

## WILLIAM PENN BANCORP, INC. ANNOUNCES THIRD QUARTER EARNINGS

April 22, 2019

FOR IMMEDIATE RELEASE

Levittown, Pennsylvania

FOR FURTHER INFORMATION

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William Penn Bancorp, Inc. (the "Company") (OTC Pink: WMPN), the holding company for William Penn Bank (the "Bank"), announced quarterly net income of \$1.2 million (\$0.30 per basic and diluted share) for the three months ended March 31, 2019 as compared to \$518 thousand (\$0.13 per basic and diluted share) for the three months ended December 31, 2018. For the first nine months of its 2019 fiscal year, the Company earned \$2.5 million, or \$0.63 per share, compared to \$800 thousand, or \$0.23 per share, for the fiscal nine months ended March 2018.

The increase in quarterly earnings was primarily attributable to a decline in noninterest expenses and an increase in noninterest income. Total noninterest expense declined \$807 thousand in the quarter for a total of \$2.4 million for the three months ended March 31, 2019. The decline is primarily attributable to the removal of nonrecurring charges that occurred in the previous quarter. Noninterest expenses as a percentage of average assets declined from 3.15% for the three months ended December 31, 2018 to 2.38% for the three months ended March 31, 2019. Net interest income declined \$32 thousand quarter over quarter due primarily to an increase in interest expense on deposits. The Bank's net interest margin was relatively unchanged at 3.91%.

The Bank did not post any provision for loan and lease losses in the quarter as asset quality remained strong and the balance of the loan portfolio modestly declined, resulting in an ALLL/loan ratio of 0.95%, relatively consistent with the December 2018 quarter end. Gross loan balances declined \$3.8 million in the quarter.

Noninterest income increased quarter over quarter with the Company earning \$603 thousand for the three months ended March 31, 2019 versus \$263 thousand for the three months ended December 31, 2018. The increase was primarily attributable to gains on the sale of loans and investments totaling \$381 thousand in the quarter. Noninterest income as a percentage of average assets increased to 0.60% for the three months ended March 31, 2019 as compared to 0.26% for the three months ended December 31, 2018.

Total assets increased \$2.3 million, or 0.6%, to \$405.5 million at March 31, 2019. Total net loans declined \$4.0 million, or 1.2% in the quarter to settle at \$327.6 million as of March 31, 2019. Net loans as a percentage of assets declined from 82.3% to 80.8% quarter over quarter.

Total liabilities from December 31, 2018 increased \$1.3 million, or 0.39%, to \$330.3 million at March 31, 2019. Total deposits declined \$2.4 million, from \$276.1 million to \$273.8 million with the deposit mix remaining relatively unchanged. The Company's borrowings level increased \$3.0 million quarter over quarter. The Company has a modest level of borrowings to assets at 11.8%.

Total shareholders' equity increased \$1.1 million to \$75.2 million at March 31, 2019 due primarily to an increase in retained earnings.

As of March 31, 2019, the Company had 4,158,113 shares of common stock issued and 3,980,154 shares outstanding, of which 3,194,663 shares were held by William Penn, MHC, the Company's mutual holding company parent (the "MHC").

## **HIRING OF NEW EXECUTIVE OFFICER**

The Bank also announced that Jill M. Ross has been hired as Senior Vice President and Chief Retail Officer. Ms. Ross brings more than 20 years of banking experience to William Penn Bank. She was previously with Beneficial Bank for 11 years, most recently as Senior Vice President and New Jersey Regional Director, where she executed the bank's retail strategy by growing deposits and expanding the customer base. Prior to joining Beneficial, she was Vice President of Private Banking and Wealth Management at Wachovia, and also served as a Financial Advisor at Smith Barney.

Ms. Ross was a recipient of the Brava Award for Executive Leadership from Smart CEO Magazine. She has been recognized in the "40 Under 40" features in many publications including NJ Biz Magazine, South Jersey Business People, and the Burlington County Times. Ms. Ross also serves as a member of the Board of Directors of the Virtua Foundation.

"Jill brings to William Penn Bank a wealth of broad knowledge and a very diverse skill set," said Kenneth J. Stephon, President and CEO. "We are confident in her ability to spearhead core deposit growth, which is an important strategic priority for our Bank."

Ms. Ross earned a Bachelor of Science Degree in Finance from Rutgers University, and also holds a Master's Degree from Rutgers in Social Work and Organizational Leadership.

William Penn Bancorp, Inc. is the holding company for William Penn Bank, which serves Bucks County, Pennsylvania through its main office in Levittown, and additional branch offices in Morrisville and Richboro, Pennsylvania and also serves Burlington and Camden Counties in New Jersey through full-service branch offices located in Audubon, Mount Laurel, and Pine Hill, New Jersey. The Company's executive offices are located at 1309 S. Woodbourne Road, Levittown, Pennsylvania 19057. William Penn Bank's deposits are insured up to the legal maximum (generally \$250,000 per depositor) by the FDIC. The primary federal regulator for William Penn Bank is the Federal Deposit Insurance Corporation (FDIC).

### Forward-Looking Statements

This press release 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 and ASB, or other effects of the proposed merger on the Company and ASB. 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 strength of the United States economy in general and the strength of the local economies in which the Company conduct its 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.

The Company does not undertake, and specifically disclaims, any obligation to publicly release the results of any revisions that may be made to any forward-looking statements to reflect the occurrence of anticipated or unanticipated events or circumstances arising after the date hereof.

**WILLIAM PENN BANCORP, INC**  
**CONSOLIDATED FINANCIAL HIGHLIGHTS**  
(Unaudited)  
(Dollars in thousands, except per share data)

**Selected Financial Data:**

|                                      | <b>At</b>             | <b>At</b>                |
|--------------------------------------|-----------------------|--------------------------|
|                                      | <b>March 31, 2019</b> | <b>December 31, 2018</b> |
| Assets                               | \$ 405,500            | \$ 403,154               |
| Cash and cash equivalents            | 20,395                | 12,675                   |
| Interest-bearing time deposits       | 10,228                | 15,470                   |
| Other Investments                    | 14,422                | 10,331                   |
| Loans receivable, net                | 327,635               | 331,611                  |
| Deposits                             | 273,772               | 276,149                  |
| Advances from Federal Home Loan Bank | 48,000                | 45,000                   |
| Stockholders' equity                 | 75,228                | 74,159                   |
| Nonaccrual loans                     | 1,196                 | 701                      |
| Nonaccrual loans and REO             | 1,352                 | 857                      |

**Selected Operations Data:**

|   | <b>Three months ended</b> |                          |
|---|---------------------------|--------------------------|
|   | <b>March 31, 2019</b>     | <b>December 31, 2018</b> |
| Interest income                                     | 4,484                     | 4,408                    |
| Interest expense                                    | 884                       | 776                      |
| Net interest income                                 | 3,600                     | 3,632                    |
| Provision (recovery) for loan losses                | -                         | 88                       |
| Net interest income after provision for loan losses | 3,600                     | 3,545                    |
| Noninterest income                                  | 603                       | 263                      |
| Noninterest expense                                 | 2,412                     | 3,219                    |
| Income before income taxes                          | 1,791                     | 589                      |
| Provision for income taxes                          | 585                       | 72                       |
| Net income  | <u>1,206</u>              | <u>518</u>               |
| Basic and diluted earnings per share                | <u>0.30</u>               | <u>0.13</u>              |