

**Delaware Bancshares, Inc. (OTC Pink: DBAI; Walton, NY) has agreed to merge with Norwood Financial Corp. (NASDAQ: NWFL; Honesdale, PA)**

**Deal Value: Approximately \$15.4 Million**

Sandler O'Neill served as financial advisor to Delaware Bancshares, Inc. and rendered a fairness opinion in connection with the transaction. This transaction is Sandler O'Neill's 68<sup>th</sup> bank and thrift transaction nationwide since January 1, 2015 representing \$22.6 billion in aggregate transaction value, more than any other investment bank during that time period.<sup>1</sup>

Since January 1, 2015, Sandler O'Neill has advised on 18 bank or thrift transactions in the Mid-Atlantic region for an aggregate transaction value of \$5.2 billion, more than any other investment bank during that time period.<sup>1</sup>

HONSDALE, PA and WALTON, NY – Norwood Financial Corp. (NASDAQ:NWFL), the holding company for Wayne Bank, and Delaware Bancshares, Inc. (OTCPK: DBAI), the holding company for NBDC Bank, jointly announced today the signing of a definitive merger agreement pursuant to which Norwood Financial Corp. will acquire Delaware Bancshares, Inc. in a stock and cash transaction. The transaction will extend Norwood Financial Corp.'s footprint into neighboring Sullivan and Delaware Counties, New York. The combined company will have over \$1.0 billion in assets and 27 offices throughout four counties in Northeastern Pennsylvania and two neighboring counties in Southwestern New York.

"We are pleased to be able to partner with an organization such as Delaware Bancshares, Inc. Both companies have earned a great reputation in the market and have a common community banking culture. The merger will give us a presence in nearby Sullivan and Delaware Counties. The combination of talent and prime locations will enable us to better serve our existing customers in Sullivan and Delaware Counties and offer expanded products and services to the NBDC Bank customer base," noted Lewis J. Critelli, President and Chief Executive Officer of Norwood Financial Corp.

"We are delighted to partner with such a reputable, high performing financial institution. With this merger, our shareholders will receive a premium over current market price and the dividend yield of Norwood common stock, and our customers will enjoy banking with a larger community bank with greater product offerings," stated James Stracuzzi, President and Chief Executive Officer of Delaware Bancshares, Inc.

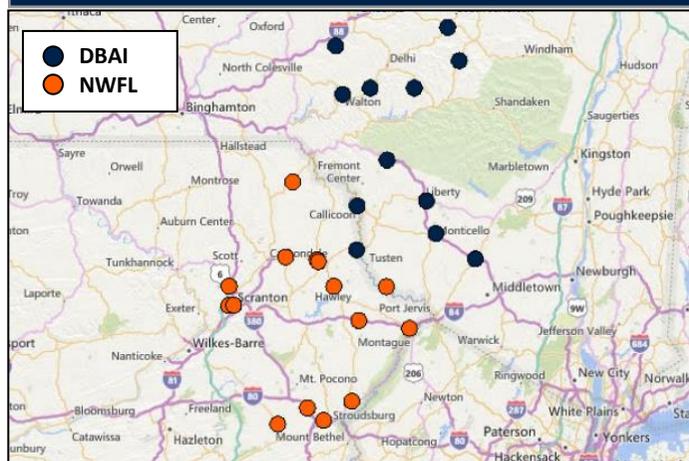
Pursuant to the terms of the merger agreement, shareholders of Delaware Bancshares, Inc. will have the opportunity to elect to receive for each share of Delaware Bancshares, Inc. common stock they own, either 0.6221 shares of Norwood Financial Corp. common stock or, \$16.68 in cash or a combination of both. All shareholder elections will be subject to the allocation, and proration procedures set forth in the merger agreement which are intended to ensure that, in the aggregate, 75% of the aggregate merger consideration will consist of Norwood Financial Corp. common stock, and 25% will consist of cash.

**Financial Highlights**

<i>\$s in millions</i>	<b>DBAI</b>	<b>NWFL</b>
Total Assets	\$372	\$751
Total Loans	116	560
Total Deposits	317	551
Tangible Common Equity	13	91
TCE/TA	3.65%	12.29%
NPAs Excl. Rest. / Assets	0.19%	1.33%
Branches	12	15

(1) Source: SNL Financial. Excludes terminated transactions and self-advisory roles. Note: Financial highlights as of December 31, 2015.

**Pro Forma Branch Map**



**Sandler O'Neill Contacts:**  
**1251 Avenue of the Americas, 6<sup>th</sup> Floor**  
**New York, NY 10020**

**Bill Hickey**  
 Principal, Co-Head of  
 Investment Banking  
 (212) 466-7704

**Mary Anne Callahan**  
 Principal  
 (212) 466-7951

**Alex Bondroff**  
 Associate  
 (212) 466-7727

**Suzie Yoon**  
 Analyst  
 (212) 466-7716