



The Future is



Built on a



Strong Foundation.



2022
Annual Report

Financial Highlights

As of or for the year ended June 30,

(dollars in thousands, except per share amounts)

	2022	2021
Selected Income Statement Data		
Net Interest Income.....	\$ 22,984	\$ 21,483
Provision (Recovery) for Loan Losses.....	(20)	133
Non-Interest Income.....	2,075	2,368
Non-Interest Expense.....	20,274	18,992
Net Income.....	4,237	3,779
Common Shares Data		
Earnings Per Share - Basic and Diluted.....	\$ 0.30	\$ 0.26
Tangible Book Value Per Share.....	12.54	13.92
Shares outstanding at period-end (000).....	14,897	15,171
Selected Balance Sheet Data (Period End)		
Total Assets.....	\$ 879,952	\$ 822,408
Loans, net.....	475,511	461,196
Securities.....	287,138	123,335
Total Deposits.....	606,617	553,103
Borrowings.....	65,000	41,000
Stockholders' Equity.....	192,326	216,926
Selected Ratios		
Return on Average Assets.....	0.51%	0.49%
Net Interest Margin.....	3.02%	3.03%
Efficiency Ratio.....	80.91%	79.63%
Tangible Common Equity.....	21.36%	25.85%

William Penn Bancorporation, headquartered in Bristol, Pennsylvania, is the holding company for William Penn Bank, which serves the Delaware Valley area through thirteen full-service branch offices in Bucks County and Philadelphia, Pennsylvania, and Burlington, Camden and Mercer Counties in New Jersey. The Company's executive offices are located at 10 Canal Street, Suite 104, Bristol, Pennsylvania 19007. William Penn Bank's deposits are insured up to the legal maximum (generally \$250,000 per depositor) by the Federal Deposit Insurance Corporation (FDIC). The primary federal regulator for William Penn Bank is the FDIC. For more information about the Bank and William Penn, please visit www.williampenn.bank.



Dear Fellow Shareholder,

William Penn Bancorporation made very good progress in fiscal 2022, as we continued to execute on our strategic priorities of sound balance sheet management and prudent capital management for the benefit of our shareholders.

Our financial performance strengthened in 2022, as we generated record revenue leading to record net income. We earned net income of \$4.2 million on revenue of \$25.1 million in 2022 versus net income of \$3.8 million on revenue of \$23.7 million in 2021, while earnings per basic and diluted share registered \$0.30 in 2022 versus \$0.26 in 2021.

BALANCE SHEET MANAGEMENT

We continued to improve the strength and composition of our balance sheet during the year ended June 30, 2022, as we used our excess cash to fund growth in our loan and investment portfolios, while also revamping the composition of our borrowings. During the year, we funded \$113.3 million of new loans, including \$95.7 million of commercial loans, and purchased \$207.4 million of high-quality investment securities. Additionally, we made a series of strategic decisions to opportunistically prepay a total of \$41.0 million of high-cost advances from the Federal Home Loan Bank of Pittsburgh.

Total assets increased \$57.6 million to \$880.0 million at June 30, 2022, from \$822.4 million at June 30, 2021, primarily driven by a \$53.5 million increase in deposits. Net loans increased \$14.3 million to \$475.5 million at June 30, 2022, from \$461.2 million at June 30,

2021. Deposits increased \$53.5 million to \$606.6 million at June 30, 2022, from \$553.1 million at June 30, 2021. The increase in deposits was primarily due to an \$82.5 million increase in core deposits, partially offset by a \$29.0 million decrease in non-core time deposits, consistent with the planned run-off of higher-cost, non-relationship-based deposit accounts.

CAPITAL MANAGEMENT

We uphold an unwavering commitment to the careful stewardship of our shareholders' capital. Since the completion of our second step conversion in March 2021, we have followed a plan to leverage the capital through a combination of organic growth, share repurchases, and the payment of cash dividends.

During the year ended June 30, 2022, we used capital to repurchase 766,936 shares at a cost of \$9.1 million, and we returned capital to our shareholders through the payment of a \$0.30 per share one-time special cash dividend in August 2021 in the amount of \$4.3 million, and the payment of two \$0.03 quarterly cash dividends in February 2022 and May 2022 totaling \$855 thousand. Our tangible common equity ratio measured 21.4% at June 30, 2022, and we plan to continue to follow this disciplined approach to capital management.

SHARE REPURCHASES

Share repurchases are an important part of our capital management strategy. Under Federal Reserve regulations, we were initially restricted from buying back stock for one year following the completion of the stock offering.

On March 11, 2022, we announced our first stock repurchase program, which became effective on March 25, 2022, and authorized the purchase of up to 758,528 shares, or 5% of outstanding shares. On June 9, 2022, we announced that our Board of Directors had authorized a second stock repurchase program to acquire up to 771,445 shares, or 5% of outstanding shares, bringing the total number of authorized repurchases to 1,529,973 shares. As of June 30, 2022, we had exhausted our first stock repurchase program and began repurchasing shares under our second program with a total of 766,936 shares purchased under these repurchase programs at a total cost of \$9.1 million, or \$11.84 per share.

On August 18, 2022, we announced a third stock repurchase program to acquire up to 739,385 shares, or 5% of outstanding shares, commencing upon the completion of our existing stock repurchase program.

ASSET QUALITY

Asset quality metrics remain strong, with non-performing assets to total assets of 0.74% as of June 30, 2022. The Company maintains conservative lending practices, and we remain focused on lending to borrowers with high credit quality within our market footprint. Our goal is to accomplish real, sustainable growth, but not growth at any cost - we will not stretch for growth by reducing underwriting standards or taking on increasingly higher levels of risk.

The largest component of non-performing assets as of June 30, 2022 was a one- to four-family residential real estate loan with a carrying value of \$1.7 million that was more than 90 days delinquent and was placed on non-accrual during the year ended June 30, 2022. On August 23, 2022, the Company received payment from the borrower, and we recorded a \$79 thousand final charge-off in August 2022. The Company had previously recorded a \$137 thousand charge-off on this

loan during the year ended June 30, 2022. Due to the payoff of this non-accrual loan, the Company's non-performing assets have been reduced significantly.

OUR TEAM

The progress we have made at William Penn in this past year is principally attributable to the talent, commitment, and persistence of our management team and the capable people who work with them. Our executive managers work tremendously well together, treat each other with great respect, and take genuine pride in each other's accomplishments and the success of the team as a whole. We are extremely fortunate to have this talented group of experienced executives on the William Penn team.

We are also extremely grateful for the dedication, determination, and hard work of our colleagues. Their steadfast commitment to doing the right thing in the right way, and their eagerness to go above and beyond the call of duty, is a big reason why I am confident in our ability to continue to flourish and prosper in service to our communities in the years to come.

WILLIAM PENN BANK IN THE COMMUNITY

William Penn Bank, as well as each of our predecessor banks, has a long history of serving our communities, and we encourage our colleagues to get involved with institutions that enhance the quality of life in our community. In the past year alone, William Penn employees contributed more than 1,000 hours of their time to volunteerism in the community, and our employees provide their expertise by sitting on the boards of 15 not-for-profit organizations.

Through the William Penn Bank Community Foundation, we provide financial support to local not-for-profits that are serving the needs of our community. Since its inception in 2008,

the William Penn Bank Community Foundation has provided in excess of \$1.2 million in financial support to help those who are helping others.

THE FUTURE IS BUILT ON A STRONG FOUNDATION

The past four years have been transformative for our Company. Fiscal 2019 saw the merger with Audubon Savings Bank; 2020 brought two more mergers, bringing Fidelity Savings & Loan and Washington Savings Bank into the fold; 2021 gave us the second-step conversion;

and 2022 saw the successful buildout of our retail and commercial lending teams and the full utilization of the proceeds from our stock offering. In our belief that the future is built on a strong foundation, we are confident that we have positioned ourselves extremely well for 2023 and beyond.

To all of my colleagues, the employees and directors of William Penn Bank, I extend my sincere thanks. And to you, our shareholders, on behalf of all of us at William Penn – thank you for your support and the confidence you have placed in us.



Kenneth J. Stephon
*Chairman, President and
Chief Executive Officer*



EXECUTIVE MANAGEMENT

Top Row (L to R): Alan B. Turner - EVP, Chief Lending Officer;
Kenneth J. Stephon - Chairman, President and CEO; Jonathan Logan - EVP, Chief Financial Officer.
Bottom Row: Jeannine Cimino - EVP, Chief Retail Officer; Amy Hannigan - EVP, Chief Operating Officer.

Board of Directors

Kenneth J. Stephon
Chairman, President
and Chief Executive
Officer
William Penn
Bancorporation and
William Penn Bank

William J. Feeney
Lead Independent
Director
Retired Chief of Police,
Northampton Township,
Pennsylvania

Craig Burton
Principal
Bee, Bergvall & Co.
Certified Public
Accountants

D. Michael Carmody, Jr.
Certified Public
Accountant

Charles Corcoran
Retired Executive Vice
President & CFO
William Penn Bank

Glenn Davis
Owner
G Davis Properties LLC
Non-residential Real
Estate Operation

Christopher Molden
President, Molden
Development LLC
Real Estate
Development

William C. Niemczura
Retired President and
Chairman of the Board
Fidelity Savings & Loan
Association of Bucks
County

William B. K. Parry, Jr.
President
William B. Parry & Son,
Ltd.
Insurance Agency

Terry L. Sager
Retired President and
Chief Executive Officer
William Penn Bank

Vincent P. Sarubbi, Esq.
Partner
Archer & Greiner, P.C.

Executive Management

Kenneth J. Stephon
Chairman, President and
Chief Executive Officer

Jeannine Cimino
Executive Vice President
Chief Retail Officer

Amy Hannigan
Executive Vice President
Chief Operating Officer

Jonathan Logan
Executive Vice President
Chief Financial Officer

Alan B. Turner
Executive Vice President
Chief Lending Officer

William Penn Bank – Senior Vice Presidents

Tina Bosco
Senior Vice President
Chief Risk Officer

Rob Colby
Senior Vice President
Chief Accounting Officer

Patricia Dykes
Senior Vice President
Deposit Operations Manager

Robin L. Fadio
Senior Vice President
Loan Servicing Manager

Steven Gillespie
Senior Vice President
Chief Compliance Officer

Karen Hunter
Senior Vice President
Corporate Controller

Nina D. Melker
Senior Vice President
Private Banker

Martha M. Morley
Senior Vice President
Commercial Loan Officer

Timika L. Muhammad
Senior Vice President
Commercial Loan Officer

Nicole Nielsen
Senior Vice President
Chief Human Resources
Officer

James R. Read
Senior Vice President
Chief Technology Officer

Corporate and Shareholder Information

Corporate Headquarters
10 Canal Street, Suite 104
Bristol, PA 19007
800-845-3577
www.williampenn.bank

**Continental Stock Transfer
& Trust Company**
ATTN: Shareholder Relations
1 State Street, 30th Floor
New York, NY 10004-1561
800-509-5586
cstmail@continentalstock.com

Independent Auditors
S.R. Snodgrass, P.C.
2009 Mackenzie Way, Suite 340
Cranberry Township, PA 16066

Corporate Counsel
Kilpatrick Townsend & Stockton LLP
607 14th Street, N.W., Suite 900
Washington, D.C. 20005

William Penn Bank Branch Locations

Pennsylvania

Bristol Office

201 Pond Street
Bristol, PA 19007
215-785-6001

Doylestown Office

191 West State Street
Doylestown, PA 18901
267-629-5593

Levittown Office

1309 S. Woodbourne Road
Levittown, PA 19057
215-269-1200

Morrisville Office

400 West Trenton Avenue
Morrisville, PA 19067
215-295-5008

Richboro Office

911 Second Street Pike
Richboro, PA 18954
215-355-1105

Yardley Office

10 North Main Street
Yardley, PA 19067
267-907-8449

Northeast Philadelphia Office

2900 Comly Road
Philadelphia, PA 19154
215-698-9400

Port Richmond Office

2701 East Allegheny Avenue
Philadelphia, PA 19134
215-427-3500

New Jersey

Audubon Office

509 S. White Horse Pike
Audubon, NJ 08106
856-547-8100

Collingswood Office

765 Haddon Avenue
Collingswood, NJ 08108
856-833-1333

Hamilton Office

4631 Nottingham Way
Hamilton, NJ 08690
609-644-8400

Mt. Laurel Office

5039 Church Road
Mt. Laurel, NJ 08054
856-642-7880

Pine Hill Office

701 Erial Road
Pine Hill, NJ 08021
856-782-0500



WILLIAM PENN
— BANCORPORATION —

10 Canal Street, Suite 104
Bristol, PA 19007

www.williampenn.bank

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