

The Depository Trust Company
IMPORTANT

B#: 3129
DATE: March 18, 2002
TO: All Participants
CATEGORY: Dividends
FROM: Nilesh Desai, Supervisor, Dividend Department
ATTENTION: Dividend Managers, Cashiers & Reorganization Managers
SUBJECT: Subscription Offering: Willow Grove Bancorp, Inc.
CUSIP#: 97111E101 R/D: 2/8/02
Expires: 3/19/02 (12:00 noon eastern time)

***** Warning Time Critical *****

Willow Grove Bank is offering to shareholders a opportunity to purchase additional shares of common stock at a subscription price of \$10.00 per share. Each holder must purchase a minimum of 25 shares, but no more than 50,000 shares. This offering is based on a **priority order** which is as follows:

PRIORITY 1: ELIGIBLE ACCOUNT HOLDERS (Willow Grove Bank depositors with a balance of at least \$50.00 at the close of business on June 30, 2000).

PRIORITY 2: THE COMPANY'S EMPLOYEE STOCK OWNERSHIP PLAN.

PRIORITY 3: SUPPLEMENTAL ELIGIBLE ACCOUNT HOLDERS (Willow Grove Bank depositors with a balance of at least \$50.00 at the close of business on December 31, 2001).

PRIORITY 4: OTHER MEMBERS (Willow Grove Bank depositors and certain borrowers at the close of business on January 31, 2002).

PRIORITY 5: DIRECTORS, OFFICERS AND EMPLOYEES. These individuals also may be entitled to purchase stock in the above categories.

(-Over-)

B#:3129

PRIORITY 6: CURRENT STOCKHOLDERS OF WILLOW GROVE BANCORP (as of February 8, 2002).

The Depository Trust Company (“DTC”) will not be crediting rights to participants’ accounts because there is no established rate of subscription entitlement in this offering. Therefore, DTC participants cannot exercise their subscriptions through DTC’s Reorganization Department.

Willow Grove Bank mailed materials to shareholders on 2/21/02. DTC has provided to the Bank a record date listing to insure that all DTC participants with a record date holding were mailed offering materials.

If participants have any questions regarding the offering, they may call the Stock Information Center of the Bank at (215) 396-7875.

If participants did not receive their offering materials, they may call Registrar & Transfer (the “Mailing Agent”) at (908) 497-2300.

THE DIVIDEND POSITION AND ALLOCATION HISTORY (DPAL) OPTION, ACCESSED VIA THE PTS DIVIDEND ANNOUNCEMENTS INQUIRY (DIVA) FUNCTION, SHOULD BE USED TO CONFIRM YOUR RECORD DATE POSITION HISTORY AND PAYMENT INFORMATION.

If participants have any questions concerning this Important Notice, please contact Mr. Ray Lew or Ms. Susan Alvino of DTC's Stock Dividend Department at (212) 855-4523/4532.