



ACQUISITION OF CONESTOGA BANK

OCTOBER 22, 2015



FORWARD-LOOKING STATEMENTS & INFORMATION

THIS COMMUNICATION CONTAINS FORWARD-LOOKING STATEMENTS WITHIN THE MEANING OF THE PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995 GIVING BENEFICIAL BANCORP'S EXPECTATIONS OR PREDICTIONS OF FUTURE FINANCIAL OR BUSINESS PERFORMANCE OR CONDITIONS. FORWARD-LOOKING STATEMENTS ARE TYPICALLY IDENTIFIED BY WORDS SUCH AS "BELIEVE," "EXPECT," "ANTICIPATE," "INTEND," "TARGET," "ESTIMATE," "CONTINUE," "POSITIONS," "PROSPECTS" OR "POTENTIAL," BY FUTURE CONDITIONAL VERBS SUCH AS "WILL," "WOULD," "SHOULD," "COULD" OR "MAY", OR BY VARIATIONS OF SUCH WORDS OR BY SIMILAR EXPRESSIONS. THESE FORWARD-LOOKING STATEMENTS ARE SUBJECT TO NUMEROUS ASSUMPTIONS, RISKS AND UNCERTAINTIES, WHICH CHANGE OVER TIME. FORWARD-LOOKING STATEMENTS SPEAK ONLY AS OF THE DATE THEY ARE MADE AND WE ASSUME NO DUTY TO UPDATE FORWARD-LOOKING STATEMENTS. ACTUAL RESULTS MAY DIFFER MATERIALLY FROM CURRENT PROJECTIONS.

IN ADDITION TO FACTORS PREVIOUSLY DISCLOSED IN BENEFICIAL BANCORP'S REPORTS FILED WITH THE U.S. SECURITIES AND EXCHANGE COMMISSION (THE "SEC") AND THOSE IDENTIFIED ELSEWHERE IN THIS DOCUMENT, THE FOLLOWING FACTORS AMONG OTHERS, COULD CAUSE ACTUAL RESULTS TO DIFFER MATERIALLY FROM FORWARD-LOOKING STATEMENTS OR HISTORICAL PERFORMANCE: ABILITY TO OBTAIN REGULATORY APPROVALS AND MEET OTHER CLOSING CONDITIONS TO THE ACQUISITION OF CONESTOGA BANK AND MERGER OF CONESTOGA BANK WITH AND INTO BENEFICIAL BANK; DELAY IN CLOSING THE MERGER; DIFFICULTIES AND DELAYS IN INTEGRATING THE CONESTOGA BANK BUSINESS OR FULLY REALIZING COST SAVINGS AND OTHER BENEFITS; BUSINESS DISRUPTION FOLLOWING THE MERGER; CHANGES IN ASSET QUALITY AND CREDIT RISK; THE INABILITY TO SUSTAIN REVENUE AND EARNINGS GROWTH; CHANGES IN INTEREST RATES AND CAPITAL MARKETS; INFLATION; CUSTOMER ACCEPTANCE OF BENEFICIAL BANK PRODUCTS AND SERVICES; CUSTOMER BORROWING, REPAYMENT, INVESTMENT AND DEPOSIT PRACTICES; CUSTOMER DISINTERMEDIATION; THE INTRODUCTION, WITHDRAWAL, SUCCESS AND TIMING OF BUSINESS INITIATIVES; COMPETITIVE CONDITIONS; THE INABILITY TO REALIZE COST SAVINGS OR REVENUES OR TO IMPLEMENT INTEGRATION PLANS AND OTHER CONSEQUENCES ASSOCIATED WITH MERGERS, ACQUISITIONS AND DIVESTITURES; ECONOMIC CONDITIONS; AND THE IMPACT, EXTENT AND TIMING OF TECHNOLOGICAL CHANGES, CAPITAL MANAGEMENT ACTIVITIES, AND OTHER ACTIONS OF THE FEDERAL RESERVE BOARD AND OTHER LEGISLATIVE AND REGULATORY ACTIONS AND REFORMS.

ANNUALIZED, PRO FORMA, PROJECTED AND ESTIMATED NUMBERS ARE USED FOR ILLUSTRATIVE PURPOSE ONLY, ARE NOT FORECASTS AND MAY NOT REFLECT ACTUAL RESULTS.

TRANSACTION RATIONALE

Strategically Compelling

- Low risk, in-market transaction that allows us to build density and leverage our infrastructure
- Small business focused commercial loan portfolio with attractive yields
- Provides entry into specialty lending channels (leasing and SBA)
- Solidifies #1 market share ranking for community banks and #7 overall market share ranking in Philadelphia

Financially Attractive

- Highly earnings accretive - 45%
- Complementary balance sheet with a 95% loan to deposit ratio
- Effective use of our capital and consistent with Beneficial's acquisition criteria
- Significant cost savings – 45%
- 100% cash, leverages excess capital

Other Considerations

- Commercial loan and leasing represents 83% of total loans
- Will provide a 75% increase in deposits in Bucks County, and more than double our level of deposits in Chester County
- 10 out of 13 branches within 3 miles proximity to a Beneficial branch
- Low transaction costs

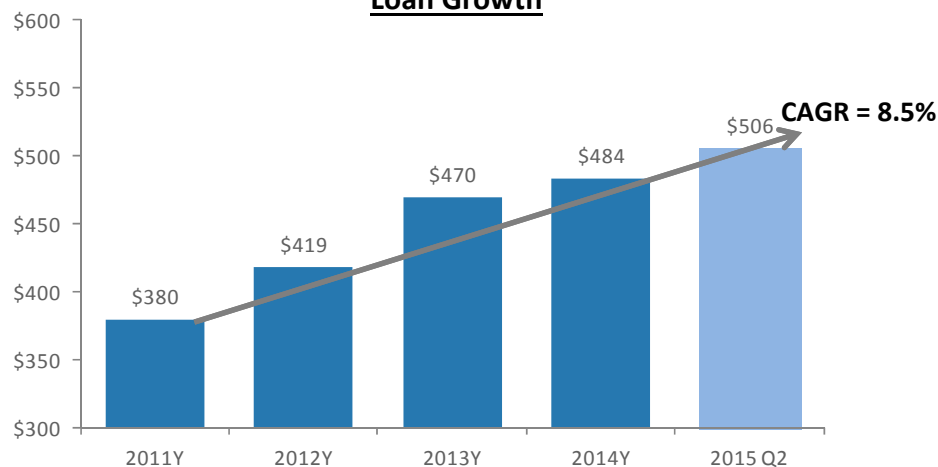
4 TRANSACTION SUMMARY

Purchase Price/Consideration	<ul style="list-style-type: none"> ➤ Acquiring Conestoga Bancorp's ownership interest in Conestoga Bank ➤ 160% tangible book value at closing, capped at \$105 million ➤ 100% cash ➤ Negotiated transaction
Credit Mark	<ul style="list-style-type: none"> ➤ 2.5% credit mark
Key Assumptions	<ul style="list-style-type: none"> ➤ 45% cost savings when fully phased-in ➤ Transaction costs of approximately \$10 million (pre-tax) ➤ Core deposit intangible of 1.5%
Financial Impact	<ul style="list-style-type: none"> ➤ 45% accretive to earnings when cost savings are fully realized ➤ 5% tangible book value dilution, earned back in 4.5 years ➤ Internal rate of return of 15%
Due Diligence	<ul style="list-style-type: none"> ➤ Detailed due diligence review completed ➤ 65% of commercial loan portfolio reviewed by independent firm and Beneficial
Expected Closing	<ul style="list-style-type: none"> ➤ First or Second Quarter 2016
Required Approvals	<ul style="list-style-type: none"> ➤ Customary regulatory approvals

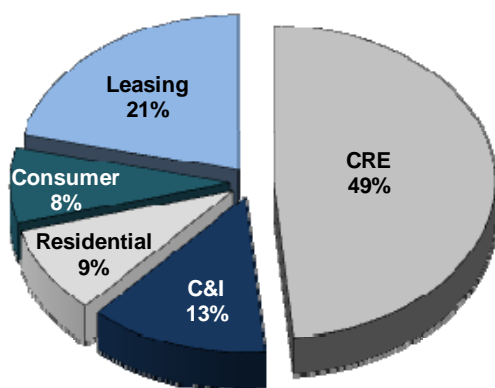
5 CONESTOGA OVERVIEW

(\$ in millions)

Loan Growth



Loan Composition



(\$ in Thousands)

Balance Sheet Highlights

Total Assets	\$712,320
Total Loans & Leases	506,135
Total Deposits	530,352
Loans/ Deposits (%)	95.43%
Tang Equity/ Tang Assets	8.70%

Performance Measures

Net Income	\$1,815
ROAA (%)	0.52%
ROAE (%)	5.88%
Yield on Loans & Leases	5.14%
Net Interest Margin (%)	3.88%
Efficiency Ratio (%)	74.20%

Asset Quality (%)

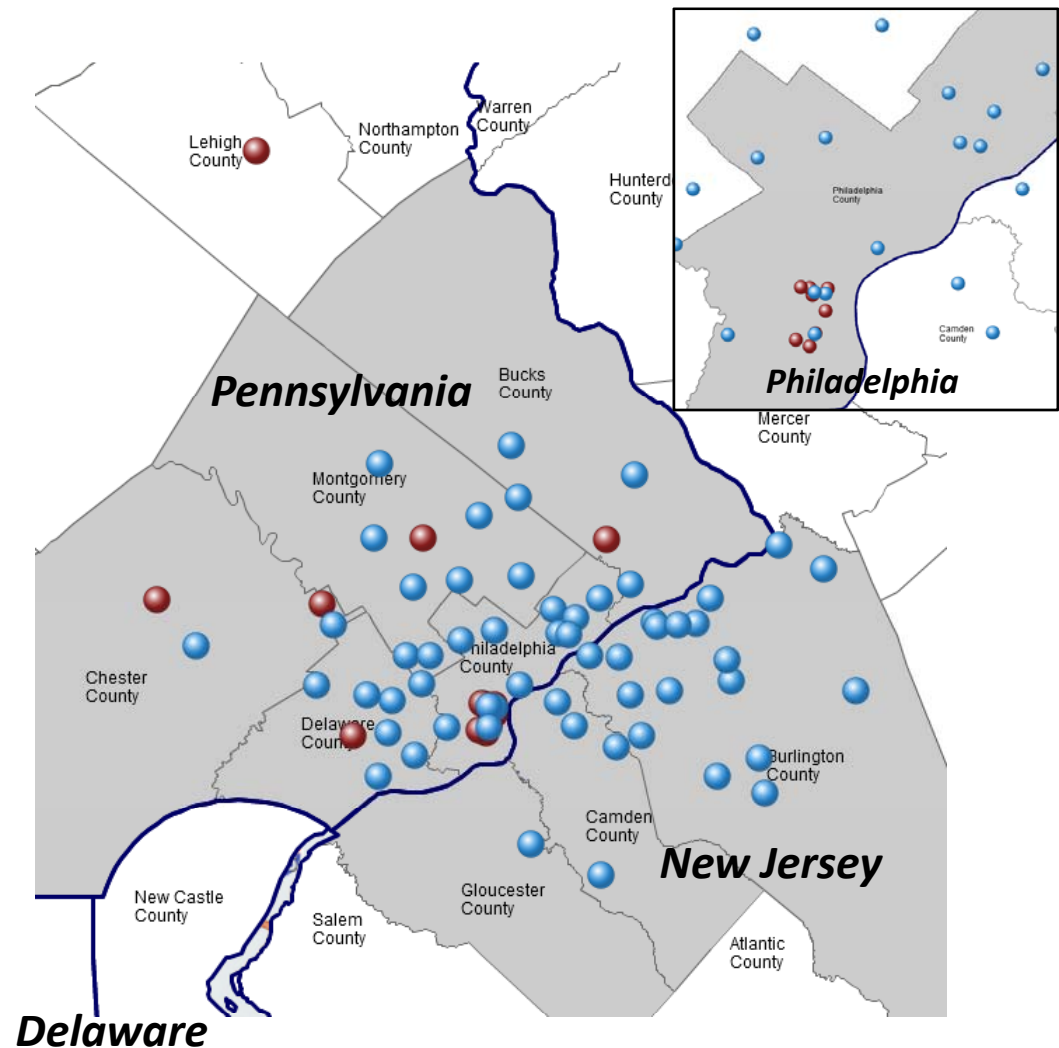
NPAs/ Assets	0.92%
Reserves/ NPAs	87.62%
Net Chargeoffs/ Avg Loans	0.18%



6 ATTRACTIVE COMBINED FRANCHISE

(\$ in millions)	As of June 30, 2015
Branches	69 (46 in PA; 23 in NJ)
Total Assets	\$5,448.8
Total Loans & Leases	\$3,214.6
Total Deposits	\$3,905.5

- Combination further strengthens our position in Philadelphia as the #1 ranked community bank by deposits
- Provides a deeper presence in surrounding suburbs with strong demographics
- Adds \$215 million of deposits in Philadelphia and \$315 million in surrounding suburbs
- Conestoga has 13 branches and 1 LPO in Lehigh County



- Beneficial Bank
- Conestoga Bank



- Financial data based on preliminary purchase accounting estimates as of June 30, 2015

Sources: Conestoga June 30, 2015 unaudited financial statements; SNL Financial

7 MARKET DEMOGRAPHICS

➤ Conestoga operates in many of the same attractive markets as Beneficial, allowing Beneficial to further build density in its footprint

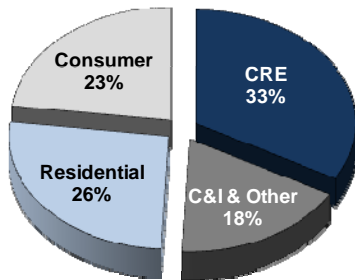
(Deposit \$ in thousands)

	<u>Philadelphia</u>	<u>Delaware</u>	<u>Chester</u>	<u>Montgomery</u>	<u>Bucks</u>
TOTAL POPULATION	1,562,939	563,729	514,063	817,612	627,549
MEDIAN HOUSEHOLD INCOME	\$36,553	\$62,974	\$83,868	\$80,561	\$76,011
CURRENT UNEMPLOYMENT RATE	7.4	5.2	4.1	4.3	4.7
CONESTOGA DEPOSITS (\$)	\$215,393	\$46,043	\$121,211	\$43,352	\$104,353
CONESTOGA BRANCHES	8	1	2	1	1



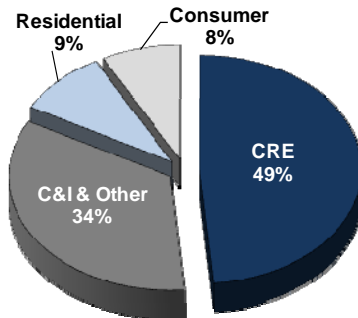
COMBINED LOANS & DEPOSITS

Beneficial



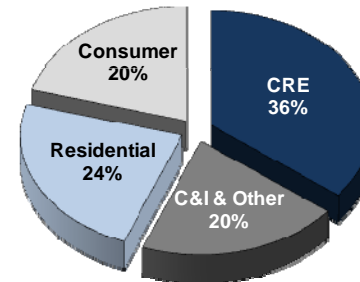
\$2.7 billion

Conestoga



\$0.5 billion

Beneficial Pro Forma

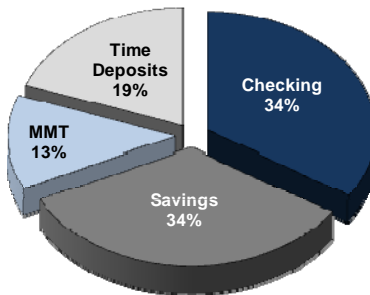


\$3.2 billion

(\$ in millions)

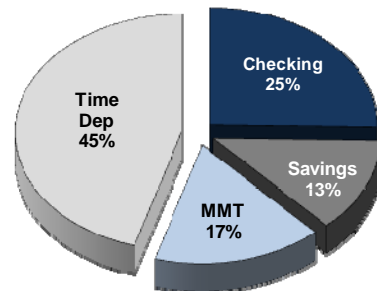
	6/30/2015
CRE	1,144
C&I & Other	651
Total Commercial	1,795
Residential	758
Consumer	662
Total Consumer	1,420
Total Loans	\$ 3,215

Beneficial



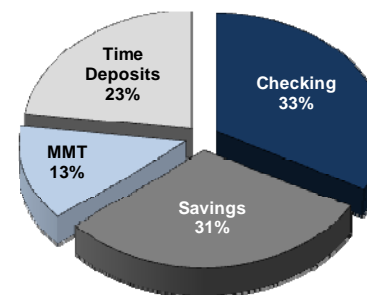
\$3.4 billion

Conestoga



\$0.5 billion

Beneficial Pro Forma



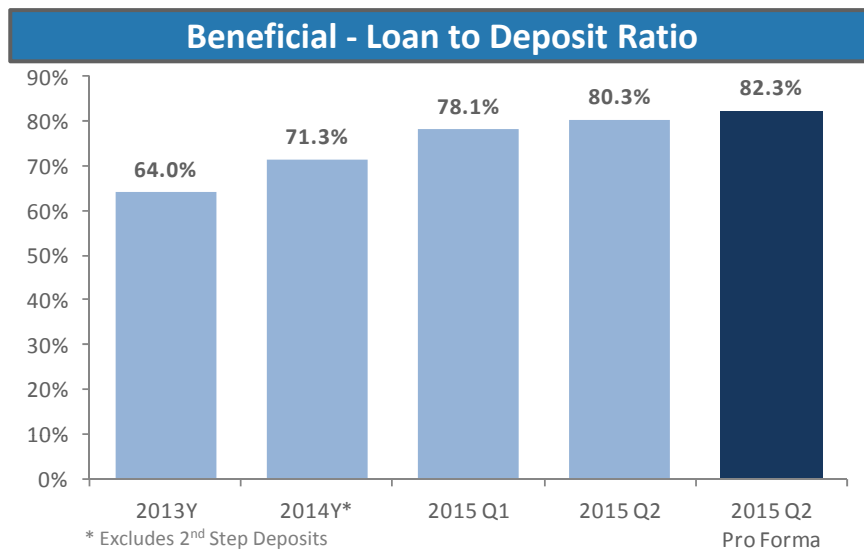
\$3.9 billion

(\$ in millions)

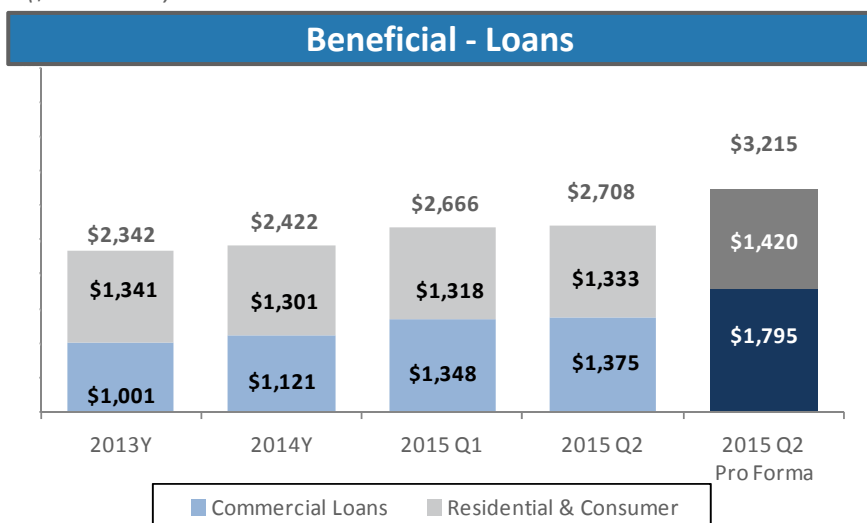
	6/30/2015
Checking	\$ 1,284
Savings	1,213
Money Market	510
Total Core	\$ 3,007
Time Deposits	899
Total Deposits	\$ 3,906



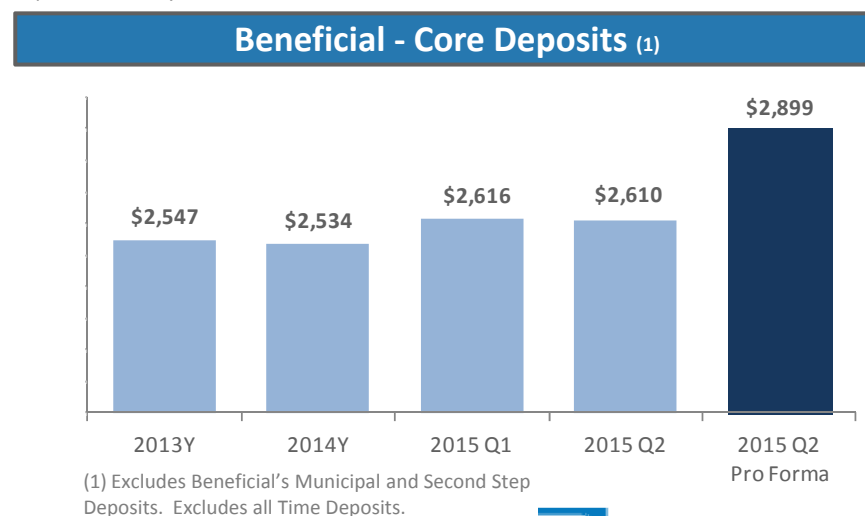
GROWING COMMERCIAL LOANS & IMPROVING LOAN TO DEPOSIT RATIO



(\$ in millions)



(\$ in millions)



10 BENEFICIAL BANCORP CAPITAL IMPACT

➤ Beneficial Bancorp's capital ratios remain strong post-acquisition with sufficient capital for future growth and anticipated stock repurchases

	Tier 1 Leverage Ratio	Tier 1 Capital Ratio	Total Capital Ratio	Common Equity Tier 1 Capital Ratio
June 30, 2015 Bancorp Capital Ratios	22.07%	39.12%	40.38%	38.35%
Pro Forma Capital Ratios	18.63%	30.54%	31.79%	29.90%

• Financial data as of June 30, 2015

ADDITIONAL INFORMATION

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