

MALVERN BANCORP, INC.  
Form 424B5  
October 05, 2018

**Filed Pursuant to Rule 424(b)(5)**  
**Registration Statement Number 333-219999**

**Prospectus Supplement**  
**To the Prospectus Dated August 25, 2017**

**\$25,000,017**

**Common Stock**

We are offering 1,190,477 shares of our common stock, par value \$0.01 per share, at a public offering price of \$21.00 per share. Our common stock is traded on The NASDAQ Global Market under the symbol "MLVF." On October 3, 2018, the last reported sale price of our common stock on The NASDAQ Global Market was \$21.95 per share.

**Investing in our common stock involves risks. Please carefully read the "Risk Factors" beginning on page S-7 of this prospectus supplement and appearing in our Annual Report on Form 10-K for the fiscal year ended September 30, 2017 for a discussion of certain factors that you should consider before making your investment decision.**

	Per Share	Total
Public offering price	\$21.00	\$25,000,017
Underwriting discount <sup>(1)</sup>	\$1.05	\$1,209,714

Proceeds to us, before expenses \$19.95 \$23,790,303

- (1) The underwriting discount will be \$1.05 per share. However, the underwriter has agreed that the underwriting discount will be \$0.42 per share for 63,947 shares purchased by our directors, executive officers, employees and certain existing shareholders. The total underwriting discount and the total proceeds to us, before expenses, reflect the reduced discount for the 63,947 shares to be purchased by our directors, executive officers, employees and certain existing shareholders. See “Underwriting” beginning on page S-14 for disclosure regarding the underwriting discounts, expenses payable to the underwriter and proceeds to us, before expenses.

The shares of our common stock are being offered through the underwriter on a firm commitment basis. We have granted the underwriter a 30 day option to purchase up to an additional 15 percent of the offered amount of our common stock at the public offering price, less the underwriting discount.

**Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus supplement and the accompanying prospectus is truthful or complete. Any representation to the contrary is a criminal offense.**

**These securities are not deposits, savings accounts, or other obligations of a depository institution and are not insured by the Federal Deposit Insurance Corporation or any other governmental agency.**

The underwriter expects to deliver the shares of our common stock in book-entry form only, through the facilities of The Depository Trust Company, against payment on or about October 9, 2018, subject to customary closing conditions.

The date of this prospectus supplement is October 3, 2018.

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### Prospectus

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**In making your investment decision, you should rely only on the information contained or incorporated by reference in this prospectus supplement, the accompanying prospectus or any free writing prospectus filed by us with the SEC. We have not, and the underwriter has not, authorized anyone else to provide you with different or additional information. If anyone provides you with any other information, you should not rely on it. We are not, and the underwriter is not, making an offer to sell these securities in any jurisdiction where the offer and sale is not permitted.**

**You should assume that the information appearing in this prospectus supplement, the accompanying prospectus, any free writing prospectus or any documents incorporated by reference herein, is accurate only as of their respective dates. Our business, financial condition, results of operations and prospects may have changed since those dates. This prospectus supplement supersedes the accompanying prospectus to the extent it contains information that is different from or in addition to the information in that prospectus.**

## **ABOUT THIS PROSPECTUS SUPPLEMENT**

This document consists of two parts. The first part is this prospectus supplement, which describes the specific terms of this offering, and updates and adds to the information contained in the accompanying prospectus and the documents incorporated by reference into this prospectus supplement and the accompanying prospectus. The second part is the accompanying prospectus, which provides more general information about us, our common stock, and other securities we may offer from time to time, some of which may not apply to this offering. You should read this prospectus supplement, the accompanying prospectus and any “free writing prospectus,” together with additional information described below under the headings “Where You Can Find More Information” and “Incorporation of Certain Information by Reference” before deciding to invest in our common stock. Generally, when we refer to this “prospectus” we mean this prospectus supplement together with the accompanying prospectus.

We are offering to sell, and seeking offers to buy, shares of our common stock only in jurisdictions where such offers and sales are permitted. The distribution of this prospectus supplement and the accompanying prospectus and the offering of the common stock in certain jurisdictions may be restricted by law. This prospectus supplement does not constitute, and may not be used in connection with, an offer to sell, or a solicitation of an offer to buy, any common stock offered by this prospectus supplement by any person in any jurisdiction in which it is unlawful for such person to make such an offer or solicitation.

Unless otherwise expressly stated or the context otherwise requires, all information in this prospectus supplement assumes that (i) the underwriter will not exercise its option to purchase additional shares of our common stock, and (ii) no options, warrants, stock rights or shares of common stock were issued after September 28, 2018.

In this prospectus supplement, unless otherwise expressly stated or the context otherwise requires, the terms “we,” “us,” the “Company,” “Malvern,” “Malvern Bancorp” and “our” refer to Malvern Bancorp, Inc. and our subsidiaries on a combined basis. References to the “Bank” refer to Malvern Bank, National Association, our banking subsidiary.

## **SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS**

This prospectus supplement and the accompanying base prospectus contain or incorporate by reference forward looking statements within the meaning of Section 27A of the Securities Act of 1933 (the “Securities Act”), and Section 21E of the Securities Exchange Act of 1934 (the “Exchange Act”). These forward looking statements represent plans, estimates, objectives, goals, guidelines, expectations, intentions, projections and statements of our beliefs concerning future events, business plans, objectives, expected operating results and the assumptions upon which those statements are based. Forward looking statements include without limitation, any statement that may predict, forecast, indicate or

imply future results, performance or achievements, and are typically identified with words such as “may,” “could,” “should,” “will,” “would,” “believe,” “anticipate,” “estimate,” “expect,” “intend,” “plan,” or words or phrases of similar meaning. We caution that the forward looking statements are based largely on our expectations and are subject to a number of known and unknown risks and uncertainties that are subject to change based on factors which are, in many instances, beyond our control. Actual results, performance or achievements could differ materially from those contemplated, expressed, or implied by the forward looking statements.

The following factors, among others, could cause our financial performance to differ materially from that expressed in such forward looking statements:

Restrictions or conditions imposed by our regulators on our operations;

Increases in competitive pressure in the banking and financial services industries;

Changes in access to funding or increased regulatory requirements with regard to funding;

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Changes in deposit flows;

Credit losses as a result of declining real estate values, increasing interest rates, increasing unemployment, changes in payment behavior or other factors;

Credit losses due to loan concentration;

Changes in the amount of our loan portfolio collateralized by real estate and weaknesses in the real estate market;

Our ability to successfully execute our business strategy;

Our ability to attract and retain key personnel;

Changes in the interest rate environment which could reduce anticipated or actual margins;

Changes in political conditions or the legislative or regulatory environment, including governmental initiatives affecting the financial services industry;

Changes in economic conditions resulting in, among other things, a deterioration in credit quality;

Changes occurring in business conditions and inflation;

Increased cybersecurity risk, including potential business disruptions or financial losses;

Changes in technology;

The adequacy of the level of our allowance for loan losses and the amount of loan loss provisions required in future periods;

Examinations by our regulatory authorities, including the possibility that the regulatory authorities may, among other things, require us to increase our allowance for loan losses or write-down assets;

Changes in monetary and tax policies;

The rate of delinquencies and amounts of loans charged-off;

The rate of loan growth in recent years and the lack of seasoning of a portion of our loan portfolio;

Our ability to maintain appropriate levels of capital and to comply with our capital ratio requirements;

Adverse changes in asset quality and resulting credit risk-related losses and expenses;

Changes in accounting policies and practices; and

Other risks and uncertainties contained in this prospectus supplement or incorporated by reference into this prospectus supplement from the other reports and filings with the Securities and Exchange Commission, which we refer to as the SEC.



If one or more of the factors affecting our forward-looking information and statements proves incorrect, then our actual results, performance or achievements could differ materially from those expressed in, or implied by, forward-looking information and statements contained in this prospectus supplement and in the information incorporated by reference herein. Therefore, we caution you not to place undue reliance on our forward-looking information and statements. We undertake no obligation to publicly update forward-looking statements, whether as a result of new information, future events or otherwise. You are advised, however, to consult any further disclosures we make on related subjects in our periodic and current reports that we file with the SEC. Also note that we provide cautionary discussion of risks, uncertainties and possibly inaccurate assumptions relevant to our businesses in our periodic and current reports to the SEC incorporated by reference in this prospectus supplement, the accompanying prospectus and other offering materials. These are factors that, individually or in the aggregate, management believes could cause our actual results to differ materially from expected and historical results.

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## **PROSPECTUS SUPPLEMENT SUMMARY**

*This summary highlights selected information contained or incorporated by reference in this prospectus supplement or the accompanying prospectus and does not contain all the information that you need to consider in making your investment decision. To understand this offering fully, you should read this prospectus supplement and the accompanying prospectus carefully. You should carefully read the sections titled “Risk Factors” in this prospectus supplement and in the accompanying prospectus and the documents identified in the section “Incorporation of Certain Information by Reference,” including our financial statements and the notes to those financial statements, before making an investment decision.*

### **The Company**

Malvern Bancorp, Inc. is the holding company for Malvern Bank, National Association, a national bank that was originally organized in 1887 as a federally-chartered savings bank. Malvern Bank, National Association now serves as one of the oldest banks headquartered on the Philadelphia Main Line. For more than a century, the Bank has been committed to helping people build prosperous communities as a trusted financial partner, forging lasting relationships through teamwork, respect and integrity.

The Bank conducts business from its headquarters in Paoli, Pennsylvania, a suburb of Philadelphia and through its eight other banking locations in Chester, Delaware and Bucks counties, Pennsylvania and Morristown, New Jersey, its New Jersey regional headquarters. The Bank also maintains representative offices in Palm Beach, Florida and Montchanin, Delaware. The Bank’s primary market niche is providing personalized service to its client base.

The Bank, through its Private Banking division and strategic partnership with Bell Rock Capital in Rehoboth Beach, Delaware, provides personalized wealth management and advisory services to high net worth individuals and families. Those services include banking, liquidity management, investment services, 401(k) accounts and planning, custody, tailored lending, wealth planning, trust and fiduciary services, family wealth advisory services and philanthropic advisory services. The Bank offers insurance services through Malvern Insurance Associates, LLC, which provides clients a rich array of financial services, including commercial and personal insurance and commercial and personal lending.

### **Recent Accomplishments**

Malvern Bank is a well-positioned national bank operating in attractive markets on the Philadelphia Mainline and in New Jersey. We specialize in providing niche services and products to high-net worth clients and commercial real estate borrowers. Our current management team is well-seasoned, and has deep community and business relationships.

Each member of our current management team, led by Tony Weagley, has on average approximately 35 years of banking experience. Since our new management team has been in place, we have strengthened the financial condition of the Bank, resolved prior outstanding regulatory issues and worked to transform the business model:

- Converted the Bank to a national bank charter from a federally-chartered savings bank;
- ·                   Replaced all members of senior management;
- ·                   ·                   Achieved robust organic growth;
- Introduced a new business model, de-emphasizing historic thrift activities and focusing on private client and commercial real estate lending.; and
- ·                   ·                   Improved earnings and the Bank's efficiency.

The turnaround from September 30, 2014 to June 30, 2018 has yielded significant growth:

- ·                   ·                   Total assets increased from \$542.3 million to \$1.1 billion;
- ·                   ·                   Net loans increased from \$386.1 million to \$893.4 million;
- ·                   ·                   Total deposits increased from \$413.0 million to \$787.9 million;

Pre-tax income increased from \$344 thousand for the year ended September 30, 2014 to \$11.5 million for the annualized year-to-date period ended June 30, 2018; and

Tangible book value per share increased from \$11.76 to \$16.41.

## Looking Ahead

Looking ahead, we are focused on the following initiatives:

Continuing to refine the assets on our balance sheet and maintain high asset quality by:

- § Diversifying our loan mix and commercial real estate (CRE) concentrations;
- § Rebuilding the residential and consumer lending segments of the portfolio;
- § Seasoning of the commercial segment of the portfolio; and
- § Resolving the legacy residential portfolio.

Leveraging the retail network on the Philadelphia Mainline and increasing market share by:

- § Gathering core deposits and diversifying funding sources, including growing our municipal funding sources;
- § Developing our digital platforms aimed at supporting retail activity; and
- § Thoughtfully expanding our current location footprint.

Continuing to use our Private Banking Locations to drive business activity in other service platforms, such as:

- § Lending
- § Wealth Management
- § Insurance

Further growing our specialty divisions to enhance business development:

- § Private Schools
- § Non-Profits
- § Equestrian

We believe that these initiatives will further enhance the value and attractiveness of our banking franchise.

**Corporate Information**

Our principal executive offices are located at 42 E. Lancaster Avenue, Paoli, Pennsylvania 19301, and the telephone number is (610) 644-9400. Our website is [www.mymalvernbank.com](http://www.mymalvernbank.com). The information on our website does not constitute a part of, and is not incorporated by reference in, this prospectus supplement or the accompanying prospectus.

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## THE OFFERING

<i>Issuer:</i>	Malvern Bancorp, Inc.
<i>Common stock offered:</i>	1,190,477 shares of common stock, par value \$0.01 per share (or 1,369,048 shares if the underwriter exercises in full its option to purchase additional shares).
<i>Offering price:</i>	\$21.00 per share
<i>Shares outstanding after completion of the offering</i>	7,771,356 shares (or 7,949,927 shares if the underwriter exercises in full its option to purchase additional shares) <sup>(1)</sup>
<i>Net proceeds</i>	We estimate that the net proceeds from this offering will be approximately \$23.4 million (or \$27.0 million if the underwriter exercises its purchase option to purchase additional shares), after deducting the underwriting discount and estimated offering expenses payable by us.
<i>Use of proceeds</i>	We intend to use the net proceeds of the offering to increase our capital structure, to fund future organic growth and for working capital and other general corporate purposes. We may also use a portion of the net proceeds for future acquisitions, although we have no present commitments or agreements to do so. See “Use of Proceeds” on page S-11.
<i>Dividends and distributions</i>	We have not declared or paid any cash dividends on our common stock. For the foreseeable future, we do not intend to declare cash dividends. We intend to retain earnings to grow our business and strengthen our capital base. For additional information, see “Risk Factors — Risks Related to Our Common Stock and this Offering” and “Market for Common Stock and Our Dividend Policy.”
<i>Risk factors</i>	Investing in our common stock involves risks. You should carefully consider the information under “Risk Factors” beginning on page S-7 and the other information included or incorporated by reference in this prospectus supplement and the accompanying prospectus before deciding to invest in our common stock.
<i>NASDAQ symbol</i>	MLVF

The number of shares outstanding after the offering is based on 6,580,879 shares of common stock outstanding as of September 28, 2018, and excludes: an aggregate of 15,996 shares reserved for issuance under our equity compensation plans subject to outstanding awards.

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**SELECTED HISTORICAL FINANCIAL DATA**

The following table sets forth selected historical consolidated financial data for the Company as of and for each of the five fiscal years ended September 30, 2017 (which has been derived from our audited consolidated financial statements), and as of and for the nine months ended June 30, 2018 and 2017. You should read this table together with the historical consolidated financial information contained in our consolidated financial statements and related notes and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” included in our Annual Report on Form 10-K for the fiscal year ended September 30, 2017 and our Quarterly Report on Form 10-Q for the quarter ended June 30, 2018, which have been filed with the SEC and are incorporated by reference in this prospectus supplement. Information for the nine-month periods ended September 30, 2018 and 2017 is derived from unaudited interim financial statements and has been prepared on the same basis as our audited financial statements and includes, in the opinion of management, all adjustments, consisting of only normal recurring adjustments, necessary to present fairly the data for such period. The results of operations for the nine-month period ended June 30, 2018 do not necessarily indicate the results that may be expected for any future period or for the full year.

	At or for the Nine Months Ended June 30,		At or for the Year Ended September 30,				
	2018	2017	2017	2016	2015	2014	2013
	(Dollars in thousands, except per share data)						
<b>Summary of Operating Data:</b>							
Total interest and dividend income	\$29,413	\$24,253	\$33,782	\$25,244	\$20,462	\$20,167	\$22,301
Total interest expense	9,487	6,624	9,446	6,732	5,248	5,071	6,944
Net interest income	19,926	17,629	24,336	18,512	15,214	15,096	15,357
Provision for loan losses	829	2,302	2,791	947	90	263	11,235
Net interest income after provision for loan losses	19,097	15,327	21,545	17,565	15,124	14,833	4,122
Total other income	2,875	1,809	2,341	2,333	2,535	2,155	2,860
Total other expenses	13,366	11,334	15,147	13,922	13,961	16,644	19,775
Income tax expense (benefit)	3,942	1,940	2,922	(6,174)	(970)	(367)	6,010
Net income (loss)	\$4,664	\$3,862	\$5,817	\$12,150	\$4,668	\$711	\$(18,803)
Earnings (loss) per share	\$0.72	\$0.60	\$0.90	\$1.90	\$0.73	\$0.11	\$(2.96)
Dividends per share	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

**Statement of Financial Condition Data:**

Securities available for sale