed, assumptions made, matters considered and qualifications and limitations on the review undertaken by Sandler O'Neill as set forth in such opinion, Prudential's acquisition of all of the outstanding and common stock of Polonia, in exchange for Prudential's common stock and cash was fair to Prudential from a financial point of view.

The full text of the written opinion of Sandler O'Neill, dated June 1, 2016, which sets forth the procedures followed, assumptions made, matters considered and qualifications and limitations on the review undertaken by Sandler O'Neill in connection with its opinion, is attached as Annex B to this proxy statement. Sandler O'Neill's opinion was for the information of, and directed to, Prudential's board of directors (in its capacity as such) in connection with its consideration of the financial terms of the merger. The Sandler O'Neill opinion is not a recommendation as to how any holder of Prudential's common stock should vote with respect to the proposal to approve the issuance of shares of Prudential common stock in connection with merger or any other matter. The Sandler O'Neill opinion does not reflect any developments that may have occurred or may occur after the date of its opinion and prior to the completion of the merger. Prudential does not expect that it will request an updated opinion from Sandler O'Neill. Sandler O'Neill will receive a fee for its services, including rendering the fairness opinion, in connection with the merger.

Ownership of Prudential Common Stock Following the Merger

It is currently expected that former shareholders of Polonia as a group will receive shares in the merger constituting approximately 13.6% of the outstanding shares of Prudential common stock immediately after completion of the merger. As a result, current shareholders of Prudential as a group will own approximately 86.4% of the outstanding shares of Prudential common stock immediately after the completion of the merger.

Prudential Shareholders Do Not Have Dissenters' Rights in the Merger (page 58)

Prudential's shareholders do not have dissenters' rights of appraisal in connection with the merger or the issuance of shares of Prudential common stock as provided by the terms of the merger agreement.

Prudential and Polonia Have Agreed When and How Polonia Can Consider Third-Party Acquisition Proposals (page 70)

Prudential and Polonia have agreed that Polonia will not initiate, solicit, induce or encourage proposals from third parties regarding certain acquisitions of Polonia, its shares, or its businesses, take any action or facilitate the making of an acquisition proposal, or engage in related discussions, negotiations or enter into any related agreements. However, Polonia may (1) provide information in response to a request from a person who makes an unsolicited acquisition proposal, subject to such person entering into a confidentiality agreement that is no less favorable to Polonia than its confidentiality agreement with Prudential, and (2) engage or participate in discussions or negotiations with a person who makes such an unsolicited acquisition proposal; if, but only if, (A) Polonia has received a bona fide unsolicited written acquisition proposal that did not result from a breach of the merger agreement, (B) prior to taking any such action, Polonia's board of directors determines, in good faith, after consultation with its outside legal and financial advisors, that the acquisition proposal constitutes or is reasonably likely to lead to a superior proposal compared to the transactions contemplated by the merger agreement, (C) prior to furnishing or affording access to any information or data with respect to Polonia or any of its subsidiaries or otherwise relating to the unsolicited acquisition proposal, Polonia receives a confidentiality agreement with terms no less favorable to Polonia than those contained in the confidentiality agreement between Prudential and Polonia, and (D) the board of directors of Polonia determines in good faith, after consultation with and having considered the advice of its outside legal counsel, that the failure to take any such actions would be reasonably likely to violate its fiduciary duties under applicable laws. Polonia is required to provide Prudential with notice of such determination within three business days after making such determination.

Additionally, prior to the approval of the merger agreement by Polonia's shareholders, upon the determination by Polonia's board of directors that an unsolicited acquisition proposal constitutes a superior proposal compared to the transactions contemplated by the merger agreement, the board of directors of Polonia may change its recommendation in favor of the merger agreement (but not terminate the merger agreement) if, prior to changing its recommendation, (1) Polonia's board of directors determines, in good faith, after consultation with its outside legal and financial advisors, that failure to change its recommendation would be reasonably likely to be inconsistent with its fiduciary duties to Polonia's shareholders, (2) Polonia provides Prudential with notice that Polonia's board of directors intends to or may change its recommendation and provides an opportunity for Prudential to make an improved proposal, and (3) Polonia's board of directors determines, in good faith, after consultation with its outside legal and financial advisors, that the acquisition proposal constitutes a superior proposal compared to any such improved proposal by Prudential.

Merger Requires the Approval of Prudential Shareholders of the Issuance of Shares of Prudential Common Stock and the Approval and Adoption of the Merger Agreement by Polonia Shareholders (page 39)

Approval of the issuance of the shares of Prudential common stock in connection with the merger requires the affirmative vote of the holders of a majority of the votes cast by holders of Prudential common stock entitled to vote at the Prudential special meeting.

As of the record date for the Prudential special meeting, Prudential's directors and executive officers beneficially owned approximately 226,268 shares, excluding shares that may be acquired upon the exercise of options, representing approximately 2.8% of the shares entitled to vote at the Prudential's special meeting.

Polonia's shareholders approved the adoption of the merger agreement at a special meeting of shareholders of Polonia held on October 25, 2016.

Conditions That Must Be Satisfied or Waived for the Merger to Occur (page 72)

Currently, Prudential and Polonia expect to complete the merger at the end of the fourth quarter of 2016 or the early part of the first quarter of 2017. As more fully described elsewhere in this proxy statement and in the merger agreement, the completion of the merger depends on a number of conditions being satisfied or, where legally permissible, waived. These conditions include, among others:

- the approval and adoption of the merger agreement by the requisite vote of Polonia shareholders (which has been obtained);
- the receipt of all regulatory consents and approvals required to consummate the transactions contemplated by the merger agreement, without conditions (excluding standard conditions that are normally imposed in bank merger transactions) that would, in the good faith reasonable judgment of the Prudential board of directors, materially and adversely affect the business, operations, financial condition, property or assets of the combined enterprise of Prudential and Polonia or materially impair the value of Polonia to Prudential; Prudential has received all required regulatory approvals of federal and state banking authorities and none of such approvals included non-standard conditions;
- the receipt by each of Prudential and Polonia of a legal opinion with respect to certain United States federal income tax consequences of the merger;

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- the absence of any law, statute, rule, regulation, order, decree, injunction or other order by any court or other governmental entity, which enjoins or prohibits completion of the transactions contemplated by the merger agreement;

- the effectiveness of the registration statement of which this proxy statement is a part with respect to the Prudential common stock to be issued in connection with the merger under the Securities Act and the absence of any stop order or proceedings initiated or threatened by the SEC or any state securities commissioner (with respect to any applicable state securities laws) for that purpose;

- the authorization for listing on the Nasdaq Global Market of the shares of Prudential common stock to be issued in connection with the merger which requires, as condition thereof, the approval of the issuance of shares of Prudential common stock by Prudential's shareholders;

- the exercise of dissenters' rights by holders of Polonia common stock not exceeding 15% of the issued and outstanding shares of Polonia (no Polonia shareholders exercised such rights);

- the absence of any change that individually or in the aggregate has a material adverse effect with respect to Prudential or Polonia;

- the truth and correctness of the representations and warranties of each other party in the merger agreement, subject to the materiality standards provided in the merger agreement; and

- the performance by each party in all material respects of their obligations under the merger agreement and the receipt by each party of certificates from the other party to that effect.

We cannot be certain when, or if, the conditions to the merger will be satisfied or waived, or that the merger will be completed.

Termination of the Merger Agreement (page 72)

The merger agreement can be terminated at any time prior to completion by mutual consent, if authorized by each of the Prudential and Polonia boards of directors, or by either party individually, in the following circumstances:

- if the other party breaches the merger agreement in a way that would entitle the party seeking to terminate the agreement not to consummate the merger, unless the breach is capable of being cured by February 28, 2017 (the termination date of the merger agreement), and is actually cured within 30 days of notice of the breach;

- if the merger has not been completed by the termination date of February 28, 2017, unless the failure to complete the merger by that date is due to the breach of the merger agreement by the party seeking to terminate the merger agreement; or

- if there is any final, non-appealable order permanently enjoining or prohibiting the completion of the merger or any consent, registration, approval, permit or authorization is denied such that the regulatory approval condition to the merger cannot be satisfied as of the closing date.

In addition, Prudential may terminate the merger agreement if Polonia has received a "superior proposal" and Polonia's board of directors has (1) entered into an acquisition agreement with respect to the superior proposal or (2) withdrawn its recommendation regarding the merger, failed to make its recommendation or modified or qualified its recommendation in a manner adverse to Prudential. Prudential also may terminate the merger agreement if Polonia fails to substantially comply with its obligations with respect to consideration and action upon alternative acquisition proposals.

Polonia also may terminate the merger agreement (1) if Polonia has received an acquisition proposal that Polonia's board of directors determines to be a "superior proposal" and Polonia's board of directors has made a

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determination to accept such superior proposal or (2) if the average closing price of Prudential common stock over the prior 20 trading days is less than $11.89 during the three day period following the 10th calendar day immediately prior to the effective time of the merger and if Prudential's common stock underperforms the Nasdaq Bank Index by more than 20%, unless Prudential elects to make a compensating adjustment to the exchange ratio.

If the merger agreement is terminated, it will become void, and there will be no liability on the part of Prudential or Polonia, except that (1) in the event of willful breach of the merger agreement, the breaching party will remain liable for any damages, costs and expenses, including without limitation, reasonable attorneys' fees incurred by the non-breaching party in connection with the enforcement of its rights under the merger agreement, (2) designated provisions of the merger agreement, including the payment of fees and expenses and the confidential treatment of information, will survive the termination and (3) under certain circumstances, a termination of the merger agreement will obligate Polonia to pay Prudential a termination fee.

Termination Fee (page 73)

Polonia will be obligated to pay Prudential a termination fee of $1,515,000 under the following circumstances:

- if the merger agreement is terminated by Prudential because Polonia has received a "superior proposal" and Polonia's board of directors has entered into an acquisition agreement with respect to the superior proposal;
- if the merger agreement is terminated by Polonia because Polonia has received a "superior proposal" and Polonia's board of directors has made a determination to accept the superior proposal; or
- if Polonia enters into a definitive agreement relating to an acquisition proposal within 12 months after the occurrence of any of the following: the termination of the merger agreement by Prudential due to Polonia's willful breach, subject to the materiality standards provided in the merger agreement, of its representations, warranties, covenants or agreements under the merger agreement.

Regulatory Approvals Required for the Merger (page 57)

Each of Prudential and Polonia has agreed to cooperate with the other and use all reasonable efforts to obtain all regulatory approvals required to complete the transactions contemplated by the merger agreement, including the merger and the bank merger. These approvals include approval from the Board of Governors of the Federal Reserve System, which we refer to as the Federal Reserve Board, the Federal Deposit Insurance Corporation and the Pennsylvania Department of Banking and Securities. Prudential and Polonia have completed the filing of applications and notifications to obtain the required regulatory approvals. The required approvals from the Federal Reserve Board, the Federal Deposit Insurance Corporation and the Pennsylvania Department of Banking and Securities have been received.

Litigation Relating to the Merger (page 58)

Polonia and Polonia's directors are named as defendants in two lawsuits that are pending in connection with the merger. Prudential is also named as a defendant in one of these lawsuits. See "The Merger—Litigation" beginning on page 58 for more information.

Risk Factors (page 27)

You should consider all the information contained in or incorporated by reference into this proxy statement in deciding how to vote for the proposals presented in this proxy statement. In particular, you should consider the factors described under "Risk Factors."

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COMPARATIVE HISTORICAL AND PRO FORMA PER SHARE DATA

Presented below for Prudential and Polonia are comparative historical and unaudited pro forma equivalent per share financial data as of and for the year ended September 30, 2015, and as of and for the nine months ended June 30, 2016. The information presented below should be read together with the historical consolidated financial statements of Prudential and Polonia, including the related notes. The information in the table is based on, and should be read together with, the historical financial information that Prudential has presented in its filings with the SEC and the historical financial information that Polonia has presented in its financial statements included in this proxy statement beginning at page F-1. See the section entitled “Where You Can Find More Information” beginning on page 118.

The unaudited pro forma information gives effect to the merger as if the merger had been effective on September 30, 2015 or June 30, 2016 in the case of the book value data, and as if the merger had been effective as of October 1, 2015 or October 1, 2014 in the case of the earnings per share and the cash dividends data. The unaudited pro forma data combines the historical results of Polonia into Prudential’s consolidated financial statements. While certain adjustments were made for the estimated impact of fair value adjustments and other acquisition-related activity, they are not indicative of what could have occurred had the acquisition taken place on October 1, 2014 or October 1, 2015.

The unaudited pro forma adjustments are based upon available information and certain assumptions that Prudential and Polonia management believe are reasonable. The unaudited pro forma data, while helpful in illustrating the financial characteristics of the combined company under one set of assumptions, does not reflect the impact of factors that may result as a consequence of the merger or consider any potential impacts of current market conditions or the merger on revenues, expense efficiencies or asset dispositions, among other factors, nor the impact of possible business model changes. As a result, unaudited pro forma data are presented for illustrative purposes only and do not represent an attempt to predict or suggest future results. Upon completion of the merger, the operating results of Polonia will be reflected in the consolidated financial statements of Prudential on a prospective basis.

	Prudential Historical	Polonia Historical	Pro Forma Combined	Per Equivalent Polonia Share (3)
For nine months ended June 30, 2016:				
Earnings (Loss) Per Share (1)				
Basic earnings per share	$ 0.23	$ (0.24)	$ 0.04	$ 0.03
Diluted earnings per share	$ 0.23	$ (0.24)	$ 0.04	$ 0.03
Cash Dividends Per Share (2)	$ 0.09	$ —	$ 0.09	$ 0.07
Book Value per common share as of June 30, 2016	$ 14.03	$ 11.18	$ 13.74	$ 10.43

The pro forma combined book value per share of Prudential is based upon the pro forma combined common shareholders' equity for Prudential and Polonia divided by the total pro forma common shares of the combined entity and reflects Polonia shares at the exchange ratio of 0.7591.

	Prudential Historical	Polonia Historical	Pro Forma Combined	Per Equivalent Polonia Share (3)
For the year ended September 30, 2015:				
Earnings Per Share (1)				
Basic earnings per share	$ 0.27	$ 0.10	$ 0.28	$ 0.21
Diluted earnings per share	$ 0.26	$ 0.09	$ 0.28	$ 0.21
Cash Dividends Per Share (2)	$ 0.27	$ —	$ 0.27	$ 0.20
Book Value per common share as of September 30, 2015	$ 13.85	$ 11.19	$ 13.28	$ 10.08

(1) Polonia's fiscal year ends on December 31. To calculate basic and diluted earnings per share for the nine months ended June 30, 2016, Polonia added the earnings per share for the quarter ended December 31, 2015 to the earnings per share for the six months ended June 30, 2016. To calculate earnings per share for the year ended September 30, 2015, Polonia subtracted the earnings per share for the quarter ended December 31, 2015 from the earnings per share for the year ended December 31, 2015 and added the earnings per share for the quarter ended December 31, 2014.

(2) Pro forma combined dividends are based on Prudential's historical amounts.

(3) Per equivalent Polonia share was computed by multiplying the pro forma combined amounts by the exchange ratio of 0.7591.

The pro forma combined book value per share of Prudential is based upon the pro forma combined common shareholders' equity for Prudential and Polonia divided by the total pro forma common shares of the combined entity and reflects Polonia shares at the exchange ratio of 0.7591.

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SELECTED FINANCIAL AND OTHER DATA OF PRUDENTIAL

The following summary presents selected consolidated financial data of Prudential as of and for the periods indicated. The financial data as of and for the years ended September 30, 2015, 2014, 2013, 2012 and 2011 has been derived from Prudential's audited financial statements contained in Annual Reports on Form 10-K that Prudential has previously filed with the SEC. The financial data as of and for the nine months ended June 30, 2016 and 2015 has been derived from Prudential's unaudited consolidated financial statements contained in Quarterly Reports on Form 10-Q that Prudential has previously filed with the SEC. The information as of and for the nine months ended June 30, 2016 and 2015 is unaudited and reflects only normal recurring adjustments that are, in the opinion of Prudential's management, necessary for a fair presentation of the result for the interim periods presented. The results of operations for the nine months ended June 30, 2016 are not necessarily indicative of the results to be achieved by Prudential for all of fiscal 2016 or for any other period.

	At June 30, 2016	**At September 30, 2015**	**2014**	**2013**	**2012**	**2011**
		(Dollars in Thousands)				
Selected Financial and Other Data:						
Total assets	$ 556,290	$487,189	$525,483	$607,897	$490,504	$499,537
Cash and cash equivalents	38,572	11,272	45,382	158,984	81,273	53,829
Investment and mortgage-backed securities:						
Held-to-maturity	15,488	66,384	80,840	83,732	63,110	108,956
Available-for-sale	138,683	77,483	57,817	41,781	65,975	75,370
Loans receivable, net	342,459	312,633	321,063	306,517	260,684	240,511
Deposits	386,640	365,074	391,025	542,748	425,602	436,014
FHLB advances	50,227	—	340	340	483	570
Non-performing loans	16,092	13,932	5,880	6,634	14,018	12,631
Non-performing assets	16,299	14,801	6,240	7,040	15,990	14,899
Total stockholders' equity, substantially restricted	113,066	117,001	129,425	59,912	59,831	57,452

	For the Nine Months Ended June 30, 2016	**2015**	**Year Ended September 30, 2015**	**2014**	**2013**	**2012**	**2011**
	(Dollars in Thousands, except per share data)						
Selected Operating Data:							
Total interest income	$12,896	$12,599	$16,680	$16,465	$16,773	$18,979	$21,685
Total interest expense	2,473	2,623	3,430	3,401	4,344	5,779	7,097
Net interest income	10,423	9,976	13,250	13,064	12,429	13,200	14,588
Provision (recovery) for loan losses	225	585	735	240	(500)	725	4,630
Net interest income after provision (recovery) for loan losses	10,198	9,391	12,515	12,824	12,929	12,475	9,958

Total non-interest income	883	2,783	3,008	1,111	1,774	3,068	938
Total non-interest expense	8,507	9,869	13,175	11,465	11,250	11,668	10,996
Income (loss) before income taxes	2,574	2,305	2,348	2,470	3,453	3,875	(100)
Income tax expense (benefit)	836	86	116	690	1,698	1,282	(212)
Net income	$1,738	$2,219	$2,232	$1,780	$1,755	$2,593	$112
Basic earnings per share	$0.23	$0.26	$0.27	$0.20	$0.19	$0.27	$0.01
Diluted earnings per share	$0.23	$0.26	$0.26	$0.19	$0.19	$0.27	$0.01
Dividends paid per common share	$0.09	$0.24	$0.27	$0.06	$0.00	0.00	$0.10
Selected Operating Ratios(1):							
Average yield earned on interest-earning assets	3.40 %	3.37 %	3.38 %	3.28 %	3.60 %	3.96 %	4.42 %
Average rate paid on interest-bearing liabilities	0.81	0.91	0.90	0.89	1.04	1.33	1.58
Average interest rate spread(2)	2.59	2.46	2.49	2.39	2.56	2.63	2.84
Net interest margin(2)	2.74	2.67	2.69	2.61	2.67	2.76	2.97
Average interest-earning assets to average interest-bearing liabilities	124.74	128.93	128.72	130.51	111.15	110.29	109.41
Net interest income after provision for loan losses to non-interest expense	119.88	95.16	94.99	111.85	114.92	106.92	90.55
Total non-interest expense to total average assets	2.15	2.46	2.56	2.21	2.25	2.33	2.15
Efficiency ratio(3)	75.24	77.35	81.04	80.88	79.21	71.72	70.83
Return on average assets	0.44	0.88	0.43	0.34	0.35	0.52	0.02
Return on average equity	2.00	3.36	1.77	1.38	3.00	4.43	0.20
Average equity to average total assets	21.94	24.60	24.39	24.79	12.20	11.71	10.90

(Footnotes on next page)

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	At or For the Nine Months Ended June 30,		At or For the Year Ended September 30,				
	2016	**2015**	**2015**	**2014**	**2013**	**2012**	**2011**
Asset Quality Ratios(4):							
Non-performing loans as a percent of total loans receivable(5)	4.70 %	4.87 %	4.46 %	1.83 %	2.16 %	5.38 %	5.25 %
Non-performing assets as a percent of total assets(5)	2.93	3.07	3.04	1.19	1.16	3.26	2.98
Allowance for loan losses as a percent of non-performing loans	21.31	17.30	21.03	41.24	35.47	13.42	26.63
Allowance for loan losses as a percent of total loans	0.95	0.83	0.93	0.75	0.77	0.71	1.63
Net charge-offs to average loans receivable	-0.03	0.21	0.07	0.05	-0.35	0.88	1.90
Capital Ratios(4)(6):							
Tier 1 leverage ratio							
Company	20.35 %	23.90 %	23.73 %	22.39 %	12.54 %	11.73 %	11.06 %
Bank	18.02	18.66	19.50	17.95	11.81	10.95	10.23
Tier 1 common risk-based capital ratio							
Company	40.53	52.64	50.63	N/A	N/A	N/A	N/A
Bank	35.98	41.11	41.66	N/A	N/A	N/A	N/A
Tier 1 risk-based capital ratio							
Company	40.20	52.92	50.63	57.21	26.69	27.51	25.54
Bank	35.60	41.40	41.65	40.52	25.15	25.69	23.62
Total risk-based capital ratio							
Company	41.40	54.14	51.98	58.28	27.72	28.39	26.79
Bank	36.85	42.62	43.00	41.59	26.18	26.57	24.87

(1) With the exception of end of period ratios, all ratios are based on average monthly balances during the indicated periods.

(2) Average interest rate spread represents the difference between the average yield earned on interest-earning assets and the average rate paid on interest-bearing liabilities. Net interest margin represents net interest income as a percentage of average interest-earning assets.

(3) The efficiency ratio represents the ratio of non-interest expense divided by the sum of net interest income and non-interest income.

(4) Asset quality ratios and capital ratios are end of period ratios, except for net charge-offs to average loans receivable.

(5) Non-performing assets generally consist of all loans on non-accrual, loans which are 90 days or more past due as to principal or interest, and real estate acquired through foreclosure or acceptance of a deed in-lieu of foreclosure. Non-performing assets and non-performing loans also include loans classified as troubled debt restructurings,

referred to as TDRs, due to being recently restructured and placed on non-accrual in connection with such restructuring. The TDRs in most cases are performing in accordance with their restructured terms. It is Prudential's policy to cease accruing interest on all loans which are 90 days or more past due as to interest or principal.

(6) Prudential is not subject to the regulatory capital ratios imposed by Basel III on bank holding companies because Prudential was deemed to be a small bank holding company.

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SELECTED FINANCIAL AND OTHER DATA OF POLONIA

The following summary presents Selected Consolidated Financial Data of Polonia as of and for the periods indicated. The financial data as of and for the years ended December 31, 2015 and 2014 has been derived from Polonia's audited financial statements included in this proxy statement. The information as of and for the year ended December 31, 2013 is derived from Polonia's audited financial statements which are not included in this proxy statement. The financial data as of and for the six months ended June 30, 2016 and 2015 has been derived from Polonia's unaudited consolidated financial statements. The information at June 30, 2016 and for the six months ended June 30, 2016 and 2015 is unaudited and reflects only normal recurring adjustments that are, in the opinion of Polonia's management, necessary for a fair presentation of the result for the interim periods presented. The results of operations for the six months ended June 30, 2016 are not necessarily indicative of the results to be achieved by Polonia for all of 2016 or for any other period.

	At or For the Six Months Ended June 30,		At December 31,		
	2016	**2015**	**2015**	**2014**	**2013**
(In thousands, except per share data)					
Financial Condition Data:					
Total assets	$284,258	$291,454	$291,611	$308,350	$306,176
Loans receivable, net	168,175	173,638	160,493	197,679	182,050
Deposits	183,314	190,876	188,222	199,554	201,322
FHLB Advances – short-term	7,000	—	—	—	—
FHLB Advances – long-term	49,000	56,000	56,000	59,000	59,000
Stockholders' equity	37,434	39,023	37,501	36,940	38,417
Operating Data:					
Interest income	4,626	5,288	10,213	11,342	10,732
Interest expense	1,516	1,592	3,153	3,210	2,589
Net interest income	3,110	3,696	7,060	8,132	8,143
Provision for loan losses	—	73	73	210	574
Net interest income after provision for loan losses	3,110	3,623	6,987	7,922	7,569
Non-interest income	794	2,281	4,130	4,654	5,577
Non-interest expense	4,326	5,848	11,185	12,506	13,512
Income (loss) before income taxes	(422)	56	(68)	70	(366)
Provision (benefit) for income taxes	(130)	29	70	53	(120)
Net income (loss)	$(292)	$27	$(138)	$17	$(246)
Per common share:					
Book value	$11.18	$11.70	$11.20	$11.08	$10.94
Basic and diluted earnings (loss)	(0.09)	0.01	(0.04)	0.01	(0.07)

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	At or For the Six Months Ended June 30,		At December 31,		
	2016	2015	2015	2014	2013
(In thousands, except per share data)					
Performance Ratios (1):					
Return on average assets	(0.20)%	0.02 %	(0.05)%	0.01 %	0.09 %
Return on average equity	(1.52)	0.14	(0.35)	0.04	(0.60)
Net interest margin (2)	2.28	2.62	2.52	2.84	3.13
Asset Quality Ratios (3):					
Allowance for loan losses as a percent of total loans	0.79 %	0.78 %	0.79 %	0.71 %	0.75 %
Allowance for loan losses as a percent of non-performing loans	59.06	49.05	56.26	63.36	71.40
Non-performing loans as a percent of total loans	1.33	1.59	1.40	1.12	1.05

(1) Performance ratios for the six-month periods have been annualized.
(2) Represents net interest income as a percent of average interest-earning assets.
(3) Ratios exclude covered loans which are subject to loss sharing agreements entered into with the Federal Deposit Insurance Corporation.

UNAUDITED PRO FORMA COMBINED CONDENSED CONSOLIDATED FINANCIAL DATA

The Unaudited Pro Forma Combined Condensed Consolidated Financial Information has been prepared using the acquisition method of accounting, giving effect to the merger. The Unaudited Pro Forma Combined Condensed Consolidated Statement of Financial Condition combines the historical information of Prudential and of Polonia as of June 30, 2016 and assumes that the merger was completed on that date. The Unaudited Pro Forma Combined Condensed Consolidated Statement of Income combines the historical financial information of Prudential and of Polonia and give effect to the merger as if it had been completed as of the beginning of the periods presented. The Unaudited Pro Forma Combined Condensed Consolidated Financial Information is presented for illustrative purposes only and is not necessarily indicative of the results of income or financial condition had the merger been completed on the date described above, nor is it necessarily indicative of the results of income in future periods or the future financial condition and results of income of the combined entities. The financial information should be read in conjunction with the accompanying notes to the Unaudited Pro Forma Combined Condensed Consolidated Financial Information. Certain reclassifications have been made to Polonia historical financial information in order to conform to Prudential's presentation of financial information.

The proposed merger is targeted for completion at the end of the fourth quarter of 2016 or early in the first quarter of 2017. There can be no assurance that the merger will be completed as anticipated. For purposes of the Unaudited Pro Forma Combined Condensed Consolidated Financial Information, the fair value of Prudential's common stock to be issued in connection with the merger was based on Prudential's closing stock price of $14.10 as of June 30, 2016.

The Unaudited Pro Forma Combined Condensed Consolidated Financial Information includes estimated adjustments, including adjustments to record Polonia's assets and liabilities at their respective fair values, and represents Prudential's pro forma estimates based on available fair value information as of the date of the merger agreement. In some cases, where noted, more recent information has been used to support estimated adjustments in the pro forma financial information.

The pro forma adjustments are subject to change depending on changes in interest rates and the components of assets and liabilities and as additional information becomes available and additional analyses are performed. The final allocation of the purchase price for the merger will be determined after it is completed and after completion of thorough analyses to determine the fair value of Polonia's tangible and identifiable intangible assets and liabilities as of the date the merger is completed. Increases or decreases in the estimated fair values of the net assets as compared with the information shown in the Unaudited Pro Forma Combined Condensed Consolidated Financial Information may change the amount of the purchase price allocated to goodwill and other assets and liabilities and may impact Prudential's statement of income due to adjustments in yield and/or amortization of the adjusted assets or liabilities. Any changes to Polonia's stockholders' equity, including results of operations from June 30, 2016 through the date the merger is completed, will also change the purchase price allocation, which may include the recording of a lower or higher amount of goodwill. The final adjustments may be materially different from the unaudited pro forma adjustments presented herein.

We anticipate that the merger will provide the combined company with financial benefits that include reduced operating expenses. The Unaudited Pro Forma Combined Condensed Consolidated Financial Information, while helpful in illustrating the financial characteristics of the combined company under one set of assumptions, does not reflect the benefits of expected cost savings or opportunities to earn additional revenue and, accordingly, does not attempt to predict or suggest future results. It also does not necessarily reflect what the historical results of the combined company would have been had Prudential and Polonia been combined during these periods.

The Unaudited Pro Forma Combined Condensed Consolidated Financial Information has been derived from and should be read in conjunction with the historical consolidated financial statements and the related notes of Prudential, incorporated herein by reference and those of Polonia, which appear elsewhere in this document.

Polonia’s fiscal year end is December 31 and Prudential’s is September 30. In order to provide shareholders with comparable information, for purposes of the unaudited pro forma condensed combined statements of income, certain financial information for Polonia has been completed as if Polonia’s year end is September 30. To calculate operating results for the nine months ended June 30, 2016, Polonia added the operating results for Polonia’s quarter ended December 31, 2015 to the operating results for Polonia’s six months ended June 30, 2016. To calculate operating results for the year ended September 30, 2015, Polonia subtracted the operating results for Polonia’s quarter ended December 31, 2015 from the operating results for Polonia’s year ended December 31, 2015 and added the operating results for Polonia’s quarter ended December 31, 2014.

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COMBINED CONDENSED CONSOLIDATED PRO FORMA STATEMENT OF FINANCIAL CONDITION (Unaudited)

At June 30, 2016

(Dollars in Thousands, Except Per Share Data)

	Prudential	Polonia	Adjustments		Pro Forma
Assets					
Cash and cash equivalents	$ 38,572	$ 15,409	$ (19,163)	(1)	$ 34,818
Investments AFS	138,683	84,133	—		222,816
Investments HTM	15,488	—	—		15,488
Loans and Leases	345,728	169,420	(3,495)	(2)	511,653
Allowance for loan and lease losses	(3,269)	(1,245)	1,245	(3)	(3,269)
Net loans	342,459	168,175	(2,250)		508,384
Premises and equipment	1,419	3,899	3,228	(4)	8,546
Accrued interest receivable	1,763	698	—		2,461
Deferred income taxes	476	2,112	2,042	(5)	4,630
Bank owned life insurance	12,973	4,245	—		17,218
Federal Home Loan Bank stock	2,387	3,515	—		5,902
Goodwill	—	—	1,421	(6)	1,421
Intangible assets	—	—	1,288	(7)	1,288
Other assets	2,070	2,072	—		4,142
Total assets	$ 556,290	$ 284,258	$ (13,434)		$ 827,114
Liabilities					
Deposits:					
Non-interest-bearing	$ 2,832	$ 6,098	$ —		$ 8,930
Interest-bearing	383,808	172,216	1,191	(8)	562,215
Total deposits	386,640	183,314	1,191		571,145
FHLB advances	50,227	56,000	2,167	(9)	108,394
Other liabilities	6,357	7,510	5,466	(10)	19,333
Total liabilities	443,224	246,824	8,824		698,872
Stockholders' Equity					
Preferred stock	—	—	—		—
Common stock	113,066	37,434	(22,258)	(11)	128,242
Total stockholders' equity	113,066	37,434	(22,258)		128,242
Total liabilities and stockholders' equity	$ 556,290	$ 284,258	$ (13,434)		$ 827,114
Book value	$ 14.03	$ 11.18			$ 13.74
Tangible book value	$ 14.03	$ 11.18			$ 13.45

The accompanying notes are an integral part of these pro forma statements.

* Assumes that the merger was completed on June 30, 2016 utilizing the acquisition method of accounting. Estimated fair value adjustments for loans, investments securities, core deposit intangibles, deposits and borrowed funds were determined by information obtained from Polonia and Prudential. Actual fair value adjustments, where appropriate, will be determined by a third party specialist, engaged by Prudential, as of the merger completion date.

(1) The $19.2 million reflects the estimated payment of the cash portion of the merger consideration.

(2) The $(3.5) million purchase accounting adjustment decreases the carrying values of acquired loans to their fair market value. This adjustment is approximately (2.04)% of Polonia’s loan portfolio. This pro forma presentation assumes an estimated fair value of projected cash flows valued at present value, including an additional liquidity premium, of approximately $(1.4) million, in addition to an estimated credit adjustment of $(2.1) million.

(3) In accordance with current purchase accounting guidance, Polonia’s $1.2 million allowance for loan losses, which is equal to 0.73% of portfolio loans, has been eliminated.

(4) The $3.2 million purchase accounting adjustment on premises brings the carrying value of the premises Polonia owns to their estimated fair value.

(5) The $1.2 million increase in the deferred tax asset is associated with the fair value adjustments related to the acquired assets and liabilities, excluding goodwill. Also included is the tax impact of the post-closing costs paid by Prudential.

(Footnotes continued on following page)

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(6) Calculated to reflect the acquisition accounting adjustments related to the merger. The consideration paid to acquire Polonia consists of cash of $18.9 million and the issuance of 1,271,047 shares of Prudential common stock based upon the fixed exchange ratio of 0.7591 applied to 1,674,414 shares of the 3,348,827 shares of Polonia common stock outstanding. The value of Prudential common stock is based upon the closing stock price of $14.10 as of June 30, 2016 and the cash consideration is based on the $11.28 per share price.

Purchase Price	**(In Thousands)**	
Value of Prudential common stock to be issued	$ 17,922	
Cash consideration for Polonia common stock	18,887	
Cash consideration for Polonia options	275	
Purchase price as of June 30, 2016	$ 37,084	
Polonia's net assets:		
Polonia's stockholders' equity	37,434	
Costs paid by Polonia prior to closing, net of taxes	(495	)
Polonia's stockholders' equity, net of transaction costs	36,939	
Fair value adjustments:		
Loans	(2,250	)
Premises and equipment	3,228	
Core deposit intangible	1,288	
Interest-bearing deposits	(1,191	)
FHLB advances	(2,167	)
Tax effect of fair value adjustment	371	
Capitalized costs	(555	)
Total adjustments of net assets acquired	(1,276	)
Fair value of assets acquired	35,663	
Estimated goodwill	$ 1,421	

(7) The $1.3 million adjustment is the estimated fair value of Polonia's core deposit base, primarily non-interest-bearing checking accounts, and lower rates offered on savings and money market accounts and is amortized through the income statement over the estimated life of these deposit relationships.

(8) The $1.2 million purchase accounting adjustment on interest-bearing deposits, primarily certificates of deposit, adjusts their carrying value to estimated fair value. This adjustment will be amortized through the income statement as a reduction in interest expense over the estimated life of five years.

(9) The $2.2 million purchase accounting adjustment on Federal Home Loan Bank advances brings their carrying value to their estimated fair value. This adjustment will be amortized through the income statement as a reduction of interest expense over the estimated life of the Federal Home Loan Bank advances.

(10) Represents $5.5 million payable as a result of the merger, $4.8 million of such amount is related to Prudential's obligations while the remaining $750,000 relates to Polonia's obligations.

(11) Reflects elimination of Polonia's equity accounts, the issuance of 1,271,047 shares of Prudential's common stock and merger-related transaction costs, net of taxes calculated as follows:

(In Thousands)

Value of common stock to be issued	$	17,922
Polonia stockholders' equity		(36,939)
Prudential merger expenses		(3,241)
Total	$	(22,258)

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UNAUDITED COMBINED CONDENSED CONSOLIDATED PRO FORMA STATEMENT OF INCOME

(Unaudited)

For the Nine Months Ended June 30, 2016

(Dollars in Thousands, Except Per Share Data)

	Nine Months Ended June 30, 2016				
	Prudential	**Polonia**	**Adjustments**	**(1)**	**Pro Forma**
Interest income:					
Interest on loans	$9,489	$5,822	$ 207	(2)	$15,518
Interest on mortgage-backed securities	1,868	619	—		2,487
Interest and dividends on investments	1,517	543	—		2,060
Interest on interest-bearing assets	22	15	—		37
Total interest income	12,896	6,999	207		20,102
Interest expense:					
Interest on deposits	2,177	1,215	(596)	(2)	2,797
Interest on borrowings	296	1,077	574	(2)	799
Total interest expense	2,473	2,292	(1,169)		3,596
Net interest income	10,423	4,707	1,376		16,506
Provision for loan losses	225	—	—		225
Net interest income after provision for loan losses	10,198	4,707	1,376		16,281
Non-interest income:					
Fees and other service charges	371	72	—		443
Gain on sale of loans	2	88	—		90
Gain on sale of investment securities	161	641	—		802
Income from bank owned life insurance	251	(15)	—		236
Other	98	145	—		243
Total non-interest income	883	931	—		1,814
Non-interest expense:					
Salaries and employees benefits	5,071	3,003	—		8,074
Data processing	340	314	—		654
Professional services	750	559	—		1,309
Office occupancy	753	931	—		1,684

Directors compensation	351	75	—		426
Deposit insurance	306	381	—		687
Advertisings	55	23	—		78
Other	881	1,408	121	(3)	2,410
Total non-interest expense	8,507	6,694	121	(4)	15,322
Income (loss) before income taxes	2,574	(1,056)	1,255	(5)	2,773
Income taxes (benefit)	836	(294)	427		969
Net income (loss)	$1,738	$(762)	$ 828		$1,804
Earnings (loss) per share – basic	$0.23	$(0.24)			$0.21
Earnings (loss) per share – diluted	$0.23	$(0.23)			$0.20
Weighted average common shares outstanding:					
Basic	7,442,956	3,171,945			8,714,003
Diluted	7,653,081	3,348,827			9,016,771

The accompanying notes are an integral part of these pro forma statements.

(1) Assumes the merger with Polonia was completed at the beginning of the period presented or October 1, 2015.

(2) These pro forma acquisition adjustments reflect the amortization/accretion for the nine months ended June 30, 2016 of acquisition adjustments related to loans, deposits and borrowings utilizing the straight line method over the estimated life of the related assets or liabilities which are 5.0 years, 1.5 years and 2.8 years, respectively.

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(3) Represents amortization of $1.3 million core deposit intangible on a straight line method over eight years.

(4) Prudential expects to incur approximately $3.1 million, on an after-tax basis, in total transaction costs as a result of the proposed merger. Non-interest expenses do not reflect anticipated costs savings or transaction expenses. A summary of Prudential's transaction expenses are as follows (in thousands):

(5) Reflects the tax impact of the pro forma acquisition adjustments at Prudential's statutory income tax rate of 34.0%.

	(In Thousands)
Professional fees	$ 555
Legal reserve	750
Other related expenses	1,655
Data processing termination and conversion costs	1,950
Estimated pre-tax transaction costs	4,910
Less related tax benefit	(1,669)
Estimated transaction costs, net of taxes	$ 3,241

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For the Year Ended September 30, 2015

(Dollars in Thousands, Except Per Share Data)

	Twelve Months Ended September 30, 2015				
	Prudential	**Polonia**	**Adjustments**	**(1)**	**Pro Forma**
Interest income:					
Interest on Loans	$12,760	$9,003	$ 276	(2)	$22,039
Interest on mortgage-backed securities	1,799	1,248	—		3,047
Interest and dividends on investments	2,003	404	—		2,407
Interest on interest-bearing asset	118	30	—		148
Total interest income	16,680	10,685	276		27,641
Interest expense:					
Interest on deposits	3,430	1,722	(794)	(2)	4,358
Interest on borrowings	-	1,474	(765)	(2)	709
Total interest expense	3,430	3,196	(1,559)		5,067
Net interest income	13,250	7,489	1,835		22,574
Provision for loan losses	735	184	—		919
Net interest income after provision for loan losses	12,515	7,305	1,835		21,655
Non-interest income:					
Fees and other service charges	368	108	—		476
Gain on sale of loans	138	3,481	—		3,619
Gain on sale of investment securities	-	560	—		560
Gain on sale of real estate	2,064	-	—		2,064
Income from bank owned life insurance	344	(8)	—		336
Other	94	1,084	—		1,178
Total non-interest income	3,008	5,225	—		8,233
Non-interest expense:					
Salaries and employees benefits	7,996	6,181	—		14,177
Data processing	413	513	—		926
Professional services	1,378	795	—		2,173
Office occupancy	701	1,333	—		2,034
Directors compensation	354	111	—		465
Deposit insurance	314	522	—		836
Advertisings	165	132	—		297
Other	1,854	2,421	161	(3)	4,436

Total non-interest expense	13,175	12,008	161	(4)	25,344
Income (loss) before income taxes	2,348	522	1,674		4,544
Income taxes	116	221	569	(5)	906
Net income	$2,232	$301	$ 1,105		$3,638
Earnings per share – basic	$0.27	$0.10			$0.38
Earnings per share – diluted	$0.26	$0.09			$0.40
Weighted average common shares outstanding:					
Basic	8,335,273	3,129,979			9,606,320
Diluted	8,450,090	3,348,827			9,016,771

The accompanying notes are an integral part of these pro forma statements.

(1) Assumes the merger with Polonia was completed at the beginning of the period presented or October 1, 2014.

(2) These pro forma acquisition adjustments reflect the amortization/accretion for the year ended September 30, 2015 of acquisition adjustments related to loans, deposits and borrowings utilizing the straight line method over the estimated life of the related assets or liabilities which are 5.0 years, 1.5 years and 2.8 years, respectively.

(Footnotes continued on following page)

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(3) Represents amortization of $1.3 million core deposit intangible on a straight line method over eight years.

(4) Prudential expects to incur approximately $3.1 million, on an after-tax basis, in total transaction costs as a result of the proposed merger. Non-interest expenses do not reflect anticipated costs savings or transaction expenses. A summary of Prudential's transaction expenses are as follows (in thousands):

(5) Reflects the tax impact of the pro forma acquisition adjustments at Prudential's statutory income tax rate of 34.0%.

	(In Thousands)
Professional fees	$ 555
Legal reserve	750
Other related expenses	1,655
Data processing termination and conversion costs	1,950
Estimated pre-tax transaction costs	4,910
Less related tax benefit	(1,669)
Estimated transaction costs, net of taxes	$ 3,241

RISK FACTORS

In addition to general investment risks and the other information contained in or incorporated by reference into this proxy statement, including the matters addressed under the heading "Cautionary Statement Regarding Forward-Looking Statements," and the matters discussed under the caption "Risk Factors" in the Annual Report on From 10-K for the fiscal year ended September 30, 2015 filed by Prudential, you should carefully consider the following risk factors in deciding how to vote on the proposals presented in this proxy statement.

Risk Factors Related to the Merger

The market price of Prudential common stock following the completion of the merger may be affected by factors different from those currently affecting the shares of Prudential or Polonia.

Upon completion of the merger, holders of Polonia common stock will become holders of Prudential common stock. Prudential's business and operations differ in certain important respects from that of Polonia and, accordingly, the results of operations of the combined company and the market price of Prudential common stock following completion of the merger may be affected by factors different from those currently affecting the independent results of operations of each of Prudential and Polonia.

For a discussion of the business of Polonia, see "Information about Polonia Bancorp" beginning on page 78. For a discussion of the business of Prudential and of certain factors to consider in connection with that business, see the documents incorporated by reference in this proxy statement and referred to under "Where You Can Find More Information" beginning on page 118.

The opinion of Prudential's financial advisor will not reflect changes in circumstances between the signing of the merger agreement and the completion of the merger.

Prudential has not obtained an updated opinion as of the date of this proxy statement from its financial advisor. Changes in the operations and prospects of Prudential or Polonia, general market and economic conditions and other factors that may be beyond the control of Prudential or Polonia, including changes in factors on which the fairness opinion was based, may significantly alter the value of the companies or the share prices of Prudential common stock or Polonia common stock by the time the merger is completed. Sandler O'Neill's opinion does not speak as of the time the merger will be completed or as of any date other than the date of such opinion. Prudential's board of directors' recommendation that Prudential shareholders vote "FOR" approval of the proposals relating to the issuance of the shares of Prudential common stock, however, is made as of the date of this proxy statement. Prudential does not currently anticipate asking its financial advisor to update its opinion.

Please see "The Merger – Opinion of Prudential's Financial Advisor" beginning on page 45 for information regarding the opinion of Prudential's financial advisor. Please see "The Merger – Background and Reasons for the Merger," and "The Merger – Prudential's Reasons for the Merger; Recommendation of Prudential's Board of Directors" beginning on page 41 and page 44, respectively, for a discussion of additional factors considered by Prudential's board of directors in determining to recommend that shareholders approve the proposal relating to the issuance of shares of Prudential common stock to Polonia shareholders in the merger.

Combining the two companies may be more difficult, costly or time-consuming than expected and the anticipated benefits and cost savings of the merger may not be realized.

Polonia has operated and, until the completion of the merger, will continue to operate, independently. The challenges involved in combining the operations of the two companies include, among other things, integrating personnel with diverse business backgrounds, combining different corporate cultures, and retaining key employees. It is possible that the integration process could result in the loss of key employees or disruption of each company's ongoing business or inconsistencies in standards, controls, procedures and policies that adversely affect Prudential's and Polonia's ability to maintain relationships with customers and employees or to achieve the anticipated benefits of the merger. The integration of the two companies will likely require the experience and expertise of certain key employees of Polonia. Prudential may not be successful in retaining these employees for the time period necessary to successfully integrate Polonia's operations with those of Prudential. In addition, as with any merger of banking institutions, there also may be business disruptions that cause us to lose customers or cause customers to take their deposits out of Prudential Bank or Polonia Bank. The success of the combined company following the merger may depend in large part on the ability to integrate the two businesses, business models and cultures. Prudential may not be able to successfully achieve the level of cost savings, revenue enhancements, and other anticipated synergies, and may not be able to capitalize upon the existing customer relationships of Polonia to the extent anticipated, or it may take longer, or be more difficult or expensive than expected to achieve these goals. If Prudential is not able to integrate Polonia's operations successfully and in a timely manner, the expected benefits of the merger may not be realized, and this could have an adverse effect on Prudential's business, results of operation and stock price.

The merger agreement limits Polonia's ability to pursue alternatives to the merger.

The merger agreement includes provisions that limit Polonia's ability to pursue alternative proposals from third parties to acquire all or a significant part of Polonia. Subject to certain specified exceptions, these "no shop" provisions limit Polonia's ability to discuss, facilitate or commit to competing third-party acquisition proposals. In addition, a termination fee would be payable by Polonia to Prudential under certain circumstances, generally involving a determination by Polonia to pursue an alternative transaction. These provisions could discourage a potential competing acquiror that might have an interest in acquiring all or a significant part of Polonia from considering or proposing an acquisition, even if it were prepared to pay consideration with a higher per share value than that proposed to be paid by Prudential to Polonia shareholders in the merger, or might result in a potential competing acquiror proposing to pay a lower per share price to acquire Polonia than it might otherwise have proposed to pay.

If the conditions to the merger are not met or waived, the merger will not occur.

Specified conditions in the merger agreement must be satisfied or waived in order to complete the merger, including shareholder approval of the proposals being submitted to shareholders of Prudential at its special meeting. Prudential cannot assure you that each of the conditions will be satisfied or waived. If the conditions are not satisfied or waived, the merger will not occur or will be delayed, which could cause some or all of the intended benefits of the merger to be lost and could adversely affect the value of Prudential's shares.

The merger may be completed even though Prudential or Polonia experiences adverse changes in its business.

In general, either Prudential or Polonia may refuse to complete the merger if the other party suffers a material adverse effect on its business prior to the closing of the merger. However, certain types of changes or occurrences with respect to Prudential or Polonia would not prevent the merger from going forward, even if the change or occurrence would have adverse effects on Prudential or Polonia, including the following:

- changes in laws and regulations affecting banks or thrift institutions or their holding companies generally, or interpretations thereof by courts or governmental entities, if such changes do not have a disproportionate impact on the affected company;

- changes in GAAP or regulatory accounting principles generally applicable to financial institutions and their holding companies, if such changes do not have a disproportionate impact on the affected company;

- actions and omissions of Prudential or Polonia with the prior written consent of the other party;

- changes or effects from the announcement of the merger agreement and the transactions contemplated thereby, and compliance by the parties with the merger agreement on the business, financial condition or results of operations of the parties;

- changes in national or international political or social conditions including the engagement by the United States in hostilities, the occurrence of any military or terrorist attack upon or within the United States, or any of its territories, possessions or diplomatic or consular offices or upon any military installation, equipment or personnel of the United States, if such changes do not have a disproportionate impact on the affected company;

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- changes in economic, financial market, or geographic conditions in general, including changes in economic or financial markets or changes in interest rates; if such changes do not have a disproportionate impact on the affected company;

- any legal action asserted or other actions initiated by any Polonia or Prudential shareholder arising out of or related to the merger agreement; and

- any failure, in and of itself, of Prudential or Polonia to meet any internal projections, forecasts or revenue or earnings projections.

In addition, either Prudential or Polonia could waive the closing condition related to the occurrence of any material adverse effect on the other party and the merger would be completed even if a material adverse effect were to occur of a type that would otherwise allow a party to terminate the merger agreement or refuse to complete the merger.

If the merger is not consummated by February 28, 2017, either Prudential or Polonia may choose not to proceed with the merger.

Either Prudential or Polonia may terminate the merger agreement if the merger has not been completed by February 28, 2017, unless the failure of the merger to be completed has resulted from the material failure of the party seeking to terminate the merger agreement to perform its obligations.

The unaudited pro forma combined condensed consolidated financial information included in this document is preliminary and the actual financial condition and results of operations of Prudential following completion of the merger may differ materially.

The unaudited pro forma combined condensed consolidated financial information included in this document is presented for illustrative purposes only and are not necessarily indicative of what Prudential’s actual financial condition or results of operations would have been had the merger been completed on the dates indicated. The unaudited pro forma combined condensed consolidated financial information reflects adjustments, which are based upon preliminary estimates, to record the Polonia identifiable assets acquired and liabilities assumed at fair value and the resulting goodwill recognized. The purchase price allocation reflected in this document is preliminary, and final allocation of the purchase price will be based upon the actual purchase price and the fair value of the assets and liabilities of Polonia as of the date of the completion of the merger. Accordingly, the final acquisition accounting adjustments may differ materially from the pro forma adjustments reflected in this document.

Please see “Unaudited Pro Forma Combined Condensed Consolidated Financial Data” beginning on page **[•]**for additional information regarding these financial statements.

The merger may fail to qualify as a tax-free reorganization under the Internal Revenue Code.

The merger of Polonia into Prudential has been structured to qualify as a tax-free reorganization under Section 368(a) of the Internal Revenue Code. The closing of the merger is conditioned upon the receipt by each of Prudential and Polonia of an opinion of its respective tax advisor, each dated as of the effective date of the merger, substantially to the effect that, on the basis of facts, representations and assumptions set forth or referred to in that opinion (including factual representations contained in certificates of officers of Polonia and Prudential) which are consistent with the state of facts existing as of the effective date of the merger, the merger constitutes a reorganization under Section 368(a) of the Internal Revenue Code. The tax opinions to be delivered in connection with the merger will not be binding on the Internal Revenue Service, referred to as the IRS, or the courts, and neither Polonia nor Prudential intends to request a ruling from the IRS with respect to the United States federal income tax consequences of the merger. If the merger fails to qualify as a tax-free reorganization, a Polonia shareholder would likely recognize gain or loss on each share of Polonia exchanged for Prudential stock in the amount of the difference between the fair market value of the Prudential common stock and cash received by the Polonia shareholder in exchange and the shareholder’s basis in the Polonia shares surrendered.

In addition, the federal income tax consequences of the merger for Polonia shareholders will depend on the merger consideration received – cash, shares of Prudential common stock, or a combination thereof. In general, a

Polonia shareholder exchanging shares of Polonia common stock solely for cash will recognize gain or loss for federal income tax purposes in an amount equal to the difference between the cash received and such shareholder's adjusted tax basis in the shares of Polonia common stock. A Polonia shareholder exchanging shares of Polonia common stock solely for shares of Prudential common stock generally will not recognize any gain or loss for federal income tax purposes (except with respect to any cash received in lieu of a fractional share of Prudential common stock). A Polonia shareholder exchanging shares of Polonia common stock for a combination of cash and shares of Prudential common stock generally will not recognize loss but will recognize gain, equal to the lesser of (1) the excess, if any, of the sum of the cash received and the fair market value of the Prudential common stock received pursuant to the merger over that shareholder's adjusted tax basis in his or her shares of Polonia common stock surrendered, and (2) the amount of cash consideration received by that shareholder pursuant to the merger.

See "Material United States Federal Income Tax Consequences of the Merger" beginning on page 74 for a more detailed discussion of the federal income tax consequences of the transaction.

If the merger is not completed, Prudential and Polonia will have incurred substantial expenses without realizing the anticipated benefits of the merger.

Each of Prudential and Polonia has incurred and will incur substantial expenses in connection with the negotiation and completion of the transactions contemplated by the merger agreement, as well as the costs and expenses of filing, printing, and mailing this proxy statement, and all SEC filing fees and other fees payable in connection with the merger. The completion of the merger depends on the satisfaction of a variety of specified conditions, including the receipt of regulatory approvals and the approval of Polonia's shareholders of the proposals to be presented at Polonia's special meeting. Neither Prudential nor Polonia can guarantee that these conditions will be met. If the merger is not completed, Prudential and Polonia would have to recognize these expenses without realizing the expected benefits of the merger, and such expenses could have an adverse impact on Prudential's and/or Polonia's financial condition and results of operations on a stand-alone basis.

In connection with the announcement of the merger agreement, two lawsuits have been filed and are pending, seeking, among other things, to enjoin the merger, and an adverse judgment in either of these lawsuits may prevent the merger from becoming effective within the expected time frame (if at all).

A putative shareholder derivative and class action lawsuit, *Parshall v. Eugene Andruczyk et al.,* was filed in the Circuit Court for Montgomery County, Maryland, on July 21, 2016. The lawsuit names as defendants the directors of Polonia, Polonia and Prudential. The lawsuit alleges a breach of fiduciary duty by approving the merger agreement for inadequate merger consideration and the inclusion of preclusive deal protection measures in the merger agreement and that the registration statement as filed on July 22, 2016 failed to disclose material information related to the transaction. The lawsuit also alleges that Prudential aided and abetted the alleged breaches of fiduciary duty. A second putative class action lawsuit, captioned *Baron v. Eugene Andruczyk et al*., No. V424400, was filed in the Circuit Court for Montgomery County, Maryland on August 29, 2016. The lawsuit names as defendants the directors of Polonia and Polonia. The lawsuit alleges a breach of fiduciary duty by failing to disclose material information related to the transaction in the registration statement as filed on July 22, 2016. The relief sought in both lawsuits includes preliminary and permanent injunction against the consummation of the merger, rescission or rescissory damages if the merger is completed, costs and attorney's fees. The defendants vigorously deny the claims alleged by the plaintiffs in the two suits. On October 6, 2016, solely to avoid the costs of protracted litigation and any potential delay of the merger, Polonia, Prudential and the director defendants entered into a memorandum of understanding with the respective plaintiffs regarding the settlement of the two suits. Pursuant to the memorandum of understanding, Prudential and Polonia filed with the SEC and made publicly available to shareholders of Polonia the supplemental disclosures with regard to the litigation, Polonia agreed to waive the prohibition in the nondisclosure agreements entered into by Polonia with potential interested parties with respect to a party subject thereto being prohibited from asking Polonia to waive the standstill provisions that require such party to refrain from pursuing various actions that relate to acquisition of control of Polonia without the prior written consent of the Polonia board of directors during the specified time period, Prudential agreed to waive the enforcement of the provision in the merger agreement prohibiting Polonia from waiving the foregoing restriction contained in the nondisclosure agreements, and the parties have agreed to provide each other with customary mutual releases concerning the claims related to the merger agreement and the merger, including the initiation and the prosecution of any litigation, subject to approval of the Circuit Court. Additional suits arising out of or relating to the proposed transaction may be filed in the future. If additional similar complaints are filed, absent new or different allegations that are material, Polonia and Prudential will not necessarily announce such additional filings. See "The Merger—Litigation" on page 58.

Risks Relating to Prudential's Business Following the Merger

Combining the two companies may be more difficult, costly or time-consuming than expected.

Prudential and Polonia have historically operated and, until the effective time of the merger, will continue to operate, independently. The success of the merger will depend, in part, on Prudential's ability to successfully combine the businesses of Prudential and Polonia. To realize these anticipated benefits, after the effective time of the merger, Prudential expects to integrate Polonia's business into its own. It is possible that the integration process could result in the loss of key employees, the disruption of each company's ongoing businesses or inconsistencies in standards, controls, procedures and policies that adversely affect the combined company's ability to maintain relationships with clients, customers, depositors and employees or to achieve the anticipated benefits of the merger. The loss of key employees could adversely affect Prudential's ability to successfully conduct its business in the markets in which Polonia now operates, which could have an adverse effect on Prudential's financial results and the value of its common stock. If Prudential experiences difficulties with the integration process, the anticipated benefits of the merger may not be realized fully or at all, or may take longer to realize than expected. As with any merger of financial institutions, there also may be business disruptions that cause Polonia or Prudential to lose current customers or cause current customers to remove their accounts from Polonia or Prudential and move their business to competing financial institutions. Integration efforts between the two companies will also divert management attention and resources. These integration matters could have an adverse effect on each of Polonia and Prudential during this transition period and for an undetermined period after consummation of the merger.

Prudential may fail to realize the cost savings estimated for the merger.

Prudential estimates that it will achieve cost savings from the merger when the two companies have been fully integrated. While Prudential continues to be comfortable with these expectations as of the date of this proxy statement, it is possible that the estimates of the potential cost savings could turn out to be incorrect.

The actual integration may result in additional and unforeseen expenses, and the anticipated benefits of the integration plan may not be realized. Actual growth and cost savings, if achieved, may be lower than what Prudential expects and may take longer to achieve than anticipated. If Prudential is not able to adequately address integration challenges, Prudential may be unable to successfully integrate Prudential's and Polonia's operations or to realize the anticipated benefits of the integration of the two companies.

Risks Relating to Prudential’s Business

You should read and consider risk factors specific to Prudential’ business that will also affect the combined company after the merger. These risks are described in the section entitled “Risk Factors” in Prudential’s Annual Report on Form 10-K for the fiscal year ended September 30, 2015 and in other documents incorporated by reference into this proxy statement. See the section entitled “Where You Can Find More Information” beginning on page 118 for the location of information incorporated by reference into this proxy statement.

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CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

Certain of the statements contained in this proxy statement and the documents incorporated by reference herein constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These statements include, but are not limited to, expectations or predictions of future financial or business performance, conditions relating to Prudential and Polonia, and the possible effects of the proposed merger of Prudential and Polonia. These forward-looking statements include statements with respect to Prudential's and Polonia's beliefs, plans, objectives, goals, expectations, anticipations, estimates and intentions, that are subject to significant risks and uncertainties, and are subject to change based on various factors (some of which are beyond Prudential's and Polonia's control). The words "may," "could," "should," "would," "will," "believe," "anticipate," "estimate," "expect," "intend
similar expressions are intended to identify forward-looking statements.

In addition to factors previously disclosed in the reports filed by Prudential with the SEC and those identified elsewhere in this proxy statement, the following factors, among others, could cause actual results to differ materially from the plans, objectives, expectations, estimates and intentions expressed in such forward-looking statements:

- the ability to obtain regulatory approvals and satisfy other closing conditions to the merger, including approval by shareholders of Prudential on the expected terms and schedule;
- delay in closing the merger;
- difficulties and delays in integrating the Polonia business or fully realizing anticipated cost savings and other benefits of the merger;
- business disruptions following the merger;
- revenues following the merger may be lower than expected;
- deposit attrition, operating costs, customer loss and business disruption following the merger, including, without limitation, difficulties in maintaining relationships with employees, may be greater than expected;
- the strength of the United States economy in general and the strength of the local economies in which Prudential and Polonia conduct their operations;

- the effects of, and changes in, trade, monetary and fiscal policies and laws, including interest rate policies of the Federal Reserve Board;
- the downgrade, and any future downgrades, in the credit rating of the U.S. Government and federal agencies;
- inflation, interest rate, market and monetary fluctuations;
- the timely development of and acceptance of new products and services 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 Prudential's products and services;
- the success of Prudential in gaining regulatory approval of its products and services, when required;
- the impact of changes in laws and regulations applicable to financial institutions (including laws concerning taxes, banking, securities and insurance);
- technological changes;

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- additional acquisitions;
- changes in consumer spending and saving habits;
- the nature, extent, and timing of governmental actions and reforms, including the implementation of Basel III, which may be changed unilaterally and retroactively by legislative or regulatory actions; and
- the success of Prudential at managing the risks involved in the foregoing.

Some of these risks and uncertainties are discussed herein, including under the heading "Risk Factors," and in Prudential's Form 10-K for the year ended September 30, 2015, as updated in subsequently filed Forms 10-Q and other reports filed by Prudential with the SEC from time to time.

All subsequent written and oral forward-looking statements concerning the proposed transaction or other matters and attributable to directors of Prudential or Polonia or any person acting on their behalf are expressly qualified in their entirety by the cautionary statements contained or referred to within this proxy statement. Forward-looking statements speak only as of the date on which such statements are made. Prudential and Polonia undertake no obligation to update any forward-looking statement to reflect events or circumstances after the date on which such statement is made, or to reflect the occurrence of unanticipated events. In light of these risks, uncertainties and assumptions, the forward-looking statements discussed in this proxy statement or incorporated documents might not occur and you should not put undue reliance on any forward-looking statements.

Prudential cautions that the foregoing list of important factors is not exclusive. Readers are also cautioned not to place undue reliance on these forward-looking statements, which reflect Prudential's and Polonia's analysis only as of the date of this proxy statement.

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SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT OF PRUDENTIAL

The following table sets forth information as to the Prudential common stock beneficially owned, as of November 10, 2016, by (i) the only persons or entities, including any "group" as that term is used in Section 13(d)(3) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), who or which was known to Prudential to be the beneficial owner of more than 5% of the issued and outstanding Prudential common stock, (ii) each director of Prudential, (iii) certain executive officers of Prudential and (iv) all directors and executive officers of Prudential as a group.

Name and Address of Beneficial Owner	**Amount and Nature of Beneficial Ownership as of November 10, 2016(1)(2)**		**Percent of Common Stock**	
Prudential Savings Bank Employee Stock Ownership Plan 1834 West Oregon Avenue Philadelphia, Pennsylvania 19145	697,270	(3)	8.7	%
Firefly Value Partners, LP 601 West 26th Street Suite 1520 New York, New York 10001	475,250	(4)	5.9	%
Warren A. Mackey 40 Worth Street, 10th Floor New York, New York 10013	871,204	(5)	10.8	%
Maltese Capital Management LLC 150 East 52nd Street 30th Floor New York, New York 10022	440,178	(6)	5.5	%
Lawrence B. Seidman 100 Misty Lane, 1st Floor Parsippany, New Jersey 07054	672,800	(7)	8.4	%
Directors:				
Jerome R. Balka, Esq.	64,933	(8)(9)	*	
A. J. Fanelli	57,171	(8)(10)	*	
John C. Hosier	56,880	(8)(11)	*	
Bruce E. Miller	50,352	(8)	*	
Francis V. Mulcahy	61,031	(8)(12)	*	
Dennis Pollack	40,999	(8)(13)	*	
Certain Executive Officers				
Anthony V. Migliorino	10,246	(8)(14)	*	
Jack E. Rothkopf	62,340	(8)(15)	*	
Jeffrey T. Hanuscin	18,795	(8)(16)	*	
	422,747	(8)	5.1	%

All Directors and Executive Officers as a group (9 persons)

* Represents less than one percent of Prudential's outstanding common stock.

(1) Based upon filings made pursuant to the Securities Exchange Act of 1934 and information furnished by the respective individuals. In addition, due to share repurchases by the Company, the ownership percentages reflected in the filings may differ from the percentages reflected in the table above. Furthermore, share ownership reflected on Schedules 13D and 13G may differ from what is actually held by the reporting persons as of November 10, 2016 due to changes in ownership which were not required to be reported prior to such date. Under regulations promulgated pursuant to the Securities Exchange Act of 1934, shares of common stock are deemed to be beneficially owned by a person if he or she directly or indirectly has or shares (i) voting power, which includes the power to vote or to direct the voting of the shares, or (ii) investment power, which includes the power to dispose or to direct the disposition of the shares. Unless otherwise indicated, the named beneficial owner has sole voting and dispositive power with respect to the shares.

(Footnotes continued on following page)

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(2) Each beneficial owner's percentage ownership is determined by assuming that options held by such person (but not those held by any other person) and that are exercisable within 60 days of November 10, 2016 have been exercised.

(3) As of November 10, 2016, 243,734 shares held in the Prudential Savings Bank Employee Stock Ownership Plan trust had been allocated to the accounts of participating employees. Shares beneficially owned by the plan trustees, Messrs. Fanelli, Hosier and Mulcahy, do not include shares held in the trust. Under the terms of the plan, the trustees vote all allocated shares in accordance with the instructions of the participating employees. Any unallocated shares are generally required to be voted by the plan trustees in the same ratio on any matter as to those shares for which instructions are given by the participants.

(4) Based on a Schedule 13G/A filed with the Securities and Exchange Commission on February 16, 2016 by Firefly Value Partners, LP ("Firefly Partners"), FVP GP, LLC ("FVPGP"), Firefly Management Company GP, LLC ("Firefly Management"), FVP Master Fund, L.P. ("FVP MasterFund"), Ryan Heslop and Ariel Warszawski. Firefly Partners is the investment manager of FVP Master Fund; FVP GP serves as the general partner of FVP Master Fund; and Firefly Management serves as general partner of Firefly Partners. Messrs. Heslop and Warszawski are the managing members of FVP GP and Firefly Management. FVP Master Fund directly owns the shares set forth in the Schedule 13G/A. Messrs. Heslop and Warszawski, Firefly Partners, Firefly Management and FVP GP may be deemed to share with FVP Master Fund both voting and dispositive power with respect to such shares.

(5) Based on a Schedule 13D/A filed with the Securities and Exchange Commission on February 12, 2014 by Warren A. Mackey, Homestead Partners LP, a Delaware limited partnership, Arles Partners LP, a New York limited partnership, and Arles Advisors Inc., a New York corporation. Arles Advisors is the general partner of Homestead Partners and Arles Partners. The sole shareholder, director and executive officer of Arles Advisors is Warren A. Mackey. By virtue of his position with Arles Advisors, Mr. Mackey has the shared investment discretion and voting authority with respect to the 838,676 shares owned by Homestead Partners and Arles Partners. Arles Advisors, as general partner of Homestead Partners and Arles Partners, may be deemed to beneficially own the 838,976 shares owned by these partnerships. Mr. Mackey individually has the sole investment discretion and voting authority with respect to the 32,228 shares held for himself.

(6) Based on a Schedule 13G/A filed with the Securities and Exchange Commission on February 10, 2016 by Maltese Capital Management LLC ("Maltese Capital') and Terry Maltese, the managing member of Maltese Capital. Maltese Capital and Mr. Maltese may be deemed to share both voting and dispositive power with respect to the shares reported in the Schedule 13G.

(7) Based on a Schedule 13D/A filed on August 17, 2015 by Lawrence B. Seidman, Seidman and Associates L.L.C. ("SAL"), Seidman Investment Partnership, L.P. ("SIP"), Seidman Investment Partnership II, L.P. ("SIPII"), Seidman Investment Partnership III, L.P. ("SIPIII"), LSBK06-08 ("LSBK"), Broad Park Investors ("Broad Park"), CBPS, L.L.C. ("CBPS"), JRBC I, LLC ("JRBC"), 2514 Multi-Strategy Fund, L.P. ("2514 MSF"), Veteri Place Corporation ("Veteri"), Sonia Seidman and Dennis Pollack (collectively, the "Seidman Group") as well as a Form 4 filed by Mr. Pollack on June 3, 2015. Mr. Seidman (i) as the manager of SAL, may be deemed the beneficial owner of the 139,347 shares owned by SAL, (ii) as the sole officer of Veteri, the corporate general partner of each of SIP and SIPII, may be deemed the beneficial owner of the 93,972 shares owned by SIP and the 130,619 shares owned by SIPII, (iii) as the

managing member of JBRC I, LLC, the co-general partner of SIPIII, may be deemed the beneficial owner of the 18,000 shares owned by SIPIII, (iv) as the sole officer of Veteri, the Trading Advisor of LSBK and CBPS, may be deemed the beneficial owner of the 59,426 shares owned by LSBK and the 70,000 shares owned by CBPS, (v) as the investment manager for each of Broad Park and 2514 MSF, may be deemed the beneficial owner of the 87,800 shares owned by Broad Park and the 27,000 shares owned by 2514 MSF, and (vi) as the husband of Sonia Seidman, may be deemed the beneficial owner of the 46,636 shares owned by Sonia Seidman. Accordingly, Seidman may be deemed the beneficial owner of an aggregate of 672,800 shares. In the foregoing capacities, Seidman has sole and exclusive investment discretion and voting authority with respect to all such shares. Mr. Pollack individually has the sole investment discretion and voting authority with regard to the 34,936 shares beneficially owned thereby included in the amount shown in the table.

(Footnotes continued on following page)

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(8) Includes shares held in trust by Prudential's 2008 RRP or granted pursuant to the 2014 SIP which have been awarded to the directors and officers and stock options which have been granted to the directors and officers under Prudential's 2008 SOP or under the 2014 SIP and which are exercisable within 60 days of November 10, 2016 as follows:

Name	Restricted Stock	Stock Options
Jerome R. Balka, Esq.	8,000	28,690
A.J. Fanelli	8,000	32,690
John C. Hosier	10,135	30,021
Bruce E. Miller	10,137	24,683
Francis V. Mulcahy	8,000	32,690
Dennis Pollack	10,500	6,000
Anthony V. Migliorino	7,500	—
Jack E. Rothkopf	12,832	33,403
Jeffrey T. Hanuscin	5,474	8,302
All directors and executive officers as a group (9 persons)	80,578	196,479

(9) Includes 4,721 shares held in Mr. Balka's individual retirement account, 14,375 shares held jointly with Mr. Balka's spouse, 1,888 shares held in Mr. Balka's 401(k) Plan and 66 shares held by the estate of Helen Klara for whom Mr. Balka is guardian. Also includes 4,721 shares held by the Balka Grandchildren Trust and 472 shares held by the Danielle Thomas Revocable Trust, over which Mr. Balka disclaims beneficial ownership.

(10) Includes 3,304 shares held jointly with Mr. Fanelli's spouse.

(11) Includes 6,018 shares held in Mr. Hosier's account in his 401(k) plan.

(12) Includes 2,000 shares held jointly with Mr. Mulcahy's spouse and 2,832 shares held directly by Mr. Mulcahy's spouse.

(13) Includes 19,588 shares held in Mr. Pollack's individual retirement account. Mr. Pollack disclaims beneficial ownership of all of the shares owned by the Seidman Group excluding his shares.

(14) Includes 746 shares allocated to Mr. Migliorino in the Prudential Bank 401(k) Plan.

(15) Includes 7,908 shares allocated to Mr. Rothkopf's account in the Prudential Bank employee stock ownership plan, referred to as the ESOP over which Mr. Rothkopf has voting authority.

(16)

Includes 908 and 2,042 shares allocated to Mr. Hanuscin in Prudential Bank 401(k) Plan and the ESOP, respectively, over which Mr. Hanuscin has voting power.

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prudential SPECIAL MEETING

This proxy statement is being mailed to each Prudential shareholder, on or about November 16, 2016. Together with this proxy statement, Prudential shareholders are also receiving a notice of the special meeting of Prudential shareholders and a form of proxy that Prudential's board of directors is soliciting for use at the Prudential special meeting and at any adjournments or postponements thereof.

Date, Place and Time of the Meeting

The Prudential special meeting will be held on December 19, 2016, at 11:00 a.m., Eastern time, at Prudential Bank's main office located at 1834 West Oregon Avenue, Philadelphia, Pennsylvania.

Matters to Be Considered at Polonia Special Meeting

At the special meeting, Prudential shareholders will be asked to approve the issuance of shares of Prudential common stock to Polonia shareholders in connection with the merger and to approve a proposal to allow the Prudential special meeting to be adjourned, if necessary or appropriate, to permit the solicitation of additional proxies in favor of the issuance of the shares of Prudential common stock in connection with the merger. Prudential could use any adjournment or postponement of the special meeting for the purpose, among others, of allowing more time to solicit votes in favor of the proposal to issue shares of Prudential common stock to Polonia shareholders in the merger.

Recommendation of Prudential's Board of Directors

Prudential's board of directors has approved the issuance of the Prudential shares of common stock pursuant to the merger agreement and unanimously recommends that Prudential shareholders vote "FOR" approval and adoption of the proposal to issue shares of Prudential common stock to Prudential shareholders in the merger.

Prudential's board of directors also unanimously recommends that Prudential shareholders vote "FOR" approval of the proposal to allow the Prudential special meeting to be adjourned, if necessary or appropriate, to permit the solicitation of additional proxies in favor of approval and adoption of the merger agreement.

Record Date for Prudential Special Meeting

Prudential's board of directors has fixed the close of business on November 10, 2016 as the record date for determining the Prudential shareholders entitled to receive notice of and to vote at the Prudential special meeting. Only Prudential shareholders of record as of the record date are entitled to vote at the Prudential special meeting. As of the record date, 8,045,544 shares of Prudential common stock were issued and outstanding and held by approximately 300 record holders. Prudential shareholders are entitled to one vote on each matter considered and voted on at the Prudential special meeting for each share of Prudential common stock held of record at the close of business on the record date.

Quorum; Vote Required

The presence, in person or by properly executed proxy, of the holders of a majority of the issued and outstanding shares of Prudential common stock entitled to vote at the Prudential special meeting is necessary to constitute a quorum at the Prudential special meeting. For purposes of determining the presence of a quorum, abstentions and broker non-votes will be counted as present for the purpose of determining whether a quorum is present.

Approval of the issuance of the shares of Prudential common stock in connection with the merger requires the affirmative vote of a majority of the votes cast by holders of Prudential common stock entitled to vote at the Prudential special meeting. Approval of the adjournment proposal also requires the affirmative vote of a majority of the votes cast by holders of Prudential common stock entitled to vote at the Prudential special meeting. A failure to

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vote by a Prudential shareholder entitled to vote, an abstention from voting or a broker non-vote will have no effect on the outcome of the vote to approve either proposal.

As of the record date for the Prudential special meeting, Prudential directors and executive officers beneficially owned approximately 226,268 shares (excluding shares that may be acquired upon the exercise of stock options), or 2.8%, of the outstanding shares of Prudential common stock entitled to vote at the Prudential special meeting.

As of the record date for the Prudential special meeting, Polonia, its subsidiaries, and its directors and officers and their affiliates did not own or hold any shares of Prudential common stock (other than shares held as fiduciary, custodian or agent).

Solicitation of Proxies for Prudential Special Meeting

The expense of soliciting proxies for Prudential's special meeting will be paid by Prudential. Prudential's directors, officers and employees may also solicit proxies personally, by telephone, by e-mail and by facsimile. Such directors, officers and employees will not receive any additional compensation for such solicitation activities.

It is important that any shares of Prudential common stock you hold be represented at the Prudential special meeting. Whether or not you plan to attend the Prudential special meeting, Prudential's board of directors asks that all holders of Prudential common stock take the time to vote prior to the Prudential special meeting by completing, signing, dating and returning the enclosed proxy card as soon as possible in the enclosed postage-paid envelope, by calling the toll-free telephone number or by using the Internet as described in the instructions included with your proxy card. If you attend the Prudential special meeting and wish to vote in person, your proxy may be revoked at that time. Additional methods of revoking a proxy are described below.

Voting at Prudential Special Meeting

Prudential shareholders are entitled to one vote on each matter to be considered and voted on at the Prudential special meeting for each share of Prudential common stock held of record at the close of business on the record date for the Prudential special meeting.

Each copy of this proxy statement delivered to Prudential shareholders is accompanied by a form of proxy card with instructions for voting. If you hold stock in your name as a shareholder of record, you should complete, sign and return the proxy card accompanying this proxy statement, regardless of whether you plan to attend the Prudential special meeting. You may also vote your shares through the Internet or by telephone. Information and applicable deadlines for voting through the Internet or by telephone are set forth in the enclosed proxy card instructions. To ensure your representation at the special meeting, Prudential recommends that you vote by proxy even if you plan to attend the special meeting. You can always change your vote at the special meeting.

If you appropriately mark, sign and return the enclosed proxy in time to be voted at the Prudential special meeting, the shares represented by the proxy will be voted in accordance with your instructions marked on the proxy. Valid proxies delivered by Prudential shareholders that are executed but do not specify a vote on a particular matter will be voted “FOR” approval of the proposal to issue shares of Prudential common stock to Polonia shareholders in the merger and “FOR” the proposal to allow the adjournment of the Prudential special meeting, if necessary. No matters other than the matters described in this proxy statement are anticipated to be presented for action at the Prudential special meeting or at any adjournment or postponement of the Prudential special meeting. However, if other business properly comes before the Prudential special meeting, the persons named as proxies on the Prudential proxy card will, in their discretion, vote upon such matters in their best judgment.

If you hold your stock in “street name” through a bank, broker or nominee, you must direct your bank, broker or nominee how to vote in accordance with the instructions you have received from your bank, broker or nominee. Your broker, bank, or other nominee may allow you to deliver your voting instructions via the telephone or the Internet.

Banks, brokers and other nominees are not allowed to exercise their voting discretion with respect to the approval of matters determined to be “non-routine,” without specific instructions from the beneficial owner. If your broker, bank or other nominee holds your shares of Prudential common stock in “street name,” your broker, bank or other nominee will only vote your shares of Prudential common stock if you provide instructions on how to vote by filling out the voter instruction form sent to you by your broker, bank or other nominee with this proxy statement. Prudential believes that neither of the proposals are routine matters and, as a result, if your bank, broker or other nominee has not received your voting instructions with respect to these proposals, your bank, broker or other nominee cannot vote your shares on these proposals.

Signing and returning the enclosed proxy will not affect a Prudential shareholder’s right to attend the Prudential special meeting and vote in person. If you attend the Prudential special meeting and wish to vote in person, your proxy may be revoked at that time. Please note, however, that simply attending the Prudential special meeting will not revoke a previously-submitted proxy; you must cast a new vote at the Prudential special meeting in order to revoke your prior vote. If you are a Prudential shareholder whose shares are not registered in your own name, you will need to bring with you a proxy or letter from the bank, broker, nominee or other holder of record in order to vote in person at the Prudential special meeting.

Revocation of Proxies for Prudential Special Meeting

A Prudential shareholder who has submitted a proxy may revoke it at any time before its exercise at the Prudential special meeting by (i) giving written notice of revocation to Prudential’s Corporate Secretary, (ii) properly submitting to Prudential a duly executed proxy bearing a later date, (iii) voting again by telephone or the Internet or (iv) attending the Prudential special meeting and voting in person. Please note, however, that simply attending the Prudential special meeting will not revoke a previously-submitted proxy; you must cast a new vote at the Prudential special meeting in order to revoke your prior vote. All written notices of revocation and other communications with respect to revocation of Prudential proxies should be addressed to Prudential as follows: Sharon M. Slater, Corporate Secretary, Prudential Bancorp, Inc., 1834 West Oregon Avenue, Philadelphia, Pennsylvania 19145.

PRUDENTIAL PROPOSALS

Approval of the Issuance of Shares of Prudential Common Stock Pursuant to the Merger Agreement

Prudential is asking its shareholders to approve the issuance shares of Prudential common stock to Polonia shareholder in the merger. Prudential shareholders should read this proxy statement carefully and in its entirety, including the Annexes, for more detailed information concerning the issuance of shares of Prudential common stock in connection with the merger. A copy of the merger agreement is attached to this proxy statement as Annex A.

Prudential's board of directors unanimously recommends that Prudential shareholders vote "FOR" approval of the proposal to issue shares of Prudential common stock to Polonia shareholder in the merger.

Adjournment Proposal

The Prudential special meeting may be adjourned to another time or place, if necessary or appropriate, to permit further solicitation of proxies if necessary to obtain additional votes in favor of approval of the proposal to issue shares of Prudential common stock to Polonia shareholders in the merger.

If, at the Prudential special meeting, the number of shares of Prudential common stock present or represented and voting in favor of approval is insufficient to approve the proposal, Prudential intends to move to adjourn the Prudential special meeting in order to solicit additional proxies for the approval. In that event, Prudential will ask its shareholders to vote on the adjournment proposal, but not the proposal to issue shares of Prudential common stock to Polonia shareholders in the merger.

In this proposal, Prudential is asking its shareholders to authorize the persons named as proxies on the Prudential proxy card on a discretionary basis to vote in favor of adjourning the Prudential special meeting to

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another time and place for the purpose of soliciting additional proxies, including the solicitation of proxies from Prudential shareholders who have previously voted.

Prudential's board of directors unanimously recommends that Prudential shareholders vote "FOR" approval of adjournment, if necessary or appropriate, of the meeting to permit the solicitation of additional proxies in favor of approval of the proposal to issue shares of Prudential common stock to Polonia Shareholders in the merger.

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THE MERGER

Terms of the Merger

Each of the Prudential board of directors and the Polonia board of directors has approved and adopted the merger agreement, which provides for the merger of Polonia with and into Prudential and substantially simultaneously therewith, the merger of Polonia Bank with and into Prudential Bank.

If the merger is completed, Polonia shareholders will be entitled to elect to receive, for each share of Polonia common stock they own, subject to the election and adjustment procedures described in this proxy statement, either 0.7591 of a share of Prudential common stock or $11.28 in cash, subject to possible adjustment as more fully described herein. The election of shares of Prudential common stock or cash will be subject to proration such that 50% of the issued and outstanding shares of Polonia common stock will be exchanged for Prudential common stock and 50% will be exchanged for cash. If more Polonia shareholders make valid elections to receive either shares of Prudential common stock or cash than is available as either stock or cash consideration pursuant to the terms of the merger agreement, Polonia shareholders electing the over-subscribed form of merger consideration will receive a mixture of both stock and cash consideration in accordance with the proration procedures set forth in the merger agreement.

At the Prudential special meeting, Prudential shareholders will be asked to approve the issuance of the shares of Prudential common stock to Polonia's shareholders in the merger.

Background and Reasons for the Merger

Since completing its conversion from the mutual holding company form of organization to the stock holding company form of organization in November 2012, the management and board of directors of Polonia have regularly reviewed Polonia's strategic and financial prospects. The Polonia board of directors has considered the difficulty in profitably growing and operating a financial institution under current economic and competitive conditions, including the increased costs for technology and regulatory compliance, and has considered both internal growth strategies and strategic business combinations as means of achieving profitability and economies of scale.

Prudential has focused on building out its franchise and has considered doing so both organically as well through acquisitions.   Prudential believes that shareholder value can be enhanced by, among other things, materially increasing its assets in order to achieve greater efficiencies and economies of scale. Prudential also has sought opportunities to adjust the mix of earning assets to be more weighted towards loans, including commercial real estate loans, and less towards investment securities.

On September 15, 2015, the Polonia board of directors met with representatives of Polonia's legal counsel, Kilpatrick Townsend & Stockton LLP, which we refer to as Kilpatrick Townsend, and FinPro Capital Advisors, Inc., which we refer to as FinPro. The representative of Kilpatrick Townsend discussed the directors' fiduciary duties in connection with a possible business combination and the representatives of FinPro provided a strategic assessment of Polonia, identified potential strategies for growth and improving profitability, and provided an overview of Polonia's business, performance and valuation metrics. The board of directors considered potential acquisition targets identified by FinPro, but noted that Polonia would be unlikely to obtain regulatory approval for an acquisition while it remained under a formal written agreement with the Office of the Comptroller of the Currency, which we refer to as the OCC. FinPro presented an analysis of the potential acquisition value of Polonia, discussed different approaches to selecting a partner for a business combination and identified a list of institutions that were potential acquirors of Polonia.

On October 20, 2015, the Polonia board of directors met with representatives of Kilpatrick Townsend and FinPro to discuss potential partners for a business combination and the timing of such process. The Polonia directors considered contingencies that could be an impediment to a transaction, specifically pending litigation with a former employee who has asserted the right to additional compensation and potential liability for violations of the Real Estate Settlement Procedures Act. The Polonia directors also considered communications from investors who want to see Polonia pursue a business combination and the financial results and near term prospects for Polonia, which had been losing money on an operating basis. Upon consideration of these factors, the Polonia directors approved commencing a process to solicit interest in a business combination. FinPro discussed with the Polonia board of directors the criteria used to develop a list of potential acquirers, which the directors found to be reasonable. Based on the discussion with directors, FinPro produced a list of 39 financial institutions to contact regarding a business combination with Polonia. The 39 financial institutions were selected based on likelihood of interest, financial capacity and perceived potential to obtain required regulatory approvals. This number was subsequently reduced to 38 after two institutions on the list announced that they were being acquired and Polonia added an additional institution.

On November 16, 2015, Polonia formally engaged FinPro.

In early December 2015, FinPro began contacting the 38 financial institutions on Polonia's behalf regarding a potential acquisition of Polonia. Of the 38 institutions contacted by FinPro, 19, including Prudential, executed nondisclosure agreements with customary and waivable standstill provisions and received a confidential information memorandum regarding the potential acquisition of Polonia. The standstill provisions obligated the potential bidder to refrain for a specified period of time from pursuing various actions that relate to acquisition of control of Polonia without the prior written consent of the Polonia board of directors, such as making proposals to acquire Polonia, buying shares of Polonia common stock, and commencing a proxy contest. The nondisclosure agreements also contain a provision stating that a potential bidder is not permitted to ask for a waiver of the standstill provision without the prior written consent of the Polonia board of directors. Thus, absent Polonia's decision to affirmatively waive the standstill provision of any nondisclosure agreement, none of the parties to the nondisclosure agreements could approach Polonia to request a waiver of the standstill agreement to present an offer to acquire Polonia in a consensual merger or other form that might constitute a superior proposal under the terms of the merger agreement with Prudential. Polonia had not waived any of standstill provisions prior to entering into as memorandum of understanding discussed herein under "The Merger-Litigation" on page 58, as the merger agreement precludes Polonia from doing so. The merger agreement further requires Polonia to enforce any confidentiality agreement or standstill agreement to which Polonia is a party, even if the other party to such agreement intends to make a proposal that potentially could be deemed a "superior proposal" as defined in the merger agreement. Pursuant to the memorandum of understanding, Polonia agreed to waive the provisions of the nondisclosure agreement with regard to prohibiting a party to the nondisclosure agreements from asking Polonia to waive any of the standstill provisions. In addition, Prudential agreed in the memorandum of understanding that it will not enforce the prohibition contained in the merger agreement with respect to Polonia agreeing to waive the provision of the nondisclosure agreement noted above. Of these 19 institutions, seven, including Prudential, requested and received access to an electronic data room that contained non-public information, including information regarding Polonia's loans and deposits, credit quality, vendor contracts, and operating expenses.

Following Prudential's entry into the non-disclosure agreement and receipt of the Polonia confidential information memorandum, Prudential's management team met internally to discuss the information provided by Polonia and the potential acquisition opportunity. The management team's consensus was that Prudential should pursue the opportunity. Based on that discussion, Mr. Pollack contacted a representative of Sandler O'Neill to discuss Prudential engaging Sandler O'Neill to assist Prudential in pursuing a potential acquisition of Polonia. Members of Prudential's management team and Sandler O'Neill then held a series of meetings and discussions through mid-January 2016 to discuss the information provided by Polonia, the potential acquisition opportunity and related matters. During this time period Prudential prepared its preliminary non-binding indication of interest regarding a potential business combination transaction with Polonia. On January 20, 2016, at a regularly-scheduled meeting of Prudential's board of directors, a representative of Sandler O'Neill made a presentation regarding the Polonia acquisition opportunity. Following the presentation, Prudential's board of directors discussed the Polonia acquisition opportunity and unanimously approved the submission of a preliminary non-binding indication of interest.

On January 22, 2016, Polonia received nonbinding indications of interest for the acquisition of Polonia from Prudential and one other financial institution (which we refer to as "Bank A"). Both Prudential and Bank A proposed to acquire Polonia in exchange for consideration consisting of a combination of cash and stock.

On January 26, 2016, the Polonia board of directors held a special meeting to review the two indications of interest that was attended by representatives of FinPro and Kilpatrick Townsend. The board of directors was informed that all of the other institutions that had received a confidential information memorandum and had been granted access to the electronic data room declined to submit a nonbinding indication of interest. A representative of FinPro provided an overview of the process conducted to date, discussed the value offered by Prudential and Bank A in relation to the value of Polonia under a discounted cash flow analysis, and presented background information on

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Prudential and Bank A. The Polonia board of directors decided to invite both Prudential and Bank A to perform detailed due diligence.

Over the next several weeks, Polonia made available additional due diligence materials to Prudential and Bank A.

On February 11, 2016, representatives of Polonia met with several executives from Prudential and engaged in detailed discussions regarding various aspects of Polonia’s business. On February 20 and 21, 2016, Prudential performed loan and credit due diligence and on February 27 and 28, 2016, Bank A performed loan and credit due diligence.

On February 29, 2016, Bank A informed Polonia that it was withdrawing from the process and would not pursue the acquisition of Polonia.