

Prudential Bancorp, Inc. (NASDAQ: PBIP; Philadelphia, PA) has agreed to acquire Polonia Bancorp, Inc. (OTC Pink: PBCP; Huntingdon Valley, PA)

Deal Value: Approximately \$38.1 million

Sandler O'Neill served as exclusive financial advisor to Prudential Bancorp, Inc. and rendered a fairness opinion in connection with the transaction. This transaction represents Sandler O'Neill's 81st bank or thrift transaction nationwide since January 1, 2015, representing \$23.2 billion in aggregate transaction value. Sandler O'Neill has served as a financial advisor on more bank and thrift transactions and for a greater aggregate deal value than any other investment bank during that time period.¹

Since January 1, 2015, Sandler O'Neill has advised on 21 bank or thrift transactions in the Mid-Atlantic region for an aggregate transaction value of \$5.5 billion, more than any other investment bank during that time period.¹

Philadelphia, PA and Huntingdon Valley, PA – Prudential Bancorp, Inc. ("PBIP", "Prudential") and Polonia Bancorp, Inc. ("PBCP", "Polonia") announced today that they have entered into a definitive agreement (the "Agreement") pursuant to which Polonia will be merged into Prudential, with Prudential being the surviving entity. Upon the closing of the transaction, Polonia Bank, the wholly owned bank subsidiary of Polonia, will merge into Prudential's wholly owned bank subsidiary, Prudential Savings Bank. The merger will enhance Prudential's presence in Philadelphia County. At closing, the combined company is expected to have over \$850 million in total assets. This transaction will expand Prudential's existing branch network in the Philadelphia market for a total of 11 branches.

Prudential will acquire 100% of the outstanding shares of Polonia in exchange for a mixture of cash and common shares of Prudential. Under the terms of the agreement, shareholders of Polonia will be entitled to elect to receive either 0.7591 shares of Prudential common stock or \$11.28 in cash for each common share of Polonia, subject to proration and allocation to ensure that 50% of outstanding Polonia shares are exchanged for shares of Prudential common stock and 50% are exchanged for cash. The exchange ratio and per share cash consideration are subject to adjustment based on the amount of Polonia's stockholders' equity prior to closing as calculated in accordance with the Agreement. The transaction, which has been unanimously approved by both Prudential's and Polonia's boards of directors, is expected to close in the fourth quarter of 2016, pending receipt of regulatory approvals, the approval of the shareholders of Polonia and other customary closing conditions.

The cash and stock transaction is valued at approximately \$38.1 million, including the value of outstanding options to acquire Polonia common stock, based on Prudential's 20-day average closing stock price as of June 1, 2016. Options to acquire Polonia common stock will be cashed out for the positive difference, if any, between the per share cash consideration and the option exercise price.

From the outset, the merger is expected to be significantly accretive to the combined company's earnings per share in 2017 and thereafter. The modest tangible book value dilution to be experienced at closing is expected to be earned back in approximately one year using either the "crossover" or simple method. Key transaction assumptions include negative pre-tax gross marks of \$2.5 million and that Prudential is expected to realize over 50% cost savings on operations. The transaction will also help leverage Prudential's existing capital base, while still maintaining a strong capital base available for implementation of future capital management strategies.

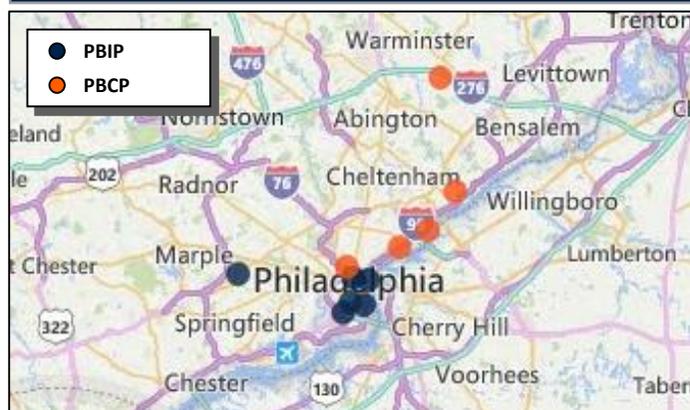
Dennis Pollack, President and CEO of Prudential said, "Acquiring Polonia is a very beneficial transaction that will enable us to increase the value of the franchise for the benefit of our shareholders. We will continue to pursue all strategies available to reach a higher level of financial performance in order to maximize shareholder value."

Financial Highlights

| (\$ in thousands) | PBIP | PBCP |
|-------------------|-----------|-----------|
| Total Assets | \$537,544 | \$291,611 |
| Total Net Loans | 322,182 | 172,179 |
| Total Deposits | 384,070 | 188,222 |
| Total Equity | 112,325 | 37,501 |
| TCE/TA | 20.90% | 12.86% |

¹ Source: SNL Financial; excludes terminated transactions and self-advisory roles
Note: Financial data as of 3/31/2016 for PBIP and 12/31/2015 for PBCP

Pro Forma U.S. Branch Map



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