

Wind River's Patient, Experienced Capital Goes to Work in Community Banking

Two years ago, Wind River Holdings observed that the community banking sector held many of the characteristics for investment that it targeted: large, fragmented and growing markets, branded service offering, and quality management teams that can create sustainable, long-term value through execution of a sound strategy. Further, Wind River's unique capital structure provided it the opportunity to be creative and participate in this market where corporate entities and private equity groups have largely been precluded from participating.

Wind River began talking with many of the professional service providers that concentrated in the community bank sector and re-

searched the competitors and dynamics in the industry. After meeting several management teams, Wind River met Rick Elko, who had been the CEO of Patriot Bank, before it was sold in 2004.

Through several discussions, it became apparent that Wind River's long-term outlook and focus on strategic planning to chart the course for profitable growth fit well with Rick's desire to utilize his experience and abilities to re-enter the market. We began by providing a significant amount of the investment capital for Rick to establish Conestoga Bank, a de novo bank that opened in Chester County, Pennsylvania in July of 2006.

Shortly following the opening of Conestoga's

first branch, the bank entered into a purchase agreement to acquire PSB Bancorp and its subsidiary First Penn Bank. In April 2007, Conestoga completed the acquisition of PSB Bancorp and its subsidiary First Penn Bank and successfully integrated its 13 branches in May 2007. With another branch scheduled to open in late 2007/early 2008, Conestoga will then be operating 15 branch locations throughout the Philadelphia market area and its suburbs.

Wind River is pleased to be a significant investor in Conestoga Bank and anticipates the development of a long-term strategic plan that will distinguish its operations and provide for sustainable growth.



Target Criteria:

Location: U.S. based operations

Size: \$5-\$20 million EBITDA or \$30-\$150 million in enterprise value

Industry:

- Light manufacturing and assembly: consumer or industrial
- Business and consumer services
- Financial services

Branding: Branded products or services: consumer or industrial

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