

TF FINANCIAL CORP
Form 10-Q
August 13, 2007

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

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

For the period ended **June 30, 2007**

- or -

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

For the transition period from _____ to _____

Commission file number: **0-24168**

TF FINANCIAL CORPORATION

(Exact Name of Registrant as Specified in Its Charter)

Delaware

(State or Other Jurisdiction of Incorporation or Organization)

74-2705050

(I.R.S. Employer Identification No.)

3 Penns Trail, Newtown, Pennsylvania

(Address of Principal Executive Offices)

18940

(Zip Code)

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

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

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

Large accelerated filer Accelerated filer Non-accelerated filer

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

Indicate the number of shares outstanding of each of the issuer's classes of common stock as of the latest practicable date: August 1, 2007

Class _____ Outstanding _____

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\$.10 par value common stock

2,885,313 shares

CONTENTS

PART I-CONSOLIDATED FINANCIAL INFORMATION

<u>Item 1.</u>	<u>Consolidated Financial Statements</u>	3
<u>Item 2.</u>	<u>Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	13
<u>Item 3.</u>	<u>Quantitative and Qualitative Disclosures about Market Risk</u>	20
<u>Item 4.</u>	<u>Controls and Procedures</u>	20

PART II-OTHER INFORMATION

<u>Item 1.</u>	<u>Legal Proceedings</u>	22
<u>Item 1A.</u>	<u>Risk Factors</u>	22
<u>Item 2.</u>	<u>Unregistered Sales of Equity Securities and Use of Proceeds</u>	22
<u>Item 3.</u>	<u>Defaults Upon Senior Securities</u>	22
<u>Item 4.</u>	<u>Submission of Matters to a Vote of Security Holders</u>	22
<u>Item 5.</u>	<u>Other Information</u>	22
<u>Item 6.</u>	<u>Exhibits</u>	22
<u>Signatures</u>		23

Exhibits

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

32. Certification pursuant of Section 906 of the Sarbanes-Oxley Act of 2002

TF Financial Corporation and Subsidiaries

CONSOLIDATED BALANCE SHEETS

	Unaudited June 30, 2007 (in thousands)	Audited December 31, 2006
ASSETS		
Cash and cash equivalents	\$ 5,826	\$ 12,364
Certificates of deposit in other financial institutions		40
Investment securities available for sale at fair value	28,296	34,524
Investment securities held to maturity (fair value of \$685 and \$681, respectively)	678	677
Mortgage-backed securities available for sale at fair value	82,410	74,338
Mortgage-backed securities held to maturity (fair value of \$6,771 and \$7,788, respectively)	6,729	7,697
Loans receivable, net	499,245	483,570
Loans receivable held for sale	783	969
Federal Home Loan Bank stock at cost	6,875	7,130
Accrued interest receivable	2,938	3,030
Premises and equipment, net	6,481	6,544
Goodwill	4,324	4,324
Bank-owned life insurance	15,575	15,274
Other assets	3,872	2,122
TOTAL ASSETS	\$ 664,032	\$ 652,603
LIABILITIES AND STOCKHOLDERS EQUITY		
Liabilities		
Deposits	\$ 489,578	\$ 478,087
Borrowings from the Federal Home Loan Bank	100,110	101,701
Advances from borrowers for taxes and insurance	2,734	1,866
Accrued interest payable	3,322	3,177
Other liabilities	2,089	2,133
Total liabilities	597,833	586,964
Stockholders equity		
Preferred stock, no par value; 2,000,000 shares authorized at June 30, 2007 and December 31, 2006, none issued		
Common stock, \$0.10 par value; 10,000,000 shares authorized, 5,290,000 shares issued, 2,718,748 and 2,702,845 shares outstanding at June 30, 2007 and December 31, 2006, respectively, net of shares in treasury 2,405,417 and 2,415,766, respectively	529	529
Retained earnings	66,408	65,075
Additional paid-in capital	53,141	52,700
Unearned ESOP shares	(1,648)	(1,703)
Treasury stock at cost	(49,708)	(48,980)
Accumulated other comprehensive loss	(2,523)	(1,982)
Total stockholders equity	66,199	65,639
TOTAL LIABILITIES AND STOCKHOLDERS EQUITY	\$ 664,032	\$ 652,603

The accompanying notes are an integral part of these statements

TF Financial Corporation and Subsidiaries

CONSOLIDATED STATEMENTS OF INCOME

(Unaudited)

	For the three months ended June 30, 2007		For the six months ended June 30, 2007	
	2006		2006	
	(in thousands, except per share data)			
Interest income				
Loans, including fees	\$ 7,986	\$ 8,167	\$ 15,765	\$ 15,838
Mortgage-backed securities	1,006	957	1,939	1,969
Investment securities				