

National Penn Bancshares, Inc. (NASDAQ: NPBC) has agreed to acquire TF Financial Corporation (NASDAQ: THRD)

Deal Value: Approximately \$138 million

Sandler O'Neill served as financial advisor to National Penn Bancshares, Inc. in this transaction. This transaction is Sandler O'Neill's 130th bank or thrift transaction nationwide since January 1, 2011, more than any other investment bank during that time period.¹

ALLENTOWN, PA and NEWTOWN, PA — The Boards of Directors of National Penn Bancshares, Inc. ("National Penn") (Nasdaq: NPBC) and TF Financial Corporation ("TF Financial") (Nasdaq: THRD) announced today that the companies have entered into a definitive merger agreement whereby National Penn will acquire TF Financial. TF Financial and its wholly-owned subsidiary, 3rd Fed Bank, with approximately \$846 million in assets, \$609 million in loans, and \$692 million in deposits at March 31, 2014, operate 18 full service retail and commercial banking offices in the attractive markets of Bucks and Philadelphia Counties in Pennsylvania, and Burlington, Mercer, and Ocean Counties in New Jersey.

TF Financial shareholders will receive either \$42.00 in cash or 4.22 shares of National Penn stock, based on their election, for an estimated aggregate transaction value of \$138 million. Aggregate consideration will be limited to 40% cash and 60% stock. This purchase price equates to approximately 20x earnings and 144% of tangible book value. There are 3,151,162 shares of TF Financial issued and outstanding. Stock options for 325,644 shares will be redeemed for cash.

Scott V. Fainor, president and CEO of National Penn stated, "We are excited about the affiliation with a high quality company like TF Financial. Expanding our market presence in the attractive Bucks and Philadelphia Counties in Pennsylvania and the opportunity to enter New Jersey fits perfectly into our strategy." Kent Lufkin, president and CEO of TF Financial added, "Combining with a company that has the strength of National Penn will certainly benefit our customers, community, employees, and shareholders."

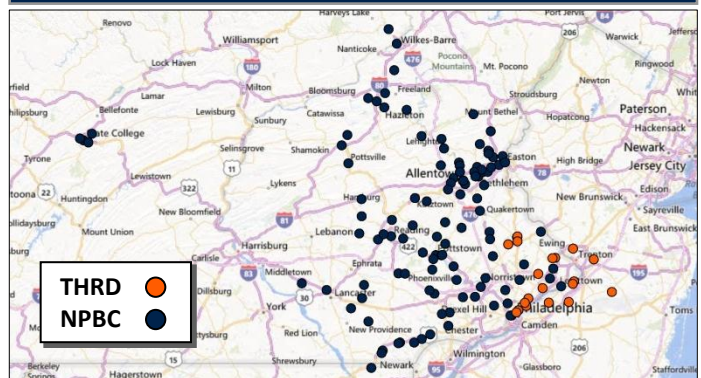
The transaction, which has been unanimously approved by both TF Financial's and National Penn's board of directors, is subject to normal and customary conditions, including but not limited to, regulatory approval and the approval of TF Financial shareholders. The transaction is expected to close in late 2014, subject to these required approvals, including the merger of 3rd Fed Bank with and into National Penn's wholly-owned subsidiary, National Penn Bank.

Financial Highlights

<i>(Dollars in millions)</i>	NPBC	THRD
Total Assets	\$8,557	\$846
Gross Loans	5,378	609
Total Deposits	6,139	692
Total Equity	1,082	97
Tang. Comm. Equity / Tang. Assets	9.86%	10.96%

1) Excludes terminated transactions and self-advisory roles.
 Note: Financial data as of March 31, 2014.
 Source: SNL Financial.

Pro Forma Branch Map



Sandler O'Neill Contacts:
 1251 Avenue of the Americas, 6th Floor
 New York, NY 10020

Emmett Daly
 Principal
 (212) 466-7955

Jocelyn Kukulka
 Vice President
 (212) 466-8032

Alex Venino
 Analyst
 (212) 466-7727