

## Mergers & Acquisitions: A Look at Pennsylvania

*"I had to move, really had to move." Grateful Dead "Bertha" – 'Skull and Roses'*

Merger activity has been fairly steady in the Keystone State as 78 deals with Pennsylvania-based sellers were announced over the past decade. There were five deal announcements in Pennsylvania since January 1, 2019, compared with eight and seven announcements in 2018 and 2017, respectively. Most of the announced deals were relatively small, which is likely to continue due to the law of numbers. Of the 81 publicly-traded institutions in Pennsylvania, 45 have total assets below \$1 billion and 67 have total assets less than \$2 billion.

On a national basis, there have been 255 deals since the start of 2019, compared with 258 transactions for all of 2018. The median 2019 price to earnings multiple and price to tangible book value ratio were 16.2 times and 157%, respectively.

**Deal activity should continue to be strong even though recent merger premiums have been less generous than those offered in the recent past.** Lower deal pricing is mainly due to (1) fewer acquirers with capacity (size and relative currency); and (2) wary shareholders who criticize excessive tangible book value dilution and earn-back periods. This is probably good for both buyers and sellers because more rationally priced stock deals should produce superior long-term returns due to greater potential price appreciation. Modest deal premiums, however, do not create flashy headlines. Overall credit quality appears to remain good and should not impede consolidation activity for the foreseeable future. Social issues can derail mergers, but we don't see anything unusual at this time.

**PNC FIG Advisory suggests that in order to take advantage of reasonable economic and market conditions, community bankers already contemplating their "exit strategy" over the next two years or so may want to accelerate that timetable.** Depending upon the specific situation, acquisition premiums can be generous, but that will not last forever. Bank regulators appear to view mergers more benignly under the Trump Administration than was the case under the previous administration. Predicting elections is outside the scope of this report, but it seems reasonable to assume that the more benevolent regulatory attitude could change following the 2020 elections.

As discussed in *Market Demographics*, Eastern, Central, and Western Pennsylvania have similarities, but there are also significant economic, demographic, and cultural differences. The state's faster-growing and more economically vibrant markets are scattered, but mostly are located in suburban areas near Harrisburg, Philadelphia, and Pittsburgh. According to *S&P Global Market Intelligence*, Pennsylvania's median household income is approximately \$64,500.

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## Highlights

- Pennsylvania, the subject of this *Industry Report*, has a relatively large number of banking institutions compared with other midAtlantic states. There are 130 institutions, which include 81 publicly-traded banking companies headquartered in the Keystone State.
- The top five banks have a combined deposit market share of 52%. PNC Financial Services (NYSE: PNC) is the market leader with a 23.5% deposit share. Of the top ten Pennsylvania banks in terms of deposit market share, only PNC and F.N.B. Corporation (NYSE: FNB) are headquartered in-state.
- Although Pennsylvania has more community banks than most states, its geography tends to limit consolidation as many natural barriers isolate otherwise contiguous markets.
- Pennsylvania's "sweet spot" regarding mergers and acquisitions rests among banks with total assets ranging from approximately \$700 million to \$5 billion. There are seven banks in the Keystone State with total assets between \$2 and \$7 billion. Banks in this size range are often considered prime takeout candidates for institutions with assets hovering around \$10 billion. On the other hand, there are nearly 25 institutions with total assets in the approximate range of \$1 to \$2 billion that should be interested in gaining scale through mergers and acquisitions.
- There were five announced transactions in 2019 that involved Pennsylvania-based sellers vs. eight deals in fiscal 2018 and seven deals in 2017. Market dynamics in the Keystone State appear conducive to a quicker deal pace, however, that doesn't mean it will. Most of the state's community banks appear more interested in buying, rather than selling.
- The nation's four largest merger transactions announced or completed in 2019 were merger of equals (MOEs). Based on the relatively large number of community banks and the favorable market reaction these MOEs received, we believe it is reasonable to assume that a MOE will occur in Pennsylvania at some point.
- Two of the larger, recent deals with Pennsylvania-based sellers include: (1) on March 1, 2019, Wilmington, DE-based, WSFS Financial Corporation (NASDAQ: WSFS) acquired Philadelphia-based, Beneficial Bancorp in a stock and cash deal valued at approximately \$1.2 billion; and (2) on November 30, 2019, Indiana, PA-based, S&T Bancorp, Inc. (NASDAQ: STBA) completed its acquisition of Downingtown-based, DNB Financial in an all-stock deal valued at \$201 million. PNC FIG Advisory served as financial advisor to DNB Financial.
- 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 Bryn Mawr Bank Corp. (NASDAQ: BMTC); FNB Corporation; First Commonwealth Financial Corporation (NYSE: FCF); Fulton Financial Corporation (NASDAQ: FULT); Northwest Bancorp (NASDAQ: NWBI); S&T Bancorp; and Univest Corporation of Pennsylvania (NASDAQ: UVSP).

- Although relatively few larger Pennsylvania banks have the capacity to acquire, several out-of-state banks appear to be willing buyers. Out-of-state institutions that could be interested in acquiring Pennsylvania banks include: Community Bank System (NYSE: CBU); Lakeland Bancorp, Inc. (NASDAQ: LBAI); NBT Bancorp, Inc. (NASDAQ: NBTB); OceanFirst Financial Corp. (NASDAQ: OCFC); Provident Financial Services (NYSE: PFS); Tompkins Financial Corporation (NYSE: TMP); WSFS Financial Corporation, and WesBanco, Inc. (NASDAQ: WSBC).
- Industry consolidation should accelerate. Reasons for more deals include: (1) earnings challenges that motivate both buyers and sellers; (2) relatively weak organic asset and core deposit growth; (3) potential buyers seeking better economies of scale to help offset higher technology and other fixed costs; and (4) succession issues.
- Pricing power will not remain with sellers forever. We forecast more deals, particularly among smaller institutions, but potential sellers probably will need to recognize that many deals will reflect buyer pricing demands.
- Rightly or wrongly, analysts and investors pay much attention to tangible book value dilution and earn-back periods. The preferable earn-back period has tightened considerably: the goal is around three years (or less), although market sentiment does vary.
- Shareholder activism is likely to increase. The choppy stock performance and potential for earnings disappointments (mainly due to the flat yield curve) make banks more susceptible to activists.
- 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.
- Banks with total assets below \$1 billion or so typically receive lower acquisition premiums compared with larger banks. That said, smaller banks with strong core deposits and/or are located in attractive markets can expect to receive outsized deal premiums. Larger community banks have a more viable "exit strategy" given the SIFI designation was raised to \$250 billion in assets from \$50 billion.
- Economic activity associated with the Marcellus Shale fields has picked up along with higher energy prices. This could benefit many smaller banks in those areas and make them desirable acquisition targets.

## Recent Deals with Pennsylvania Sellers

Figure 1

Buyer/Target Name	Status	Completion Date**	Deal Value (\$MM)	Price/Tangible Book (%)	Price/LTM Earnings (X)	Core Deposit Premium (%)
Fidelity D & D Bancorp, Inc./MNB Corporation	Pending	12/10/2019	78.7	200	21.0	11.6
William Penn Bancorp, Inc./Fidelity SLA of Bucks County	Pending	12/5/2019	NA	NA	NA	NA
William Penn Bancorp, Inc./Washington SB	Pending	12/5/2019	NA	NA	NA	NA
<b>S&amp;T Bancorp, Inc./DNB Financial Corporation*</b>	<b>Completion</b>	<b>11/30/2019</b>	<b>206.0</b>	<b>208</b>	<b>19.2</b>	<b>NA</b>
Somerset Trust Holding Company/First Bank of Lilly	Completion	10/1/2019	3.4	97	NM	-0.7
Citizens & Northern Corp./Monument Bancorp, Inc.	Completion	4/1/2019	42.7	164	16.7	12.3
MHC of Western PA/Union Building and Loan SB	Completion	4/1/2019	NA	NA	NA	NA
<b>Northwest Bancshares/Donegal Fin'l Services Corp.*</b>	<b>Completion</b>	<b>3/8/2019</b>	<b>86.1</b>	<b>174</b>	<b>20.3</b>	<b>7.4</b>
WSFS Financial Corporation/Beneficial Bancorp, Inc.	Completion	3/1/2019	1,507.4	177	53.0	16.6
LinkBancorp, Inc./Stonebridge Bank	Completion	10/5/2018	1.1	29	NM	NM
<b>Orrstown Fin'l Services, Inc./Mercersburg Fin'l Corp.*</b>	<b>Completion</b>	<b>10/1/2018</b>	<b>32.2</b>	<b>156</b>	<b>35.7</b>	<b>8.5</b>
Enclave Financial Corp./Community First Bancorp, Inc.	Completion	10/1/2018	17.7	195	26.9	11.1
Mid Penn Bancorp, Inc./First Priority Financial Corp.	Completion	7/31/2018	90.7	205	32.6	11.2
Juniata Valley Fin'l Corp./Liverpool Community Bank	Completion	4/30/2018	7.6	130	23.2	9.7
<b>Mid Penn Bancorp, Inc./Scottdale Bank &amp; Trust Co.*</b>	<b>Completion</b>	<b>1/8/2018</b>	<b>59.1</b>	<b>130</b>	<b>NM</b>	<b>6.4</b>
Bryn Mawr Bank Corp./Royal Bancshares of PA, Inc.	Completion	12/15/2017	125.9	244	13.5	14.5
Penn Community Mutual Holdings Inc./Chelton Hills SB	Completion	10/1/2017	NA	NA	NA	NA
<b>Riverview Financial Corporation/CBT Financial Corp.*</b>	<b>Completion</b>	<b>10/1/2017</b>	<b>49.2</b>	<b>127</b>	<b>15.8</b>	<b>2.8</b>
PI - Richard J. Green/Semperverde Holding Company	Completion	9/27/2017	NA	NA	NA	NA
First Bank/Bucks County Bank	Completion	9/15/2017	27.2	125	46.7	5.2
Ambler Savings Bank/Bally Savings Bank	Completion	5/31/2017	NA	NA	NA	NA
<b>NextTier Incorporated/Manor Bank*</b>	<b>Completion</b>	<b>4/30/2017</b>	<b>2.3</b>	<b>87</b>	<b>NM</b>	<b>-1.0</b>
Standard Financial Corp./Allegheny Valley Bancorp, Inc.	Completion	4/7/2017	53.6	125	15.0	3.6
Dollar Bank, FSB/Progressive-Home Federal SLA	Completion	3/25/2017	NA	NA	NA	NA
Prudential Bancorp, Inc./Polonia Bancorp, Inc.	Completion	1/1/2017	38.1	102	NM	NA
<b>DNB Financial Corporation/East River Bank*</b>	<b>Completion</b>	<b>10/1/2016</b>	<b>49.0</b>	<b>158</b>	<b>21.7</b>	<b>11.3</b>
<b>Median</b>			<b>49.0</b>	<b>156</b>	<b>21.3</b>	<b>9.1</b>

Deals announced through December 15, 2019

\*PNC FIG Advisory Deals; \*\*Announcement date is listed for pending deals

Source: S&P Global Market Intelligence

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**Examples of recent deals with Pennsylvania sellers are shown below.**

- On November 30, 2019, Indiana, PA-based, S&T Bancorp, Inc. completed its acquisition of Downingtown-based, DNB Financial in an all-stock deal valued at \$201 million. At completion, the transaction was priced at approximately 190% of tangible book value and 18.1 times trailing 12-month earnings. The acquisition provides S&T with an entrée into faster-growing Chester County, with 10 branches and the eighth largest deposit market share. PNC FIG Advisory served as financial advisor to DNB Financial.
- On April 1, 2019, Wellsboro, PA-based, Citizens & Northern Corporation (NASDAQ: CZNC) completed its acquisition of Doylestown-based Monument Bancorp. At completion, the cash and stock deal was valued at approximately \$41 million, which equated to 162% of tangible book value and 18.5 times trailing 12-month earnings. The core deposit premium was 7.8%. Citizens and Northern entered Bucks County with two branches.
- On March 8, 2019, Northwest Bancshares completed its acquisition of privately-owned, Donegal Financial Services Corporation, the parent company of Union Community Bank. The acquisition expands Northwest's presence in attractive Lancaster County markets and pushed total assets over the \$10 billion threshold. The transaction was valued at approximately \$86 million and equated to 172% of Union Community's tangible book value and 18 times trailing 12-month earnings. PNC FIG Advisory served as financial advisor to Northwest.
- On March 1, 2019, Wilmington, DE-based, WSFS Financial completed its acquisition of Philadelphia-based, Beneficial Bancorp in a stock and cash deal valued at approximately \$1.2 billion. At completion, the transaction was priced at approximately 135% of tangible book value, 25 times trailing 12-month earnings, and the core deposit premium was 8.7%. The acquisition expanded WSFS's presence in the Greater Philadelphia market, including parts of southern New Jersey.
- Orrstown Financial Services, Inc. (NASDAQ: ORRF) completed its acquisition of Mercersburg Financial Corp. on October 1, 2018. The stock and cash deal was valued at approximately \$30 million, which equated to approximately 140% of both book and tangible book value, and 31.9 times trailing 12-month earnings. PNC FIG Advisory served as financial advisor to Mercersburg.
- On the flip side, Orrstown completed its acquisition of Towson, MD-based, Hamilton Bancorp through a cash and stock deal valued at approximately \$53 million on May 1, 2019. The transaction was priced at 111% of tangible book value.

## Valuation Summary

Bank stock price performance has been impressive in 2019, as the flat yield curve has been more than offset by more accommodative Fed interest rate policies and indications that the economy remains healthy. Banks stocks also benefited from the long-term trend of industry consolidation.

As of December 15, the S&P 500 Bank and NASDAQ Bank Indices were up 34.5% and 20.5%, respectively, on a year-to-date basis. The S&P 500 and DJIA Indices increased 26.4% and 20.6%, respectively over the same time.

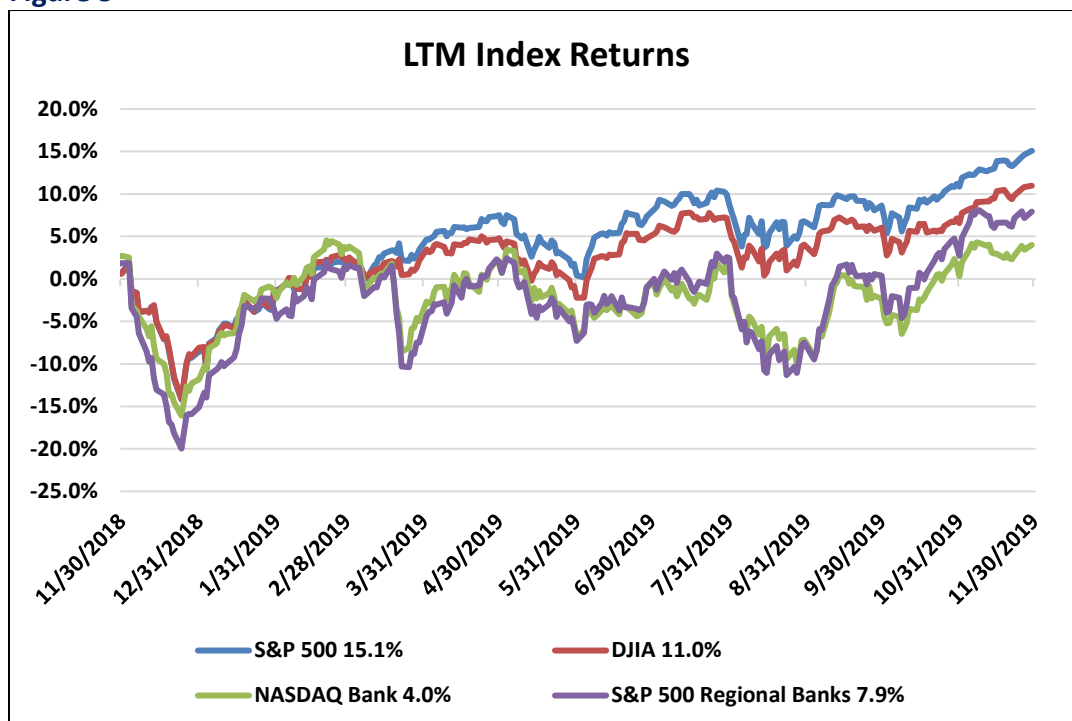
We suspect that much trading volume reflects cash inflows or outflows being directed by passive investment funds, including ETFs, rather than strong conviction among traditional bank investors. Depending upon the flow of funds at any particular time, bank stocks can be at the mercy of the market regardless of fundamentals.

**Figure 2**

	Median LTM P/E (x)	Median Price/TBV (%)
Pennsylvania Banks	12.1	117
Mid-Atlantic Banks	12.3	119
All U.S. Banks	12.3	124

Source: S&P Global Market Intelligence. Pricing data as of December 15, 2019. Financial data as of or for the quarter ending September 30, 2019. U.S. banks between \$500mm and \$50B.

**Figure 3**

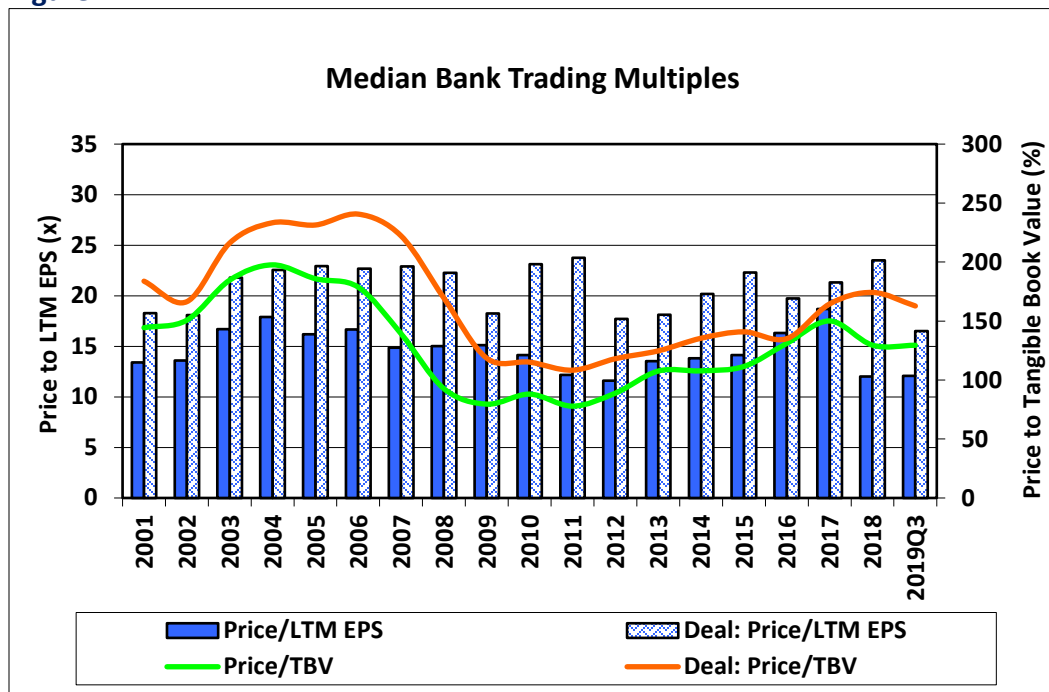


Source: S&P Global Market Intelligence.

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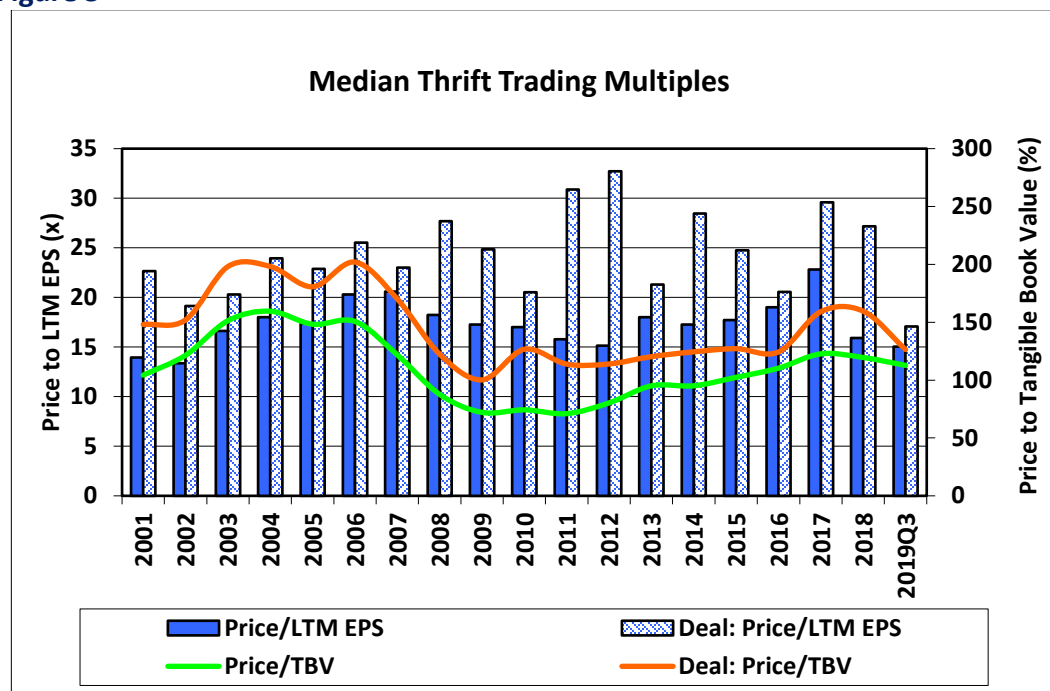
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**Figure 4**



Includes all publicly traded U.S. banks  
Source: S&P Global Market Intelligence

**Figure 5**



Includes all publicly traded U.S. thrifts  
Source: S&P Global Market Intelligence

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## Investment Summary

Merger-of-equals (MOEs) transactions were the larger and more significant bank deals across the United States in 2010. Among the announced or completed MOEs in 2019, were Texas Capital Bancshares (NASDAQ: TCBI) and Independent Bank Group (NASDAQ: IBTX); First Horizon (NYSE: FHN) and IBERIABANK Corporation (NASDAQ: IBKC); BBT Corp. and SunTrust (Truist Financial Corp. (NYSE: TFC)); and TCF Financial Corp. (NASDAQ: TCF) and Chemical Financial Corp.

There has not been a sizable MOE in Pennsylvania recently, but we believe it reasonable to assume that it is only a matter of time before this type of transaction takes place. There are a relatively large number of community banks based in the Keystone State; and several have total assets of similar size. We also believe there is a possibility of a larger MOE as the handful of Pennsylvania banks with assets greater than \$7 billion or so may be willing to partner with a similar-sized out-of-state institution due in part to the favorable market reaction that the aforementioned MOEs received. That said, consolidation activity is often restrained by managements' desire to remain independent for social and other reasons, rather than strictly adhering to the discipline of maximizing shareholder value.

**Mergers and acquisitions (M&A) remains a proven strategy to boost profitability as acquirors can improve efficiency ratios due to better economies of scale.** As has been the case for quite some time, many banks lack the scale to successfully meet industry-wide revenue, earnings, regulatory, accounting, and technological challenges. Along with succession issues, all of these hurdles can be overcome via mergers. Buyers are primarily motivated to efficiently obtain core deposits and gain economies of scale (along with synergies). Overall credit quality appears to remain good and should not impede consolidation activity for the foreseeable future. The implementation of the Current Expected Credit Loss ("CECL") accounting standard among larger community banks is a wildcard.

Supported by a reasonably strong regional economy, Pennsylvania banks performed fairly well through the third quarter of 2019, despite net interest margin compression caused by the unfriendly yield curve. Asset/liability officers remain challenged to cope with consistently inconsistent Fed Reserve policies as there were three interest rate cuts in 2019 following four interest rate hikes in 2018. The Fed stood pat at its December 11, 2019 meeting and forecast its main interest rate will be steady at 1.6% through the end of 2020, but will increase to 1.9% in 2021.

## Stock Conversions

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 2016 become eligible to be taken over in 2019. These conversion regulations are generally followed by the FDIC for state-chartered institutions. On a national basis, about half of those that completed second-step conversions between 2009 and 2015 have either been acquired or entered into merger agreements.

Recent Keystone State conversions include:

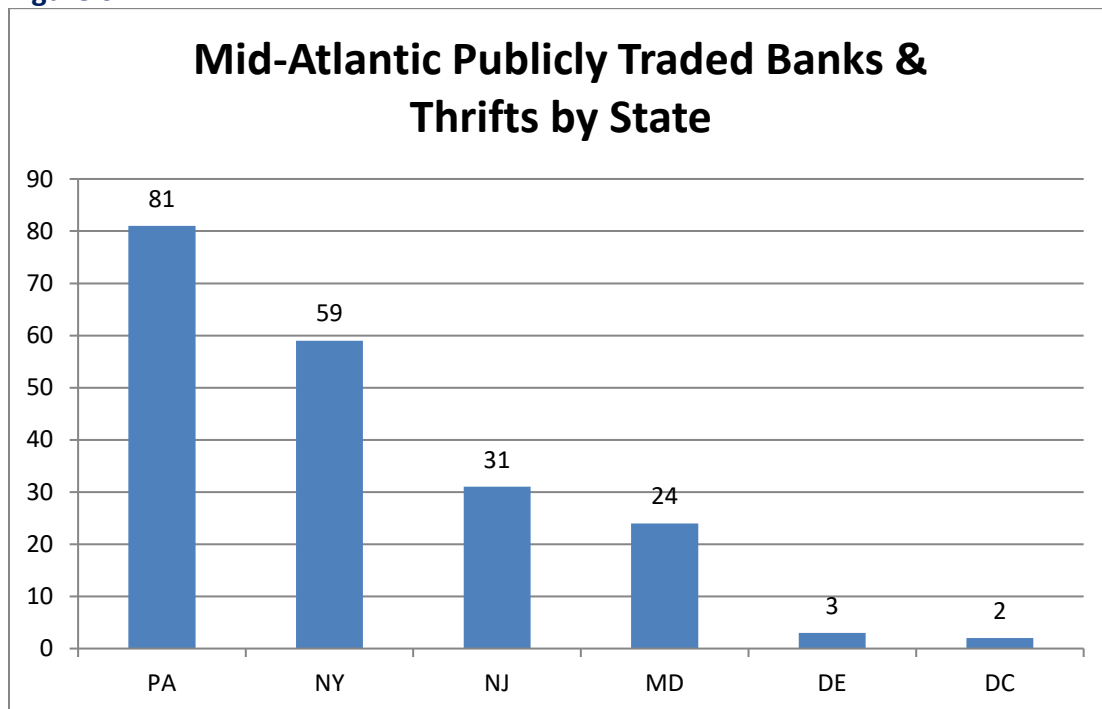
- Northwest Bancshares, Inc. (NASDAQ: NWBI). Northwest completed its second step in 2009, and is the largest (\$10.6 billion in assets) among Pennsylvania’s recently converted institutions. The company has a tangible equity capital ratio of 9.6%; and trades at approximately 181% of tangible book value. As aforementioned, Northwest acquired privately-owned, Donegal Financial Services Corporation, the parent company of Union Community Bank, in 2019. PNC FIG Advisory served as financial advisor to Northwest.
- Standard AVB Financial Corp. (NASDAQ: STND). Based near Pittsburgh, Standard completed its standard conversion in 2010. As of September 30, 2019, Standard had total assets of \$991.5 million and a tangible equity capital ratio of approximately 11.8%. The stock trades at approximately 122% of tangible book value.
- Prudential Bancorp, Inc. (NASDAQ: PBIP). Headquartered in the heart of South Philly, Prudential completed its second step in October 2013. As of March 31, 2019, Prudential had total assets of \$1.3 billion and a tangible equity capital ratio of approximately 10.4%. The stock trades at approximately 122% of tangible book value.
- Malvern Bancorp, Inc. (NASDAQ: MLVF). Operating 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 \$1.3 billion and a tangible equity capital ratio of 11.3%. The stock trades at around 126% of tangible book value.
- HV Bancorp, Inc. (NASDAQ: HVBC). HV Bancorp completed its standard conversion in January 2017. As of September 30, 2019, the company had total assets of \$356.6 million and a tangible equity capital ratio of 9.3%. HV Bancorp stock trades at approximately 103% of tangible book value.
- Other Recent Conversions: SSB Bancorp, Inc. (OTC Pink: SSBP), which is based in Pittsburgh, reorganized into the mutual holding company structure and completed its initial public offering in January 2018. As of September 30, 2019, total assets were \$201.2 million and the tangible equity capital ratio was 10.3%.

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Market Demographics

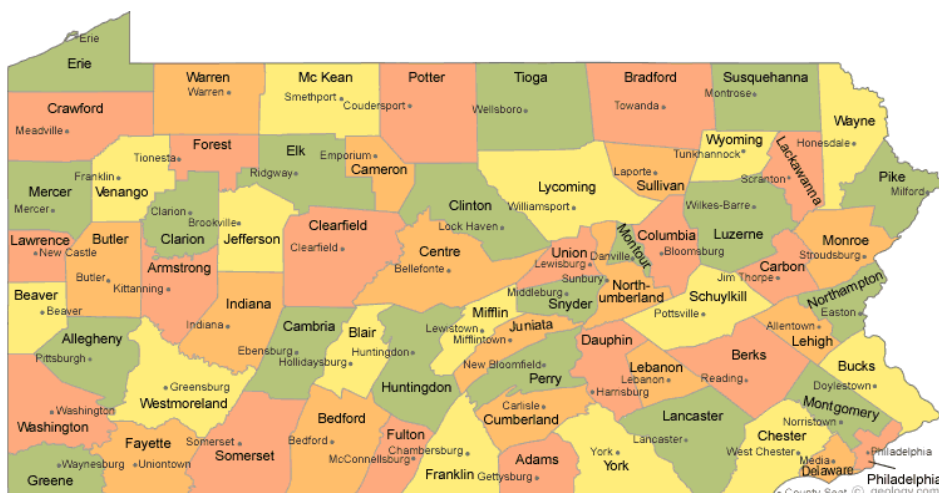
Figure 6



Source: S&P Global Market Intelligence

Pennsylvania

Figure 7



**Philadelphia Market Area:** Home to approximately six million people, the Philadelphia metropolitan area is the nation’s sixth largest in terms of population. Philadelphia’s population has been growing for seven consecutive years and is now the second fastest growing county in the region. The last time Philadelphia posted such gains was from 1930-1950, when its population peaked at slightly over two million. The median household income

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is approximately \$74,200, although there is a significant variation among Philadelphia and its nearby counties.

The employment situation is one of “haves” and “have-nots”. The positive development is the continuing expansion of education and health services that account for about one-third of all city jobs. The negative factors include the city of Philadelphia’s high poverty and crime rates. Manufacturing, which was once a major employer in the area, only accounts for about one in 10 jobs. As of October 2019, the unemployment rate in the city of Philadelphia was 5.6% compared 4.2% for the state as a whole and 3.6% nationally.

Chester, Montgomery and Bucks counties are three of the wealthier counties in Pennsylvania. Significant employment industries include pharmaceuticals, health care, electronics, computer services, insurance, industrial machinery, retailing, schools and meat processing. Major companies throughout the three counties include Merck and Company, Abington Hospital-Jefferson Health, GlaxoSmithKline, Hatfield Quality Meats, Aetna/U.S. Healthcare, St. Mary Medical Center, Giant Food Stores LLC, and Doylestown Hospital. Unemployment rates at October 2019 were 3.9%, 2.6% and 3.5% in Bucks, Chester, and Montgomery counties, respectively.

**Pittsburgh and Western PA Market Area.** Approximately four million people call Western Pennsylvania home, much of which is predominantly slower growth and non-metropolitan and/or rural. Much of Western Pennsylvania’s economy and culture is tied to Pittsburgh, which has enjoyed an economic renaissance since its days of being dependent upon the fate of the steel industry. Today, Pittsburgh’s competitive advantage rests with its highly-skilled workforce, technology-driven manufacturing, and world-class research institutions. The housing markets throughout Western Pennsylvania generally do not experience much appreciation during the economic boom years and are spared from the same degree of losses compared with other parts of the United States during economic downturns. As of October 2019, the unemployment rate in Pittsburgh was 4.3%.

Sparked by higher energy prices, economic development and natural gas drilling has picked up in the region following several lean years of falling employment growth amid sharply reduced as oil and gas-related activity. Parts of Western Pennsylvania sits atop the Marcellus Shale Formation, which remains a highly productive formation and is a source of a significant amount of natural gas. The Marcellus Shale gas fields stretch 600 miles along the Appalachian Mountains from New York State to West Virginia and most of Pennsylvania. The fields are located near high-demand markets along the east coast and the proximity to these markets makes it an attractive target for energy development. The number of jobs created has been politicized and is hard to measure although the Pennsylvania Department of Labor and Industry estimated that approximately 200,000 direct and indirect jobs have been created – about 3.5% of total employment in a state with 5.7 million jobs. **Although drilling and the attributes of Marcellus Shale are hotly debated across the state (and political lines), it appears evident that the economic benefits are primarily realized in areas where drilling occurs, rather than throughout the entire state.**

**Central Pennsylvania Market Area.** Home to approximately 4.4 million people, the Central Pennsylvania market area is primarily rural with pockets of smaller metropolitan areas.

Central Pennsylvania features prime farmland, national forests, and major rivers. We believe that many natural barriers, such as mountains, forests, and rivers have separated communities and tend to limit widespread merger and acquisition activity. According to U.S. Census data, the faster growing regions in Central Pennsylvania were the Harrisburg-Carlisle and Lancaster MSAs with growth rates of 8.0% and 7.1%, respectively. The Harrisburg MSA – home to the state’s capital city - has a population of approximately 580,000 people and the Lancaster MSA has about 548,000 individuals.

Central Pennsylvania encompasses many counties which are more countryside and slower-growing compared with other parts of the state. Several banks’ core markets, however, include much of the Marcellus Shale gas fields and will likely experience significantly increased economic activity when energy commodity prices are strong. Drilling activity slowed in recent years due to low gas prices, but operators ramped up activity in 2017 and more drilling is expected to occur. The Marcellus Shale gas fields stretch 600 miles along the Appalachian Mountains from New York State to West Virginia. According to the Pennsylvania Department of Labor and Industry, about 90,000 direct and indirect jobs have been created – about 1.5% of total employment in a state with 5.7 million jobs. Although drilling and the attributes of Marcellus Shale are hotly debated across the state (and political lines), it appears evident that the economic benefits are primarily realized in areas where drilling occurs, rather than throughout the entire state.

## Appendix A: Pennsylvania Bank & Thrift Highlights

Company Name	Ticker	Market Cap (\$MM)	Total Assets (\$000)	Tang. Common Equity/ Tang. Assets (%)	NPA*s*/ Loans & OREO (%)	LTM ROAA (%)	LTM ROAE (%)	Price/ LTM EPS (X)	Price/ Tang. Book Value (%)
1st Summit Bancorp of Johnstown	FSMK	136	1,098,294	10.1	0.30	1.02	11.5	NA	123
ACNB Corporation	ACNB	255	1,735,849	9.5	0.24	1.34	13.6	10.6	157
American Bank Incorporated	AMBK	68	637,824	9.1	NA	NA	NA	NA	116
AmeriServ Financial, Inc.	ASRV	72	1,171,426	7.8	0.13	0.67	8.1	10.0	80
Apollo Bancorp, Inc.	APLO	21	160,588	13.1	NA	0.87	7.3	12.0	101
Bryn Mawr Bank Corporation	BMTC	807	4,828,641	8.6	0.40	1.47	11.8	13.5	203
CB Financial Services, Inc.	CBFV	166	1,327,856	8.5	0.61	0.61	5.9	13.6	150
CCFNB Bancorp, Inc.	CCFN	103	757,988	12.1	1.00	1.11	8.9	11.9	113
Centric Financial Corporation	CFCX	85	791,584	9.5	0.82	1.23	14.0	11.2	113
Citizens & Northern Corporation	CZNC	368	1,642,587	13.2	1.03	1.72	11.7	17.5	173
Citizens Financial Services, Inc.	CZFS	215	1,475,005	8.8	1.49	1.29	13.0	11.3	169
Clarion County Community Bank	CCYY	14	173,529	10.1	0.60	0.72	7.3	14.4	79
CNB Financial Corporation	CCNE	494	3,541,170	7.4	0.54	1.12	13.5	12.9	192
Codorus Valley Bancorp, Inc.	CVLY	221	1,869,396	10.0	1.99	1.11	11.4	11.8	113
Commercial National Fin'l Corp.	CNAF	61	431,754	15.2	0.10	1.08	7.4	13.2	94
Community Bankers' Corporation	CTYP	18	311,457	NA	NA	NA	NA	NA	NA
Customers Bancorp, Inc.	CUBI	760	11,723,790	6.7	0.16	0.69	7.6	13.9	96
Dimeco, Inc.	DIMC	107	722,950	11.9	1.70	1.21	10.5	12.3	124
Embassy Bancorp Inc.	EMYB	131	1,161,448	8.3	0.00	0.96	12.1	12.4	135
Emclair Financial Corp	EMCF	88	941,430	6.6	0.74	0.53	6.6	14.1	144
ENB Financial Corp	ENBP	117	1,145,998	10.1	0.33	0.93	9.9	10.9	102
Enterprise Fin'l Services Group, Inc.	EFSG	11	310,815	NA	5.26	0.58	6.2	NA	NA
ESSA Bancorp, Inc.	ESSA	188	1,799,427	9.8	NA	0.69	6.8	14.5	111
F.N.B. Corporation	FNB	4,052	34,328,501	7.4	0.43	1.16	8.3	10.7	172
Fidelity D & D Bancorp, Inc.	FDBC	234	1,011,424	10.3	0.60	1.20	12.4	20.2	224
First Commonwealth Fin'l Corp.	FCF	1,433	8,152,027	9.2	0.48	1.42	11.4	13.6	200
First Community Fin'l Corp.	FMFP	68	535,353	NA	NA	0.83	9.3	NA	146
First Keystone Corporation	FKYS	133	1,019,994	10.9	0.84	0.92	8.0	13.2	123
First Resource Bank	FRSB	26	322,311	8.5	0.97	0.81	9.0	11.4	96
Fleetwood Bank Corporation	FLEW	22	255,366	9.8	0.33	0.73	8.1	NA	NA
FNB Bancorp, Inc.	FBIP	146	954,433	9.5	0.44	0.94	12.6	NA	NA
FNCB Bancorp, Inc.	FNCB	162	1,197,190	11.1	1.00	1.09	15.4	9.9	122
Franklin Fin'l Services Corp.	FRAF	166	1,301,773	9.1	0.79	0.52	5.3	10.9	142
Fulton Financial Corporation	FULT	2,905	21,703,618	8.5	0.79	1.03	9.2	12.8	162
GNB Financial Services, Inc.	GNBF	44	370,000	NA	NA	1.13	9.6	NA	NA
Hamlin Bank and Trust Company	HMLN	104	388,506	23.1	1.10	0.39	1.9	30.8	116
Harleysville Financial Corporation	HARL	89	779,256	9.8	1.49	1.04	11.0	11.1	117
Honat Bancorp, Inc.	HONT	171	706,563	14.9	0.59	1.37	8.9	19.6	162
HV Bancorp, Inc.	HVBC	32	356,559	9.3	1.23	0.28	2.8	32.9	103
Jonestown Bank and Trust Co.	JNES	58	629,663	9.0	0.58	0.84	9.6	11.4	102
JTNB Bancorp, Inc.	JTNB	15	201,613	9.8	0.41	0.51	6.1	NA	81
Juniata Valley Financial Corp.	JUVF	100	667,107	9.8	0.63	0.96	9.4	18.0	156
Kish Bancorp, Inc.	KISB	77	901,411	6.8	NA	0.72	10.5	11.6	127
Landmark Bancorp, Inc.	LDKB	36	321,360	10.4	1.18	-0.13	-1.6	NM	106
Malvern Bancorp, Inc.	MLVF	180	1,265,222	11.3	0.74	0.80	6.8	19.2	128
Mars Bancorp, Inc.	MNBP	31	403,365	9.3	0.02	0.46	5.3	16.5	82
Mauch Chunk Trust Financial Corp.	MCHT	45	459,758	9.1	0.20	0.65	7.8	15.0	97

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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 (%)
Meridian Corporation	MRBK	128	1,126,937	10.0	0.41	0.90	7.8	13.2	114
Mid Penn Bancorp, Inc.	MPB	233	2,248,899	7.6	0.29	0.64	6.0	13.0	141
Mifflinburg Bancorp, Inc.	MIFF	53	454,833	10.8	NA	1.12	11.4	10.7	109
MNB Corporation	MNBC	69	412,770	9.5	0.61	0.92	11.7	18.4	176
Muncy Bank Financial, Inc.	MYBF	58	493,236	10.0	0.31	1.06	10.6	11.3	118
Neffs Bancorp, Inc.	NEFB	73	370,407	18.3	0.62	1.26	7.0	NA	NA
New Tripoli Bancorp, Inc.	NTBP	80	499,101	11.4	0.51	1.10	9.7	NA	NA
Northumberland Bancorp	NUBC	48	543,599	10.2	0.57	0.57	6.0	13.7	87
Northwest Bancshares, Inc.	NWBI	1,770	10,580,474	9.6	0.76	1.11	8.6	15.7	180
Norwood Financial Corp.	NWFL	227	1,215,856	10.2	0.33	1.19	11.7	16.3	185
Orrstown Financial Services, Inc.	ORRF	253	2,313,677	8.6	0.47	0.75	8.6	17.0	129
Penns Woods Bancorp, Inc.	PWOD	236	1,673,095	8.3	1.19	0.94	10.7	13.9	173
Peoples Financial Services Corp.	PFIS	369	2,372,699	10.0	0.47	1.12	9.2	13.6	160
Peoples Limited	PPLL	52	405,796	9.3	0.57	1.33	15.7	11.7	140
PNC Financial Services Group, Inc.	PNC	69,669	408,916,000	9.0	0.77	1.41	11.4	14.2	194
Prudential Bancorp, Inc.	PBIP	164	1,289,434	10.4	2.42	0.82	7.1	17.3	124
QNB Corp.	QNBC	135	1,245,863	9.5	1.50	0.96	10.5	11.2	113
Quaint Oak Bancorp, Inc.	QNTQ	28	293,820	8.4	0.92	0.79	8.7	11.9	115
Republic First Bancorp, Inc.	FRBK	232	3,085,921	7.8	1.16	0.34	3.7	NM	96
Riverview Financial Corporation	RIVE	114	1,109,759	8.3	0.34	0.94	9.8	20.8	128
S&T Bancorp, Inc.	STBA	1,326	7,571,991	9.5	0.83	1.50	11.6	13.0	191
Somerset Trust Holding Company	SOME	101	1,310,370	8.8	0.83	0.91	12.6	8.9	87
SSB Bancorp, Inc. (MHC)	SSBP	18	201,183	10.3	3.29	0.22	1.9	NA	88
Standard AVB Financial Corp.	STND	133	991,488	11.8	0.39	0.90	6.5	16.4	122
Susquehanna Comm. Fin'l, Inc.	SQCF	57	476,356	10.0	0.29	1.24	12.0	10.8	119
TriState Capital Holdings, Inc.	TSC	747	7,198,449	5.9	0.07	1.04	12.2	13.1	177
Turbotville National Bancorp, Inc.	TVNB	NA	150,587	16.9	3.27	1.22	7.4	NA	NA
UNB Corporation	UNPA	9	146,829	9.7	0.01	0.22	2.3	19.4	61
Univest Financial Corporation	UVSP	789	5,353,611	9.4	0.89	1.07	8.3	11.5	162
Victory Bancorp, Inc.	VTYB	20	267,661	7.2	NA	0.81	11.4	9.0	104
William Penn Bancorp, Inc. (MHC)	WMPN	169	418,106	16.8	0.58	0.92	5.1	44.3	244
Woodlands Fin'l Services Company	WDFN	50	424,675	10.7	1.99	1.35	13.8	9.3	110
WVS Financial Corp.	WVFC	28	358,573	10.2	0.00	0.80	8.1	9.9	84
York Traditions Bank	YRKB	60	538,486	10.4	0.27	1.03	10.0	11.4	108
<b>Median</b>		<b>106</b>	<b>901,411</b>	<b>9.7</b>	<b>0.60</b>	<b>0.94</b>	<b>9.2</b>	<b>13.0</b>	<b>122</b>
<b>Average</b>		<b>1,154</b>	<b>7,210,540</b>	<b>10.1</b>	<b>0.82</b>	<b>0.93</b>	<b>9.0</b>	<b>14.4</b>	<b>131</b>

\*Excludes TDRs

Pricing data as of December 15, 2019

Financial data as of or for the three months ending September 30, 2019

Source: S&P Global Market Intelligence

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