

# **William Penn Bank to Acquire Fidelity Savings and Loan Association of Bucks County and Washington Savings Bank**

Bristol, Pennsylvania  
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William Penn Bancorp, Inc. (the Company) (OTC PINK: WMPN), the holding company for William Penn Bank (the Bank), announced today the signing of definitive agreements pursuant to which Fidelity Savings and Loan Association of Bucks County (Fidelity) and Washington Savings Bank (Washington) will merge with and into William Penn Bank.

William Penn Bank is a state-chartered savings bank with its headquarters in Bristol, Bucks County, PA. The Bank serves the Delaware Valley with 6 branches and \$418 million in assets. Fidelity is a state-chartered savings bank also headquartered in Bristol, PA, with one branch and \$86 million in assets. Washington is a state-chartered savings bank headquartered in Philadelphia, PA, with 4 branches and \$159 million in assets.

When combined, William Penn Bank will be the second largest mutual institution in Eastern Pennsylvania with 11 branches, \$663 million in assets, \$475 million in deposits, and equity of approximately \$98 million.

Kenneth J. Stephon, current President and Chief Executive Officer of the Company and the Bank, will serve as the President and Chief Executive Officer of the combined banks following completion of the mergers.

"We are very excited about expanding our market presence by combining the three institutions under the lead of William Penn Bank," Mr. Stephon said. "The mergers with Fidelity and Washington represent a rare and special opportunity. Both Fidelity and Washington are an excellent complement to our existing franchise and are an ideal fit with our culture as a relationship-driven community bank. We believe that both transactions are in the best interests of our customers, employees, and the communities we serve."

The mergers have been approved by each of the Company, Fidelity, and Washington Boards of Directors and are expected to be completed in the second calendar quarter of 2020. As a result of the mergers, Fidelity and Washington will be merged into William Penn Bank.

Under the terms of the merger agreements, depositors of Fidelity and Washington, respectively, will become depositors of William Penn Bank and will have the same rights and privileges in William Penn, MHC, the mutual holding company parent of the Company, as if their accounts had been established at William Penn Bank on the date established at Fidelity and Washington, respectively. As part of the transactions, the Company will issue additional shares of its common stock to William Penn, MHC in an amount equal to the fair value of Fidelity and Washington, respectively, as

determined by an independent appraiser. These shares are expected to be issued in connection with the completion of the mergers.

The mergers are subject to certain customary closing conditions, including the receipt of all required regulatory approvals.

Sandler O'Neill & Partners LP served as financial advisor to William Penn Bancorp, Inc. and The Kafafian Group, Inc. served as financial advisor to both Fidelity Savings and Loan Association of Bucks County and Washington Savings Bank. Kilpatrick Townsend & Stockton LLP acted as legal counsel to William Penn Bancorp, Inc., Pillar + Aught acted as legal counsel to Fidelity Savings and Loan Association of Bucks County, and Jones Walker LLP, Washington, DC, acted as legal counsel to Washington Savings Bank.

### **Forward-Looking Statements**

This communication contains "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. These statements include, but are not limited to, expectations or predictions of future financial or business performance, conditions relating to the Company, Fidelity and Washington, or other effects of the proposed mergers on the Company and on Fidelity and Washington. These forward-looking statements include statements with respect to the Company's beliefs, plans, objectives, goals, expectations, anticipations, estimates and intentions, that are subject to significant risks and uncertainties and are subject to change based on various factors (some of which are beyond the Company's control). The words "may," "could," "should," "would," "will," "believe," "anticipate," "estimate," "expect," "intend," "plan," and similar expressions are intended to identify forward-looking statements.

In addition, the following factors, among others, could cause actual results to differ materially from forward-looking statements or historical performance: the ability to obtain regulatory approvals and satisfy other closing conditions to the mergers, delay in closing the mergers; difficulties and delays in integrating the business of Fidelity and Washington or fully realizing anticipated cost savings and other benefits of the mergers; business disruptions following the mergers; the strength of the United States economy in general and the strength of the local economies in which the Company and Fidelity and Washington conduct their operations; general economic conditions, legislative and regulatory changes, monetary and fiscal policies of the federal government, changes in tax policies, rates and regulations of federal, state and local tax authorities, changes in interest rates, deposit flows, the cost of funds, demand for loan products, demand for financial services, competition, changes in the quality or composition of the Company's loan, investment and mortgage-backed securities portfolios, changes in accounting principles, policies or guidelines and other economic, competitive, governmental and technological factors affecting the Company's operations, markets, products, services and fees; and the success of the Company at managing the risks involved in the foregoing.

Annualized, pro forma, projected and estimated numbers presented herein are presented for illustrative purpose only, are not forecasts and may not reflect actual results.

The Company does not undertake to update any forward-looking statement, whether written or oral, that may be made from time to time by or on behalf of the Company to reflect events or circumstances occurring after the date of this press release.