



AMBASSADOR FINANCIAL GROUP

Notes from the Ambassador Bank Vault

January 20, 2017

Mergers & Acquisitions: A Look at Pennsylvania

“Heard Someone Say Better Run Away, Others Say Better to Stand Still”

Investment Thesis. “Unless you have bad times, you can’t appreciate the good times.” *Joe Torre.* The sharp increase in bank stock prices since Donald Trump’s election has fueled speculation that merger and acquisition activity will accelerate. **Based on anecdotal evidence, however, it appears that there is a wide difference in opinion regarding whether superior operating conditions will lead to significantly more merger and acquisition activity.** Proponents for increased deal volume argue that buyers with stronger currencies can pay higher premiums that sellers will readily accept. (I’m gonna make him an offer he can’t refuse!) Doubters opine that the underlying causes of higher stock prices – lower taxes, less regulation, and more favorable interest rates – will embolden banks to remain independent.

The number of willing sellers probably won’t change much, but the odds of finding an interested buyer should be greater than in recent years and result in a moderate increase in the number of deals. **Our analysis also suggests deal pace will follow recent trends until there are strong signs that the economy either picks up significantly or falls precipitously.** As we go to press, the consensus forecast for GDP growth is slightly higher in 2017 vs. 2016. There were 243, 279, and 283 announced deals nationally in 2016, 2015, and 2014, respectively.

Potential sellers in 2017 will likely see more opportunities to realize higher deal premiums. In other words, if a bank wants to sell there probably will be a willing buyer with the capacity to pay the asking price. Better operating conditions should lead to higher earnings, which are likely to placate previously antagonistic activist shareholders. We opine that succession and other social issues are the chief reasons why community banks consider selling.

The primary goal of buyers’ appears to be finding an institution that expands the geographic franchise, with cost savings and increasing scale as secondary considerations. We think aggressive competition for quality loans entices banks to seek new commercial and retail customers outside of traditional markets. As long as pricing discipline is maintained, this strategy makes sense given that competition and slower-growth local economies in many parts of Pennsylvania make it difficult to grow revenue and earnings.

Consolidation in Pennsylvania, the subject of this *Industry Report*, was light in 2016, as only five relatively small transactions among publicly-traded banks and thrifts were announced. Deal activity was more robust in 2015 - 14 transactions were announced and included larger ones such as BB&T’s (NYSE: BBT) purchase of National Penn Bancshares and F.N.B. Corporation’s (NYSE: FNB) purchase of Metro Bancorp, Inc. We believe several potential buyers of Pennsylvania’s banks were sidelined in 2016 as prior deals were integrated. As these acquisitions are more fully absorbed, Pennsylvania consolidation activity should be higher in the foreseeable future. Deals, however, are likely to involve smaller sellers given that only 12 of the state’s banks and thrifts have total assets greater than \$2 billion.

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Highlights

- There are 151 depository institutions, including 89 which are publicly-traded, in Pennsylvania. The top five banks have a combined deposit market share of approximately 51%. PNC Financial Services (NYSE: PNC) is the market leader with a 24% deposit share. Of the top ten Pennsylvania banks in terms of market share, only PNC and FNB Corporation (NYSE: FNB) are headquartered in-state.
- There were 243 and 279 bank and thrift deals announced nationally in 2016 and 2015, respectively. Of the 2016 deals, only five involved Pennsylvania-based sellers compared with 14 for fiscal 2015.
- On an individual basis, banks are sold and not bought; and not necessarily for pure economic reasons. On an aggregate basis, however, it appears that major changes in the overall economy have a more significant impact on bank merger activity.
- Bank and thrift merger premiums should increase significantly due to the stronger currencies of potential buyers. It remains to be seen if acquirers will be more disciplined than in previous M&A cycles.
- Depending upon the deal price, acquiring core deposits may be preferable vs. organic growth.
- Although Pennsylvania has many more community banks than most states, its geography tends to limit consolidation as many natural barriers separate otherwise contiguous markets.
- Companies with stronger currencies are typically the more active acquirers. Among the larger in-state institutions, the more logical buyers of Pennsylvania's community banks appear to be Beneficial Bancorp, Inc. (NASDAQ: BNCL); Bryn Mawr Bank Corp. (NASDAQ: BMTC), FNB, Northwest Bancshares (NASDAQ: NWBI) and S&T Bancorp Inc. (NASDAQ: STBA). Fulton Financial (NASDAQ: FULT) appears to be sidelined due to regulatory issues.
- Out-of-state institutions that have acquired Pennsylvania banks and could be interested in expanding their market share include: Community Bank System (NYSE: CBU), Provident Financial Services (NYSE: PFS), WSFS Financial Corporation (NASDAQ: WSFS), and WesBanco, Inc. (NASDAQ: WSBC).
- Despite more ability and willingness on the part of buyers to make acquisitions, consolidation activity could be restrained by managements' desire to remain independent for social and other reasons, rather than strictly adhering to the discipline of maximizing shareholder value. Mergers of equals often make sense financially but rarely occur due to social factors. The difficulty of forming a de novo bank probably restricts deal activity, as sellers have one less career path option.
- Economic activity associated with the Marcellus Shale fields has slowed due to the drop in energy prices, but the long-term outlook is more positive. This could benefit many smaller banks in those areas and make them desirable acquisition targets.
- Pennsylvania's community financial institutions with assets less than \$15 billion generated median returns on average assets (ROAA) and average equity (ROAE) of approximately 0.78% and 7.6%, respectively, over the past 12 months, which suggests that the banking environment is okay, but not excellent.

- Effective cyber-security is a growing concern and involves much more than a one-time technology upgrade. Management and staff must exercise proper corporate governance and prove to regulators that complex operational risk issues are under control.
- Companies that invest in technology and enhanced management systems should seek strategic partnerships to realize economies of scale. One of the bigger cost elements related to compliance is staffing, and smaller banks, in particular, are more apt to sell as they often lack the critical mass of interest-earning assets and/or other revenue drivers to offset fixed costs. Anecdotal evidence suggests banks are frustrated by the lack of supervisory guidance regarding the level of systems and personnel needed to satisfy regulatory requirements.
- Banks of all sizes need to upgrade risk management systems, which will weigh down efficiency ratios and earnings in the short-run. Complex customer relationship management systems, asset/liability procedures, and credit review processes should help profitability and reduce risk over time, but it is difficult for investors to assess these infrastructure improvements.
- Improved asset quality continued through the September 2016 quarter (it also appears that asset quality will remain good based on the banks that have released fourth quarter 2016 earnings), which should increase confidence among acquirers that they are not buying “problems”. Banks that have superior asset quality or at least exhibit signs of improving credit are more desirable targets.

Figure 1: Pennsylvania Bank Deals since 2008

Buyer/Target Name	Status	Completion Date***	Deal Value (\$MM)	Price/Tangible Book (%)	Price/LTM Earnings (X)	Core Deposit Premium (%)
NexTier Incorporated/ Manor Bank*	Pending	12/07/16	2.3	87	NM	-1.0
Standard Financial Corp./ Allegheny Valley Bancorp, Inc.	Pending	08/29/16	53.4	124	15.0	3.51
Investor group/ Stonebridge Bank	Pending	11/09/15	0.6	8	NM	-9.7
WSFS Financial Corporation/ Penn Liberty Financial Corp.	Completion	08/12/16	101.6	NA	31.8	10.6
Univest Corp. of Pennsylvania/ Fox Chase Bancorp, Inc.	Completion	07/01/16	244.3	139	23.2	10.5
Beneficial Bancorp, Inc./ Conestoga Bank	Completion	04/14/16	100.1	160	24.5	9.2
BB&T Corporation/ National Penn Bancshares, Inc.	Completion	04/01/16	1,815.2	219	17.7	15.4
F.N.B. Corporation/ Metro Bancorp, Inc.	Completion	02/13/16	473.5	178	22.7	9.4
NexTier Incorporated/ Eureka Financial Corporation	Completion	01/08/16	35.3	151	21.4	13.1
Riverview Financial Corp./ Citizens National Bank of Meyersdale*	Completion	12/31/15	7.8	109	68.9	1.2
Citizens Financial Services, Inc./ First Nat'l Bank of Fredericksburg	Completion	12/11/15	22.9	144	NM	3.4
Juniata Valley Financial Corp./ FNBPA Bancorp, Inc.*	Completion	11/30/15	13.3	129	18.2	4.2
WSFS Financial Corporation/ Alliance Bancorp, Inc. of Pennsylvania	Completion	10/09/15	93.4	141	35.5	9.3
Andover Bancorp, Inc./ Community Nat'l Bank of Northwestern PA	Completion	10/01/15	19.0	124	29.9	7.4
ESSA Bancorp, Inc./ Eagle National Bancorp, Inc.*	Completion	07/29/15	25.3	112	NM	2.1
GNB Financial Services, Inc./ FNBM Financial Corporation*	Completion	03/27/15	13.4	117	NM	3.3
S&T Bancorp, Inc./ Integrity Bancshares, Inc.	Completion	03/04/15	159.4	266	16.8	15.3
Mid Penn Bancorp, Inc./ Phoenix Bancorp, Inc.	Completion	03/01/15	14.5	110	26.6	1.2
Univest Corporation of Pennsylvania/ Valley Green Bank	Completion	01/01/15	77.7	234	14.7	25.3
Bryn Mawr Bank Corporation/ Continental Bank Holdings, Inc.	Completion	01/01/15	108.8	186	42.3	13.2
BB&T Corporation/ Susquehanna Bancshares, Inc.	Completion	07/31/15	2,500.9	172	16.6	8.9
ESSA Bancorp, Inc./ Franklin Security Bancorp, Inc.*	Completion	04/04/14	15.7	87	30.5	-2.9
GNB Financial Services, Inc./ Liberty Centre Bancorp, Inc.	Completion	03/28/14	1.4	52	NM	-6.0
Peoples Financial Services Corp./ Pensco Financial Services Corp.	Completion	11/30/13	155.9	147	15.1	7.6
Riverview Financial Corporation/ Union Bancorp, Inc.*	Completion	11/01/13	10.1	94	NM	-0.6
Penns Woods Bancorp, Inc./ Luzerne National Bank Corporation	Completion	06/01/13	46.1	165	20.3	7.5
First Priority Financial Corp./ Affinity Bancorp, Inc.	Completion	02/28/13	12.7	105	NM	NM
S&T Bancorp, Inc./ Gateway Bank of Pennsylvania	Completion	08/13/12	21.3	140	34.2	12.6
Tompkins Financial Corporation/ VIST Financial Corp.	Completion	08/01/12	84.1	117	28.8	1.3
S&T Bancorp, Inc./ Mainline Bancorp, Inc.	Completion	03/09/12	21.4	127	NM	2.5
Susquehanna Bancshares, Inc./ Tower Bancorp, Inc.	Completion	02/17/12	342.1	149	NM	6.8
Customers Bancorp Inc/ Berkshire Bancorp, Inc.	Completion	09/17/11	8.7	107	NM	0.5
GNB Financial Services, Inc./ Herndon National Bank	Completion	08/06/11	8.3	101	54.2	0.3
Donegal Financial Services Corp./ Union National Financial Corp.	Completion	05/06/11	25.2	94	NM	-0.5
Snyder Group/ NexTier Incorporated	Completion	04/19/11	NA	NA	NA	NA
Investor group/ Colonial American Bank	Completion	04/15/11	NA	NA	NA	NA
F.N.B. Corporation/ Comm Bancorp, Inc.	Completion	01/01/11	67.8	127	NM	3.0
Investor group/ Royal Asian Bank	Completion	12/30/10	12.3	103	NM	0.7
Private Investor - James Wang/ Asian Financial Corporation	Completion	12/29/10	5.1	197	NM	8.7

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Buyer/Target Name	Status	Completion Date***	Deal Value (\$MM)	Price/Tangible Book (%)	Price/LTM Earnings (X)	Core Deposit Premium (%)
Tower Bancorp, Inc./ First Chester County Corporation	Completion	12/10/10	64.8	91	NM	-0.9
Bank of Princeton/ MoreBank	Completion	09/30/10	5.5	119	NM	1.8
First Niagara Financial Group, Inc./ Harleysville National Corp.	Completion	04/09/10	239.8	115	8.4	0.9
Chemung Financial Corporation/ Canton Bancorp, Inc.	Completion	05/29/09	7.7	103	NM	0.5
Penseco Financial Services Corporation/ Old Forge Bank**	Completion	04/01/09	58.0	173	22.3	16.2
Graystone Financial Corp./ Tower Bancorp, Inc.	Completion	03/31/09	46.3	NM	NM	NM
First Chester County Corporation/ American Home Bank, NA	Completion	12/31/08	17.7	114	44.9	1.6
First Perry Bancorp, Inc./ HNB Bancorp, Inc.**	Completion	12/31/08	11.3	NA	NA	NA
NOVA Financial Holdings, Inc./ Pennsylvania Business Bank	Completion	11/11/08	11.1	137	NM	3.7
F.N.B. Corporation/ Iron & Glass Bancorp, Inc.	Completion	08/16/08	87.7	235	23.7	28.6

*Ambassador Deals

**Deals led and completed by Ambassador team members as part of Danielson Associates

***Announcement date is listed for pending deals

Source: S&P Global Market Intelligence

Figure 2: Pennsylvania Thrift Deals since 2008

Buyer/Target Name	Status	Completion Date***	Deal Value (\$MM)	Price/Tangible Book (%)	Price/LTM Earnings (X)	Core Deposit Premium (%)
Prudential Bancorp, Inc./ Polonia Bancorp, Inc.	Completion	01/01/17	38.0	101	NM	NA
DNB Financial Corporation/ East River Bank*	Completion	10/01/16	49.0	161	21.2	11.5
Emclaire Financial Corp./ United-American Savings Bank	Completion	04/30/16	14.1	178	19.7	15.3
C&G Savings Bank/ Cresson Community Bank	Completion	02/29/16	NA	NA	NA	NA
WSFS Financial Corp/ Alliance Bancorp of Pennsylvania	Completion	10/09/15	93.4	141	35.5	9.3
WesBanco, Inc./ ESB Financial Corporation	Completion	02/10/15	352.7	214	19.8	18.3
FSB Mutual Holdings, Inc./ First Federal Savings and Loan	Completion	08/01/15	NA	NA	NA	NA
CB Financial Services, Inc./ FedFirst Financial Corporation	Completion	10/31/14	55.0	109	25.2	2.4
National Penn Bancshares, Inc./ TF Financial Corporation	Completion	10/24/14	141.6	154	19.0	7.7
Provident Financial Services, Inc./ Team Capital Bank	Completion	05/30/14	124.4	191	19.2	9.7
WesBanco, Inc./ Fidelity Bancorp, Inc.	Completion	11/30/12	72.9	171	56.4	7.1
ESSA Bancorp, Inc./ First Star Bancorp, Inc.*	Completion	07/31/12	24.7	91	NM	-0.9
Beneficial Mutual Bancorp, Inc. (MHC)/ SE Financial Corp.	Completion	04/03/12	31.8	128	NM	NA
F.N.B. Corporation/ Parkvale Financial Corporation	Completion	01/01/12	131.2	204	NM	5.2
Susquehanna Bancshares, Inc./ Abington Bancorp, Inc.	Completion	10/01/11	273.8	129	33.4	9.1
Norwood Financial Corp./ North Penn Bancorp, Inc.	Completion	05/31/11	27.4	138	20.6	6.4
Bryn Mawr Bank Corporation/ First Keystone Financial, Inc.	Completion	07/01/10	32.8	100	NM	NA
Fidelity Savings and Loan Association of Bucks County/ Croydon	Completion	07/01/10	NA	NA	NA	NA
Northwest Bancorp, Inc. (MHC)/ Keystone State Savings Bank	Completion	10/23/09	NA	NA	NA	NA
Banco Santander, S.A./ Sovereign Bancorp, Inc.	Completion	01/30/09	1,909.9	74	NM	NA
Harleysville National Corporation/ Willow Financial Bancorp, Inc.	Completion	12/05/08	161.5	179	26.2	7.3
Sharon MHC/ Morton Savings Bank	Completion	10/17/08	NA	NA	NA	NA

*Ambassador Deals

**Deals led and completed by Ambassador team members as part of Danielson Associates

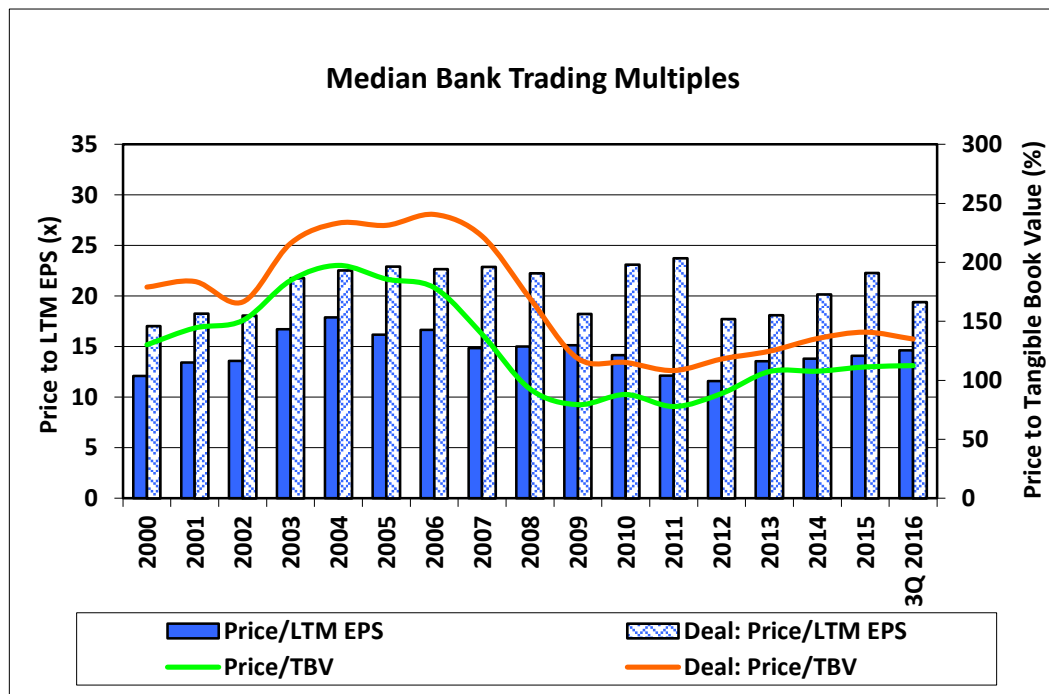
***Announcement date is listed for pending deals

Source: S&P Global Market Intelligence

Valuation Summary

As of January 13, 2017 (the date we went to press), the median price-to-trailing 12-month earnings and price-to-tangible book multiples for Pennsylvania banks and thrifts (ex. MHCs) billion were 16.2x and 127%; and 21.0x and 119%, respectively. As of the same date, mid-Atlantic banks with total assets between \$500 million and \$50 billion were trading at median multiples of 17.2x and 127%, respectively. Mid-Atlantic thrifts with total assets between \$500 million and \$50 billion were trading at median multiples of 22.2x and 133%, respectively. Nationally, the median price-to-trailing 12 month earnings and price-to-tangible book multiples for banks with total assets between \$500 million and \$50 billion were 17.3x and 133%, respectively. Nationally, the median price-to-trailing 12 month earnings and price-to-tangible book multiples for thrifts with total assets between \$500 million and \$50 billion were 20.4x and 126%, respectively. Many of the stock prices of those banks and thrifts are based on tangible book value, rather than earnings.

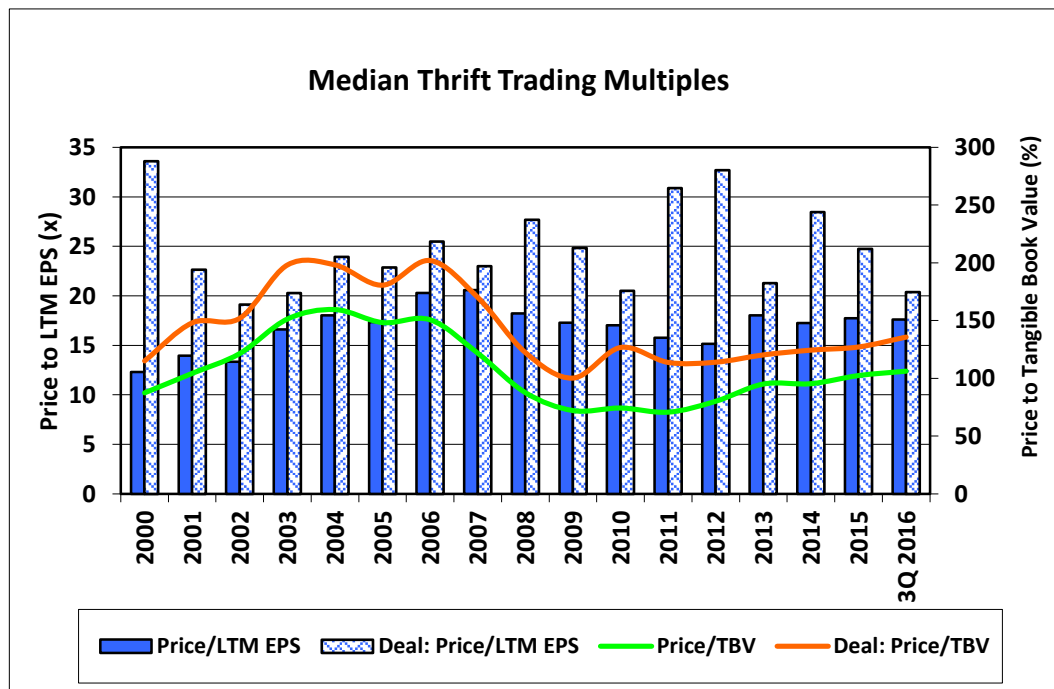
Figure 3



Includes all publicly traded U.S. banks

Source: S&P Global Market Intelligence

Figure 4



Includes all publically traded U.S. thrifts

Source: S&P Global Market Intelligence

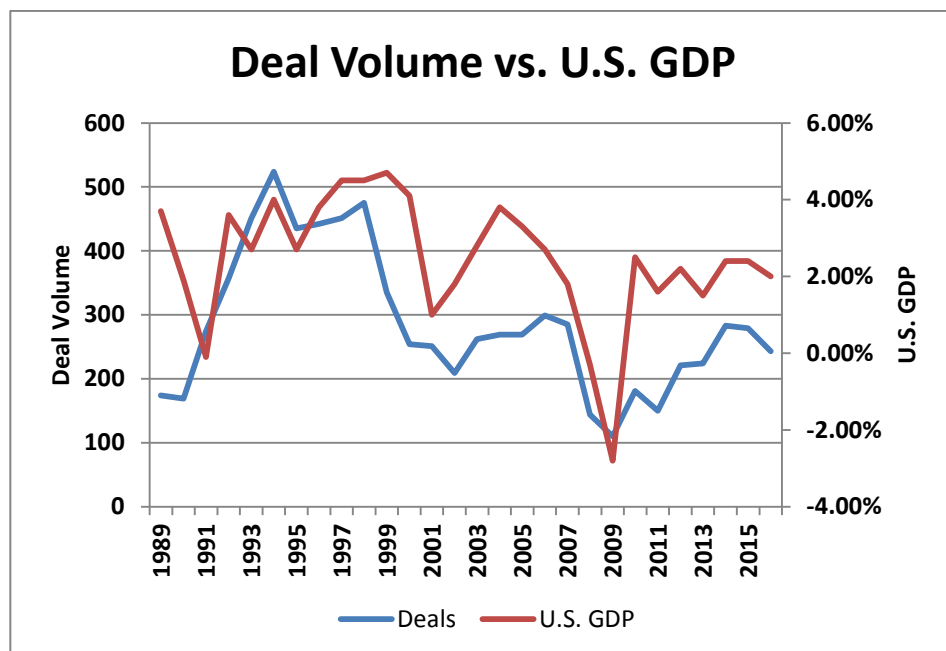
Pennsylvania Appears Due For Moderate Bank Consolidation

There have been approximately 7,900 bank mergers (excluding government-assisted) since 1990 – over 4,100 banks were sold between 1990 and 2000. (Since 1990, there were around 2,000 bank failures in the U.S.) As a result, the number of banks has declined from approximately 15,000 in the mid-1980s to roughly 5,500 today.

The chart below shows the correlation between GDP and the number of bank mergers. The largest change in the number of deals occurs in those years when GDP contracts significantly. **We surmise that a poor economy typically leads to credit quality problems, which in turn, stymies deal flow as potential buyers are reluctant to assume another banks' troubled assets.** For example, the number of banks deals dropped 49% from 2007-2008 when the economy soured. Conversely, deal volume picks up when the economy starts to improve as evidenced by the number of transactions in 2010 compared with 2009.

According to *The Economist*, the U.S. Gross Domestic Product is projected to be 2.4% for 2017 compared to the expected 2.0% growth rate for 2016. The projected economic growth rate in the U.S. continues to be deliberate, which suggests that recent merger and acquisition trends are likely to continue. The law of numbers, moreover, implies that the number of deals should decline over time as the industry continues to shrink. There has not been a year since the 1990s when the number of merger transaction reached 300, although 2006 was very close! **Merger and acquisition activity in the Keystone State, however, is likely to increase from a very low base as only five deals were announced with publicly-traded Pennsylvania sellers in 2016.**

Figure 5



Source: S&P Global Market Intelligence

Until the Great Recession, however, hundreds of start-up banks were formed to fill a need in the market as well as provide jobs for displaced bankers. That has changed as less than a handful of *de novo* banks were organized since 2010 due to both economic and regulatory reasons. Part of the reason for the lack of many start-up banks is that regulators demand significantly higher levels of equity capital at the time of formation, which makes it even more difficult for investors to earn an adequate return on their capital.

There will not be many significant deals in Pennsylvania as there are fewer large- and mid-cap banks with the desire and/or capacity to purchase other large institutions. We also believe merger and acquisition activity will be concentrated in robust markets where buyers have a better chance of accelerating earnings growth, although franchises located in slow growing markets can be desirable because of their core deposits. We, therefore, expect most of Pennsylvania's deals to occur in southeastern Pennsylvania (near Philadelphia), the Harrisburg metropolitan area, and in selected western markets around Pittsburgh.

Five examples of recent PA deals are shown below.

- Philadelphia-based Prudential Bancorp (NASDAQ: PBIP) completed its acquisition of Polonia Bancorp, Inc. on January 3, 2017. Polonia, also based in Philadelphia, had total assets of approximately \$285 million. Total assets of the combined companies are approximately \$840 million. The consideration was 50% stock and 50% cash, and the aggregate deal was valued at \$38 million. At completion, the transaction was valued at 107% of tangible book value. The price to trailing 12-month earnings was not meaningful.
- On October 1, 2016, Downingtown-based, DNB Financial Corp (NASDAQ: DNBF), completed its acquisition of Philadelphia-based East River Bank in a stock-and-cash transaction valued at \$49 million. East River had total loans and deposits of \$311 million and \$226 million, respectively. The acquisition provided DNB with an entrée into Philadelphia County. At completion, the deal was valued at 21.0 times trailing 12-month earnings and 138% of tangible book value. The core deposit premium was 7.5%. Ambassador Financial Group, Inc. served as financial adviser to DNB Financial.

- On July 1, 2016, Univest acquired Fox Chase Bancorp, Inc. in a stock and cash deal valued at approximately \$244 million. Fox Chase had total assets, deposits, and shareholders' equity of \$1.1 billion, \$718 million, and \$176 million, respectively. At completion, the transaction was valued at 24.3 times trailing 12-month earnings and 137% of tangible book value. The core deposit premium was 10.2%. The acquisition of Fox Chase expanded Univest's presence in Bucks, Chester, Philadelphia, and Montgomery counties, Pennsylvania, and established a toehold in southern New Jersey.
- On April 4, 2016, BB&T completed its acquisition of Boyertown-based, National Penn Bancshares. The deal was valued at \$1.8 billion and was priced (at completion) at 14.6 times trailing 12-month earnings and 187% of tangible book value. The core deposit premium was 11.6%. This transaction provides BB&T with a good market presence in faster-growing Lehigh Valley and followed on the heels of the purchase of Susquehanna Bancshares, which was completed on August 1, 2015.
- On February 13, 2016, FNB, which is headquartered near Pittsburgh, completed its acquisition of Harrisburg-based Metro Bancorp through an all-stock transaction. The transaction, valued at \$474 million, expands FNB's presence in central Pennsylvania. The deal was valued (at completion) at approximately 142% of tangible book value, and 20.1x trailing 12-month earnings.

Due to Office of the Comptroller ("OCC") regulations that preclude a federally-chartered thrift from being acquired for a three year period following its initial mutual to stock conversion, thrifts that converted to stock form in 2014 become eligible to be taken over in 2017. These conversion regulations are generally followed by the FDIC for state-chartered institutions. On a national basis, 42 of the 92 thrifts that completed standard or second-step conversions between 2009 and 2013 have either been acquired or entered into merger agreements.

Recently-converted Pennsylvania institutions are shown below.

- Headquartered in the heart of South Philly, Prudential Bancorp, Inc. completed its second step in October 2013. As aforementioned, the company completed its acquisition of Polonia Bancorp (combined total assets \$285 million) on January 3, 2017.
- Malvern Bancorp, Inc. (NASDAQ: MLVF): Operating eight branches in the markets referred to as Philadelphia's "Main Line", Malvern reached its three-year anniversary of its second step in October 2015. Malvern has total assets of \$821 million and has a tangible equity capital ratio of approximately 11.5%. The stock trades at approximately 137% of tangible book value.
- Based in Warren, Northwest Bancshares, Inc. (NASDAQ: NWBI) operates in numerous markets across Pennsylvania and other mid-Atlantic states. Northwest completed its second step in December 2009, and is the largest (\$9.7 billion in assets) among Pennsylvania's recently converted institutions. The company has a tangible equity capital ratio around 8.8%; and trades at approximately 215% of tangible book value and approximately 17.5 times the consensus estimate for 2017 earnings.
- Standard Financial Corp. (NASDAQ: STND): Based near Pittsburgh, Standard completed its standard conversion in October 2010. On August 29, 2016, Standard entered into a merger-of-equals agreement with Pittsburgh-based Allegheny Bancorp Inc. (OTCQX: AVLY). The combined company will have total assets of nearly \$1.0 billion. The deal is expected to close in the first quarter of 2017.

Other Recent Conversions: Beneficial Bancorp, Inc. (NASDAQ: BNCL), Philadelphia's largest locally-headquartered bank, completed its second step in January 2015; and trades around 155% of tangible book value. HV Bancorp, Inc.

(NASDAQ: HVBC) completed its standard conversion in January 2017, and was oversubscribed in the first category of eligible account holders. The stock opened for trading on January 12; and increased approximately 40% in the first week of trading.

Pennsylvania Market Demographics

Figure 6

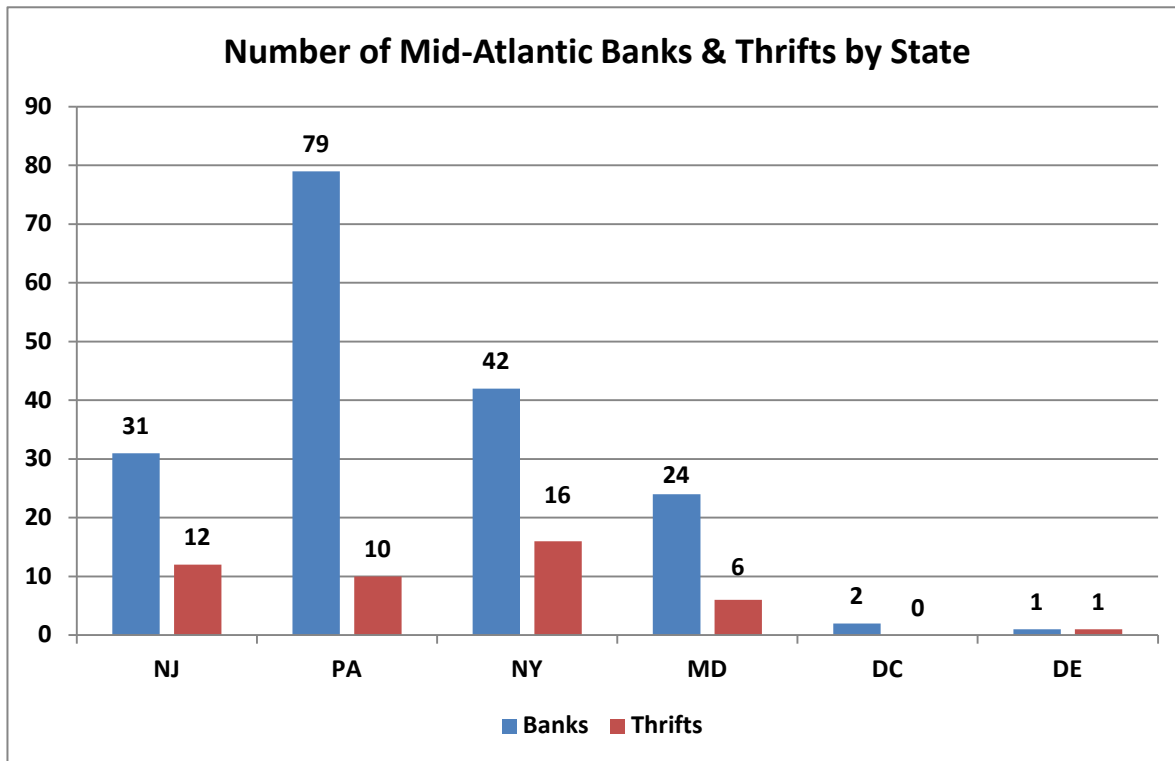
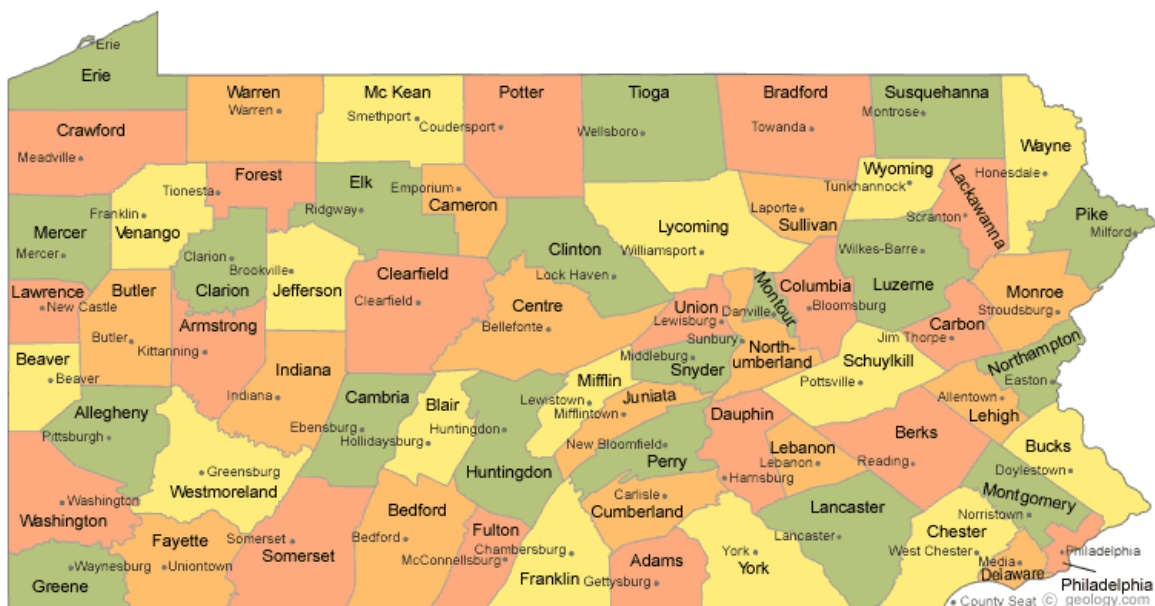


Figure 7



Philadelphia Market Area: Home to approximately 6 million people, the Philadelphia metropolitan area is the nation's fifth largest in terms of population. The median household income is \$65,900, although there is a significant variation among the city of Philadelphia and its nearby counties. For example, as of September 2016, the unemployment rate in Philadelphia was 7.0% compared with 3.9% in nearby Chester County. According to the Pew Charitable Trust and U.S. Census Bureau, the size of Philadelphia's middle class has stabilized over the past decade after decades of decline.

Philadelphia's challenge is to grow its middle class in order to achieve economic health and stability. Approximately 42% of the city's adult population is defined as middle class - belonging to a household with an income range from \$41,000 to \$123,000. Philadelphia's middle class comprised 59% of its population in 1970, when the city had 400,000 more inhabitants than it does today. The jobs situation is one of "haves" and "have-nots" - a recent survey revealed that approximately 20% of the city's adults were unemployed or looking for work.

The positive development is the continuing expansion of education and health services that account for about one-third of all city jobs. Manufacturing, which was once a major employer in the area, has nearly disappeared. According to the November 30, Federal Reserve Beige Book for the Third District, financial firms continued to report moderate growth of loan volumes within all major loan categories, other than credit card volumes, which leveled. On balance, firms reported good credit quality and improving consumer credit quality, although a few are starting to see scattered problem loans.

Pittsburgh Market Area: Pennsylvania's second largest city evolved to a more diversified economy from its roots as a steel town. No single sector comprises more than 20% of total jobs. Although job growth lags that of other parts of the United States, wages in the Pittsburgh metropolitan area grew faster than most regions over the past two years as the type of jobs have changed. Manufacturing and government jobs dropped, but higher-paying jobs in law firms, accounting firms and banks increased. Home prices in the Pittsburgh area fared better than most regions across the United States, as there wasn't excess appreciation prior to the Great Recession. The Pittsburgh metropolitan area has a stable population of approximately 2.4 million people with a median household income of \$55,800.

Central Pennsylvania Market Area: Home to about 4.4 million people, the central Pennsylvania market area (defined broadly) stretches though the prime farmlands of Lancaster and Lebanon counties in southeastern Pennsylvania to the mining and oil/gas fields sweeping across the northern and western parts of the state. Much of the central part of the state has been adversely impacted by the sharp decline in energy prices, which has reduced fracking activity. Marcellus gas production peaked in 2014, and then started to slide. Energy firms, and those companies which cater to them, have trimmed thousands of jobs over the past 18 months or so. As a result, the unemployment rate for counties with drilling industries has experienced a rise in unemployment versus the rest of the state, which experienced lower unemployment levels. The overall unemployment rate in Pennsylvania was 5.7% in November 2016.

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Appendix A: Pennsylvania Bank & Thrift Highlights

Bank Highlights

Company Name	Ticker	Market Cap (\$MM)	Total Assets (\$000)	Tang. Common Equity/ Tang. Assets (%)	NPAs*/ Loans & OREO (%)	LTM ROAA (%)	LTM ROAE (%)	Price/ LTM EPS (X)	Price/ Tang. Book Value (%)
1st Summit Bncp Johnstown Inc.	FSMK	113	991,335	9.1	0.14	1.05	11.6	11.3	125
ACNB Corp.	ACNB	185	1,208,869	9.5	0.46	0.96	9.5	16.6	163
Allegheny Valley Bancorp Inc.	AVLY	55	444,653	9.9	1.63	0.73	6.2	17.5	129
American Bank Inc.	AMBK	68	556,819	8.8	NA	0.81	9.5	16.7	139
AmeriServ Financial Inc.	ASRV	70	1,145,655	7.8	0.21	0.22	2.4	28.5	79
Apollo Bancorp Inc.	APLO	23	161,658	12.8	NA	0.84	6.8	16.2	110
Bryn Mawr Bank Corp.	BMTC	687	3,174,080	8.3	0.43	0.67	5.5	34.1	272
Bucks County Bank	BKCS	25	202,991	10.7	1.28	0.31	2.9	NA	113
CB Financial Services Inc.	CBFV	108	833,553	9.8	0.56	0.88	8.3	14.8	133
CBT Financial Corp.	CBTC	43	467,056	8.4	0.34	0.77	7.4	12.4	110
CCFNB Bancorp Inc.	CCFN	88	680,430	11.6	0.47	1.08	8.4	12.4	113
Centric Financial Corp.	CFCX	47	464,169	7.8	0.36	0.63	7.2	17.6	129
Citizens & Northern Corp.	CZNC	311	1,245,333	14.5	1.99	1.27	8.3	20.1	174
Citizens Financial Services	CZFS	171	1,197,654	8.8	1.49	1.03	9.9	14.1	166
Clarion County Community Bk	CCYY	12	140,022	10.9	0.33	0.53	4.8	17.0	80
CNB Financial Corp.	CCNE	377	2,539,944	6.9	0.91	0.89	10.0	18.0	217
Codorus Valley Bancorp Inc.	CVLY	225	1,522,981	10.1	0.43	0.83	8.1	17.9	147
Commercial National Financial	CNAF	62	372,475	15.9	0.32	1.15	8.2	14.2	105
Community Bankers' Corporation	CTYP	16	273,467	NA	NA	NA	NA	NA	NA
Community First Bancorp Inc.	CMFP	7	118,399	NA	NA	NA	NA	NA	NA
Customers Bancorp Inc	CUBI	1,062	9,602,610	5.8	0.21	0.87	12.2	14.8	176
Dimeco Inc.	DIMC	74	638,208	11.2	2.96	0.79	7.1	15.2	104
DNB Financial Corp.	DNBF	122	770,272	7.7	1.93	0.54	6.9	20.4	139
Embassy Bancorp Inc.	EMYB	98	889,314	8.2	0.20	0.86	10.0	13.7	135
Emclair Financial Corp	EMCF	57	693,672	6.5	NA	0.58	6.9	15.5	129
ENB Financial Corp	ENBP	99	970,687	10.3	0.14	0.84	7.9	13.0	100
Enterprise Financial Services	EFSG	8	262,126	NA	NA	NA	NA	NA	NA
F.N.B. Corp.	FNB	3,317	21,583,914	6.7	0.78	0.81	6.7	20.7	242
Fidelity D & D Bancorp Inc.	FDDB	91	770,423	10.6	1.32	1.00	9.5	12.2	111
First Commonwealth Financial	FCF	1,252	6,666,483	9.0	1.00	0.78	7.0	24.3	214
First Community Finl Corp.	FMFP	54	477,381	NA	NA	NA	NA	NA	128
First Keystone Corp.	FKYS	141	967,893	10.3	0.80	0.88	7.6	16.2	145
FNCB Bancorp Inc.	FNCB	103	1,121,587	8.6	0.61	3.13	40.5	3.0	107
First Priority Financial Corp.	FPBK	43	571,964	7.2	0.52	0.43	4.5	27.7	105
First Resource Bk	FRSB	17	221,710	7.8	0.80	0.55	6.5	14.9	101
Fleetwood Bank Corp.	FLEW	19	241,884	9.2	0.84	0.47	5.0	17.2	84
FNB Bancorp Inc.	FBIP	119	921,995	9.0	3.82	0.75	8.0	NA	139
Franklin Financial Services	FRAF	125	1,107,120	9.8	1.29	0.81	7.6	14.4	116
Fulton Financial Corp.	FULT	3,257	18,701,062	8.8	0.94	0.87	7.6	20.7	204
GNB Financial Services Inc	GNBF	35	309,197	NA	NA	NA	NA	NA	NA

Continued on next page...

Company Name	Ticker	Market Cap (\$MM)	Total Assets (\$000)	Tang. Common Equity/Tang. Assets (%)	NPAs*/Loans & OREO (%)	LTM ROAA (%)	LTM ROAE (%)	Price/ LTM EPS (X)	Price/ Tang. Book Value (%)
Hamlin B&TC	HMLN	102	446,794	18.1	0.04	1.43	8.7	16.7	127
Honat Bancorp	HONT	122	609,145	15.4	0.32	1.25	8.5	16.1	130
HV Bancorp Inc.	HVBC	31	177,115	7.5	1.09	NA	NA	NA	NA
Jonestown Bank and Trust Co.	JNES	47	494,554	9.3	1.38	0.95	10.4	10.2	102
JTNB Bancorp Inc.	JTNB	14	192,339	9.6	0.65	0.51	5.4	14.3	77
Juniata Valley Financial Corp.	JUVF	90	577,017	9.9	1.50	0.70	6.7	22.9	160
Kish Bancorp Inc.	KISB	57	728,764	7.4	NA	0.63	8.4	12.5	107
Landmark Bancorp Inc.	LDKB	25	306,507	9.0	3.96	0.41	4.5	22.5	92
Manor Bank	MANR	4	40,384	6.7	0.00	-1.29	-14.1	NM	147
Mars National Bancorp Inc.	MNBP	31	370,586	9.6	0.05	0.33	3.5	25.9	88
Mauch Chunk Trust Finl Corp	MCHT	41	394,730	10.5	0.42	0.80	8.4	13.2	99
Mercersburg Financial Corp.	MCBG	19	176,345	11.4	0.61	0.57	4.9	20.2	97
Mid Penn Bancorp Inc.	MPB	103	1,042,687	6.8	0.65	0.76	10.1	14.2	146
Mifflinburg Bancorp Inc.	MIFF	44	414,284	10.6	NA	1.08	10.0	10.3	99
MNB Corporation	MNBC	27	370,919	8.3	1.66	0.52	6.0	14.8	87
Muncy Bank Financial	MYBF	52	394,295	11.0	1.01	1.06	9.6	13.1	120
Neffs Bancorp Inc.	NEFB	48	330,853	17.7	1.31	1.35	7.5	NA	82
New Tripoli Bancorp Inc.	NTBP	57	401,014	13.0	1.55	1.29	10.6	11.5	109
Northumberland Bancorp	NUBC	39	498,408	9.9	0.64	0.40	3.9	19.9	79
Norwood Financial Corp.	NWFL	132	1,125,057	9.3	0.31	0.55	4.3	26.5	128
Orrstown Financial Services	ORRF	187	1,354,154	10.3	1.68	0.47	4.5	29.7	134
Penns Woods Bancorp Inc.	PWOD	228	1,347,412	9.1	1.18	1.00	9.5	17.1	188
Peoples Financial Services	PFIS	355	1,971,239	9.9	0.83	1.00	7.4	19.0	188
Peoples Ltd.	PPLL	37	328,249	8.8	0.58	0.95	10.8	12.3	127
PNC Financial Services Group	PNC	57,613	366,380,000	9.1	1.11	1.10	8.6	16.3	178
QNB Corp.	QNBC	126	1,071,931	9.1	1.72	0.84	9.2	14.6	128
Republic First Bancorp Inc.	FRBK	453	1,734,462	6.6	3.00	0.28	3.6	NM	265
Riverview Financial Corp.	RIVE	38	527,078	7.2	0.61	0.42	5.2	18.3	103
Royal Bancshares of PA	RBAAA	115	811,368	7.0	2.01	1.64	18.3	10.6	209
S&T Bancorp Inc.	STBA	1,321	6,718,205	8.4	0.76	1.10	8.8	18.5	244
Scottdale Bank & Trust Company	SDLJ	23	266,601	17.4	1.81	0.07	0.4	NM	50
Somerset Trust Holding Company	SOME	111	1,038,902	9.2	1.94	1.00	11.4	10.7	116
Susquehanna Community Finl Inc	SQCF	52	396,526	10.3	0.20	1.20	12.7	11.8	128
TriState Capital Holdings Inc.	TSC	622	3,715,518	7.6	0.79	0.79	8.0	23.1	226
Turbotville National Bancorp	TVNB	18	136,067	16.3	0.41	1.28	8.1	10.7	82
UNB Corp.	UNPA	9	131,954	10.4	0.02	0.23	2.1	29.6	63
Univest Corp. of Pennsylvania	UVSP	777	4,140,444	8.2	0.66	0.62	4.9	29.0	238
Woodlands Fnl Services Co	WDFN	42	390,021	9.5	1.30	0.90	9.7	12.4	114
York Traditions Bank	YRKB	37	397,565	8.2	1.04	0.79	9.5	12.6	113
	Median			9.2	0.79	0.81	7.9	16.2	127
	Average			9.7	0.99	0.80	7.8	17.1	134

*Excludes TDRs

Pricing data as of January 13, 2017

Financial data as of or for the three months ending September 30, 2016

Source: S&P Global Market Intelligence

Thrift Highlights

Company Name	Ticker	Market Cap (\$MM)	Total Assets (\$000)	Tang. Common Equity/ Tang. Assets (%)	NPAs*/ Loans & OREO (%)	LTM ROAA (%)	LTM ROAE (%)	Price/ LTM EPS (X)	Price/ Tang. Book Value (%)
Beneficial Bancorp Inc	BNCL	1,370.2	5,580,393	15.7	0.38	0.44	2.1	58.2	162
ESSA Bancorp Inc.	ESSA	182.4	1,772,479	9.1	1.79	0.45	4.4	21.9	114
Harleysville Savings Financial	HARL	76.1	747,174	8.8	1.86	0.72	8.5	14.2	116
Malvern Bancorp Inc	MLVF	137.4	821,272	11.5	0.28	1.59	14.0	11.3	145
Northwest Bancshares, Inc.	NWBI	1,808.3	9,714,607	8.8	1.17	0.46	3.6	43.5	220
Prudential Bancorp Inc.	PBIP	160.1	559,480	20.4	4.72	0.51	2.4	47.7	121
Quaint Oak Bancorp Inc.	QNTQ	22.6	209,488	9.3	0.97	0.74	7.3	16.3	117
Standard Financial Corp	STND	66.3	495,219	13.2	0.25	0.64	4.1	21.0	103
William Penn Bncp Inc. (MHC)	WMPN	78.0	315,498	18.6	0.86	0.75	4.1	NA	130
WVS Financial Corp.	WVFC	29.3	335,056	9.9	0.37	0.42	4.3	19.7	89
	Median			10.7	0.92	0.57	4.2	21.0	119
	Average			12.5	1.26	0.67	5.5	28.2	132

*Excludes TDRs

Pricing data as of January 13, 2017

Financial data as of or for the three months ending September 30, 2016

Source: S&P Global Market Intelligence

Appendix B: Deposit Market Share by County

Allegheny County

Total Population:	1,229,961
Median HH Income:	\$56,326
Projected Median HH Income (5 yr CAGR):	7.50%

<u>Rank</u>	<u>Company Name</u>	<u>Ticker</u>	<u>Branch Count</u>	<u>Deposits In Market (\$MM)</u>	<u>Market Share (%)</u>	<u>Deposits Per Branch (\$MM)</u>
1	PNC Financial Services Group, Inc.	PNC	89	52,922	55.76	595
2	Bank of New York Mellon Corporation	BK	4	19,499	20.54	4,875
3	Citizens Financial Group, Inc.	CFG	74	6,692	7.05	90
4	Dollar Bank, Federal Savings Bank	-	32	3,480	3.67	109
5	F.N.B. Corporation	FNB	53	2,870	3.02	54
6	KeyCorp	KEY	38	2,122	2.24	56
7	Huntington Bancshares Incorporated	HBAN	18	1,778	1.87	99
8	First Commonwealth Financial Corporation	FCF	32	1,260	1.33	39
9	S&T Bancorp, Inc.	STBA	12	836	0.88	70
10	Northwest Bancshares, Inc.	NWBI	15	623	0.66	42
11	WesBanco, Inc.	WSBC	17	593	0.62	35
12	Mutual Holding Company of Western Pennsylvania	-	9	426	0.45	47
13	Standard Financial Corp.	STND	11	386	0.41	35
14	Wells Fargo & Company	WFC	1	330	0.35	330
15	Sewickley Savings Bank	-	3	229	0.24	76
16	Enterprise Financial Services Group, Inc	EFSG	1	214	0.23	214
17	NexTier Incorporated	-	5	139	0.15	28
18	WVS Financial Corp.	WVFC	4	119	0.13	30
19	SSB Bank	-	1	110	0.12	110
20	Mars National Bancorp, Inc.	MNBP	1	82	0.09	82

Source: S&P Global Market Intelligence

Berks County

Total Population: 416,383
Median HH Income: \$58,336
Projected Median HH Income (5 yr CAGR): 4.62%

<u>Rank</u>	<u>Company Name</u>	<u>Ticker</u>	<u>Branch Count</u>	<u>Deposits In Market (\$MM)</u>	<u>Market Share (%)</u>	<u>Deposits Per Branch (\$MM)</u>
1	Banco Santander	SAN	12	4,902	32.70	408
2	Customers Bancorp, Inc.	CUBI	4	3,610	24.09	903
3	Wells Fargo & Company	WFC	16	1,639	10.94	102
4	BB&T Corporation	BBT	19	1,594	10.63	84
5	Tompkins Financial Corporation	TMP	14	732	4.88	52
6	M&T Bank Corporation	MTB	14	701	4.68	50
7	Fulton Financial Corporation	FULT	10	588	3.92	59
8	Citizens Financial Group, Inc.	CFG	10	389	2.59	39
9	F.N.B. Corporation	FNB	6	239	1.60	40
10	Fleetwood Bank Corporation	FLEW	6	205	1.37	34
11	First Priority Financial Corp.	FPBK	4	169	1.13	42
12	Royal Bancshares of Pennsylvania, Inc.	RBAAA	1	60	0.40	60
13	KeyCorp	KEY	1	51	0.34	51
14	Bally Savings Bank	-	1	47	0.31	47
15	Citizens Financial Services, Inc.	CZFS	1	42	0.28	42
16	Riverview Financial Corporation	RIVE	1	13	0.09	13
17	Woodforest Financial Group, Inc.	-	2	6	0.04	3
18	ENB Financial Corp	ENBP	1	1	0.01	1

Source: S&P Global Market Intelligence

Bucks County

Total Population: 628,165
Median HH Income: \$83,374
Projected Median HH Income (5 yr CAGR): 9.96%

<u>Rank</u>	<u>Company Name</u>	<u>Ticker</u>	<u>Branch Count</u>	<u>Deposits In Market (\$MM)</u>	<u>Market Share (%)</u>	<u>Deposits Per Branch (\$MM)</u>
1	Wells Fargo & Company	WFC	31	3,647	20.46	118
2	TD Bank	TD	17	2,325	13.04	137
3	Citizens Financial Group, Inc.	CFG	23	1,529	8.58	66
4	Penn Community Mutual Holdings Inc.	-	23	1,333	7.48	58
5	PNC Financial Services Group, Inc.	PNC	15	1,243	6.97	83
6	Bank of America Corporation	BAC	10	1,153	6.47	115
7	FNB Bancorp, Inc.	FBIP	17	807	4.53	47
8	Univest Corporation of Pennsylvania	UVSP	16	768	4.31	48
9	BB&T Corporation	BBT	15	674	3.78	45
10	QNB Corp.	QNBC	8	621	3.48	78
11	Banco Santander	SAN	9	581	3.26	65
12	Customers Bancorp, Inc.	CUBI	3	455	2.55	152
13	Fulton Financial Corporation	FULT	7	360	2.02	51
14	KeyCorp	KEY	7	301	1.69	43
15	Beneficial Bancorp, Inc.	BNCL	4	251	1.41	63
16	Firsttrust Savings Bank	-	3	247	1.39	82
17	Covenant Financial Inc.	-	2	221	1.24	111
18	Hatboro Federal Savings, FA	-	3	192	1.08	64
19	Monument Bank	-	2	183	1.03	92
20	William Penn Bancorp, Inc.	WMPN	3	182	1.02	61

Source: S&P Global Market Intelligence

Chester County

Total Population: 520,584
Median HH Income: \$90,417
Projected Median HH Income (5 yr CAGR): 7.21%

<u>Rank</u>	<u>Company Name</u>	<u>Ticker</u>	<u>Branch Count</u>	<u>Deposits In Market (\$MM)</u>	<u>Market Share (%)</u>	<u>Deposits Per Branch (\$MM)</u>
1	Wells Fargo & Company	WFC	16	2,014	14.67	126
2	BB&T Corporation	BBT	23	1,583	11.52	69
3	PNC Financial Services Group, Inc.	PNC	10	1,409	10.26	141
4	TD Bank	TD	10	1,261	9.18	126
5	Citizens Financial Group, Inc.	CFG	18	1,224	8.91	68
6	Customers Bancorp, Inc.	CUBI	4	661	4.82	165
7	Bank of America Corporation	BAC	3	597	4.35	199
8	DNB Financial Corporation	DNBF	10	576	4.20	58
9	WSFS Financial Corporation	WSFS	9	566	4.12	63
10	KeyCorp	KEY	11	535	3.90	49
11	Malvern Bancorp, Inc.	MLVF	7	529	3.85	76
12	Meridian Bank	-	3	523	3.81	174
13	Fulton Financial Corporation	FULT	8	488	3.55	61
14	Banco Santander	SAN	7	310	2.26	44
15	Bryn Mawr Bank Corporation	BMTC	6	249	1.81	41
16	Phoenixville Federal Bank and Trust	-	4	240	1.75	60
17	First Resource Bank	FRSB	2	172	1.25	86
18	First Priority Financial Corp.	FPBK	1	146	1.06	146
19	Beneficial Bancorp, Inc.	BNCL	4	129	0.94	32
20	Malvern Bank Corporation	-	2	120	0.87	60

Source: S&P Global Market Intelligence

Cumberland County

Total Population: 250,042
Median HH Income: \$65,858
Projected Median HH Income (5 yr CAGR): 6.07%

<u>Rank</u>	<u>Company Name</u>	<u>Ticker</u>	<u>Branch Count</u>	<u>Deposits In Market (\$MM)</u>	<u>Market Share (%)</u>	<u>Deposits Per Branch (\$MM)</u>
1	PNC Financial Services Group, Inc.	PNC	11	1,572	24.08	143
2	M&T Bank Corporation	MTB	16	1,477	22.64	92
3	Orrstown Financial Services, Inc.	ORRF	9	645	9.88	72
4	F.N.B. Corporation	FNB	7	565	8.66	81
5	S&T Bancorp, Inc.	STBA	2	425	6.52	213
6	Banco Santander	SAN	7	311	4.77	44
7	Citizens Financial Group, Inc.	CFG	5	307	4.71	61
8	Wells Fargo & Company	WFC	3	293	4.49	98
9	Franklin Financial Services Corporation	FRAF	8	220	3.38	28
10	Fulton Financial Corporation	FULT	4	206	3.15	51
11	BB&T Corporation	BBT	5	163	2.51	33
12	Centric Financial Corporation	CFCX	2	162	2.49	81
13	Mid Penn Bancorp, Inc.	MPB	3	109	1.67	36
14	ACNB Corporation	ACNB	1	50	0.77	50
15	Codorus Valley Bancorp, Inc.	CVLY	1	16	0.25	16
16	Woodforest Financial Group, Inc.	-	3	3	0.05	1

Source: S&P Global Market Intelligence

Dauphin County

Total Population: 274,416
Median HH Income: \$57,061
Projected Median HH Income (5 yr CAGR): 4.73%

<u>Rank</u>	<u>Company Name</u>	<u>Ticker</u>	<u>Branch Count</u>	<u>Deposits In Market (\$MM)</u>	<u>Market Share (%)</u>	<u>Deposits Per Branch (\$MM)</u>
1	Wells Fargo & Company	WFC	7	1,138	19.11	163
2	M&T Bank Corporation	MTB	11	810	13.61	74
3	F.N.B. Corporation	FNB	8	742	12.46	93
4	Mid Penn Bancorp, Inc.	MPB	10	568	9.53	57
5	Fulton Financial Corporation	FULT	8	550	9.24	69
6	PNC Financial Services Group, Inc.	PNC	8	533	8.95	67
7	BB&T Corporation	BBT	11	483	8.11	44
8	Citizens Financial Group, Inc.	CFG	6	354	5.95	59
9	Banco Santander	SAN	6	200	3.35	33
10	Centric Financial Corporation	CFCX	2	178	2.99	89
11	S&T Bancorp, Inc.	STBA	2	135	2.26	67
12	GNB Financial Services, Inc.	GNBF	1	111	1.86	111
13	Riverview Financial Corporation	RIVE	3	96	1.61	32
14	Northwest Bancshares, Inc.	NWBI	1	53	0.90	53
15	Bryn Mawr Bank Corporation	BMTC	1	4	0.06	4

Source: S&P Global Market Intelligence

Delaware County

Total Population: 565,570
Median HH Income: \$66,486
Projected Median HH Income (5 yr CAGR): 4.08%

<u>Rank</u>	<u>Company Name</u>	<u>Ticker</u>	<u>Branch Count</u>	<u>Deposits In Market (\$MM)</u>	<u>Market Share (%)</u>	<u>Deposits Per Branch (\$MM)</u>
1	Wells Fargo & Company	WFC	22	2,405	17.73	109
2	TD Bank	TD	15	2,346	17.29	156
3	Citizens Financial Group, Inc.	CFG	22	1,957	14.43	89
4	PNC Financial Services Group, Inc.	PNC	11	1,279	9.43	116
5	Banco Santander	SAN	14	829	6.11	59
6	Bank of America Corporation	BAC	8	803	5.92	100
7	Bank of New York Mellon Corporation	BK	2	711	5.24	355
8	Bryn Mawr Bank Corporation	BMTC	14	679	5.01	49
9	Beneficial Bancorp, Inc.	BNCL	7	471	3.48	67
10	WSFS Financial Corporation	WSFS	10	388	2.86	39
11	BB&T Corporation	BBT	4	267	1.97	67
12	M&T Bank Corporation	MTB	9	259	1.91	29
13	Customers Bancorp, Inc.	CUBI	2	162	1.19	81
14	Iron Workers Savings Bank	-	3	149	1.10	50
15	Sharon Bancorp, Inc.	-	4	130	0.96	32
16	United Savings Bank	-	3	105	0.77	35
17	Drexel Morgan & Co.	-	1	95	0.70	95
18	Republic First Bancorp, Inc.	FRBK	1	79	0.58	79
19	ESSA Bancorp, Inc.	ESSA	2	77	0.57	38
20	County Savings Bank	-	3	68	0.50	23

Source: S&P Global Market Intelligence

Lancaster County

Total Population: 541,482
Median HH Income: \$62,019
Projected Median HH Income (5 yr CAGR): 8.21%

<u>Rank</u>	<u>Company Name</u>	<u>Ticker</u>	<u>Branch Count</u>	<u>Deposits In Market (\$MM)</u>	<u>Market Share (%)</u>	<u>Deposits Per Branch (\$MM)</u>
1	Fulton Financial Corporation	FULT	28	2,914	27.61	104
2	BB&T Corporation	BBT	33	2,414	22.88	73
3	PNC Financial Services Group, Inc.	PNC	23	1,292	12.24	56
4	Wells Fargo & Company	WFC	14	843	7.99	60
5	ENB Financial Corp	ENBP	13	749	7.10	58
6	Donegal Financial Services Corp.	-	14	420	3.98	30
7	M&T Bank Corporation	MTB	9	386	3.66	43
8	Banco Santander	SAN	11	311	2.95	28
9	Citizens Financial Group, Inc.	CFG	6	291	2.76	48
10	F.N.B. Corporation	FNB	6	252	2.39	42
11	S&T Bancorp, Inc.	STBA	3	245	2.32	82
12	Northwest Bancshares, Inc.	NWBI	6	146	1.38	24
13	Bank of Bird-in-Hand	-	2	129	1.23	65
14	Coatesville Savings Bank	-	3	65	0.62	22
15	Orrstown Financial Services, Inc.	ORRF	1	35	0.33	35
16	Jonestown Bank and Trust Co.	JNES	1	28	0.26	28
17	Mid Penn Bancorp, Inc.	MPB	2	25	0.23	12
18	Codorus Valley Bancorp, Inc.	CVLY	1	6	0.05	6
19	Woodforest Financial Group, Inc.	-	1	1	0.01	1
20	Centric Financial Corporation	CFCX	1	0	0.00	0

Source: S&P Global Market Intelligence

Lehigh County

Total Population: 363,888
Median HH Income: \$60,935
Projected Median HH Income (5 yr CAGR): 7.57%

<u>Rank</u>	<u>Company Name</u>	<u>Ticker</u>	<u>Branch Count</u>	<u>Deposits In Market (\$MM)</u>	<u>Market Share (%)</u>	<u>Deposits Per Branch (\$MM)</u>
1	Wells Fargo & Company	WFC	23	2,002	28.91	87
2	BB&T Corporation	BBT	14	826	11.93	59
3	PNC Financial Services Group, Inc.	PNC	6	497	7.18	83
4	American Bank Incorporated	AMBK	1	422	6.10	422
5	Fulton Financial Corporation	FULT	7	366	5.29	52
6	Bank of America Corporation	BAC	4	365	5.27	91
7	Embassy Bancorp, Inc.	EMYB	4	341	4.93	85
8	KeyCorp	KEY	7	320	4.62	46
9	Banco Santander	SAN	8	302	4.37	38
10	TD Bank	TD	3	286	4.13	95
11	New Tripoli Bancorp, Inc.	NTBP	2	283	4.09	142
12	Neffs Bancorp, Inc.	NEFB	1	265	3.83	265
13	QNB Corp.	QNBC	2	155	2.23	77
14	Firsttrust Savings Bank	-	1	115	1.66	115
15	M&T Bank Corporation	MTB	3	96	1.39	32
16	ESSA Bancorp, Inc.	ESSA	4	94	1.35	23
17	Provident Financial Services, Inc.	PFS	2	67	0.97	34
18	Quaint Oak Bancorp, Inc.	QNTQ	1	45	0.65	45
19	Peoples Financial Services Corp.	PFIS	1	44	0.63	44
20	Palm Bancorp	-	1	33	0.48	33

Source: S&P Global Market Intelligence

Luzerne County

Total Population: 317,352
Median HH Income: \$47,195
Projected Median HH Income (5 yr CAGR): 5.73%

<u>Rank</u>	<u>Company Name</u>	<u>Ticker</u>	<u>Branch Count</u>	<u>Deposits In Market (\$MM)</u>	<u>Market Share (%)</u>	<u>Deposits Per Branch (\$MM)</u>
1	PNC Financial Services Group, Inc.	PNC	18	1,429	24.33	79
2	M&T Bank Corporation	MTB	11	979	16.67	89
3	Citizens Financial Group, Inc.	CFG	9	512	8.73	57
4	Wells Fargo & Company	WFC	7	482	8.21	69
5	BB&T Corporation	BBT	8	473	8.06	59
6	Community Bank System, Inc.	CBU	10	452	7.70	45
7	Penns Woods Bancorp, Inc.	PWOD	8	315	5.37	39
8	FNCB Bancorp, Inc.	FNCB	10	313	5.33	31
9	Landmark Bancorp, Inc.	LDKB	4	214	3.65	54
10	First Keystone Corporation	FKYS	8	211	3.59	26
11	F.N.B. Corporation	FNB	5	164	2.79	33
12	Fidelity D & D Bancorp, Inc.	FDDB	2	110	1.87	55
13	NBT Bancorp Inc.	NBTB	4	81	1.38	20
14	ESSA Bancorp, Inc.	ESSA	1	52	0.89	52
15	Honat Bancorp, Inc.	HONT	2	35	0.59	17
16	Peoples Financial Services Corp.	PFIS	2	33	0.57	17
17	Mid Penn Bancorp, Inc.	MPB	1	14	0.23	14
18	Woodforest Financial Group, Inc.	-	2	2	0.04	1

Source: S&P Global Market Intelligence

Montgomery County

Total Population: 824,076
Median HH Income: \$83,428
Projected Median HH Income (5 yr CAGR): 5.98%

<u>Rank</u>	<u>Company Name</u>	<u>Ticker</u>	<u>Branch Count</u>	<u>Deposits In Market (\$MM)</u>	<u>Market Share (%)</u>	<u>Deposits Per Branch (\$MM)</u>
1	Wells Fargo & Company	WFC	43	5,579	21.03	130
2	Citizens Financial Group, Inc.	CFG	37	3,476	13.11	94
3	TD Bank	TD	22	2,950	11.12	134
4	PNC Financial Services Group, Inc.	PNC	23	2,448	9.23	106
5	Univest Corporation of Pennsylvania	UVSP	20	1,793	6.76	90
6	BB&T Corporation	BBT	25	1,479	5.58	59
7	Bryn Mawr Bank Corporation	BMTC	11	1,384	5.22	126
8	KeyCorp	KEY	21	1,345	5.07	64
9	Firsttrust Savings Bank	-	8	1,052	3.97	132
10	Bank of America Corporation	BAC	12	920	3.47	77
11	Banco Santander	SAN	17	752	2.83	44
12	Harleysville Savings Financial Corporation	HARL	8	511	1.93	64
13	Beneficial Bancorp, Inc.	BNCL	9	432	1.63	48
14	Royal Bancshares of Pennsylvania, Inc.	RBPAA	5	294	1.11	59
15	Ambler Savings Bank	-	7	277	1.04	40
16	Republic First Bancorp, Inc.	FRBK	4	227	0.86	57
17	Hatboro Federal Savings, FA	-	1	195	0.74	195
18	WSFS Financial Corporation	WSFS	5	192	0.72	38
19	Tompkins Financial Corporation	TMP	6	158	0.60	26
20	Victory Bancorp, Inc.	-	1	151	0.57	151

Source: S&P Global Market Intelligence

Northampton County

Total Population: 301,765
Median HH Income: \$65,538
Projected Median HH Income (5 yr CAGR): 8.18%

<u>Rank</u>	<u>Company Name</u>	<u>Ticker</u>	<u>Branch Count</u>	<u>Deposits In Market (\$MM)</u>	<u>Market Share (%)</u>	<u>Deposits Per Branch (\$MM)</u>
1	BB&T Corporation	BBT	20	1,117	18.20	56
2	Wells Fargo & Company	WFC	14	1,006	16.40	72
3	Bank of America Corporation	BAC	8	936	15.26	117
4	Fulton Financial Corporation	FULT	14	855	13.93	61
5	PNC Financial Services Group, Inc.	PNC	11	545	8.89	50
6	Embassy Bancorp, Inc.	EMYB	4	434	7.08	109
7	MNB Corporation	MNBC	9	304	4.96	34
8	Banco Santander	SAN	6	251	4.08	42
9	TD Bank	TD	4	226	3.68	57
10	ESSA Bancorp, Inc.	ESSA	5	145	2.36	29
11	Palm Bancorp	-	4	136	2.21	34
12	Provident Financial Services, Inc.	PFS	1	106	1.73	106
13	KeyCorp	KEY	1	33	0.53	33
14	Unity Bancorp, Inc.	UNTY	1	31	0.51	31
15	M&T Bank Corporation	MTB	2	11	0.17	5

Source: S&P Global Market Intelligence

Philadelphia County

Total Population: 1,577,265
Median HH Income: \$41,110
Projected Median HH Income (5 yr CAGR): 9.38%

<u>Rank</u>	<u>Company Name</u>	<u>Ticker</u>	<u>Branch Count</u>	<u>Deposits In Market (\$MM)</u>	<u>Market Share (%)</u>	<u>Deposits Per Branch (\$MM)</u>
1	Wells Fargo & Company	WFC	39	13,198	26.73	338
2	PNC Financial Services Group, Inc.	PNC	37	8,262	16.73	223
3	Bank of America Corporation	BAC	18	7,707	15.61	428
4	Citizens Financial Group, Inc.	CFG	55	7,515	15.22	137
5	TD Bank	TD	23	4,097	8.30	178
6	Beneficial Bancorp, Inc.	BNCL	17	1,585	3.21	93
7	Banco Santander	SAN	17	1,478	2.99	87
8	M&T Bank Corporation	MTB	8	982	1.99	123
9	Firsttrust Savings Bank	-	6	718	1.45	120
10	Republic First Bancorp, Inc.	FRBK	7	533	1.08	76
11	HSBC	HSBC	2	528	1.07	264
12	Univest Corporation of Pennsylvania	UVSP	6	501	1.01	84
13	Prudential Bancorp, Inc.	PBIP	9	485	0.98	54
14	BB&T Corporation	BBT	12	461	0.93	38
15	DNB Financial Corporation	DNBF	4	229	0.46	57
16	Royal Bancshares of Pennsylvania, Inc.	RBPA	4	168	0.34	42
17	United Savings Bank	-	3	149	0.30	50
18	Washington Savings Bank	-	5	140	0.28	28
19	Asian Financial Corporation	-	1	123	0.25	123
20	KeyCorp	KEY	1	104	0.21	104

Source: S&P Global Market Intelligence

Westmoreland County

Total Population: 355,674
Median HH Income: \$56,485
Projected Median HH Income (5 yr CAGR): 7.69%

<u>Rank</u>	<u>Company Name</u>	<u>Ticker</u>	<u>Branch Count</u>	<u>Deposits In Market (\$MM)</u>	<u>Market Share (%)</u>	<u>Deposits Per Branch (\$MM)</u>
1	PNC Financial Services Group, Inc.	PNC	17	1,950	26.90	115
2	F.N.B. Corporation	FNB	18	895	12.35	50
3	Citizens Financial Group, Inc.	CFG	18	868	11.97	48
4	S&T Bancorp, Inc.	STBA	10	861	11.87	86
5	First Commonwealth Financial Corporation	FCF	15	840	11.59	56
6	KeyCorp	KEY	9	349	4.81	39
7	Commercial National Financial Corporation	CNAF	9	304	4.19	34
8	Dollar Bank, Federal Savings Bank	-	4	273	3.76	68
9	Standard Financial Corp.	STND	5	211	2.91	42
10	Westmoreland Federal Savings and Loan Association	-	1	128	1.76	128
11	Scottdale Bank & Trust Company	SDLJ	3	120	1.66	40
12	CB Financial Services, Inc.	CBFV	2	85	1.17	43
13	CF Financial Corp.	-	2	76	1.05	38
14	Huntington Bancshares Incorporated	HBAN	2	57	0.78	28
15	Somerset Trust Holding Company	SOME	5	56	0.77	11
16	1st Summit Bancorp of Johnstown, Inc.	FSMK	2	56	0.77	28
17	AmeriServ Financial, Inc.	ASRV	2	49	0.67	24
18	Apollo Bancorp, Inc.	APLO	2	42	0.58	21
19	NexTier Incorporated	-	2	27	0.37	13
20	Woodforest Financial Group, Inc.	-	2	4	0.05	2

Source: S&P Global Market Intelligence

York County

Total Population: 445,335
Median HH Income: \$60,870
Projected Median HH Income (5 yr CAGR): 4.54%

<u>Rank</u>	<u>Company Name</u>	<u>Ticker</u>	<u>Branch Count</u>	<u>Deposits In Market (\$MM)</u>	<u>Market Share (%)</u>	<u>Deposits Per Branch (\$MM)</u>
1	M&T Bank Corporation	MTB	26	1,753	25.30	67
2	Codorus Valley Bancorp, Inc.	CVLY	21	979	14.13	47
3	Fulton Financial Corporation	FULT	12	837	12.08	70
4	BB&T Corporation	BBT	18	767	11.07	43
5	Banco Santander	SAN	16	505	7.29	32
6	PNC Financial Services Group, Inc.	PNC	8	476	6.88	60
7	Wells Fargo & Company	WFC	7	476	6.88	68
8	F.N.B. Corporation	FNB	5	369	5.33	74
9	York Traditions Bank	YRKB	5	296	4.27	59
10	Citizens Financial Group, Inc.	CFG	4	197	2.84	49
11	ACNB Corporation	ACNB	5	132	1.91	26
12	Northwest Bancshares, Inc.	NWBI	4	107	1.55	27
13	S&T Bancorp, Inc.	STBA	1	29	0.41	29
14	Woodforest Financial Group, Inc.	-	3	4	0.06	1

Source: S&P Global Market Intelligence

