

Conestoga Bancorp, Inc. (Chester Springs, PA) has agreed to merge with Beneficial Bancorp, Inc. (NASDAQ: BNCL; Philadelphia, PA)

Deal Value: Approximately \$100 million^{1 3}

Sandler O'Neill served as financial advisor to Conestoga Bancorp, Inc. in connection with the transaction. This transaction is Sandler O'Neill's 103rd bank or thrift transaction nationwide since January 1, 2014, representing \$18.2 billion in aggregate transaction value, more than any other investment bank during that time period.^{2 3}

This transaction marks the 12th Mid-Atlantic bank and thrift transaction that Sandler O'Neill has advised on since January 1, 2015, representing \$2.6 billion in aggregate transaction value, more than any other investment bank during that time period.^{2 3}

PHILADELPHIA, PENNSYLVANIA, October 22, 2015 — Beneficial Bancorp, Inc. ("Beneficial") (NASDAQ: BNCL), the holding company for Beneficial Bank ("Beneficial Bank"), and Conestoga Bancorp, Inc. ("Conestoga Bancorp"), the holding company for Conestoga Bank, announced today the signing of a definitive stock purchase agreement pursuant to which Beneficial will acquire Conestoga Bancorp's ownership interest in Conestoga Bank, and Conestoga Bank will subsequently be merged into Beneficial Bank.

Conestoga Bank is a locally-managed institution dedicated to providing high quality community banking and commercial lending services with locations in Philadelphia, Delaware, Montgomery, Bucks, Chester and Lehigh Counties. Conestoga Bank has approximately \$712 million in assets, \$506 million in loans and \$530 million in deposits as of June 30, 2015 and serves its customers from fourteen locations. Conestoga Bank also provides equipment financing through its wholly owned subsidiary, Conestoga Equipment Finance Corp. and offers Small Business Administration loans to commercial customers.

Gerard P. Cuddy, President and Chief Executive Officer of Beneficial, said, "We are pleased to announce our agreement to acquire Conestoga Bank which strengthens our position in the Philadelphia marketplace and provides an opportunity to meaningfully improve our earnings profile as we begin to deploy our capital from the second step conversion. Conestoga Bank's fourteen locations are a great complement to our branch network and add important commercial and consumer relationships to our banking franchise. Combining our two well-established and well-respected companies will create an enhanced community banking franchise that is better positioned to serve our customers, our employees and our communities."

The transaction is valued at 160% of Conestoga Bank's tangible book value at closing but will not be greater than \$105 million. Under the terms of the agreement, which has been approved by the Boards of Directors of both companies, Conestoga, as the sole shareholder of Conestoga Bank, will receive cash for all of the outstanding shares of Conestoga Bank. Any tangible book value in excess of \$65.6 million will be distributed to Conestoga Bank's holding company at the closing of the transaction. The closing is anticipated to occur during the first quarter of 2016, subject to the receipt of all required regulatory approvals and other customary closing conditions.

Richard A. Elko, Chairman and Chief Executive Officer of Conestoga Bank, said, "Conestoga is excited to be joining Beneficial, the oldest and largest Philadelphia-based bank. Both Beneficial and Conestoga Bank share similar values and a common commitment to local decision making, exceptional personal service and community support. Our merger with Beneficial Bank will allow us to deepen our customer relationships and provide access to a wide array of products, services, and locations. We look forward to working together and building additional value for Beneficial's shareholders."

Financial Highlights³

(Dollars in millions)	BNCL	Conestoga
Total Assets	\$4,736	\$719
Gross Loans	\$2,709	\$508
Total Deposits	\$3,375	\$536
Total Equity	\$1,102	\$63
TCE / TA	21.14%	8.70%

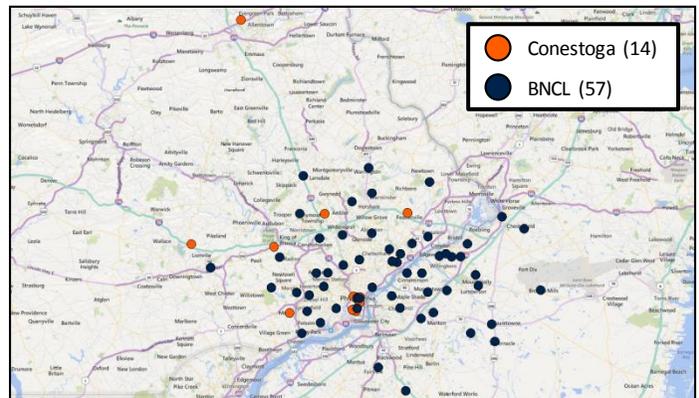
1) Represents 160% of tangible book value as of 6/30/15; final deal value will be 160% of tangible book value at closing with a cap of \$105 million.

2) Excludes terminated transactions and self-advisory roles.

3) Source: SNL Financial.

Note: Financial data as of 6/30/15

Pro Forma Branch Map



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