

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

February 7, 2012

FOR IMMEDIATE RELEASE  
Levittown, Pa

FOR FURTHER INFORMATION  
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William Penn Bancorp, Inc. (OTCBB: WMPN) announced net income of \$660,000 (\$0.18 per basic and diluted share) for the three months ended December 31, 2011 as compared to \$782,000 (\$0.22 per basic and diluted share) for the same period last year. The decrease in earnings is primarily due to an \$89,000 gain on the sale of an investment that occurred during the quarter ended December 31, 2010. There was no such gain during the quarter ended December 31, 2011. Net interest income for the three months ended December 31, 2011 was \$2,373,000, representing an increase of \$24,000, or 1.01%, as compared to net interest income of \$2,349,000 for the three months ended December 31, 2010. Net interest income after provision for loan loss remained virtually the same for three months ended December 31, 2011 and 2010. William Penn Bancorp, Inc. had assets of \$316.7 million at December 31, 2011 as compared to \$329.4 million at June 30, 2011.

Net income for six months ended December 31, 2011 was \$1,306,000 (\$0.36 per basic and diluted share) as compared to \$1,612,000 (\$0.45 per basic and diluted share) for the same period ending December 31, 2010. The decrease in net income was primarily due to a \$132,000 write down of the value of a property held in Real Estate Owned during the six months ended December 31, 2011. Net interest income declined by \$43,000 from \$4,738,000 for six months ended December 31, 2010 to \$4,695,000 for the same period ending December 31, 2011. Net interest income after provision for loan loss remained virtually the same at \$4.4 million for six months ended December 31, 2011 and 2010.

William Penn Bancorp, Inc. is the holding company for William Penn Bank, which serves Bucks County through its main office in Levittown, and additional branch offices in Levittown, Morrisville and Richboro, Pennsylvania. Deposits are insured up to the legal maximum (generally \$250,000 per depositor) by the Federal Deposit Insurance Corporation (FDIC). Effective January 25, 2012, William Penn Bank was converted from a federal charter to a Pennsylvania state chartered savings bank. The primary regulator for William Penn Bank will now be the Federal Deposit Insurance Corporation (FDIC). Executive offices are located at 8150 Route 13, Levittown, Pennsylvania 19057. As of December 31, 2011 there were issued and outstanding 3,641,018 shares of common stock, par value \$0.10 per share of William Penn Bancorp, Inc.

Senior Management: Terry L. Sager, President and Chief Executive Officer, Charles Corcoran, Executive Vice President and Chief Financial Officer, and James Douglas, Vice President and Chief Lending Officer.

Board of Directors: William J. Feeney (Chairman), Craig Burton, Charles Corcoran, Glenn Davis, William B. K. Parry, Jr., Terry L. Sager.

### Forward-Looking Statements Disclaimer

This press release contains forward-looking statements. Any statement that is not a historical fact is a forward-looking statement. Such forward-looking statements are subject to risk and uncertainties, which could cause actual results to differ materially from those currently anticipated due to a number of factors.

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

**Selected Financial Data:**

|  | <u>At</u><br><u>December 31, 2011</u> | <u>At</u><br><u>June 30, 2011</u> |
|--|---------------------------------------|-----------------------------------|
| Assets                                   | \$ 316,695                            | \$ 329,403                        |
| Cash and cash equivalents                | 16,366                                | 24,001                            |
| Investment securities available for sale | 10,945                                | 12,289                            |
| Investment securities held to maturity   | 29,165                                | 37,322                            |
| Loans Receivable, net                    | 242,654                               | 241,868                           |
| Deposits                                 | 176,918                               | 184,751                           |
| Advances from Federal Home Loan Bank     | 80,500                                | 85,500                            |
| Stock holders equity                     | 54,804                                | 54,170                            |
| Non-Performing Loans                     | 6,910                                 | 5,785                             |
| Non-Performing Assets                    | 7,741                                 | 6,234                             |

**Selected Operations Data:**

|   | <u>Three months ended December 31,</u><br><u>2011</u> |                | <u>Six months ended December 31,</u><br><u>2011</u> |                 |
|---|---|----------------|---|-----------------|
|   | <u>2011</u>   | <u>2010</u>    | <u>2011</u>   | <u>2010</u>     |
| Interest Income                                     | \$ 3,616  | \$ 3,776       | \$ 7,310  | \$ 7,647        |
| Interest Expense                                    | 1,243   | 1,427          | 2,615   | 2,909           |
| Net Interest Income                                 | 2,373   | 2,349          | 4,695   | 4,738           |
| Provision for loan losses                           | 191   | 164            | 270   | 309             |
| Net Interest Income after Provision for loan losses | 2,182   | 2,185          | 4,425   | 4,429           |
| Noninterest Income                                  | 109   | 197            | 195   | 290             |
| Noninterest expense                                 | 1,274   | 1,216          | 2,638   | 2,317           |
| Income before income taxes                          | 1,017   | 1,166          | 1,982   | 2,402           |
| Provisions for income taxes                         | 357   | 384            | 676   | 790             |
| Net Income  | <u>\$ 660</u>   | <u>\$ 782</u>  | <u>\$ 1,306</u>                                     | <u>\$ 1,612</u> |
| Basic and diluted earnings per share                | <u>\$ 0.18</u>  | <u>\$ 0.22</u> | <u>\$ 0.36</u>                                      | <u>\$ 0.45</u>  |