



Dear Shareholder:

Despite the challenges we faced in 2020, our fiscal year ended September 30, 2020 set new records for Prudential Bancorp, Inc.

We expanded upon our fiscal 2019 performance while continuing to both manage our operating expenses and asset quality. The Board and management continue to be dedicated to executing our strategy, improving the Company's financial performance, using our capital efficiently and enhancing shareholder value.

We recognize that we still face formidable challenges, exacerbated by the current interest rate and economic environment. We are striving to create additional operational efficiencies in our organization to offset margin compression and increased provisioning. We are also taking steps to address the margin compression we are experiencing primarily due to decreased market yields on loans and investments. However, such steps, take time to fully implement. In addition, we are continuing to closely monitor the rapidly challenging environment surrounding the COVID-19 pandemic but remain confident in our long-term strength and stability and our ability to weather the storm of this crisis.

The following are some of the notable highlights of fiscal 2020:

- Continued growth of net income with the Company recording \$9.6 million in net income for fiscal 2020 compared to \$9.5 million for fiscal 2019;
- Dividends for the fiscal year ended September 30, 2020 totaled \$0.71 per share as compared to \$0.65 per share for fiscal 2019.
- Our efficiency ratio improved significantly during the fiscal year ended September 30, 2020, improving to 54.1% as compared to 58.4% for fiscal 2019.
- The Company originated 63 Paycheck Protection Program loans totaling approximately \$5.1 million. These loans were subsequently sold at a gain of \$111,000.
- The Company repurchased 829,388 shares of common stock at a weighted average cost of \$12.70, well below the Company's book value per share.

The Board recognizes its commitment to enhancing shareholder value and is focused primarily on this metric. To this end, the Company continues to explore a full range of options to broaden investor appeal. On behalf of the Board and management, I want to thank you for your continued support and loyalty. I also want to thank our dedicated staff who have continued to go the extra mile to help our customers and community during these challenging times.

Sincerely,

A handwritten signature in black ink, appearing to read 'Dennis Pollack'.

Dennis Pollack  
President and Chief Executive Officer.