

Penn Liberty Financial Corp. (Private; Wayne, PA) has agreed to merge with WSFS Financial Corporation (NASDAQ: WSFS; Wilmington, DE)

Deal Value: Approximately \$101 million

Sandler O'Neill acted as financial advisor and rendered a fairness opinion to Penn Liberty Financial Corp. in this transaction. This transaction represents Sandler O'Neill's 56th bank or thrift transaction nationwide since January 1, 2015 representing \$16.0 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 15 bank or thrift transactions in the Mid-Atlantic region for an aggregate transaction value of \$4.9 billion, more than any other investment bank during that time period.¹

WILMINGTON, Del. — WSFS Financial Corporation (NASDAQ: WSFS) and Penn Liberty Financial Corp. ("Penn Liberty") jointly announced today the signing of a definitive agreement and plan of reorganization whereby WSFS Financial Corporation will acquire Penn Liberty Financial Corp. Upon the closing of the transaction, Penn Liberty Bank, the wholly owned bank subsidiary of Penn Liberty will merge into WSFS Financial Corporation's wholly owned bank subsidiary, WSFS Bank.

The total transaction is valued at approximately \$101 million, based on a 10-day volume weighted average price of WSFS common stock, and Penn Liberty's common shares outstanding of 4.26 million and options outstanding of 685.6 thousand with a weighted average strike price of \$10.05. Under the terms of the agreement, which has been approved by the boards of directors of both companies, shareholders of Penn Liberty will be entitled to elect to receive either 0.6601 shares of WSFS common stock or \$21.75 in cash for each common share of Penn Liberty, subject to an overall allocation of exchanged Penn Liberty shares into 60% WSFS common stock and 40% cash. The closing and systems conversion is anticipated to occur early in the third quarter of 2016, subject to approval by Penn Liberty shareholders, regulatory approvals and other customary closing conditions.

WSFS expects to incur pre-tax merger and integration costs of approximately \$15.5 million and to achieve cost savings totaling 34% of Penn Liberty Financial Corp's non-interest expenses or \$6.3 million per year once fully phased in. The acquisition is expected to be immediately accretive to WSFS earnings per share, excluding one time costs. WSFS expects initial tangible book value dilution of 6.7% from the transaction which is estimated to be earned back in 4.9 years. The transaction has an anticipated internal rate of return of 17%, which is well in excess of WSFS' cost of capital.

WSFS President and Chief Executive Officer, Mark A. Turner said, "We are excited to announce our combination with Penn Liberty Bank, a high-quality community bank with incredibly professional and committed Associates and leadership. Penn Liberty's 11 locations are a great complement to our Pennsylvania network, including our recently acquired Alliance Bank locations, and Penn Liberty's experienced management team and commercially-focused business model will add important relationships to our banking franchise. We have aligned ourselves with a terrific partner in Penn Liberty, as they also share our extraordinary commitment to Customers, Communities and Associates. Southeastern Pennsylvania continues to be a highly desirable and complementary market extension opportunity for our franchise and we look forward to further serving that market. This is our sixth Delaware Valley acquisition since 2008 and our largest to date."

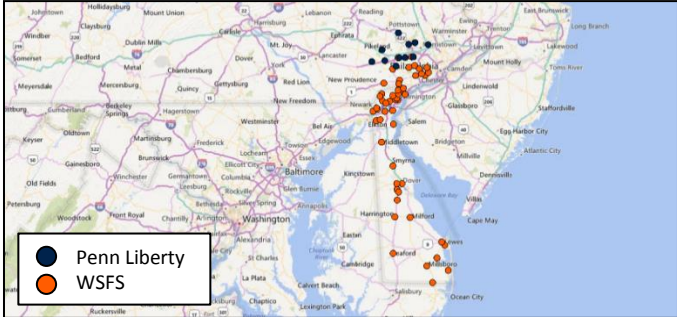
Patrick Ward, Chairman and Chief Executive Officer of Penn Liberty said, "I am proud of the organization and relationships our team has built over the past decade. We are pleased to partner with WSFS, both the largest and the oldest bank and trust company headquartered in the Delaware Valley. Our combined significant presence in Delaware and southeastern Pennsylvania as well as their expanded mortgage, commercial, and wealth product offerings will benefit our Customers, Communities and Associates. Our team is delighted to be joining WSFS and we look forward to working together and building additional value for our combined shareholders and communities."

Financial Highlights

(Dollars in millions)	<u>Penn Liberty</u>	<u>WSFS</u>
Total Assets	\$651	\$5,068
Gross Loans	\$510	\$3,419
Total Deposits	\$558	\$3,645

(1) Excludes terminated transactions and self-advisory roles
 Note: Financial data as of September 30, 2015; Source: SNL Financial

Pro Forma Branch Map



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