

Lakeland Bancorp, Inc. (NASDAQ: LBAI; Oak Ridge, NJ) has agreed to acquire Harmony Bank (OTC Pink: HRMB; Jackson, NJ)

Deal Value: Approximately \$32.0 million

Sandler O'Neill served as advisor to Lakeland Bancorp, Inc. in this transaction. This transaction represents Sandler O'Neill's 67th bank or thrift transaction nationwide since January 1, 2015, representing \$22.5 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 17 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.¹

OAK RIDGE, N.J. and JACKSON, N.J., Feb. 18, 2016 (GLOBE NEWSWIRE) -- The Boards of Directors of Lakeland Bancorp, Inc. (NASDAQ:LBAI) ("Lakeland Bancorp"), the parent company of Lakeland Bank, Lakeland Bank and Harmony Bank (OTCPK:HRMB) ("Harmony Bank"), announced today that they have entered into a definitive Agreement and Plan of Merger (the "Merger Agreement"), pursuant to which Harmony Bank will be merged with and into Lakeland Bank, with Lakeland Bank as the surviving bank. The Merger Agreement provides that shareholders of Harmony Bank will receive 1.25 shares of Lakeland Bancorp common stock for each share of Harmony Bank common stock that they own at the effective time of the merger.

Lakeland Bancorp expects to issue an aggregate of approximately 3.0 million shares of its common stock in the merger and will cash out Harmony Bank options that remain outstanding at the effective time of the merger. The transaction is valued at approximately \$32.0 million, or \$12.79 per share, based on the closing price per share of Lakeland Bancorp's common stock of \$10.23 on February 17, 2016. The transaction is expected to be approximately 1% accretive to Lakeland Bancorp's Earnings Per Share in 2017 and approximately 0.5% dilutive to Tangible Book Value with an estimated Earnback in approximately 3.5 years.

Lakeland Bank operates 53 New Jersey branch offices in Bergen, Essex, Morris, Passaic, Somerset, Sussex, Union and Warren counties; five New Jersey regional commercial lending centers in Bernardsville, Montville, Newton, Teaneck and Wyckoff/Waldwick; and, two commercial loan production offices serving Middlesex and Monmouth counties in New Jersey and the Hudson Valley region of New York. Lakeland Bank offers an extensive suite of financial products and services for businesses and consumers. As of December 31, 2015, Lakeland Bancorp had consolidated total assets, total loans, total deposits and total stockholders' equity of \$3.87 billion, \$2.97 billion, \$3.00 billion and \$400.5 million, respectively. Following the closing of Lakeland Bancorp's acquisition of Pascack Bancorp, Inc. and its subsidiary, Pascack Community Bank, on January 7, 2016, Lakeland Bancorp's total assets approximated \$4.3 billion.

Harmony Bank, a state-chartered commercial bank that focuses on serving consumers and small-to-medium-size businesses, is headquartered in Jackson, New Jersey, with additional branch offices in Lakewood and Toms River, New Jersey. As of December 31, 2015, Harmony Bank had total assets, total loans, total deposits and total stockholders' equity of \$295 million, \$241 million, \$257 million and \$28 million, respectively.

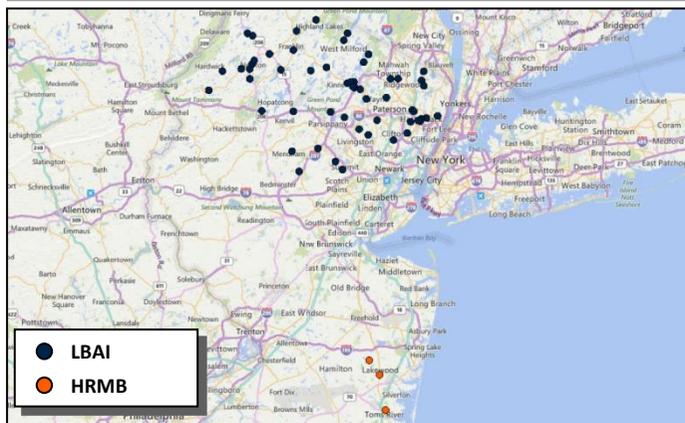
The Boards of Directors of Lakeland Bancorp, Lakeland Bank and Harmony Bank have approved the merger. Closing is subject to receipt of approvals from regulators, approval of the merger by Harmony Bank's shareholders and other customary conditions. No approval is required from Lakeland Bancorp's shareholders. The closing is expected to occur in the late second quarter or early third quarter of 2016.

Financial Highlights

(\$ in millions)	LBAI	HRMB
Total Assets	\$3,870	\$295
Gross Loans	2,966	244
Total Deposits	2,996	257
Total Equity	401	28
TCE/TA	7.69%	8.13%
2015Y ROAA	0.89%	0.56%

1) Source: SNL Financial; excludes terminated transactions and self-advisory roles
Note: Financial data as of December 31, 2015; HRMB regulatory data shown

Pro Forma U.S. Branch Map



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